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House of Representatives

The House met at 10 a.m.

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

With all the wonderful traditions that have blessed our lives, we pray, gracious God, that we will be more appreciative of the families who have nurtured us along the way and given us the very gift of life. For mothers and fathers, for grandparents and relatives, and for all those people who fostered our growth and looked to our care, we offer words of thanksgiving and gratitude. We recognize that as we give value to our family heritage and honor our own history, we strengthen our own lives and gain the power to share these same gifts with those who follow us. In Your holy name, we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

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

PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentleman from North Carolina [Mr. MCINTYRE] come forward and lead the House in the Pledge of Allegiance.

Mr. MCINTYRE 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

The SPEAKER. The Chair will entertain 10 one-minutes on each side.

GOVERNMENT CANNOT BUILD PROSPERITY; ONLY FREE INDIVIDUALS CAN

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

Mr. BALLENGER. Mr. Speaker, I often wonder if the other side has forgotten what motivated people from every corner of the globe to come to our shores throughout history. Indeed, the forefathers of the very same people who reflexively attack the idea of tax cuts as tax cuts for the rich came to America to escape government oppression, to escape the idea that government has a higher claim to the fruits of your labor than you and your family do.

America as a land of opportunity was not built into a rich and prosperous Nation by this way of thinking. In fact, America is a land of opportunity for reasons which are exactly the opposite of this way of thinking.

Government cannot build prosperity. Only free individuals can.

Americans became rich because free individuals had dreams, took risks, and worked hard to realize those dreams.

The other side might wish to remember that their rhetoric has absolutely nothing to do with making America more free, nothing to do with telling children to dream great dreams, and nothing to do with making a nation prosperous. It is very sad to see.

INDEPENDENT CONTRACTOR PROVISION OF THE REVENUE RECONCILIATION ACT WOULD REDUCE AMERICAN WORKERS

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

Mr. KUCINICH. Mr. Speaker, our country is going through a major transition in employment relations. The temporary help industry is exploding. Workers can no longer count on working for the same employer for their entire lives. Now is the time for Federal policy to promote a high-wage/high-skill economy which values workers and encourages employers to invest in the skills and long-term productivity of working people.

But the independent contractor provision in the Revenue Reconciliation Act would reclassify and misclassify American working people as independent contractors without wage and benefit guarantees, without unemployment or worker's compensation, without prevailing wage, minimum wage, without protections or equal employment protections. It would reduce American workers.

The last time we had a system like the independent contractor provision, we had an America that was filled with company stores. We are not going back to that era.

We have to value American workers, invest in them, and give them an opportunity to support their families with decent wages and to have decent benefits.

CUT TAXES FOR WORKING FAMILIES

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

Mr. ROGAN. Mr. Speaker, one of the most important debates that will occur during this Congress is whether this Congress will send more money back to the people who work for a living and earn that money. As one might expect, we are hearing both sides in this debate talking about tax cuts.

But let's look at the record. Republicans have controlled Congress for the last two Congresses. In each of those Congresses we have passed tax cuts for working men and women in this country.

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For 40 years before that, the other side controlled this Congress. When they began their reign in 1955, Americans paid about 10 percent of their income in taxes.

Today, thanks to their pattern of continuing tax increases, for the first time in American history the average family spends more in taxes than they spend for food, clothing, and shelter combined.

When we look at the record, this shows which party has real credibility on this issue. The other side fights tax cuts today by calling them tax cuts for the rich. Who are the so-called rich that the liberals refer to? They are talking about foundry workers, schoolteachers, machinists, and police on the beat. This is who they deem to be the rich. This is why they intend to deny tax cuts.

This has to end. We have to give people back more of the money they have earned, and give families the freedom to spend that money on their children. Republicans will end the wrong-headed practice of taking money from working families and sending it to Washington.

That day of financing every liberal wish list at the expense of working families will be over, Mr. Speaker, when the Republican tax cut takes effect.

FAIRNESS TO FARMERS

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

Mr. MCINTYRE. Mr. Speaker, today we will consider an issue of fairness to farmers who have invested for generations in their crops, and who for generations have fed their families, paid their bills, and put their kids through college when possible; farmers who, by the sweat of their brow on hot and humid days like today, are out there toiling in the sun; who suddenly might suffer a natural disaster at no fault of their own, as happened last year, when all eight counties in my district in southeastern North Carolina found that their crops were destroyed by hurricanes; small family farmers who should not bear the brunt of someone else's political agenda.

If we take away crop insurance from our tobacco farmers, we punish them for making an honest living from the soil of the Earth, we punish them by keeping them from getting bank loans, and we punish them again if disaster strikes. Do not do it. Do not take away their chance to make an honest living and be able to provide for their families.

THE GOP TAX BILL PROVIDES TAX RELIEF TO HARDWORKING MIDDLE-CLASS FAMILIES

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

Mr. GIBBONS. Mr. Speaker, this is the end of the week. By now we have heard all the exhaustive cries of our liberal friends over here that the Republican tax bill provides tax cuts for the rich and, as they will have us believe, the rich do not deserve a tax break.

However, a close look at who they label as ''rich'' is very revealing. In fact, it reveals a tale of deception on every American worker. According to a recent independent study, the Democratic definition of rich is the total income of any household making more than $56,200 a year. They contend, therefore, that 1.7 million union members are too rich to deserve tax cuts, 2.4 elementary and high school schoolteachers are too rich to deserve a tax cut, 8.1 million government workers, 4.2 million mechanics, repairmen, and construction workers, and the list goes on and on and on.

Mr. Speaker, the Democrats complain, and they claim that the only equitable way to provide tax relief to the American people is to allow those who pay no taxes to receive a bigger refund. Mr. Speaker, the Republican tax bill provides that much-needed tax relief to hardworking middle-class citizens of this country. I urge all my colleagues on both sides of the aisle to support this bill.

ORDINARY HARDWORKING AMERICANS WILL RECEIVE NO TAX RELIEF THROUGH THE REPUBLICAN TAX BILL

(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, the Republican con games continue, convincing the American people they are getting a tax cut by giving a majority of the tax breaks to the richest people in America; complain that the Democrats are engaged in class warfare, while the Republicans practice it.

Yesterday I spoke about Al. He works in a factory, supports his wife and two kids on his $25,000 salary, and he gets absolutely nothing from the Republican tax bill.

Today I want to tell Members about Mary. Mary is a single mom. She will struggle to raise two kids on her own. Mary works 40 hours a week as a secretary for $12 an hour. That is a little less than $25,000 a year. Mary works hard and pays thousands of dollars in taxes. What does Mary get under the Republican tax bill? Nothing. Zero. Zip.

What do Speaker GINGRICH and the Republicans say about Mary? They say Mary is on welfare. Huge tax breaks for millionaires, nothing for Mary, nothing for Al. Mr. Speaker, the Republicans should come clean with the American people and tell the truth.

PORKER OF THE WEEK AWARD

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

Mr. HEFLEY. Mr. Speaker, an investigation by the inspectors general of the Department of Health and Human Services found that a $15.3 million training program based at the University of Mississippi, underwritten with Federal tax dollars, was only 8 percent effective. The goal of this program was to help participants earn the equivalent of a high school diploma, the GED.

Yet, for all the money spent, just 720 of the 4,300 participants even took the GED exam. Of those, only about half passed and went on to receive the GED diploma. The final price tag, now get this, for each GED diploma was $40,584. That looks like the cost of a 4-year stay at a State-run college, rather than a remedial education effort.

Why do we keep spending tax dollars on feel-good programs that are not working? It appears these folks could use a little education in the arithmetic category. They simply are not making the grade. The U.S. Department of Health and Human Services gets my Porker of the Week Award.

A NATIONAL COMMITMENT TO REPLACING OUTDATED LIBRARY BOOKS

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

Mr. BLAGOJEVICH. Mr. Speaker, books have the power to bring the world to any child, but it is an obsolete world children see in 75 percent of the books in Chicago public school libraries.

Here is a sample of what students learn from many of these books. Russia is still part of the Soviet Union. The Berlin Wall is still standing. And some of these books boldly predict that one day man will actually walk on the Moon.

A recent study showed that 65 percent of the 100,000 public school libraries do not have adequate book collections. Recently the gentleman from Delaware [Mr. CASTLE] and I circulated a letter signed by 70 Members of Congress urging a strong new commitment to replacing outdated library books.

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There is good news. Earlier this week a congressional subcommittee agreed to invest $350 million to help public school libraries. That is an investment, Mr. Speaker, that will help take our public school libraries out of the dark ages and bring them back to the future.

DRUGS IN FLORIDA

(Mr. GOSS asked and was given permission to address the House for 1

minute and to revise and extend his remarks.)

Mr. GOSS. Mr. Speaker, over the last 4 years an increasingly permissive attitude, even a tolerance in some circles, of illegal drug use has regrettably developed. The lack of institutional leadership from the President and from the media on this issue is reflected in the dramatic increases in the use of marijuana and other drugs by our young people. Overall drug use by teens in America has more than doubled since 1992, more than doubled. We need real leadership and we need it now.

Today Speaker GINGRICH will join the Florida delegation in a hearing to look at the troubling reemergence of Florida as a major drug trafficking route. This hearing is an important step in fighting the complacency and focusing, once again, on winning the war on drugs rather than settling for a stalemate or a draw. I hope the administration will join us in renewing our effort to kick our Nation's drug habit. We could use the help in Florida.

REPUBLICAN GOVERNMENT SHUTDOWN

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

Mr. PALLONE. Mr. Speaker, the Republicans are beginning to fear that they are not going to be able to win the President's support for their tax cut plan for the rich. So what do they do? They threaten to shut down the Government again.

Many Americans remember in the last session of Congress when the Republicans did not get their way and so they decided to shut down the Government. Now the Speaker fears he will not get his way with his tax cuts for the rich so he wants to hold the Government hostage once again.

Mr. GINGRICH told a meeting of Ways and Means Republicans Wednesday that the GOP-controlled Congress would not send any appropriation bills to the President for his signature until the President signs a Republican tax cut plan. This is according to two GOP sources that spoke to Congress Daily.

Mr. Speaker, the Democrats have been working hard to push our plan that would truly benefit middle-income families. Unfortunately, the Republican leadership is not honoring the agreement they made with the American people. First they broke their promise to middle-class Americans, and now they want to shut the Government down again.

PROMISES AND ASSURANCES

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

Mr. NEY. Mr. Speaker, this is going to be a big week for Americans. We want to talk about tax cuts and what we can do to help children. But Carol Browner, Director of the U.S. EPA, is at it once again. She has made her final ruling, with agreement by the White House, that there are going to be some new ozone rules.

They did not look at the sound science. We know that from George Wolf that heads up the subcommittee. They did not release the information when we asked for it. Now in fact they might have cut some deals across the country that some areas do not have to go under these new rules, but they will not tell us whether they have or have not.

We need the truth, Mr. Speaker. The American people need the truth. These policies are not going to help people with respiratory problems. They are simply going to throw people out of work.

Most important, Mr. Speaker, this is the United States. It is time, no matter where we stand on these issues, that we do not let unelected bureaucrats decide national law. The people send Members of Congress here to talk about national law. The Director of the U.S. EPA is trying to mandate that we will do a certain policy without addressing the give-and-take of talking to the Congress.

Mr. Speaker, we have got to get behind the gentleman from Pennsylvania [Mr. KLINK] in his efforts.

NO TAX BENEFIT UNDER REPUBLICAN PLAN FOR MIDDLE-INCOME AMERICANS

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

Ms. JACKSON-LEE of Texas. Mr. Speaker, the real question this morning is, what do the schoolteacher, the police officer, the firefighter, the bus driver, and the single working mother have in common? No tax benefit under the Republican tax plan.

Many will say that absence makes the heart grow fonder. Let me say, not so. The Republicans have absented themselves from the 1994 Contract on America, which says that they would give a tax refund to those who pay income tax, those who receive an earned income tax credit, and those who pay payroll taxes. Not so.

They all signed it. They have all forgotten. Now they call the schoolteacher, the police officer, the firefighter, the bus driver, and the working mother, they are on welfare, because they do not want to give them a child tax credit.

Absence does not make the heart grow fonder for the working people of America. The Democratic alternative recognizes when you go to work every day as a bus driver, a schoolteacher, a single working mother, you deserve a tax credit for your child. That is the plan that is for all working Americans.

TAX CUTS

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

Mr. SMITH of Michigan. Mr. Speaker, I hope the American people that are observing this debate over taxes now realize why tax cuts come so slowly in this Congress. There are some elitists in this Chamber and a lot of egos that think that Washington can spend your money better than you can.

The tax bill currently before Congress is going to benefit every American, whether it is a $400 more in your pocket or $1,500 more in your pocket. Middle class working families are going to gain a little bit from this tax cut. But this tax cut is just a little bit. Compared to the $250 billion tax increase that we just had 4 years ago, this is an $85 billion net tax cut, just a portion of the huge tax increase that just happened a few years ago.

If we are going to have a country that has been as successful as we have, we have to get back to a system where we let the people keep more of the money in their pocket, where we reward the people that work hard, that try, that save, that invest, and the people that work hard are better off than those that do not.

IN SUPPORT OF TAX FAIRNESS FOR WORKING AMERICAN FAMILIES

(Ms. VELÁZQUEZ asked and was given permission to address the House for 1 minute.)

Ms. VELÁZQUEZ. Mr. Speaker, 2 years ago the Republicans signed a contract with the working families of America and promised to provide them with tax relief. They proposed a law called the American Dream Restoration Act, which calls for a $500-per-child tax credit for families making up to $200,000. This was item 5 on their Contract With America.

Amazingly, the Republicans will give a $500-per-child tax credit to people making $200,000 but they want to deny this tax relief to families making $20,000. Yesterday the New York Times reported that the Speaker of the House might finally give the child care tax credit to all working families. Then he changed his mind.

My colleagues, what is going on here? Are the Republicans going to keep their promise or not? Are the Republicans going to make good on their contract they signed or is this just another case of promises made, promises broken?

BOGUS AIR QUALITY STANDARDS

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

Mr. BARR of Georgia. Mr. Speaker, yesterday we had the administration officially come forward with its national ambient air quality standards,

otherwise known as BAQS, bogus air quality standards.

Mr. Speaker, the administration tells us this is to save the children. But, Mr. Speaker, what do you tell the child whose family cannot afford a home because the so-called new air standards put the cost of those new homes beyond their family's means? What do you tell the child whose father is out of work because these so-called new air standards shut down his business? What do you tell the community that cannot build a new hospital because these new so-called standards cannot be met?

Mr. Speaker, America's children do not need weird science. They need homes, parents with jobs, new schools, new hospitals, all which would become endangered species if these so-called new standards are allowed to go into effect.

ROBIN HOOD IN REVERSE

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

Mr. WYNN. Mr. Speaker, it appears as though the Republicans are going to treat us to another episode of their favorite show, Robin Hood in reverse. He takes from the poor and the middle class to give to the rich. This is also known by the term ''tax relief for the rich.'' The issue is not whether there ought to be a tax refund. The issue is tax fairness.

If you look at the Republican tax package, 60 percent of the tax benefits go to the wealthiest 5 percent of Americans. They give millionaires $12,000 to $24,000 in tax relief through estate taxes and indexed capital gains, but when we suggest that teachers, bus drivers, entry-level policemen ought to get a child tax credit, they have the audacity to say that is welfare. No, that is tax fairness.

The working people, the working middle class in America ought to get the lion's share of the tax relief, not the wealthy millionaires who are collecting large capital gains tax breaks.

We believe in tax fairness. The Democrats are advocating a child tax credit for everyone. When they had their Contract on America, they said it was a good idea: Give working America a tax break. They reneged on that promise. Promises made, promises broken.

MEDICARE OVERPAYMENT

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

Mrs. CHENOWETH. Mr. Speaker, today the New York Times ran a very interesting article but a very sad article. It is entitled ''U.S. Overpaid $2.3 Billion Last Year'' in Medicare and it reads:

''In the first comprehensive audit of Medicare, Federal investigators said Wednesday that the government overpaid hospitals, doctors and other health care providers last year by $23 billion, or 14 percent of all of the money spent in the standard Medicare program.

''The books and records of the Medicare agency and its contractors were in such disarray that they could not be thoroughly audited,'' said the inspector general. She said that there was no way to tell how much money of the overpayment resulted from fraud.

Mr. Speaker, I think the buck stops with the President on this issue. I think before we get into the next cycle, I think the President absolutely must pay attention to this fraud and abuse in Medicare.

HOUSTON OILERS MOVE TO TENNESSEE

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

Mr. GREEN. Mr. Speaker, recently the Houston Oilers received the final agreement to leave Houston and become the Tennessee Oilers, playing in Memphis, TN, this year and later on in Nashville, TN.

As a long-time Houston Oiler fan, I am looking for a new professional team to adopt. I worked as a 13-year-old at the old Oiler football games at Jeppesen Stadium, now Robertson Stadium, on the University of Houston campus.

Today I am cleaning out some of my Oiler paraphernalia like a lot of people in Houston are doing. I want to present them to the gentleman from Nashville, TN [Mr. CLEMENT] and say, ''You can have this hat, you can have this glass that says Houston Oilers,'' even a bumper sticker from our local radio station that plays the Oilers and their games, and even a pin that says, ''Love You, Blue.''

Mr. Speaker, I yield to the gentleman [Mr. CLEMENT].

Mr. CLEMENT. Mr. Speaker, I thank the gentleman. I thank him for remembering Sam Houston and Davy Crockett and the countless volunteers that fought for Texas and independence. I have always heard all my life, if it had not been for Tennessee, there would not have been a Texas.

Well, we are not going to get Houston oil but we are going to get the Houston Oilers. We appreciate it very much. Payments are in full, and we deeply appreciate the gentleman realizing that we now have bought a great team. We want him to come see them play in the near future in Memphis and then in Nashville, TN. We have a lot to be proud of, and we will sure help the gentleman and work with him to get another team.

BOEING-McDONNELL DOUGLAS MERGER

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

Mr. METCALF. Mr. Speaker, yesterday the European Commission's Merger Task Force voted to disapprove the Boeing-McDonnell Douglas merger. The Economic Community charged Boeing would have to make greater concessions if they would receive approval from the EC.

I have sent a letter, developed a letter to the EC and I have sent it to every congressional office. At this time I am urging every Member of Congress to send that letter and show solid support for keeping their nose out of our business.

CROP INSURANCE

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

Mr. GOODE. Mr. Speaker, later today there may be an amendment to take Federal crop insurance from the American tobacco grower, yet it will be left for wheat, rye, barley, and all the other crops. Some do want to destroy the American tobacco grower. In 1896 William Jennings Bryan said, ''If you destroy the American farmer, grass will grow in the streets of every city of the land.''

□ 1030

In 1997, if we destroy the American tobacco farmer, 350,000 good jobs will be lost. We will be buying Chinese cigarettes, we will be buying Brazilian cigarettes, and we will be wrecking our trade surplus that agriculture so richly provides this Nation.

Save crop insurance and help the American economy.

INTELLIGENCE AUTHORIZATION ACT FOR FISCAL YEAR 1998

Mr. GOSS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 858) to authorize appropriations for fiscal year 1998 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, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

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

There was no objection.

The Clerk read the Senate bill, as follows:

S. 858

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 ''Intelligence Authorization Act for Fiscal Year 1998''.

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—INTELLIGENCE ACTIVITIES
Sec. 101. Authorization of appropriations.
Sec. 102. Classified schedule of authorizations.
Sec. 103. Personnel ceiling adjustments.
Sec. 104. Community Management Account.
TITLE II—CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY SYSTEM
Sec. 201. Authorization of appropriations.
TITLE III—GENERAL PROVISIONS
Sec. 301. Increase in employee compensation and benefits authorized by law.
Sec. 302. Restriction on conduct of intelligence activities.
Sec. 303. Detail of intelligence community personnel.
Sec. 304. Extension of application of sanctions laws to intelligence activities.
Sec. 305. Administrative location of the Office of the Director of Central Intelligence.
Sec. 306. Encouragement of disclosure of certain information to Congress.
Sec. 307. Provision of information on violent crimes against United States citizens abroad to victims and victims' families.
Sec. 308. Standards for spelling of foreign names and places and for use of geographic coordinates.
Sec. 309. Sense of the Senate.
TITLE IV—CENTRAL INTELLIGENCE AGENCY
Sec. 401. Multiyear leasing authority.
Sec. 402. Subpoena authority for the Inspector General of the Central Intelligence Agency.
TITLE V—DEPARTMENT OF DEFENSE INTELLIGENCE ACTIVITIES
Sec. 501. Academic degrees in intelligence.
Sec. 502. Funding for infrastructure and quality of life improvements at Menwith Hill and Bad Aibling stations.
Sec. 503. Misuse of National Reconnaissance Office name, initials, or seal.

TITLE I—INTELLIGENCE ACTIVITIES

SEC. 101. AUTHORIZATION OF APPROPRIATIONS.

Funds are hereby authorized to be appropriated for fiscal year 1998 for the conduct of the intelligence and intelligence-related activities of the following elements of the United States Government:

(1) The Central Intelligence Agency.
(2) The Department of Defense.
(3) The Defense Intelligence Agency.
(4) The National Security Agency.
(5) The Department of the Army, the Department of the Navy, and the Department of the Air Force.
(6) The Department of State.
(7) The Department of the Treasury.
(8) The Department of Energy.
(9) The Federal Bureau of Investigation.
(10) The Drug Enforcement Administration.
(11) The National Reconnaissance Office.
(12) The National Imagery and Mapping Agency.

SEC. 102. CLASSIFIED SCHEDULE OF AUTHORIZATIONS.

(a) SPECIFICATIONS OF AMOUNTS AND PERSONNEL CEILINGS.—The amounts authorized to be appropriated under section 101, and the authorized personnel ceilings as of September 30, 1998, for the conduct of the intelligence and intelligence-related activities of the elements listed in such section, are those specified in the classified Schedule of Authorizations prepared to accompany the conference report on the bill ___ of the One Hundred Fifth Congress.

(b) AVAILABILITY OF CLASSIFIED SCHEDULE OF AUTHORIZATIONS.—The Schedule of Authorizations shall be made available to the Committees on Appropriations of the Senate and House of Representatives and to the President. The President shall provide for suitable distribution of the Schedule, or of appropriate portions of the Schedule, within the Executive Branch.

SEC. 103. PERSONNEL CEILING ADJUSTMENTS.

(a) AUTHORITY FOR ADJUSTMENTS.—With the approval of the Director of the Office of Management and Budget, the Director of Central Intelligence may authorize employment of civilian personnel in excess of the number authorized for fiscal year 1998 under section 102 when the Director of Central Intelligence determines that such action is necessary to the performance of important intelligence functions, except that the number of personnel employed in excess of the number authorized under such section may not, for any element of the intelligence community, exceed two percent of the number of civilian personnel authorized under such section for such element.

(b) NOTICE TO INTELLIGENCE COMMITTEES.—The Director of Central Intelligence shall promptly notify the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate whenever the Director exercises the authority granted by this section.

SEC. 104. COMMUNITY MANAGEMENT ACCOUNT.

(a) AUTHORIZATION OF APPROPRIATIONS.—

(1) AUTHORIZATION.—There is authorized to be appropriated for the Community Management Account of the Director of Central Intelligence for fiscal year 1998 the sum of $90,580,000.

(2) AVAILABILITY OF CERTAIN FUNDS.—Within such amount, funds identified in the classified Schedule of Authorizations referred to in section 102(a) for the Advanced Research and Development Committee and the Environmental Intelligence and Applications Program shall remain available until September 30, 1999.

(b) AUTHORIZED PERSONNEL LEVELS.—The elements within the Community Management Account of the Director of Central Intelligence are authorized a total of 278 full-time personnel as of September 30, 1998. Personnel serving in such elements may be permanent employees of the Community Management Account element or personnel detailed from other elements of the United States Government.

(c) CLASSIFIED AUTHORIZATIONS.—

(1) AUTHORIZATION OF APPROPRIATIONS.—In addition to amounts authorized to be appropriated for the Community Management Account by subsection (a), there is also authorized to be appropriated for the Community Management Account for fiscal year 1998 such additional amounts as are specified in the classified Schedule of Authorizations referred to in section 102(a).

(2) AUTHORIZATION OF PERSONNEL.—In addition to the personnel authorized by subsection (b) for elements of the Community Management Account as of September 30, 1998, there is hereby authorized such additional personnel for such elements as of that date as is specified in the classified Schedule of Authorizations.

(3) CONSTRUCTION.—Authorizations in the classified Schedule of Authorizations may not be construed to increase authorizations of appropriations or personnel for the Community Management Account except to the extent specified in the applicable paragraph of this subsection.

(d) REIMBURSEMENT.—During fiscal year 1998, any officer or employee of the United States or member of the Armed Forces who is detailed to the staff of an element within the Community Management Account from another element of the United States Government shall be detailed on a reimbursable basis, except that any such officer, employee, or member may be detailed on a non-reimbursable basis for a period of less than one year for the performance of temporary functions as required by the Director of Central Intelligence.

TITLE II—CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY SYSTEM

SEC. 201. AUTHORIZATION OF APPROPRIATIONS.

There is authorized to be appropriated for the Central Intelligence Agency Retirement and Disability Fund for fiscal year 1998 the sum of $196,900,000.

TITLE III—GENERAL PROVISIONS

SEC. 301. INCREASE IN EMPLOYEE COMPENSATION AND BENEFITS AUTHORIZED BY LAW.

Appropriations authorized by this Act for salary, pay, retirement, and other benefits for Federal employees may be increased by such additional or supplemental amounts as may be necessary for increases in such compensation or benefits authorized by law.

SEC. 302. RESTRICTION ON CONDUCT OF INTELLIGENCE ACTIVITIES.

The authorization of appropriations by this Act shall not be deemed to constitute authority for the conduct of any intelligence activity which is not otherwise authorized by the Constitution or the laws of the United States.

SEC. 303. DETAIL OF INTELLIGENCE COMMUNITY PERSONNEL.

(a) DETAIL.—

(1) IN GENERAL.—Notwithstanding any other provision of law, the head of a department or agency having jurisdiction over an element in the intelligence community or the head of an element of the intelligence community may detail any employee of the department, agency, or element to serve in any position in the Intelligence Community Assignment Program.

(2) BASIS OF DETAIL.—

(A) IN GENERAL.—Personnel may be detailed under paragraph (1) on a reimbursable or nonreimbursable basis.

(B) PERIOD OF NONREIMBURSABLE DETAIL.—Personnel detailed on a nonreimbursable basis shall be detailed for such periods not to exceed three years as are agreed upon between the heads of the departments or agencies concerned. However, the heads of the departments or agencies may provide for the extension of a detail for not to exceed one year if the extension is in the public interest.

(b) BENEFITS, ALLOWANCES, AND INCENTIVES.—The department, agency, or element detailing personnel to the Intelligence Community Assignment Program under subsection (a) on a non-reimbursable basis may provide such personnel any salary, pay, retirement, or other benefits, allowances (including travel allowances), or incentives as are provided to other personnel of the department, agency, or element.

(c) EFFECTIVE DATE.—This section shall take effect on June 1, 1997.

SEC. 304. EXTENSION OF APPLICATION OF SANCTIONS LAWS TO INTELLIGENCE ACTIVITIES.

Section 905 of the National Security Act of 1947 (50 U.S.C. 441d) is amended by striking out ''January 6, 1998'' and inserting in lieu thereof ''January 6, 2001''.

SEC. 305. ADMINISTRATIVE LOCATION OF THE OFFICE OF THE DIRECTOR OF CENTRAL INTELLIGENCE.

Section 102(e) of the National Security Act of 1947 (50 U.S.C. 403(e)) is amended by adding at the end the following:

''(4) The Office of the Director of Central Intelligence shall, for administrative purposes, be within the Central Intelligence Agency.''.

SEC. 306. ENCOURAGEMENT OF DISCLOSURE OF CERTAIN INFORMATION TO CONGRESS.

(a) ENCOURAGEMENT.—

(1) IN GENERAL.—Not later than 30 days after the date of enactment of this Act, the President shall take appropriate actions to inform the employees of the executive branch, and employees of contractors carrying out activities under classified contracts, that the disclosure of information described in paragraph (2) to the committee of Congress having oversight responsibility for the department, agency, or element to which such information relates, or to the Members of Congress who represent such employees, is not prohibited by law, executive order, or regulation or otherwise contrary to public policy.

(2) COVERED INFORMATION.—Paragraph (1) applies to information, including classified information, that an employee reasonably believes to evidence—

(A) a violation of any law, rule, or regulation;

(B) a false statement to Congress on an issue of material fact; or

(C) gross mismanagement, a gross waste of funds, an abuse of authority, or a substantial and specific danger to public health or safety.

(b) REPORT.—On the date that is 30 days after the date of enactment of this Act, the President shall submit to Congress a report on the actions taken under subsection (a).

SEC. 307. PROVISION OF INFORMATION ON VIOLENT CRIMES AGAINST UNITED STATES CITIZENS ABROAD TO VICTIMS AND VICTIMS' FAMILIES.

(a) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) it is in the national interests of the United States to provide information regarding the murder or kidnapping of United States citizens abroad to the victims, or the families of victims, of such crimes; and

(2) the provision of such information is sufficiently important that the discharge of the responsibility for identifying and disseminating such information should be vested in a cabinet-level officer of the United States Government.

(b) RESPONSIBILITY.—The Secretary of State shall take appropriate actions to ensure that the United States Government takes all appropriate actions to—

(1) identify promptly information (including classified information) in the possession of the departments and agencies of the United States Government regarding the murder or kidnapping of United States citizens abroad; and

(2) subject to subsection (c), make such information available to the victims or, where appropriate, the families of victims of such crimes.

(c) CLASSIFIED INFORMATION.—The Secretary shall work with the Director of Central Intelligence to ensure that classified information relevant to a crime covered by subsection (b) is promptly reviewed and, to the maximum extent practicable without jeopardizing sensitive sources and methods or other vital national security interests, made available under that subsection.

SEC. 308. STANDARDS FOR SPELLING OF FOREIGN NAMES AND PLACES AND FOR USE OF GEOGRAPHIC COORDINATES.

(a) SURVEY OF CURRENT STANDARDS.—

(1) SURVEY.—The Director of Central Intelligence shall carry out a survey of current standards for the spelling of foreign names and places, and the use of geographic coordinates for such places, among the elements of the intelligence community.

(2) REPORT.—Not later than 90 days after the date of enactment of this Act the Director shall submit to the congressional intelligence committees a report on the survey carried out under paragraph (1).

(b) GUIDELINES.—

(1) ISSUANCE.—Not later than 180 days after the date of enactment of this Act, the Director shall issue guidelines to ensure the use of uniform spelling of foreign names and places and the uniform use of geographic coordinates for such places. The guidelines shall apply to all intelligence reports, intelligence products, and intelligence databases prepared and utilized by the elements of the intelligence community.

(2) BASIS.—The guidelines under paragraph (1) shall, to the maximum extent practicable, be based on current United States Government standards for the transliteration of foreign names, standards for foreign place names developed by the Board on Geographic Names, and a standard set of geographic coordinates.

(3) SUBMITTAL TO CONGRESS.—The Director shall submit a copy of the guidelines to the congressional intelligence committees.

(c) CONGRESSIONAL INTELLIGENCE COMMITTEES DEFINED.—In this section, the term ''congressional intelligence committees'' means the following:

(1) The Select Committee on Intelligence of the Senate.

(2) The Permanent Select Committee on Intelligence of the House of Representatives.

SEC. 309. SENSE OF THE SENATE.

It is the sense of the Senate that any tax legislation enacted by the Congress this year should meet a standard of fairness in its distributional impact on upper, middle and lower income taxpayers, and that any such legislation should not disproportionately benefit the highest income taxpayers.

TITLE IV—CENTRAL INTELLIGENCE AGENCY

SEC. 401. MULTIYEAR LEASING AUTHORITY.

Section 5 of the Central Intelligence Agency Act of 1949 (50 U.S.C. 403f) is amended—

(1) in paragraph (e), by striking out ''without regard'' and all that follows through the end and inserting in lieu thereof a semicolon;

(2) by redesignating paragraph (f) as paragraph (g); and

(3) by inserting after paragraph (e) the following new paragraph (f):

''(f) Notwithstanding section 1341(a)(1) of title 31, United States Code, enter into multiyear leases for lease terms of not to exceed 15 years, except that—

''(1) any such lease shall be subject to the availability of appropriations in an amount necessary to cover—

''(A) rental payments over the entire term of the lease; or

''(B) rental payments over the first 12 months of the term of the lease and the penalty, if any, payable in the event of the termination of the lease at the end of the first 12 months of the term; and

''(2) if the Agency enters into a lease using the authority in subparagraph (1)(B)—

''(A) the lease shall include a clause that provides that the lease shall be terminated if specific appropriations available for the rental payments are not provided in advance of the obligation to make the rental payments;

''(B) notwithstanding section 1552 of title 31, United States Code, amounts obligated for paying costs associated with terminating the lease shall remain available until such costs are paid;

''(C) amounts obligated for payment of costs associated with terminating the lease may be used instead to make rental payments under the lease, but only to the extent that such amounts are not required to pay such costs; and

''(D) amounts available in a fiscal year to make rental payments under the lease shall be available for that purpose for not more than 12 months commencing at any time during the fiscal year; and''.

SEC. 402. SUBPOENA AUTHORITY FOR THE INSPECTOR GENERAL OF THE CENTRAL INTELLIGENCE AGENCY.

(a) AUTHORITY.—Subsection (e) of section 17 of the Central Intelligence Agency Act of 1949 (50 U.S.C. 403q) is amended—

(1) by redesignating paragraphs (5) through (7) as paragraphs (6) through (8), respectively; and

(2) by inserting after paragraph (4) the following new paragraph (5):

''(5)(A) Except as provided in subparagraph (B), the Inspector General is authorized to require by subpoena the production of all information, documents, reports, answers, records, accounts, papers, and other data and documentary evidence necessary in the performance of the duties and responsibilities of the Inspector General.

''(B) In the case of Government agencies, the Inspector General shall obtain information, documents, reports, answers, records, accounts, papers, and other data and evidence for the purpose specified in subparagraph (A) using procedures other than subpoenas.

''(C) The Inspector General may not issue a subpoena for or on behalf of any other element or component of the Agency.

''(D) In the case of contumacy or refusal to obey a subpoena issued under this paragraph, the subpoena shall be enforceable by order of any appropriate district court of the United States.

''(E) Not later than January 31 and July 31 of each year, the Inspector General shall submit to the Select Committee on Intelligence of the Senate and the Permanent Select Committee on Intelligence of the House of Representatives a report of the Inspector General's exercise of authority under this paragraph during the preceding six months.''.

(b) LIMITATION ON AUTHORITY FOR PROTECTION OF NATIONAL SECURITY.—Subsection (b)(3) of that section is amended by inserting '', or from issuing any subpoena, after the Inspector General has decided to initiate, carry out, or complete such audit, inspection, or investigation or to issue such subpoena,'' after ''or investigation''.

TITLE V—DEPARTMENT OF DEFENSE INTELLIGENCE ACTIVITIES

SEC. 501. ACADEMIC DEGREES IN INTELLIGENCE.

(a) IN GENERAL.—Section 2161 of title 10, United States Code, is amended to read as follows:

''§2161. Joint Military Intelligence College: master of science in strategic intelligence; bachelor of science in intelligence

''Under regulations prescribed by the Secretary of Defense, the President of the Joint Military Intelligence College may, upon recommendation by the faculty of the college, confer the degree of master of science in strategic intelligence and the degree of bachelor of science in intelligence upon the graduates of the college who have fulfilled the requirements for such degree.''.

(b) CONFORMING AMENDMENT.—The item relating to section 2161 in the table of sections at the beginning of chapter 108 of such title is amended to read as follows:

''2161. Joint Military Intelligence College: master of science in strategic intelligence; bachelor of science in intelligence.''.

SEC. 502. FUNDING FOR INFRASTRUCTURE AND QUALITY OF LIFE IMPROVEMENTS AT MENWITH HILL AND BAD AIBLING STATIONS.

Section 506(b) of the Intelligence Authorization Act for Fiscal Year 1996 (Public Law 104–93; 109 Stat. 974) is amended by striking out ''for fiscal years 1996 and 1997'' and inserting in lieu thereof ''for fiscal years 1998 and 1999''.

SEC. 503. MISUSE OF NATIONAL RECONNAISSANCE OFFICE NAME, INITIALS, OR SEAL.

(a) IN GENERAL.—Subchapter I of chapter 21 of title 10, United States Code, is amended by adding at the end the following:

''§ 426. Unauthorized use of National Reconnaissance Office name, initials, or seal

''(a) PROHIBITED ACTS.—Except with the joint written permission of the Secretary of Defense and the Director of Central Intelligence, no person may knowingly use, in connection with any merchandise, retail product, impersonation, solicitation, or commercial activity, in a manner reasonably calculated to convey the impression that such use is approved, endorsed, or authorized by the Secretary or the Director, any of the following:

''(1) The words 'National Reconnaissance Office' or the initials 'NRO'.

''(2) The seal of the National Reconnaissance Office.

''(3) Any colorable imitation of such words, initials, or seal.

''(b) INJUNCTION.—(1) Whenever it appears to the Attorney General that any person is engaged or is about to engage in an act or practice which constitutes or will constitute conduct prohibited by subsection (a), the Attorney General may initiate a civil proceeding in a district court of the United States to enjoin such act or practice.

''(2) Such court shall proceed as soon as practicable to the hearing and determination of such action and may, at any time before final determination, enter such restraining orders or prohibitions, or take such other action as is warranted, to prevent injury to the United States or to any person or class of persons for whose protection the action is brought.''

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of that subchapter is amended by adding at the end the following:

''426. Unauthorized use of National Reconnaissance Office name, initials, or seal.''.

MOTION OFFERED BY MR. GOSS

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

The Clerk read as follows:

Mr. GOSS moves to strike out all after the enacting clause of S. 858, and insert in lieu thereof the provisions of H.R. 1775 as passed by the House.

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H.R. 1775) was laid on the table.

APPOINTMENT OF CONFEREES

Mr. GOSS. Mr. Speaker, I ask unanimous consent that the House insist on its amendment to S. 858 and request a conference with the Senate thereon.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida? The Chair hears none and, without objection, appoints the following conferees:

From the Permanent Select Committee on Intelligence, for consideration of the Senate bill, and the House amendment, and modifications committed to conference:

Messrs. GOSS, YOUNG of Florida, LEWIS of California, SHUSTER, MCCOLLUM, CASTLE, BOEHLERT, BASS, GIBBONS, DICKS, DIXON, SKAGGS, Ms. PELOSI, Ms. HARMAN, and Mr. SKELTON and Mr. BISHOP.

From the Committee on National Security, for consideration of defense tactical intelligence and related activities:

Messrs. SPENCE, STUMP, and DELLUMS.

There was no objection.

CARL D. PERKINS VOCATIONAL-TECHNICAL EDUCATION ACT AMENDMENTS OF 1997

Mr. MCINNIS. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 187 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 187

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. 1853) to amend the Carl D. Perkins Vocational and Applied Technology Education Act. The first reading of the bill shall be dispensed with. Points of order against consideration of the bill for failure to comply with clause 2(l)(6) of rule XI are waived. 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 Education and the Workforce. After general debate the bill shall be considered for amendment under the five-minute rule. It shall be in order to consider as an original bill for the purpose of amendment under the five-minute rule the amendment in the nature of a substitute recommended by the Committee on Education and the Workforce now printed in the bill. The committee amendment in the nature of a substitute shall be considered as read. During 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 committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except on a motion to recommit with or without instructions.

The SPEAKER pro tempore. The gentleman from Colorado [Mr. MCINNIS] is recognized for 1 hour.

Mr. MCINNIS. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to the gentleman from Texas [Mr. FROST], 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, this is a very simple resolution. The proposed rule is an open rule providing for 1 hour of general debate, equally divided and controlled by the chairman and ranking member of the Committee on Education and the Workforce. The resolution waives points of order against the consideration of the bill for failure to comply with clause 2(L)(6) of rule XI relating to the 3-day availability of the report.

After general debate, the bill shall be considered for amendment under the 5-minute rule. Furthermore, it shall be in order to consider as an original bill for the purpose of amendment under the 5-minute rule the amendment in the name of a substitute recommended by the Committee on Education and the Workforce now printed in the bill. Additionally, Mr. Speaker, the rule provides the Chair may accord priority recognition to Members who have preprinted their amendments in the CONGRESSIONAL RECORD.

Mr. Speaker, at the conclusion of the 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. Finally, Mr. Speaker, the rule provides one motion to recommit with or without instructions.

Mr. Speaker, under the proposed rule, each Member has an opportunity to have their concerns addressed, debated, and ultimately voted up or down by this body. House Resolution 187 was reported out of the Committee on Rules by a unanimous voice vote.

Mr. Speaker, I urge my colleagues to support the rule and the underlying legislation.

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

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

Mr. Speaker, I rise in support of House Resolution 187, which is an open rule providing for the consideration of H.R. 1853, the Carl D. Perkins Vocational-Technical Education Act Amendments of 1997.

This act is named for the long-time chairman of the Education and Labor Committee who was a champion of educational opportunity for all Americans but especially for those who would not attend college but needed skills in order to find a meaningful place in America's work force.

The continued availability of secondary and postsecondary vocational educational opportunities in concert with high economic goals is critical to ensuring that this Nation is equipped with a work force that can be competitive and productive in today's global economy.

I am concerned, however, that the bill reported by the Committee on Education and the Workforce does not direct the funding toward those secondary school districts most in need of funding for their vocation and technical education programs. I am also concerned the reported bill eliminates the act's original emphasis on ensuring that women, minorities, the economically disadvantaged, and the disabled have access to quality vocational and technical programs.

It is especially unfortunate that the committee bill eliminates the set-asides currently in the act which were created to ensure that there would be programs to serve displaced homemakers, single parents, and pregnant women to help them enter into employment that has traditionally not been open to women. In today's working environment it is critical all students be offered the opportunity created by these programs.

However, since the Committee on Rules has recommended an open rule, I am hopeful that the House will adopt amendments which can address these concerns. These programs represent long-term investments in the health of the economy of the United States, and it would be penny-wise and pound-foolish to shortchange opportunities for those who would benefit the most.

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

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

The SPEAKER pro tempore. Without objection, the previous question is ordered on the resolution.

There was no objection.

The resolution was agreed to.

A motion to reconsider was laid on the table.

The SPEAKER pro tempore. Pursuant to House Resolution 187 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. 1853.

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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. 1853) to amend the Carl D. Perkins Vocational and Applied Technology Education Act, with Mr. EWING 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] and the gentleman from Missouri [Mr. CLAY] will each control 30 minutes.

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

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

I rise in strong support of H.R. 1853, the Carl D. Perkins Vocational-Technical Education Act Amendments of 1997. The legislation assists the 75 percent of the American people who do not complete a 4-year college degree. Our youth should receive a high-quality education whether they are bound for college, the military, further training or directly into the work force.

Before I go further, I want to take this opportunity to thank the members of the committee and the staff for their support in the development of this important piece of legislation. In particular I would like to recognize the hard work of the gentleman from California [Mr. RIGGS], Chairman of the Subcommittee on Early Childhood, Youth and Families. It was through his diligent commitment to a strong vocational-technical education program and many long hours of negotiations which have brought us here today.

I would also like to recognize another Pennsylvanian, Mr. PETERSON, who has also given an enormous amount of time in crafting this legislation. Mr. PETERSON represents an area of Pennsylvania in which vocational-technical education is critical, and we appreciate his help and expertise in the area.

I want to thank the subcommittee ranking member, the gentleman from California [Mr. MARTINEZ], who worked very closely with the gentleman from California [Mr. RIGGS] to develop a bipartisan effort, and the gentleman from Missouri [Mr. CLAY], the ranking member of the full committee for the bipartisan effort put into this piece of legislation.

The legislation enjoys a broad coalition of support, and I hope we will pick up more support as we go through this process and then through conference with the Senate.

For far too long we paid little attention to the 75 percent of youth who do not go on and complete some 4-year college degree. Our youth should receive a high-quality education no matter what they plan to do in the future.

In today's vocational-technical education programs, students need a very high-quality education for today's world. These students need strong academics and relevant skills in order to thrive in today's economy.

In H.R. 1853, we have three overarching goals: strengthening academics; broadening the opportunities for vocational-technical education students; and sending more money to the classroom.

The bill, first of all, sends 90 percent of the money down to the local level. Under current law only 75 percent gets there.

Second, we alter the way the funds are distributed to ensure they are more equitably distributed. We are trying to make sure limited Federal dollars for vocational-technical education follow vocational-technical education students fairly and equitably.

The legislation strengthens the academic component of vocational-technical education programs, and this is so important because in 1950, 60 percent of all the jobs that were available were jobs that were unskilled. But by the time we got to 1990, that figure dropped to 35 percent. And by the year 2000 it is projected that only 15 percent of all jobs available will be for unskilled people. That is why this legislation is so important at this particular time.

Mr. Speaker, we have reached, I believe, a bipartisan agreement, which is what our committee generally does when it comes to education, nutrition and child care issues. I do want to point out that there is no one that is a stronger advocate for programs that help, for instance, displaced homemakers than the person speaking and I have fought for them since I came to the Congress. And because of that, I want to make sure we understand that we have taken care of these concerns. We do not need any amendments to take care of displaced homemakers or other special populations. We have made very clear what we expect from this legislation.

As my colleagues will notice, we ensure that members of special populations meet State benchmarks, established under section 114, and are prepared for secondary education, further learning and high-skill and high-wage careers. Then there is a financial audit that follows to make very, very sure that the vocational-technical education programs adhere to the requirements of the act, including those related to special populations.

We also make it very clear that each State that receives an allotment under section 102 shall annually prepare and submit to the Secretary a report on how the State is performing on State benchmarks that relate to vocational-technical education programs, including special populations. The report submitted by the State, in accordance with subparagraph A, shall include a description of how special populations, displaced homemakers, single parents, single pregnant women participating in vocational-technical education programs have met the vocational-technical education benchmarks established by the State.

We also say that the funds provided under this act may support programs at the local level for displaced homemakers, single pregnant women, and individuals in nontraditional occupations that lead to high-skilled, high-wage end careers.

☐ 1045

We also indicate that local funds can be used for programs for single parents, displaced homemakers, and single pregnant women. In all of those sections, we point out the need to serve special populations.

I hope that we can pass this legislation today with an overwhelming vote and send a message to the Senate that we are ready to do business with the other body.

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

Mr. CLAY. Mr. Chairman, I yield myself 2 minutes.

Each year the Perkins Act helps over 10 million vocational students receive high-quality education, to receive jobs and skill training and to receive support services. That is our country's flagship vocational education program. We have worked with our Republican colleagues for several months to resolve differences concerning reauthorization of this act and have reached a fair compromise in the way States distribute vocational education funds to the local educational agencies.

So, Mr. Chairman, I want to commend the gentleman from California [Mr. RIGGS] and the gentleman from California [Mr. MARTINEZ] and the gentleman from Pennsylvania [Mr. GOODLING], the chairman, for resolving these difficult issues.

The bill as reported by the committee would have resulted in a significant reduction in funding for existing vocational education programs in urban and rural areas. The bipartisan agreement reached on the formula that will be offered later by the gentleman from Pennsylvania [Mr. GOODLING] preserves formula allocations for existing vocational education programs for the first 3 years, and it provides for the gradual implementation of a formula based 60 percent on poverty and 40 percent on population.

Although some of us would have preferred maintaining the existing Perkins Act formula for all 5 years of reauthorization, this, however, is a fair, good faith compromise that will ensure the continuation of all local programs.

Mr. Chairman, the bill also strengthens the integration of academics and vocational education to ensure that vocational education programs are academically challenging.

Finally, Mr. Chairman, this bill needs additional improvement with regard to women, especially for displaced homemakers and those entering nontraditional employment. Later this morning, the gentlewoman from Hawaii [Mrs. MINK] will offer amendments which are designed to achieve gender equity in vocational education, and despite what was said, it is needed, Mr. Chairman.

I hope that our colleagues will support this amendment and support the reauthorization bill.

Mr. GOODLING. Mr. Chairman, I yield 6½ minutes to the gentleman from California [Mr. RIGGS], the subcommittee chairman, who was so instrumental in bringing the legislation to the floor.

Mr. RIGGS. Mr. Chairman, I thank the very distinguished gentleman from Pennsylvania [Mr. GOODLING], the chairman, for yielding me the time.

I want to say good morning to the Speaker and my colleagues and tell them that I am glad to stand before them today in very strong support of the very important Federal education statute, the Carl D. Perkins Vocational-Technical Education Act Amendments of 1997.

This bill reforms and reauthorizes, in my view, one of the most important Federal education statutes. It provides support for vocational and technical education programs, which are extremely important for meeting the needs, as I think the chairman has already mentioned, of the 75 percent of our young people who are not college bound, or who, if they go to college, will not complete college with a 4-year degree.

I worry a little bit that, particularly at this point in time, when we find ourselves debating a number of tax incentives, to make the third and fourth years of education more affordable, more accessible to young people, that we might look past the fact, again, that most of our young people are not college bound, or, if they go to college, they will not complete college with a 4-year degree.

Because we do have, I think, a very legitimate interest and a real Federal role in helping to prepare those young people for the work force. That is, I believe, in our national defense interest as a country. And, of course, we always have an interest at the Federal level in attempting to help to prepare and educate our young people to sustain our democracy.

So I want to take this opportunity to thank the members of our committee for their contributions to this legislation. I want to thank, in particular, of course, the gentleman from Pennsylvania [Mr. GOODLING], the chairman, for his strong leadership in the area of vocational and technical education over the years, not just at the Federal level, but also in support of some very well-established vocational institutions in the Commonwealth of Pennsylvania and in his congressional district.

Speaking of Pennsylvania, I want to thank a new member of the committee, the gentleman from Pennsylvania [Mr. PETERSON] for his help on this legislation. He was a cosponsor of H.R. 1853 and has worked with us very diligently to help ensure passage of the bill.

This bill is very much bipartisan in nature. And for that, I want to thank the gentleman from Missouri [Mr. CLAY], the distinguished ranking member of the full committee, my very good friend, and the gentleman from California [Mr. MARTINEZ], the distinguished ranking member of the subcommittee which I chair.

We have tried to generate a broad base of support for this legislation and a bill that both sides of the aisle can support and that, hopefully, can be signed into law by the President. It is absolutely critical, my colleagues, that our young people receive a high-quality education, whether they are bound for college, whether they are going to enter the military, which is still the largest training institution in the world, or whether they are going to go directly into the work force.

Three themes resonate throughout this bill. You might call these three themes the ABC's of vocational-technical education: Strengthening academics, broadening opportunities, and sending more money to the classroom.

The first and most important goal, of course, is strengthening academics. And what we have tried to do in this legislation is combine strong academics with expanded vocational and technical education opportunities for young people.

The second theme, of course, is broadening opportunities for young people after high school. We heard testimony at a field hearing just across the Potomac River in northern Virginia at Thomas Jefferson High School in Fairfax County, VA, that there are currently 18,000 jobs, and these are high-wage, high-skill jobs, that are currently unfilled in northern Virginia because employers and business owners cannot find the job applicants to fill those positions.

We do not have an education system that prepares enough of our young people to be technologically capable for the work force and to have, if you will, the work force literacy skills, the entry skills that they will need to go out there and compete and succeed in the work force.

The average salary for those unfilled positions in northern Virginia, we heard, is over $45,000. That is the starting annual salary for those positions on average. If we are going to ensure that America meets the next century as a world leader, we have to focus on making sure that our citizens have the technological skills to compete in an ever-more global economy. If the global economy today is the size of a beach ball, the global economy of the 21st century, the brave new world just around the corner, is going to be the size a golf ball. What we are trying to do here is bring the Perkins vocational-technical education statute into the 21st century.

The last thing that I want to mention is that we are in this bill driving more money down to the classroom. My colleagues are going to see that theme, that effort, repeated in every major Federal education bill that we bring to the House floor in this session of Congress. We want to get more money down to the local level, into the classroom, and not into the hands of someone who does not know that child's name. That is our goal.

In this bill we send 90 percent of the funds to the local level. If we are going to see real change in vocational-technical education, it is not going to come from the Federal level, it is going to come from the local level, from teachers in the classroom making a difference. Change is going to come from schools like the new technology high school in Napa County, CA, in my district, which is preparing students to enter a high technology career or to go on to college.

We have worked very closely, as I mentioned earlier, with Members on the other side of the aisle trying to form a bipartisan agreement on this bill. We have made well over 60 changes to this legislation to date to accommodate the request of House Democratic

Members, members of the committee, 60 changes since the date of introducing the bill to passage of the bill by the committee.

In fact, the gentleman from California [Mr. MARTINEZ], the ranking member of the subcommittee, wrote me a letter on June 4 outlining several concerns he had with the discussion draft of the legislation, the bill that I had introduced; and I can now say that we have met the concerns of all the areas he addressed, including the substate formula.

The chairman explained the compromise that we have worked out on the formula. However, I wanted to point out for the record that we developed a substate formula in this bill which more equitably distributes funding throughout the States and more appropriately distributes money for students in vocational and technical education programs.

This formula does not take money away from cities or poor areas. And under our bill, I believe that almost all school districts will gain. H.R. 1853 is a good bill. It is a fair bill. It is a bill that is going to do a better job in preparing our young people for the educational and employment opportunities of the 21st century, and I urge its passage.

Mr. CLAY. Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. MARTINEZ].

Mr. MARTINEZ. Mr. Chairman, I want to thank the ranking member of the full committee for yielding me time.

I am pleased to join the gentleman from Missouri [Mr. CLAY], my ranking member, and the gentleman from Pennsylvania [Mr. GOODLING] and the gentleman from California [Mr. RIGGS], the chairmen of the full committee and subcommittee, in bringing this bill before the House today.

H.R. 1853, the Carl D. Perkins Vocational-Technical Education Act Amendments of 1997 have been the subject of many hours of discussion between myself and the gentleman from California [Mr. RIGGS], with the aim of producing a bipartisan bill we can all support.

While not being absolutely perfect, this legislation has gained my support and I believe should gain the support of my colleagues due to the changes that have been made and the amendment to be offered by the gentleman from Pennsylvania [Mr. GOODLING].

Upon the expiration of general debate, the gentleman from Pennsylvania [Mr. GOODLING], the chairman, will present us with the manager's amendment to this bill, which deals with one of the most fundamental concerns the committee Democrats had during the markup.

That was the secondary substate formula. Instead of the reported bill's provision, which deemphasized poverty and allowed the States to withhold dollars which should go out by formula, the manager's amendment would incorporate a bipartisan compromise which affects the funding stream for existing vocational education programs.

This new formula gradually incorporates a slightly less targeted distribution method over a 5-year period. At the end of the five-year period, funds going down to the secondary school districts will go out based on a formula of 60 percent poverty, 40 percent population.

Unfortunately, the one issue that clouds a fuller bipartisan embrace of this legislation is its termination of programs ensuring gender equity. As the gentleman from Missouri [Mr. CLAY], the ranking member, mentioned a minute ago, my colleague, the gentlewoman from Hawaii [Mrs. MINK] will offer an amendment to rectify this situation.

I strongly urge careful consideration of this amendment. I would like to thank the gentleman from Missouri [Mr. CLAY], the ranking member, and the gentleman from Pennsylvania [Mr. GOODLING], the chairman, and the gentleman from California [Mr. RIGGS] for the work on this bill.

Dealing with the more difficult issues which this reauthorization presents took many hours of both Members' time and staff time. However, as we have done on other bills which we have passed out of the House during this Congress out of our committee, we put our partisan differences aside and reached an agreement that we could all support.

I urge the Members on my side to support this bill.

Mr. RIGGS. Mr. Chairman, I yield 1 minute to the gentleman from North Carolina [Mr. BALLENGER], a very distinguished member of the subcommittee and the chairman.

Mr. BALLENGER. Mr. Chairman, I wanted to speak in favor of H.R. 1853, the Carl D. Perkins Vocational-Technical Education Act Amendments. As a businessman who had to hire many people through my business lifetime, the most frustrating thing that occurs is when a person requests to fill out an application for work but they do not have time and they ask to be able to take that application home with them. One knows then they cannot read or write, which one we do not know. But they still want a job.

Primary and secondary education did not provide what is necessary. That person is trapped in that never-never land of joblessness and unemployability. Job training is their only way out. Giving them some help through vocational and technical training gives them a chance.

Please vote for H.R. 1853.

□ 1100

Mr. CLAY. Mr. Chairman, I yield 4 minutes to the gentleman from Michigan [Mr. KILDEE].

Mr. KILDEE. I thank the gentleman for yielding me this time.

Mr. Chairman, I rise to urge passage of this legislation. While bringing bipartisan support for this bill has not been easy, it has come about, and I believe that is both significant and important.

There are several provisions of this bill that are commendable. The ''such sums'' authorizations, for instance, gives us room to seek a significant increase in funding for vocational education.

The separate authorization for tech prep is a noteworthy accomplishment. This is a highly successful and popular program. It has done well in appropriations and should certainly grow in the years ahead.

The provisions of the reserve for Indian programs are good, and I am especially encouraged that we have made bureau funded secondary schools eligible to receive funds under the within State allocation of the basic State grant.

We also permit private schoolteachers to participate in professional development programs in both Goals 2000 and the Improving America's Schools Act of 1994, and I am especially glad that we permit the States and localities to do so in this legislation.

The formula regarding the within State allocation of funds has been improved and refined through this reauthorization process. While I certainly support the changes that have been made, I continue to believe that the formula can be further improved and targeted.

In another area, I regret very much that we have weakened current law with respect to sex equity. That is something I have been pushing for my 21 years here in the Congress, and I think that the role of the sex equity coordinator has been very important and I will be supporting the Mink-Morella amendment when that is offered.

Mr. Chairman, I believe this is a good bill, even though I believe there are several areas where it can be improved. I intend to support the floor amendments and will continue to work in the conference for improvements.

Mr. Chairman, I would like to engage in a colloquy with the gentleman from Pennsylvania [Mr. GOODLING], the chairman of the full committee.

In section 103(c)(1) of the legislation now under consideration, secondary school programs in schools funded by the Bureau of Indian Affairs will no longer be eligible to receive assistance under the reserve of funds for Indian programs. Am I correct in that assumption?

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

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

Mr. GOODLING. The gentleman is correct.

Mr. KILDEE. I understand, however, that the provision in question is included in this legislation in order to make it clear that the bureau funded schools with secondary vocational programs will be considered a local education agency eligible for funding

under the within State allocation of funds under the basic State grant.

Mr. GOODLING. That is also correct. In accordance with provisions of section 14101 of the Elementary and Secondary Education Act of 1965, bureau funded schools are local educational agencies. Thus they would qualify for funding under the basic State grant. Bureau funded schools will receive vocational education funding assistance from the within State allocation of funds and will qualify for such assistance in the same manner as would any other local education agency in the State.

Mr. KILDEE. The purpose of the language in section 103(c)(1), therefore, is to make bureau funded schools eligible for funding under the within State allocation of funds. Making such schools ineligible for funding under section 103(c)(1) removes any question of the source of funding, as well as any question of whether or not such schools are eligible to receive funding from more than one source. The intent of our language is to make clear that funding for bureau funded schools operating secondary programs will come as a result of the eligibility of those schools to receive assistance under section 202 of this legislation, which amends part B of title II of current law.

Mr. GOODLING. That too is correct. I would point out, however, that bureau funded schools that have operated adult education programs would remain eligible to receive funding under section 103(c)(1) pertaining to the reserve of funds for Indian programs. The provision making bureau funded schools ineligible to receive section 103(c)(1) funding applies only to secondary school programs at such schools.

Mr. KILDEE. Mr. Chairman, I thank the gentleman for that specific clarification, and I thank the gentleman for joining with me in this colloquy.

Mr. GOODLING. Mr. Chairman, I yield 2 minutes to the gentlewoman from New Jersey [Mrs. ROUKEMA].

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

Mrs. ROUKEMA. I thank the gentleman for yielding me this time.

Mr. Chairman, I rise in strong support of this legislation. It is much needed. I want to observe, too, with the leadership of the gentleman from Pennsylvania [Mr. GOODLING], the gentleman from Missouri [Mr. CLAY] and certainly the gentleman from California [Mr. RIGGS], the subcommittee chairman, that we have an excellent example here, maybe exhibit A, of how well we can work together on a bipartisan basis and better serve or genuinely serve the needs of the people. I think this is an excellent example of how we can move forward without partisan bickering.

I also want to say that this particular subject is very near and dear to me. I have always been devoted to vocational education, but I must say in the modern global economy and the acceleration of technology, this legislation is more important than ever. We can no longer ignore those students whose talents are wasted because they never go to college. It is not only a waste for them but it is a waste for the needs of our economy.

Excellent example—exhibit A of how well we can work on a bipartisan basis to better serve the genuine needs of the people. The modern acceleration of technology and increasing competition in the global economy require us to rethink our approach to education. We can no longer ignore * * * and therefore waste the talents of the vast numbers of students who never go to college. There exists a yawning gap between those students who are prepared and unprepared to enter our high-skills workplace.

As a result, our economy suffers. If we are to meet our work force demands we must have effective technology schools, such as Sussex Tech in Sussex County, NJ. Bergen technical school, Passaic and Warren County schools.

I have a particular longstanding interest in improving the relevance of vocational education. This legislation does this.

We need to continue to improve the national school-to-work system—a system that would emphasize technological developments.

This legislation makes several beneficial changes to vocational education. First of all, this bill eliminates set-asides which have prohibited a particular State's ability to adjust to its own special populations. With this change, a State can assess and address its own needs.

We need desperately to continue to improve the national school-to-work system, and this legislation does that in a very real way. It makes several beneficial changes to the vocational bill. It certainly eliminates set-asides which have prohibited a particular State's ability in the past to adjust to its own special populations. I think this represents progress. With this change, a State can assess and address its own needs.

The legislation also emphasizes sending funds to the local level. With the passage of this legislation, 90 percent of the funds will be headed to the local level to provide programs to prepare our youth for the technological age.

This legislation makes an important change to assist rural and suburban areas in the lowering of the minimum grant amount for local educational agencies and postsecondary institutions. This change is helpful because it will allow more schools to apply for grants, since they will be more likely to become eligible.

The legislation also emphasizes sending funds to the local level. With the passage of this legislation, 90 percent of the funds will be headed to the local level to provide programs to prepare our youth for the technological age. It makes important changes to assist rural and suburban areas as well as the urban areas, to get the needed minimum grant for local educational agencies and postsecondary institutions. This is a great improvement over the past.

This legislation also includes a provision which requires States to establish their own State benchmarks to measure their progress. The States are to annually submit a report to the Secretary on how they are preforming on their State benchmarks. I am a strong believer in benchmarks since they help provide oversight and they help determine the effectiveness of various programs.

This legislation will help us achieve the goal of providing our youth a higher level of technology training. This will provide greater access to a system that would allow these students to build a high-quality, high-value high-wage career.

School to work—relevant education for personal fulfillment and meet economic needs.

Mr. Chairman, may I conclude by simply saying that school-to-work is relevant education, not only for personal fulfillment of the students involved but also to meet our vast economic needs in the new brave world in which we are operating.

Mr. GOODLING. Mr. Chairman, I yield 3 minutes to the gentleman from Pennsylvania [Mr. PETERSON], who has been very active in helping us put this legislation together.

Mr. PETERSON of Pennsylvania. Mr. Chairman, I want to thank the gentleman for yielding me this time. I want to commend the gentleman from Pennsylvania [Mr. GOODLING], the gentleman from California [Mr. RIGGS], the gentleman from California [Mr. MARTINEZ], and the gentleman from Missouri [Mr. CLAY], the ranking members, for working together to put together a bill that I think will make a positive difference in vocational education in America.

I would also like to commend the staff, Becky Voslow, Sally Lovejoy, and Alex Nock, who worked tirelessly together. We all know, when doing compromises, who really does a lot of the hard work. I want to commend them for all their efforts.

I believe if this country is going to compete, if we are going to continue to be a manufacturing leader in the world, and I do not think we will be a strong country if we do not, we have to improve our ability to deliver vocational and technical education. I think this bill moves us in the right direction. It does not solve all the problems. I toured a plant in Blossburg, PA, in my district this week that is doing something very interesting. That plant employs about 1,000 people in one of the most rural parts of Pennsylvania and is growing fast. They have brought to Pennsylvania a Japanese technology, refined it; these things used to be made for Japanese cars, these parts, in Japan. They are now being manufactured in Pennsylvania. But that plant is high technology. There has been a huge investment made there. The workers there need skills and a good academic base. That is important in this country.

I recently also toured a plant in State College. If one buys a Japanese TV, there is a very good chance the picture tube came from State College, PA, because they are really becoming a dominant player in that market. Again, huge investment of capital and

very high tech jobs. They are not strong backs and strong arms that are needed but technical knowhow.

This bill moves more funds to the classroom, 15 percent more. I think that makes a big difference. We need to get the money in the classroom. Many of our arguments have been the Federal rules that we want to put down on the States. I come from State government. State government bureaucracies do not need us to tell them all the fine details of educating our youngsters. It is important that we allow them to be free. Because what we have when we have a lot of Federal rules, we have a Federal bureaucracy, and if we go into most State departments of education, the majority of the people working there are dealing with implementing the Federal rules. So we have all of this money wasted at the Federal level and at the State level that should be going to the classroom.

The other issue that we struggled over was the rural set-aside. I was disappointed in the great opposition for that because rural America is way behind urban America in vocational education. If this country is going to remain strong, rural America needs to have equity. We need to be able to train the young people. Many parts of rural America do not have vocational education. All we wanted to do was to have a 10-percent set-aside that allowed States to meet that need if they wanted to.

We were not against money for urban. Urban has always been the big winner when we look at the formula. We were disappointed but we do accept the compromise of five and give. But I would like to say to my urban friends, in the future, rural America, if we are not going to be an imposition on the welfare rolls, we have to be able to train our workers, and vocational education is one of the ways we need to do that.

I want to thank all of those that compromised. There may have been a little more compromise than I would have liked, but I am willing to accept it today and move this bill forward.

Mr. CLAY. Mr. Chairman, I yield 2 minutes to the gentleman from Illinois [Mr. DAVIS].

Mr. DAVIS of Illinois. Mr. Chairman, I certainly want to thank the gentleman from Missouri [Mr. CLAY] for yielding me this time.

Mr. Chairman, while I commend and congratulate all of those who have hammered out this agreement, I have some concerns about it. There seems to be a theme that resonates throughout this Congress, and that theme is to take from the poor and give to the wealthy, well-to-do and the rich. It is the very theme that divides rather than unites. It is the theme that shatters millions of Americans' hope and faith in the American system. It seems to me that some portions of this compromise continues that theme. This compromise, while better than the original proposed formula, moves away from the emphasis on poverty to an emphasis on population in fiscal years 2001 and 2002. Under the current distribution formula for funds for school districts, the emphasis is 70 percent on poverty and 30 percent on population. I believe that this is a fair formula.

In my district, Mr. Chairman, I have thousands and thousands of disadvantaged, underprivileged individuals who need to catch up, individuals who need special attention. I do not believe that as we shift away from an emphasis on need to an across-the-board program, that this is in the best interests of rural America, nor is it in the best interests of inner-city urban America.

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

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

Mr. BEREUTER. Mr. Chairman, I rise in strong support of this legislation. I want to commend the gentleman from California and the gentleman from Pennsylvania for their excellent work and our colleagues on both sides of the aisle that serve on this committee. My colleagues may have heard me applauding a few minutes ago when the gentleman from Pennsylvania made his remarks, because I regret the fact that the chairman reached, I think, the right conclusion in the face of opposition to cut the rural set-aside from 10 to 5 percent. I think that was inappropriate pressure from the other side of the aisle. I think they should not be anti-rural in their actions. Nevertheless, this bill has many important features that are positive.

H.R. 1853, for example, most importantly alters the amount of dollars spent at the local level. Under the current law, only 75 percent of Federal dollars currently are required to flow to the local school districts. This bill, of course, in a very important change, requires 90 percent of those dollars to go to the local level. Any true changes in vocational technical education must come from the local level, from teachers who are in the classroom, to make a difference.

Mr. Chairman, I am also pleased that this legislation contains two important components to assist rural communities and schools. Not as much as I had hoped but a big and important change, especially in the longer term. One provision, of course, encourages the States and permits them to set aside a portion of the funds flowing to the local level to target rural or nonmetropolitan areas. This provision provides States with discretion in the equitable distribution of funds throughout the State. An additional provision lowers the minimum grants for secondary and postsecondary programs, enabling more schools to qualify.

□ 1115

Mr. Chairman, I think that is a very important change, it is long needed, and I thank the gentleman from Pennsylvania [Mr. GOODLING] very much for his diligent work on this.

Mr. Chairman, 75 percent of American youth do not complete a 4-year college degree. This bill appropriately changes the way funds are distributed from the Federal Government to the States by targeting the funds more directly to the youth and young adults up to age 24 which are served by the Carl D. Perkins Vocational and Applied Technology Education Act. This legislation broadens opportunities after high school for vocational-technical education students by ensuring that they receive a high-quality education which will allow them to continue on to college or further education, the military, training or directly into the work force.

In addition, H.R. 1853 most importantly alters the amount of dollars sent to the local level. Under current law, only 75 percent of Federal dollars currently are required to flow to the local school districts. This bill requires 90 percent of the dollars to go to the local level. Any true change in vocational-technical education must come from the local level—from teachers who are in the classroom making a difference. The increased funding that H.R. 1853 sends to the local level in this Member's home State of Nebraska will result in a $52,000 increase for the Lincoln Public School System, a $3,000 increase for the York Public Schools, an increase of $1,600 for the Wahoo Public Schools, $700 more for the Homer Community Schools, a $2,200 increase for Nebraska City Public Schools, and $8,000 more in funding for the Norfolk Public Schools, just to name a few.

This Member is also pleased that H.R. 1853 contains two important components to assist rural schools. One provision enables States to set aside a portion of the funds flowing to the local level to target rural areas. This provision provides States with discretion in the equitable distribution of funds throughout the State. An additional provision lowers the minimum grant for secondary and postsecondary programs, enabling more small schools to qualify.

Mr. Chairman, I urge my colleagues to support this legislation. This is an important reform bill, and it deserves to be supported.

Mr. GOODLING. Mr. Chairman, I yield 2½ minutes to the gentleman from Delaware [Mr. CASTLE], a very important member of the committee.

Mr. CASTLE. Mr. Chairman, I thank the gentleman from Pennsylvania [Mr. GOODLING] for yielding this time to me, and I do congratulate Chairman GOODLING and the gentleman from California [Mr. RIGGS] and the gentleman from Missouri [Mr. CLAY] and the gentleman from California [Mr. MARTINEZ] and the staff of this committee, which is rapidly becoming the committee that seems to work out very difficult legislation and bring it to the floor with a minimum amount of opposition and really do something to improve education in America, and I do rise in very strong support of this legislation.

We have to remember that about 75 percent of our Nation's youth does not receive a 4-year college degree, and in order to ensure that that percentage of our population is going to thrive in today's economy, in my judgment it is

imperative they receive a quality high school education, meaning relevant skills and strong academics, whether they are bound for college, the military, further training, or go directly into the work force.

In the past, vocational-technical education policy encouraged the development of specific occupational programs in areas such as trade and industry, business, and home economics. It targeted students with special needs such as displaced homemakers and single mothers, and today we realize mandating specific uses of dollars at the federal level does not necessarily add up to a quality vocational education.

It is time for Federal policy to give more discretion to States and local districts, which are and always have been the true laboratories of reform.

I just like to share my experiences in Delaware, which has an outstanding vocational education program. In fact, one of our State's three vocational-technical high schools, Sussex Technical High School in Georgetown, DE, was honored as a U.S. Department of Education blue ribbon school of excellence. This occurred after the school went through a paradigm shift similar to the paradigm shift we are seeing in the legislation we are considering today. It transformed itself from a center serving part-time students into a full-time technical high school offering a rigorous integrated program of academic and vocational studies to kids who actually choose to attend. In 1988, students from this school scored at the bottom of the heap on standardized tests, and enrollment had declined 35 percent in 10 years. After a massive restructuring effort in 1988, Sussex Tech became a full-time comprehensive high school with a challenging program of study organized around relevant career clusters. The result has been a dramatic improvement in SAT scores and in the number of students taking the SAT, a dropout rate of less than 2 percent, soaring enrollment in college prep level math courses and a 100-percent increase in percentage of students enrolling in postsecondary education.

The bill we consider today encompasses the main principles of this paradigm shift which I was able to witness in my own State. It strengthens the academics of vocational-technical education students, broadens the opportunities of vocational-technical education students and sends more dollars to the local level for vocational-technical education programs, and I encourage each and every one of us to support this very outstanding piece of legislation.

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

Mr. GOODLING. Mr. Chairman, I yield 1½ minutes to the gentleman from Michigan [Mr. UPTON].

Mr. UPTON. Mr. Chairman, I too rise in strong support of this legislation and in praise of the leaders of the committee and the fine staff.

The educational needs of our youth indeed have changed since 1917, which was when the Federal Government first began to support vocational education. Today, still, vocational-technical education programs fill a very critical need.

As my colleague from Delaware indicated, the programs prepare 75 percent of American youths who do not complete a 4-year degree for jobs requiring advanced training and knowledge. The programs demand a strong background in math and science, as they should, and students have to be prepared for the technical and competitive jobs that exist today.

I know this because I have frequently visited with students and teachers and wonderful facilities throughout my district who use and support these programs, and they strongly support it. The bill before us today builds on that success. It encourages stronger academics, greater opportunities for use after high school and targets more dollars to the classroom. In fact, 90 percent of the Federal dollars will be sent to the local level under this bill, and that is how it should be.

Finally, I am also pleased that the bill preserves the strength of the very popular tech prep program. In southwest Michigan this program has quickly become an integral part of students' learning experience.

Our businesses today are rightly demanding a better prepared work force. This bill helps in a major way, and I urge all members to support H.R. 1853.

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

Mr. GOODLING. Mr. Chairman, I yield 1½ minutes to the gentleman from Tennessee [Mr. HILLEARY], an important new member of our committee.

Mr. HILLEARY. Mr. Chairman, I rise in strong support of H.R. 1853, and I commend the gentleman from Pennsylvania [Mr. GOODLING] and his staff for their hard work. This legislation reforms and repeals a number of burdensome and arcane provisions, including set-asides for criminal offenders and unfunded mandates on local and State governments.

More importantly, H.R. 1853 sends more money directly to the local level, a 15-percent increase over current law. It reduces the amount of money that a State can hold for administrative purposes from 5 to 2 percent and ensures that Federal dollars are being used to support programs and not to sustain bureaucracies.

Another important provision of H.R. 1853 that is especially important for rural districts like mine in Tennessee protects the right of home schoolers to educate their children at home. Further, this legislation prohibits vocational-technical education programs from requiring individuals to choose or pursue a specific career path or measure.

Mr. Chairman, I urge my colleagues to support this important legislation that will help educate some of our Nation's children who need it the most and preserve the right of every child in a vocational-technical education program to receive a well-rounded education.

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

Mr. Chairman, I do that just to again thank the staff who worked so hard:

Becky Voslow, Mary Clagett, Vic Klatt, Sally Lovejoy; staff Republican members Mark Davis, Trent Barton with the gentleman from California [Mr. RIGGS]; Bob Moran with the gentleman from Pennsylvania [Mr. PETERSON]; Democratic committee staff Alex Nock, June Harris, Mark Zuckerman, David Evans; Congressional Research Service for all the thousands of formula runs that they made trying to get one that would fit one of our colleagues on committee from New Jersey; it was very difficult to do; and Rick Appling and Wayne Riddle.

Mr. GALLEGLY. Mr. Chairman, I want to express my support of H.R. 1853, the Carl D. Perkins Vocational-Technical Education Act Amendments of 1997. Seventy-five percent of American youth do not complete a 4-year college degree. Vocational-technical education programs ensure that the necessary training and a high quality education is available to those individuals. Our society is increasingly reliant on workers who have technological skills and advanced training, making the support of these programs critical to our economy.

I am especially pleased that this legislation ensures that States, localities, and parents have maximum control over decisions affecting these programs and students—and makes certain that 90 percent of each State allocation goes to local districts.

By helping young people to acquire these necessary skills, we are improving the opportunities available for our youth and helping our businesses to compete in the technologically advanced, global economy.

Ms. FURSE. Mr. Chairman, I rise to thank the chairman and members of the Committee on Education and the Workforce for their work with bringing the Carl D. Perkins Vocational-Technical Education Act to the House floor today. I am pleased that H.R. 1853 includes language which enables Oregon to continue its integrated K–14 education and training system.

Oregon has a unique set of regional partnerships composed of secondary and postsecondary schools. Oregon's consortium structure increases student achievement and promotes high skill standards by making better professional technical programs available in a cost-effective manner to remote and sparsely populated areas.

Oregon's innovative programs continue to do an outstanding job preparing our students for the education and working challenges of the 21st century. It is my hope that other States will take a look at Oregon's regional consortiums, and consider this model to improve the teaching and learning of all our students.

I thank the chairman and members of the committee for including this important language for Oregon in H.R. 1853.

Ms. HOOLEY of Oregon. Mr. Chairman, I rise today in support of this important legislation to reauthorize the Carl Perkins Act. These programs are making great strides in improving technical education in my State of Oregon and across this Nation.

Most of my colleagues need no reminder that the high-tech industry has become one of the most important forces behind our surging, economy, and has produced millions of new manufacturing and information-technology jobs in this decade. In fact, the electronics and information technology industry employed more than 4 million American workers in 1995, and the average wage of a high-tech worker is nearly 60-percent higher than that of the average private sector worker. However, I am repeatedly told by high-tech companies in my State that we're still not educating enough workers with adequate science, math and engineering training to fill those jobs.

The Carl Perkins Act educates over 10,000 students each year through a variety of vocational education programs that have been shown to be highly successful in helping to prepare students for high-tech careers. In my State, the number of Professional Technical students is increasing by 9 percent annually and should reach 35 percent by the year 2000.

I am pleased that we have reached a reasonable compromise on the funding formulas and have partially restored the size of the minimum grants to local education agencies. While I do not believe that we should alter these formulas, it is beneficial that we have been able to reach a consensus and hopefully reauthorize spending on these vital programs. I commend and congratulate the distinguished chairman, the subcommittee chairman and the ranking members for their hard work in doing this.

I would like to mention my satisfaction with one measure in this bill that would allow secondary and postsecondary schools to join in consortia to allow professional technical education to be delivered in a continuum from grades 9 through 14.

Under a waiver granted by the Secretary of Education, Oregon has already developed 10 such regional consortia that serve half of the eligible students. These consortia are common sense and cost-effective means of improving vocational education. In establishing the consortia, we have not only increased the number of students involved in the programs, but have improved professional technical education by engaging the entire community, including local businesses, to provide continuous quality improvement.

I am pleased that we have been able to address this bill, and continue providing these important programs to advance the technical educations of so many students across the Nation.

I urge my colleagues to support this bill.

Mr. STOKES. Mr. Speaker, I rise to express my support for H.R. 1853, the Carl D. Perkins Vocational-Technical Act Amendments of 1997. This important legislation reauthorizes and revises the current vocational education statute.

H.R. 1853 focuses on strengthening the academics of vocational training for those among our Nation's youth who do not earn a 4-year college degree. In doing so, it ensures the overall quality of vocational education and provides special populations with access to high quality vocational education.

As the Nation moves individuals from the welfare rolls to the work force, and as the Nation enters the 21st century, it is essential that welfare recipients and other disadvantaged Americans have access to the education and vocational training they need to effectively compete in the new job market.

Vocational programs are critical. As such, they broaden career opportunities for the 75 percent of high school students who do not earn college degrees. They also equip many of our Nation's disadvantaged and disabled populations to compete for high paying jobs, build careers, and raise the standard of living for their families.

In 1994 the U.S. Census Bureau reported that individuals with an associates degree earned an average of $2,000 more per year than those with only a high school diploma. According to the Department of Labor, the number of low-skilled jobs is expected to decline from 47 percent of the work force in 1993 to 27 percent in the year 2000—and—it is expected that nearly half of all jobs in the 21st century will require some post-secondary education.

It is for these reasons, Mr. Speaker, that I urge my colleagues to vote in favor of the Carl D. Perkins Vocational-Technical Education Act Amendments. It is vitally important that the Nation's new work force receive effective education and vocational training. Support of this legislation is one means of ensuring its accessibility.

Vote "yes" for H.R. 1818.

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

The CHAIRMAN. All time for general debate has expired.

Pursuant to the rule, the amendment in the nature of a substitute printed in the bill shall be considered as an original bill for the purpose of amendment under the 5-minute rule and shall be considered read.

The text of the committee amendment in the nature of a substitute is as follows:

H.R. 1853

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 ''Carl D. Perkins Vocational-Technical Education Act Amendments of 1997''.

SEC. 2. REFERENCES TO ACT.

(a) SHORT TITLE OF ACT.—Section 1(a) of the Act is amended by striking ''(a) SHORT TITLE.—'' and further by striking ''Vocational and Applied Technology'' and inserting ''Vocational-Technical''.

(b) REFERENCES TO ACT.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a title, chapter, part, subpart, section, subsection, or other provision, the reference shall be considered to be made to a title, chapter, part, subpart, section, subsection, or other provision of the Carl D. Perkins Vocational-Technology Education Act as amended in subsection (a).

SEC. 3. TABLE OF CONTENTS.

Section 1(b) is repealed.

SEC. 4. PURPOSE.

Section 2 of the Act is amended to read as follows:

''SEC. 2. PURPOSE.

''It is the purpose of this Act to develop more fully the academic, occupational, and technical skills of individuals participating in vocational-technical education programs. This purpose will be achieved through concentrating resources on improving vocational-technical education programs leading to academic and technical skill competencies needed to work in a technologically advanced society.''.

SEC. 5. AUTHORIZATION OF APPROPRIATIONS.

Section 3 of the Act is amended—

(1) in subsection (a) by striking ''$1,600,000,000'' and all that follows and inserting ''$1,300,000,000, for fiscal year 1998 and such sums as may be necessary for each of the 4 succeeding fiscal years to carry out the provisions of titles I and II.'';

(2) by amending subsection (b) to read as follows:

''(b) TITLE I.—Of the amounts made available under subsection (a)—

''(1) 1.5 percent shall be reserved to carry out section 103, relating to Indian and Native Hawaiians programs; and

''(2) 0.2 percent shall be reserved to carry out section 101A, relating to the territories.''; and

(3) by striking subsections (c) through (f).

TITLE I—VOCATIONAL-TECHNICAL EDUCATION ASSISTANCE TO THE STATES

SEC. 101. ALLOTMENT.

(a) IN GENERAL.—Title I is amended by striking the matter preceding the text of section 101 and inserting the following:

''TITLE I—VOCATIONAL-TECHNICAL EDUCATION ASSISTANCE TO THE STATES

''PART A—ALLOTMENT AND ALLOCATION''

''SEC. 101. ALLOTMENT.''.

(b) ALLOTMENT.—

(1) Paragraphs (1) and (2) of section 101(a) are amended to read as follows:

''(a) SPECIFIC POPULATIONS.—

''(1) IN GENERAL.—In each fiscal year, from amounts made available under section 3(a), the Secretary shall reserve—

''(A) 1.5 percent to carry out section 103, of which—

''(i) 1.25 percent shall be available to carry out section 103(c); and

''(ii) 0.25 percent shall be available to carry out section 103(i); and

''(B) 0.2 percent for the purpose of carrying out section 101A.

''(2) REMAINDER OF FUNDS.—From the remainder of the sums appropriated pursuant to section 3, the Secretary shall allot to each State for each fiscal year—

''(A) an amount which bears the same ratio to 50 percent of the sums being allotted as the product of the population aged 15 to 19 inclusive, in the State in the fiscal year preceding the fiscal year for which the determination is made and the State's allotment ratio bears to the sum of the corresponding products for all the States; and

''(B) an amount which bears the same ratio to 50 percent of the sums being allotted as the product of the population aged 20 to 24, inclusive, in the State in the fiscal year preceding the fiscal year for which the determination is made and the State's allotment ratio bears to the sum of the corresponding products for all the States.''

(2) Paragraph (3) of section 101(a) is amended—

(A) by striking subparagraphs (A) and (C);

(B) by redesignating subparagraphs (B) and (D) as (A) and (B), respectively;

(C) in subparagraph (A), as redesignated, by striking clause (i), and inserting the following:

''(i) Notwithstanding any other provision of law and subject to subparagraph (B) and clause (ii), no State shall receive less than ½ of 1 percent of the amount available for each such program for each fiscal year under this subsection.''; and

(D) in subparagraph (A)(ii), as redesignated, by striking ''or part A, B, C, D, or E of title III''.

(3) By amending subsection (c) to read as follows:

''(c) ALLOTMENT RATIO.—

''(1) IN GENERAL.—The allotment ratio for any State shall be 1.00 less the product of—

''(A) 0.50; and

''(B) the quotient obtained by dividing the per capita income for the State by the per capita income for all the States (exclusive of Puerto Rico and the Virgin Islands), except that—

''(i) the allotment ratio in no case shall be more than 0.55 or less than 0.40; and

''(ii) the allotment ratio for Puerto Rico and the Virgin Islands shall be 0.55.

''(2) ALLOTMENT RATIOS.—The allotment ratios shall be promulgated by the Secretary for each fiscal year between October 1 and December 31 of the fiscal year preceding the fiscal year for which the determination is made. Allotment ratios shall be computed on the basis of the average of the appropriate per capita incomes for the 3 most recent consecutive fiscal years for which satisfactory data are available.

''(3) DEFINITION.—The term 'per capita income' means, with respect to a fiscal year, the total personal income in the calendar year ending in such year, divided by the population of the area concerned in such year.

''(4) POPULATION DETERMINATION.—For the purposes of this section, population shall be determined by the Secretary on the basis of the latest estimates available to the Department.''.

SEC. 101A. THE TERRITORIES.

Section 101A of the Act is amended by inserting after subsection (c) the following new subsection:

''(d) RESTRICTION.—Notwithstanding any other provision of law, the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau shall not receive any funds under this part for any fiscal year that begins after September 30, 2001.''.

SEC. 102. WITHIN STATE ALLOTMENTS.

Section 102 is amended—

(1) in subsection (a)—

(A) in paragraph (1) by striking ''at least'' and all that follows through the semicolon and inserting ''an amount equal to not less than 90 percent of the allotment shall be available for basic programs under part B of title II;'';

(B) by striking paragraph (2);

(C) by redesignating paragraphs (3) and (4) as paragraphs (2) and (3), respectively;

(D) in paragraph (2), as redesignated, by striking ''8.5'' and inserting ''8'' and further by adding after the semicolon ''and'';

(E) in paragraph (3), as redesignated—

(i) by striking ''5'' and inserting ''2'';

(ii) by striking ''of which—'' and all that follows through ''and'' at the end and inserting the following:

''which may be used for the costs of—

''(A) developing the State application;

''(B) reviewing local applications;

''(C) monitoring and evaluating program effectiveness; and

''(D) assuring compliance with all applicable Federal laws.''; and

(F) by striking paragraph (5);

(2) in subsection (b) by striking ''(a)(4)'' and inserting ''(a)(3)''; and

(3) by striking subsection (c) and inserting the following:

''(c) RURAL RESERVE.—A State may reserve not more than 10 percent of the allotment made under section 102(a)(1) to use for grants to rural areas.

''(d) INCENTIVE AWARDS.—A State may reserve not more than 5 percent of the allotment made under section 102(a)(1) to make awards—

''(1) to a local eligible recipient that meets or exceeds the State benchmarks described in section 114;

''(2) to a local eligible recipient that meets or exceeds the average State graduation rate; or

''(3) to assist a local eligible recipient that has significantly failed to meet the State benchmarks described in section 114, or has a graduation rate that is significantly below the average State graduation rate.''

SEC. 103. INDIAN AND NATIVE HAWAIIAN PROGRAMS.

Section 103 of the Act is amended to read as follows:

''SEC. 103. NATIVE AMERICAN PROGRAM.

''(a) INDIAN POLICY.—All programs assisted under this section shall be administered in a manner consistent with the principles of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450 et seq.) and the government-to-government relationship between the Federal Government and Indian tribal governments.

''(b) DEFINITIONS.—As used in this section:

''(1) ALASKA NATIVE.—The term 'Alaska Native' means a Native as such term is defined in section 3(b) of the Alaska Native Claims Settlement Act (43 U.S.C. 1602(b)).

''(2) BUREAU FUNDED.—The term 'Bureau funded school' means—

''(A) a Bureau school;

''(B) a contract school; or

''(C) a school for which assistance is provided under the Tribally Controlled Schools Act of 1988.

''(3) INDIAN, INDIAN TRIBE, AND TRIBAL ORGANIZATION.—The terms 'Indian', 'Indian tribe', and 'tribal organization' have the meanings given such terms in subsections (d), (e), and (l), respectively, of section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

''(4) INSTITUTION OF HIGHER EDUCATION.—The term 'institution of higher education' has the meaning given such term in section 1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1141(a)).

''(5) NATIVE HAWAIIAN AND NATIVE HAWAIIAN ORGANIZATION.—The terms 'Native Hawaiian' and 'Native Hawaiian organization' have the meanings given such terms in paragraphs (1) and (3), respectively, of section 9212 of the Native Hawaiian Education Act (20 U.S.C. 7912).

''(6) TRIBALLY CONTROLLED COMMUNITY COLLEGE.—The term 'tribally controlled community college' has the meaning given such term in section 2(a)(4) of the Tribally Controlled Community College Assistance Act of 1978 (25 U.S.C. 1801(a)(4)).

''(7) TRIBALLY CONTROLLED POSTSECONDARY VOCATIONAL INSTITUTION.—The term 'tribally controlled postsecondary vocational institution' means an institution of higher education that—

''(A) is formally controlled, or has been formally sanctioned or chartered, by the governing body of an Indian tribe or Indian tribes;

''(B) offers a technical degree or certificate granting program;

''(C) is governed by a board of directors or trustees, a majority of whom are Indians;

''(D) demonstrates adherence to stated goals, a philosophy, or a plan of operation, that fosters individual Indian economic and self-sufficiency opportunity, including programs that are appropriate to stated tribal goals of developing individual entrepreneurships and self-sustaining economic infrastructures on reservations;

''(E) has been in operation for at least 3 years;

''(F) holds accreditation with or is a candidate for accreditation by a nationally recognized accrediting authority for postsecondary vocational-technical education; and

''(G) enrolls the full-time equivalent of not less than 100 students, of whom a majority are Indians.

''(c) PROGRAM AUTHORIZED.—

''(1) IN GENERAL.—From amounts reserved under section 101(a)(1)(A)(i), the Secretary shall make grants to Indian tribes, tribal organizations and Alaska Native entities to carry out the authorized programs described in subsection (d), except that such terms shall not include secondary school programs in Bureau funded schools.

''(2) SPECIAL AUTHORITY RELATING TO SECONDARY SCHOOLS OPERATED OR SUPPORTED BY THE BUREAU OF INDIAN AFFAIRS.—An Indian tribe, a tribal organization, or an Alaska Native entity, that receives funds through a grant made or contract entered into under paragraph (1) may use the funds to provide assistance to a secondary school operated or supported by the Bureau of Indian Affairs to enable such school to carry out vocational-technical education programs.

''(d) AUTHORIZED PROGRAMS.—Funds made available under this section shall be used to carry out vocational-technical education programs consistent with the purposes of this Act.

''(e) GRANT APPLICATION.—In order to receive a grant under this section an entity described in subsection (c) shall submit an application to the Secretary and shall include an assurance that such entity shall comply with the requirements of this Act.

''(f) SPECIAL CONSIDERATION.—The Secretary, in making grants under subsection (c), shall give special consideration to—

''(1) grants which involve, coordinate with, or encourage tribal economic development plans; and

''(2) applications from tribally controlled community colleges which—

''(A) are accredited or are candidates for accreditation by a nationally recognized accreditation organization as an institution of postsecondary vocational-technical education; or

''(B) operate vocational-technical education programs that are accredited or are candidates for accreditation by a nationally recognized accreditation organization and issue certificates for completion of vocational-technical education programs.

''(g) CONSOLIDATION OF FUNDS.—Each entity receiving assistance under this section 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 of 1992 (25 U.S.C 3401 et seq.).

''(h) NONDUPLICATIVE AND NONEXCLUSIVE SERVICES.—Nothing in this section shall be construed—

''(1) to limit the eligibility of any entity described in subsection (c) to participate in any activity offered by a State or local entity under this title; or

''(2) to preclude or discourage any agreement, between any entity described in subsection (c) and any State or local entity, to facilitate the provision of services by such entity or to the population served by such entity.

''(i) NATIVE HAWAIIAN PROGRAMS.—From the funds reserved pursuant to section 101(a)(1)(A)(ii), the Secretary is directed to enter into contracts with organizations primarily serving and representing Native Hawaiian Programs which are recognized by the Governor of the State of Hawaii to plan, conduct, and administer programs, or portions thereof, which are authorized by and consistent with the provisions of this section for the benefit of Native Hawaiian Programs.''.

SEC. 104. TRIBALLY CONTROLLED POSTSECONDARY VOCATIONAL INSTITUTIONS.

Part A of title I of the Act is amended by adding at the end the following:

''SEC. 104. TRIBALLY CONTROLLED POSTSECONDARY VOCATIONAL-TECHNICAL EDUCATION PROGRAMS

''(a) GRANTS AUTHORIZED.—The Secretary shall, subject to the availability of appropriations, make grants pursuant to this section to tribally controlled postsecondary vocational-technical institutions to provide basic support for the education and training of Indian students.

''(b) USE OF GRANTS.—Amounts made available pursuant to this section shall be used for vocational-technical education programs.

''(c) ELIGIBLE GRANT RECIPIENTS.—To be eligible for assistance under this section a tribally controlled postsecondary vocational-technical institution shall—

''(1) be governed by a board of directors or trustees, a majority of whom are Indians;

''(2) have been in operation for at least 3 years;

''(3) hold accreditation with or be a candidate for accreditation by a nationally recognized accrediting authority for postsecondary vocational-technical education; and

''(4) enroll the full-time equivalent of not less than 100 students, of whom a majority are Indians.

''(d) APPLICATIONS.—Any tribally controlled postsecondary vocational-technical institution that desires to receive a grant under this section shall submit an application to the Secretary in such manner and form as the Secretary may require.

''(e) OTHER PROGRAMS.—

''(1) IN GENERAL.—Except as specifically provided in this Act, eligibility for assistance under this section shall not preclude any tribally controlled postsecondary vocational-technical institution from receiving Federal financial assistance under any program authorized under the Higher Education Act of 1965 or any other applicable program for the benefit of institutions of higher education or vocational-technical education.

''(2) PROHIBITION ON ALLOCATION OF GRANT AMOUNT.—The amount of any grant for which tribally controlled postsecondary vocational-technical institutions are eligible under this subpart shall not be altered because of funds allocated to any such institution from funds appropriated under the Act of November 2, 1921.

''(3) PROHIBITION ON CONTRACT DENIAL.—No tribally controlled postsecondary vocational-technical institution for which an Indian tribe has designated a portion of the funds appropriated for the tribe from funds appropriated under the Act of November 2, 1921, may be denied a contract for such portion under the Indian Self-Determination and Education Assistance Act (except as provided in that Act), or denied appropriate contract support to administer such portion of the appropriated funds.

''(f) DEFINITIONS.—For the purposes of this section:

''(1) INDIAN.—The terms 'Indian' and 'Indian tribe' have the meanings given such terms in section 2 of the Tribally Controlled Community College Assistance Act of 1978.

''(2) TRIBALLY CONTROLLED POSTSECONDARY VOCATIONAL-TECHNICAL INSTITUTION.—The term 'tribally controlled postsecondary vocational-technical institution' means an institution of higher education which is formally controlled, or has been formally sanctioned or chartered by the governing body of an Indian tribe or tribes which offers technical degrees or certificate granting programs.

''(3) INDIAN STUDENT COUNT.—The term 'Indian student count' means a number equal to the total number of Indian students enrolled in each tribally controlled vocational-technical institution, determined as follows:

''(A) REGISTRATIONS.—The registrations of Indian students as in effect on October 1 of each year.

''(B) SUMMER TERM.—Credits or clock hours toward a certificate earned in classes offered during a summer term shall be counted toward the computation of the Indian student count in the succeeding fall term.

''(C) ADMISSION CRITERIA.—Credits or clock hours toward a certificate earned in classes during a summer term shall be counted toward the computation of the Indian student count if the institution at which the student is in attendance has established criteria for the admission of such student on the basis of the student's ability to benefit from the education or training offered. The institution shall be presumed to have established such criteria if the admission procedures for such studies include counseling or testing that measures the student's aptitude to successfully complete the course in which the student has enrolled. No credit earned by such student for purposes of obtaining a high school degree or its equivalent shall be counted toward the computation of the Indian student count.

''(D) DETERMINATION OF HOURS.—Indian students earning credits in any continuing education program of a tribally controlled vocational-technical institution shall be included in determining the sum of all credit or clock hours.

''(E) CONTINUING EDUCATION.—Credits or clock hours earned in a continuing education program shall be converted to the basis that is in accordance with the institution's system for providing credit for participation in such programs.

''(g) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated not more than $4,000,000 for fiscal year 1998 and such sums as may be necessary for each of the 4 succeeding fiscal years to carry out the provisions of this section.''.

PART B—STATE ORGANIZATIONAL AND PLANNING RESPONSIBILITIES

SEC. 111. STATE ADMINISTRATION.

Section 111 of this Act is amended—

(1) in subsection (a)(1)(A), by striking ''pursuant to section 113(b)(8), section 116, and section 117'';

(2) by striking subsection (a)(1)(B);

(3) in subsection (a)(1)(C), by striking ''consultation with'' and all that follows through the semicolon at the end of subsection (a)(1)(C) and inserting ''consultation with the Governor and appropriate agencies, groups, and individuals, including business, industry and representatives of employees involved in the planning, administration, evaluation, and coordination of programs funded under this Act;''; and

(4) by striking subsections (b) through (g) and inserting the following:

''(b) LIST OF PROGRAMS ASSISTED.—The State board shall make available to each Private Industry Council established under section 102 of the Job Training Partnership Act within the State a listing of all programs assisted under this Act.''.

SEC. 112. STATE COUNCIL ON VOCATIONAL EDUCATION.

Section 112 of the Act is repealed.

SEC. 113. STATE APPLICATION.

Section 113 of the Act is amended—

(1) by redesignating such section as section 112;

(2) by striking ''plan'' in the section heading and inserting ''application'';

(3) in subsection (a)—

(A) in paragraph (1), by striking ''(A)'' and further by striking all that follows after ''Secretary'' and inserting ''an application in such manner and accompanied by such information as the Secretary may require but which, at a minimum, shall be for a 5-year period.'';

(B) in paragraph (1), by striking subparagraph (B);

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

''(2) The State board shall conduct public hearings in the State, after appropriate and sufficient notice, for the purpose of affording all segments of the public and interested organizations and groups an opportunity to present their views and make recommendations regarding the State application. A summary of such recommendations and the State board's response shall be included with the State application.''; and

(D) by striking paragraph (3); and

(4) by striking subsections (b) and (c) and inserting the following:

''(b) CONTENTS.—Each State application shall—

''(1) describe the vocational-technical education programs that will be carried out with funds received by the State under this Act, including a description of—

''(A) the secondary and postsecondary vocational-technical education programs to be carried out at the State level pursuant to section 201, including programs that will be carried out by the State to develop, improve, and expand access to quality, state-of-the-art technology in vocational-technical education programs;

''(B) the criteria that will be used by the State in approving applications of eligible recipients of funds under this Act; and

''(C) how such programs will prepare vocational-technical education students for opportunities in postsecondary education or entry into high skill, high wage jobs;

''(2) describe how the State will actively involve parents, teachers, local businesses (including small- and medium-sized businesses) and representatives of employees in the planning, development, and implementation of such vocational-technical education programs;

''(3) describe how funds received by the State through the allotment made under section 102 will be allocated among secondary school vocational-technical education, or postsecondary and adult vocational-technical education, or both, including the rationale for such allotment;

''(4) describe how the State will—

''(A) improve the academic and technical skills of students participating in vocational-technical education programs which includes strengthening the academic component of vocational-technical education programs through the integration of academics with vocational-technical education to ensure learning in the core academic subjects and provide students with strong experience and understanding of all aspects of the industry; and

''(B) ensure that students who participate in such vocational-technical education programs are taught to the same challenging academic proficiencies as are provided for all other students;

''(5) describe how the State will annually evaluate the effectiveness of such vocational-technical education programs and describe how the State is coordinating such programs to ensure nonduplication with other existing Federal programs;

''(6) identify the benchmarks that the State will use to measure the progress of the State, including a description of how such benchmarks will ensure continuous improvement for vocational-technical students in meeting such benchmarks;

''(7) describe how the State will—

''(A) provide vocational-technical education programs that lead to high skill, high wage careers for members of special populations, displaced homemakers, single parents, and single pregnant women; and

''(B) ensure that members of special populations meet State benchmarks established under section 114 and are prepared for postsecondary education, further learning, and high skill, high wage careers;

''(8) provide a financial audit of funds received under this Act; and

''(9) provide assurances that none of the funds expended under this Act will be used to acquire equipment (including computer software) in any instance in which such acquisition results in a direct financial benefit to any organization representing the interests of the purchasing entity or its employees or any affiliate of such an organization.

''(c) AMENDMENTS.—The State board may submit amendments to the State application, as necessary, during the 5-year period. Such amendments shall be submitted in accordance with section 113(c).''.

SEC. 114. SUBMISSION OF STATE APPLICATION.

Section 114 of the Act is amended—

(1) by redesignating such section as section 113;

(2) by striking ''***state plan approval***'' in the section heading and inserting ''***submission of state application***'';

(3) by striking subsections (a) and (b); and

(4) by adding at the end the following:

''(a) APPLICATION.—Each State application shall be submitted to the Secretary by not later than May 1 preceding the beginning of the first fiscal year for which a State application is to be in effect.

''(b) CONSULTATION.—The State board shall develop the portion of each State application relating to the amount and uses of any funds proposed to be reserved for adult vocational-technical education, postsecondary vocational-technical education, tech-prep education, and secondary vocational-technical education after

consultation with the State agency responsible for supervision of community colleges, technical institutes, or other 2-year postsecondary institutions primarily engaged in providing postsecondary vocational-technical education, and the State agency responsible for secondary education. If a State agency finds that a portion of the final State application is objectionable, such agency shall file such objections with the State board. The State board shall respond to any objections of such agency in submitting such application to the Secretary.

''(c) APPLICATION SUBMISSION.—A State application submitted to the Secretary under this section shall be approved by the Secretary unless the Secretary makes a written determination, within 90 days after receiving the application, that the application is in violation of the provisions of this Act.''.

SEC. 115. ACCOUNTABILITY.

Part B of title I is amended by inserting after section 113, as redesignated, the following:

''SEC. 114. ACCOUNTABILITY.

''(a) BENCHMARKS.—To be eligible to receive an allotment under section 102, a State shall develop and identify in the State application submitted under section 113 proposed rigorous and quantifiable benchmarks to measure the statewide progress of the State, which shall include, at a minimum, measures, of—

''(1) attainment of challenging State academic proficiencies;

''(2) attainment of secondary school diplomas or general equivalency diplomas; and

''(3) placement in, retention in, and completion of, postsecondary education or advanced training, or placement and retention in military service, or employment.

''(b) PROGRAM IMPROVEMENT AND SANCTIONS.—

''(1) STATE PROGRAM IMPROVEMENT PLAN.—If a State fails to meet its State benchmarks as described in the report submitted under subsection (c), the State shall develop and implement a program improvement plan in consultation with appropriate agencies, individuals, and organizations for the first program year succeeding the program year in which the State failed to meet its benchmarks in order to avoid a sanction as provided under paragraph (3).

''(2) LOCAL IMPROVEMENT PLAN.—If an eligible recipient fails to meet its State benchmarks, the eligible recipient shall develop a program improvement plan with appropriate agencies, individuals, and organizations for the succeeding program year.

''(3) SANCTIONS.—

''(A) IN GENERAL.—If a State fails to meet the State benchmarks required under subsection (a), and has not implemented an improvement plan as described in paragraph (1), has not demonstrated improvement in meeting its benchmarks, or has failed to meet its benchmarks for 2 or more consecutive years, the Secretary may, after notice and opportunity for a hearing, or withhold from the State all, or a portion of, the State's allotment under this Act. The Secretary may waive the sanction due to exceptional or uncontrollable circumstances such as a natural disaster or a precipitous and unforeseen decline in the financial resources of the State.

''(B) FUNDS RESULTING FROM REDUCED ALLOTMENTS.—The amount of funds retained by the Secretary as a result of a reduction in an allotment made under subparagraph (A) shall be redistributed to other States in accordance with section 101.

''(c) REPORT.—

''(1) IN GENERAL.—

''(A) INFORMATION.—Each State that receives an allotment under section 102 shall annually prepare and submit to the Secretary a report on how the State is performing on State benchmarks that relate to vocational-technical education programs. In preparing the report, the State may include information on such additional vocational-technical education benchmarks as the State may establish.

''(B) SPECIAL POPULATIONS.—The report submitted by the State in accordance with subparagraph (A) shall include a description of how special populations, displaced homemakers, single parents, and single pregnant women participating in vocational-technical education programs have met the vocational-technical education benchmarks established by the State.

''(2) INFORMATION DISSEMINATION.—The Secretary shall make the information contained in such reports available to the general public through publication and other appropriate methods which may include electronic communication.

''(3) BENCHMARK PERFORMANCE.—Each local recipient shall make available to the general public information regarding how the local recipient is performing in regard to the State benchmarks.''.

SEC. 116. PROGRAM EVALUATION.

Sections 115, 116, 117, and 118 of the Act are repealed.

TITLE II—BASIC STATE GRANTS FOR VOCATIONAL-TECHNICAL EDUCATION

SEC. 201. STATE PROGRAMS.

(a) HEADING.—The heading for title II is amended to read as follows:

''TITLE II—BASIC STATE GRANTS FOR VOCATIONAL-TECHNICAL EDUCATION''.

(b) PROGRAMS.—Section 201 of the Act is amended—

(1) in subsection (a), by striking ''102(a)(3)'' and inserting ''102(a)(2)'';

(2) by amending subsection (b) to read as follows:

''(b) REQUIRED USES OF FUNDS.—The programs described in subsection (a) shall include—

''(1) an assessment of the vocational-technical education programs carried out with funds under this Act that includes an assessment of how the needs of special populations are being met and how such programs will ensure that the benchmarks established under section 114 are being met;

''(2) developing, improving, or expanding the use of technology in vocational-technical education which may include—

''(A) training of vocational-technical education personnel to use State-of-the art technology, which may include distance learning;

''(B) providing vocational-technical education students with the academic and technical skills that lead to entry into the high technology and telecommunications field; or

''(C) encouraging schools to work with high tech industries to offer voluntary internships and mentoring programs;

''(3) professional development programs, including—

''(A) inservice and preservice training in state-of-the-art vocational-technical education programs and techniques; and

''(B) support of education programs for teachers of vocational-technical education in public schools and other public school personnel who are involved in the direct delivery of educational services to vocational education students to ensure that such teachers stay current with the needs, expectations, and methods of industry; and

''(4) support for vocational-technical education programs that improve the academic and technical skills of students participating in vocational-technical education programs by strengthening the academic component of such vocational-technical education programs through the integration of academics with vocational-technical education to ensure learning in the core academic subjects.'';

(3) by amending subsection (c) to read as follows:

''(c) PERMISSIBLE USES OF FUNDS.—The programs under subsection (a) may include—

''(1) technical support for eligible recipients;

''(2) support for tech-prep programs;

''(3) support for programs for single parents, displaced homemakers, single pregnant women, and individuals in nontraditional occupations that lead to high skill, high wage careers;

''(4) support for cooperative education;

''(5) support for vocational student organizations;

''(6) support for public charter schools operating secondary vocational-technical education programs;

''(7) support for vocational-technical education programs that offer experience in, and understanding of, all aspects of the industry for which students are preparing to enter;

''(8) support for family and consumer sciences programs; and

''(9) support for corrections vocational-technical education.''; and

(4) by adding after subsection (c) the following new subsection:

''(d) RESTRICTION ON USES OF FUNDS.—A State that receives funds under section 102(a)(2) may not use any of such funds to pay administrative costs.''.

SEC. 202. SECONDARY, POSTSECONDARY, AND ADULT VOCATION-TECHNICAL EDUCATION PROGRAMS.

Part B of title II of the Act is amended to read as follows:

''PART B—SECONDARY, POSTSECONDARY, AND ADULT VOCATIONAL-TECHNICAL EDUCATION PROGRAMS

''Subpart 1—Within-State Allocation

''SEC. 221. DISTRIBUTION OF FUNDS TO SECONDARY SCHOOL PROGRAMS.

''(a) GENERAL RULE.—Except as otherwise provided in this section and section 223, each State shall distribute the funds received under this Act and available in fiscal year 1998 for secondary school vocational-technical education to local educational agencies within the State as follows:

''(1) From 70 percent of such funds, each local educational agency shall be allocated an amount that bears the same relationship to such 70 percent as the amount such local educational agency was allocated under section 1124 or such section's predecessor authority of the Elementary and Secondary Education Act of 1965 in the preceding fiscal year bears to the total amount received under such section by local educational agencies in the State in such year.

''(2) From 20 percent of such funds, each local educational agency shall be allocated an amount that bears the same relationship to such 20 percent as the number of students with disabilities who have individualized education programs under section 614(d) of the Individuals with Disabilities Education Act who are served by such local educational agency in the preceding fiscal year bears to the total number of such students served by local educational agencies in the State in such year.

''(3) From 10 percent of such funds, each local educational agency shall be allocated an amount that bears the same relationship to such 10 percent as the number of students enrolled in schools and adults enrolled in training programs under the jurisdiction of such local educational agency in the preceding fiscal year bears to the number of students enrolled in schools and adults enrolled in training programs under the jurisdiction of all local educational agencies in the State in such year.

''(b) ALLOCATION FOR SUBSEQUENT FISCAL YEARS.—In fiscal year 1999, and the succeeding 3 fiscal years, each State shall distribute the funds available in any such fiscal year for secondary school vocational-technical education programs to local educational agencies within the State as follows:

''(1) POPULATION.—50 percent shall be allocated to such agencies in proportion to the number of individuals aged 15 to 19, inclusive, who reside in the school district served by such agency for the preceding fiscal year compared to the total number of such individuals who reside in the school districts served by all local educational agencies in the State for such preceding year.

''(2) INCOME.—50 percent shall be allocated to such agencies in proportion to the number of individuals aged 15 through 19, inclusive, who reside in the school district served by such agency from families with incomes below the poverty line (as defined by the Office of Management and Budget and revised annually in accordance with section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2))) applicable to a family of the size involved for the fiscal year for which the determination is made compared to the number of such individuals in all the local educational agencies in the State.

''(c) WAIVER FOR MORE EQUITABLE DISTRIBUTION.—The Secretary may waive the application of subsection (b) in the case of any State that submits to the Secretary an application for such a waiver that—

''(1) demonstrates that the formula described in subsection (b) does not result in a distribution of funds to local educational agencies within the State that have the greatest economic need and that an alternative formula would result in such a distribution; and

''(2) includes a proposal for such an alternative formula.

''(d) MINIMUM GRANT AMOUNT.—

''(1) IN GENERAL.—Except as provided in paragraph (2), no local educational agency shall be eligible for a grant under this part unless the amount allocated to such agency under subsections (a) and (b) is not less than $7,500. A local educational agency may enter into a consortium with other local educational agencies for purposes of meeting the minimum allocation requirement of this paragraph.

''(2) WAIVER.—The State shall waive the application of paragraph (1) in any case in which the local educational agency—

''(A)(i) is located in a rural, sparsely populated area, or

''(ii) is a public charter school operating secondary vocational-technical education programs; and

''(B) demonstrates that the agency is unable to enter into a consortium for purposes of providing services under this part.

''(3) REDISTRIBUTION.—Any amounts that are not allocated by reason of paragraph (1) or paragraph (2) shall be redistributed to local educational agencies that meet the requirements of paragraph (1) or (2) in accordance with the provisions of this section.

''(e) LIMITED JURISDICTION AGENCIES.—

''(1) IN GENERAL.—In applying the provisions of subsections (a), (b), (c), and (d), no State receiving assistance under this Act shall allocate funds to a local educational agency that serves only elementary schools, but shall distribute such funds to the local educational agency or regional educational agency that provides secondary school services to secondary school students in the same attendance area.

''(2) SECONDARY SCHOOL JURISDICTION.—The amount to be allocated under paragraph (1) to a local educational agency that has jurisdiction only over secondary schools shall be determined based on the number of students that were enrolled in such secondary schools in the previous year from the elementary schools involved.

''(f) ALLOCATIONS TO AREA VOCATIONAL-TECHNICAL EDUCATION SCHOOLS AND EDUCATIONAL SERVICE AGENCIES.—

''(1) IN GENERAL.—Each State shall distribute funds available for secondary school vocational-technical education programs to the appropriate area vocational-technical education school or educational service agency in any case in which the area vocational-technical education school or educational service agency and the local educational agency concerned—

''(A) have formed or will form a consortium for the purpose of receiving funds under this section; or

''(B) have entered into or will enter into a cooperative arrangement for such purpose.

''(2) ALLOCATION BASIS.—If an area vocational-technical education school or educational service agency meets the requirements of paragraph (1), then the amount that would otherwise be distributed to the local educational agency shall be allocated to the area vocational-technical education school, the educational service agency, and the local educational agency based on each school's or entity's relative share of students who are attending vocational-technical education programs (based, if practicable, on the average enrollment for the prior 3 years).

''(3) APPEALS PROCEDURE.—The State board shall establish an appeals procedure for resolution of any dispute arising between a local educational agency and an area vocational-technical education school or an educational service agency with respect to the allocation procedures described in this section, including the decision of a local educational agency to leave a consortium or terminate a cooperative arrangement.

''(g) CONSORTIUM REQUIREMENTS.—

''(1) ALLIANCE.—Any local educational agency receiving an allocation that is not sufficient to conduct a program which meets the requirements of section 225 is encouraged to—

''(A) form a consortium or enter into a cooperative agreement with an area vocational-technical education school or educational service agency offering programs that meet the requirements of section 225;

''(B) transfer such allocation to the area vocational-technical education school or educational service agency; and

''(C) be of sufficient size, scope, and quality as to be effective.

''(2) FUNDS TO CONSORTIUM.—Funds allocated to a consortium formed to meet the requirements of this paragraph shall be used only for purposes and programs that are mutually beneficial to all members of the consortium and can be used only for programs authorized under this Act. Such funds may not be reallocated to individual members of the consortium for purposes or programs benefiting only one member of the consortium.

''(h) DATA.—The Secretary shall collect information from States regarding the specific dollar allocations made available by the State for vocational-technical education programs under subsections (a), (b), (c), and (d) and how these allocations are distributed to local educational agencies, area vocational-technical education schools, educational services agencies, and eligible institutions within the State in accordance with this section.

''SEC. 222. DISTRIBUTION OF FUNDS FOR POSTSECONDARY AND ADULT VOCATIONAL-TECHNICAL EDUCATION PROGRAMS.

''(a) ALLOCATION.—

''(1) IN GENERAL.—Except as provided in subsections (b) and (c) and section 223, each State shall distribute funds available in any fiscal year for postsecondary and adult vocational-technical education programs to eligible institutions or consortia of eligible institutions within the State.

''(2) FORMULA.—Each eligible institution or consortium of eligible institutions shall receive an amount that bears the same relationship to the amount of funds available under such section as the number of individuals who are Pell Grant recipients or recipients of assistance from the Bureau of Indian Affairs and are enrolled in programs meeting the requirements of section 225 offered by such institution or consortium in the preceding fiscal year bears to the number of such recipients enrolled in such programs within the State for such year.

''(3) CONSORTIUM REQUIREMENTS.—

''(A) IN GENERAL.—In order for a consortium of eligible institutions described in paragraph (2) to receive assistance pursuant to such paragraph, such consortium shall operate joint projects that—

''(i) provide services to all postsecondary institutions participating in the consortium; and

''(ii) are of sufficient size, scope, and quality as to be effective.

''(B) FUNDS TO CONSORTIUM.—Funds allocated to a consortium formed to meet the requirements of this section shall be used only for purposes and programs that are mutually beneficial to all members of the consortium and can be used only for programs authorized under this Act. Such funds may not be reallocated to individual members of the consortium for purposes or programs benefiting only one member of the consortium.

''(b) WAIVER FOR MORE EQUITABLE DISTRIBUTION.—The Secretary may waive the application of subsection (a) in the case of any State that submits to the Secretary of Education an application for such a waiver that—

''(1) demonstrates that the formula described in subsection (a) does not result in a distribution of funds to the institutions or consortia within the State that have the highest numbers of economically disadvantaged individuals and that an alternative formula would result in such a distribution; and

''(2) includes a proposal for such an alternative formula.

''(c) MINIMUM GRANT AMOUNT.—

''(1) IN GENERAL.—No funds provided to any institution or consortium under this section shall be for an amount that is less than $20,000.

''(2) REDISTRIBUTION.—Any amounts that are not distributed by reason of paragraph (1) shall be redistributed to eligible institutions or consortia of eligible institutions in accordance with the provisions of this section.

''(d) DEFINITIONS.—For the purposes of this section—

''(1) the term 'eligible institution' means an institution of higher education as such term is defined in section 1201(a) of the Higher Education Act of 1965, a local educational agency serving adults, or an area vocational education school serving adults that offers or will offer a program that meets the requirements of section 225 and seeks to receive assistance under this part; and

''(2) the term 'Pell Grant' means a recipient of financial aid under subpart 1 of part A of title IV of the Higher Education Act of 1965.

''SEC. 223. SPECIAL RULES FOR VOCATIONAL-TECHNICAL EDUCATION.

''(a) SPECIAL RULE FOR MINIMAL ALLOCATION.—

''(1) GENERAL AUTHORITY.—Notwithstanding the provisions of sections 221 and 222 and in order to make a more equitable distribution of funds for programs serving the areas of greatest economic need, for any program year for which a minimal amount is made available by a State for distribution under section 221 or 222, such State may distribute such minimal amount for such year—

''(A) on a competitive basis; or

''(B) through any alternative method determined by the State.

''(2) MINIMAL AMOUNT.—For purposes of this section, the term 'minimal amount' means not more than 15 percent of the total amount made available for distribution under this part.

''(b) REDISTRIBUTION.—

''(1) IN GENERAL.—In any academic year that a local educational agency or eligible institution does not expend all of the amounts it is allocated for such year under section 221 or 222, such recipient shall return any unexpended amounts to the State to be reallocated under section 221 or 222, as appropriate.

''(2) REDISTRIBUTION OF AMOUNTS RETURNED LATE IN AN ACADEMIC YEAR.—In any academic year in which amounts are returned to the State under section 221 or 222 and the State is unable to reallocate such amounts according to such sections in time for such amounts to be expended in such academic year, the State shall retain such amounts for distribution in combination with amounts provided under this title for the following academic year.

''(c) CONSTRUCTION.—Nothing in section 221 or 222 shall be construed—

''(1) to prohibit a local educational agency (or a consortium thereof) that receives assistance

under section 221, from working with an eligible recipient (or consortium thereof) that receives assistance under section 222, to carry out secondary school vocational-technical education programs in accordance with this title;

''(2) to prohibit an eligible recipient (or consortium thereof) that receives assistance under section 222, from working with a local educational agency (or consortium thereof) that receives assistance under section 221, to carry out postsecondary and adult vocational-technical education programs in accordance with this title; or

''(3) to require a charter school that is a local educational agency to jointly establish its eligibility unless the charter school is explicitly permitted to do so under the State's charter school statute.

''(d) CONSISTENT APPLICATION.—For purposes of this section, the State board shall provide funds to charter schools that offer vocational-technical education programs that are public schools of the local educational agency in the same manner as it provides those funds to other schools of the local educational agency. Such program within a charter school shall be of sufficient size, scope, and quality as to be effective.

''SEC. 224. LOCAL APPLICATION FOR VOCATIONAL-TECHNICAL EDUCATION PROGRAMS.

''(a) APPLICATION REQUIRED.—Any eligible recipient desiring financial assistance under this part shall, in accordance with requirements established by the State board, submit an application to the State board. Such application shall cover the same period of time as the period of time applicable to the State application submitted under section 112.

''(b) CONTENTS.—The State board shall determine requirements for local applications, except that each application shall—

''(1) describe how the vocational-technical education programs required under section 225(b) will be carried out with funds received under this part;

''(2) describe how students participating in vocational-technical education programs carried out with funds under this Act will reach the State benchmarks as established under section 114;

''(3) describe how the eligible recipient will—

''(A) improve the academic and technical skills of students participating in vocational-technical education programs by strengthening the academic component of such programs through the integration of academics with vocational-technical education programs through a coherent sequence of courses to ensure learning in the core academic subjects; and

''(B) ensure that students who participate in such vocational-technical education programs are taught to the same challenging academic proficiencies as are provided for all other students;

''(4) describe how parents, students, teachers, business and representatives of employees are involved in the development and implementation of vocational-technical education programs assisted under this Act; and

''(5) provide assurances that the eligible recipient will provide a vocational-technical education program that is of such size, scope, and quality as to bring about improvement in the quality of vocational-technical education programs.

''SEC. 225. LOCAL USES OF FUNDS.

''(a) GENERAL AUTHORITY.—Each eligible recipient that receives a grant under this part shall use such funds to improve vocational-technical education programs.

''(b) REQUIREMENTS FOR USES OF FUNDS.—Funds made available under this part shall be used to provide vocational-technical education programs that—

''(1) strengthen the academic and technical skills of students participating in vocational-technical education programs by strengthening the academic component of such programs through the integration of academics with vocational-technical education programs through a coherent sequence of courses to ensure learning in the core academic subjects;

''(2) develop, improve, or expand the use of technology in vocational-technical education which may include—

''(A) training of vocational-technical education personnel to use State-of-the art technology, which may include distance learning;

''(B) providing vocational-technical education students with the academic and technical skills that lead to entry into the high technology and telecommunications field; or

''(C) encouraging schools to work with high tech industries to offer voluntary internships and mentoring programs;

''(3) provide professional development programs, including—

''(A) inservice training in state-of-the-art vocational-technical education programs and techniques; and

''(B) support of education programs for teachers of vocational-technical education in public schools and other public school personnel who are involved in the direct delivery of educational services to vocational education students, to ensure that such teachers stay current with the needs, expectations, and methods of industry;

''(4) support vocational-technical education programs that improve the academic and technical skills of students participating in vocational-technical education programs by strengthening the academic component of such vocational-technical education programs through the integration of academics with vocational-technical education to ensure learning in the core academic subjects; and

''(5) provide an assessment of the vocational-technical education programs carried out with funds under this Act, including an assessment of how the needs of special populations are being met, and how such programs will ensure that the benchmarks established under section 114 are being met.

''(c) PERMISSIBLE ACTIVITIES.—The vocational-technical education programs described in subsection (b) may be used for—

''(1) establishing agreements between secondary and postsecondary vocational-technical education programs in order to provide postsecondary education and training opportunities for students participating in such vocational-technical programs, such as tech-prep programs;

''(2) involving parents, business, and representatives of employees in the design and implementation of vocational-technical education programs authorized under this Act;

''(3) providing career guidance and counseling;

''(4) providing work related experience, such as internships, cooperative education, school-based enterprises, entrepreneurship, and job shadowing that are related to vocational-technical education programs;

''(5) programs for single parents, displaced homemakers, and single pregnant women;

''(6) local education and business partnerships;

''(7) vocational student organizations;

''(8) mentoring and support services;

''(9) leasing, purchasing, or upgrading of equipment; and

''(10) establishing effective programs and procedures to enable vocational-technical education program participants and their parents to participate directly in decisions that influence the programs, including providing information and assistance for informed effective participation.

''(d) ADMINISTRATIVE COSTS.—Each eligible recipient receiving funds under this part shall not use more than 2 percent of the funds for administrative costs associated with the administration of the grant.''.

SEC. 203. REPEAL OF PART C.

Part C of title II is repealed.

TITLE III—RESEARCH AND DEVELOPMENT

SEC. 301. EVALUATION; RESEARCH, DEMONSTRATIONS AND DISSEMINATION.

(a) HEADING.—The heading for title III is amended to read as follows:

''TITLE III—RESEARCH AND DEVELOPMENT''.

(b) PART A.—Part A of title III is amended to read as follows:

''PART A—RESEARCH AND DEVELOPMENT

''SEC. 301. EVALUATION; RESEARCH; DEMONSTRATIONS; AND DISSEMINATION.

''(a) SINGLE PLAN.—

''(1) IN GENERAL.—The Secretary shall develop a single plan for evaluation and assessment, research, demonstrations, and dissemination with regard to the vocational-technical education programs assisted under this Act.

''(2) PLAN.—Such plan shall—

''(A) identify the vocational-technical education programs the Secretary will carry out under this section;

''(B) describe how the Secretary will evaluate such vocational-technical education programs in accordance with subsection (b); and

''(C) include such other information as the Secretary determines to be appropriate.

''(b) EVALUATION AND ASSESSMENT.—

''(1) IN GENERAL.—From amounts made available under subsection (g), the Secretary shall provide for the conduct of an independent evaluation and assessment of vocational-technical education programs under this Act through studies and analyses conducted independently through grants and contracts awarded on a competitive basis.

''(2) CONTENTS.—Such evaluation and assessment of vocational-technical education programs shall include descriptions of—

''(A) the extent to which State, local, and tribal entities have developed, implemented, or improved State and local vocational-technical education programs;

''(B) the degree to which the expenditures at the Federal, State, local, and tribal levels address improvement in vocational-technical education programs;

''(C) the extent to which vocational-technical education programs succeed in preparing individuals participating in such programs for entry into postsecondary education, further learning, or high skill, high wage careers; and

''(D) the effect of State benchmarks, performance measures, and other measures of accountability on the delivery of vocational-technical education programs.

''(c) INFORMATION COLLECTION AND REPORT.—

''(1) IN GENERAL.—The Secretary may collect and disseminate information from States regarding State efforts to meet State benchmarks described in section 114.

''(2) REPORT.—The Secretary shall gather any information collected pursuant to paragraph (1) and submit a report to the Committee on Education and the Workforce of the House of Representatives and the Committee on Labor and Human Resources of the Senate.

''(d) RESEARCH.—

''(1) IN GENERAL.—The Secretary shall award grants, on a competitive basis, to an institution of higher education, a public or private organization or agency, or a consortium of such institutions, organizations, or agencies to establish a national research center or centers—

''(A) to carry out research for the purpose of developing, improving, and identifying the most successful methods for successfully addressing the education, employment, and training needs of participants in vocational-technical education programs;

''(B) to carry out research to increase the effectiveness and improve the implementation of vocational-technical education programs, including conducting research and development and studies providing longitudinal information or formative evaluation with respect to vocational-technical education programs;

''(C) to carry out such other programs as the Secretary determines to be appropriate to achieve the purposes of this Act.

''(2) SUMMARY.—The Secretary shall provide an annual report summarizing the evaluations and assessments described in subsection (b), and the research conducted pursuant to this subsection, and the findings of such evaluations and assessments, and research, to the Committee on Education and the Workforce of the House of Representatives and the Committee on Labor and Human Resources of the Senate.

''(e) DEMONSTRATIONS AND DISSEMINATION.—

''(1) DEMONSTRATION PROGRAM.—The Secretary is authorized to carry out demonstration vocational-technical education programs, to replicate model vocational-technical education programs, to disseminate best practices information, and to provide technical assistance upon request of a State, for the purposes of developing, improving, and identifying the most successful methods and techniques for providing vocational-technical education programs assisted under this Act.

''(2) DEMONSTRATION PARTNERSHIP.—

''(A) IN GENERAL.—The Secretary shall carry out a demonstration partnership project involving a 4-year, accredited postsecondary institution, in cooperation with local public education organizations, volunteer groups, and private sector business participants to provide program support, and facilities for education, training, tutoring, counseling, employment preparation, specific skills training in emerging and established professions, retraining of military medical personnel, retraining of individuals displaced by corporate or military restructuring, migrant workers, and other individuals who otherwise would not have access to such services, through multi-site, multi-State distance learning technologies.

''(B) PROGRAM.—Such program may be carried out directly or through grants, contracts, cooperative agreements, or through the national center or centers.

''(f) DEFINITION.—As used in this section, the term 'institution of higher education' has the meaning given the term in section 1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1141(a)).

''(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary for fiscal year 1998 and such sums as may be necessary for each of the 4 succeeding fiscal years to carry out this part.''.

SEC. 302. TECH-PREP EDUCATION.

Part B of title III is amended to read as follows:

''PART C—TECH-PREP EDUCATION

''SEC. 321. TECH-PREP EDUCATION.

''(a) PROGRAM AUTHORIZED.—The State board, in accordance with the provisions of this part, shall award grants to consortia on a competitive basis or on the basis of a formula determined by the State board, for tech-prep education programs.

''(b) GENERAL AUTHORITY.—Each grant recipient shall use amounts provided under the grant to develop and operate a 4-year tech-prep education program.

''(c) CONTENTS OF PROGRAM.—Any such program shall—

''(1) be carried out under an articulation agreement between the participants in the consortium;

''(2) consist of the 2 or 4 years of secondary school preceding graduation and 2 years of higher education, or an apprenticeship program of at least 2 years following secondary instruction, with a common core of required proficiency in mathematics, science, communications, and technologies designed to lead to an associate degree or postsecondary certificate in a specific career field;

''(3) include the development of tech-prep education program components appropriate to the needs of the consortium participants;

''(4) include in-service training for teachers that—

''(A) is designed to train vocational-technical teachers to effectively implement tech-prep education programs;

''(B) provides for joint training for teachers in the tech-prep consortium; and

''(C) may provide such training in weekend, evening, and summer sessions, institutes, or workshops;

''(5) include training programs for counselors designed to enable counselors to more effectively—

''(A) provide information to students regarding tech-prep education programs;

''(B) support student progress in completing such programs; and

''(C) provide information on related employment opportunities;

''(6) provide equal access to the full range of technical preparation programs to individuals who are members of special populations, including the development of tech-prep education program services appropriate to the needs of such individuals; and

''(7) provide for preparatory services that assist participants in such programs.

''(d) ADDITIONAL AUTHORIZED ACTIVITIES.—Each such program may—

''(1) provide for the acquisition of tech-prep education program equipment; and

''(2) acquire technical assistance from State or local entities that have successfully designed, established and operated tech-prep programs.

''SEC. 322. APPLICATIONS.

''(a) IN GENERAL.—Each consortium that desires to receive a grant under this part shall submit an application to the State board, as appropriate, at such time and in such manner as the State board shall prescribe.

''(b) PLAN.—Each application submitted under this section shall contain a 5-year plan for the development and implementation of programs under this part.

''(c) APPROVAL.—The State board shall approve applications based on their potential to create an effective tech-prep education program as provided for in this section.

''(d) SPECIAL CONSIDERATION.—The State board, as appropriate, shall give special consideration to applications which—

''(1) provide for effective employment placement activities or transfer of students to 4-year baccalaureate degree programs;

''(2) are developed in consultation with business, industry, institutions of higher education, and representatives of employees;

''(3) address effectively the issues of dropout prevention and reentry and the needs of special populations.

''SEC. 323. REPORT.

''Each State that receives a grant under this part shall annually prepare and submit to the Secretary a report on the effectiveness of their Tech-Prep programs, including how competitive grants were awarded within the State.

''SEC. 324. ALLOTMENT.

''The Secretary shall allot funds under this part in each fiscal year in the same manner as funds are allotted under section 101(a)(2).

''SEC. 325. AUTHORIZATION.

''(a) IN GENERAL.—From amounts made available under section 3(a), 10 percent shall be used to carry out this part for fiscal year 1998 and for each of the 4 succeeding fiscal years.

''(b) MINIMUM AMOUNT.—No State shall receive a grant of less than $200,000 under this part in any fiscal year.''.

SEC. 303. VOCATIONAL-TECHNICAL EDUCATION AND OCCUPATIONAL INFORMATION DATA SYSTEMS.

Part C of title IV is amended—

(1) by striking the part heading and inserting the following:

''PART B—VOCATIONAL-TECHNICAL EDUCATION INFORMATION'';

(2) by redesignating sections 421 through 424 as sections 311 through 314, respectively.

(3) by amending subsection (e) of section 312, as redesignated under paragraph (2), to read as follows:

''(e) There are authorized to be appropriated for each of fiscal years 1998 through 2002 such sums as may be necessary to carry out this part.'';

(4) in section 313(a)(1), as redesignated in paragraph (2), by striking ''421'' and inserting ''311''; and

(5) by adding at the end of such part the following new section:

''SEC. 315. AUTHORIZATION OF APPROPRIATIONS

''There are authorized to be appropriated for this part such sums as may be necessary for fiscal year 1998 and such sums as may be necessary for each of the 4 succeeding fiscal years.''.

SEC. 304. REPEALS.

(a) TITLE III.—Part C of title III of the Act, as the Act was in effect on the day before the date of the enactment of this Act, is repealed.

(b) TITLE IV.—The heading for title IV and parts A, B, E, and F of such title of the Act are repealed.

TITLE IV—GENERAL PROVISIONS

SEC. 401. GENERAL PROVISIONS.

Title V of the Act is amended to read as follows:

''TITLE IV—GENERAL PROVISIONS

''PART A—FEDERAL ADMINISTRATIVE PROVISIONS

''SEC. 401. PAYMENTS.

''The Secretary shall pay from its allotment under section 101 to each State for any fiscal year for which the State has a State application submitted in accordance with section 113 (including any amendment to such application) the Federal share of the costs of carrying out the State application.

''SEC. 402. FISCAL REQUIREMENTS.

''(a) SUPPLEMENT NOT SUPPLANT.—Funds received under this Act shall be used to supplement, not supplant, the amount of funds that would, in the absence of such Federal funds, be made available from non-Federal sources for vocational-technical education programs.

''(b) MAINTENANCE OF EFFORT.—

''(1) DETERMINATION.—

''(A) IN GENERAL.—Except as provided in subparagraphs (B) and (C), no payments shall be made under this title for any program year to a State for vocational-technical education programs unless the Secretary of Education determines that the fiscal effort per student or the aggregate expenditures of such State for vocational-technical programs for the fiscal year preceding the fiscal year for which the determination is made, equaled or exceeded such effort or expenditures for vocational-technical education programs, for the second program year preceding the fiscal year for which the determination is made.

''(B) COMPUTATION.—In computing the fiscal effort or aggregate expenditures pursuant to subparagraph (A), the Secretary of Education shall exclude capital expenditures, special one-time project costs, similar windfalls, and the cost of pilot programs.

''(C) DECREASE IN FEDERAL SUPPORT.—If the amount made available for vocational-technical education programs under this Act for a fiscal year is less than the amount made available for vocational-technical education programs under this Act for the preceding fiscal year, then the fiscal effort per student or the aggregate expenditures of a State required by subparagraph (B) for such preceding fiscal year shall be decreased by the same percentage as the percentage decrease in the amount so made available.

''(2) WAIVER.—The Secretary may waive the requirements of paragraph (1) (with respect to not more than 5 percent of expenditures required for the preceding fiscal year by any State) for 1 program year only, after making a

determination that such waiver would be equitable due to exceptional or uncontrollable circumstances affecting the ability of the State to meet such requirements, such as a natural disaster or an unforeseen and precipitous decline in financial resources. No level of funding permitted under such a waiver may be used as the basis for computing the fiscal effort or aggregate expenditures required under this paragraph for years subsequent to the year covered by such waiver. The fiscal effort or aggregate expenditures for the subsequent years shall be computed on the basis of the level of funding that would, but for such waiver, have been required.

"SEC. 403. AUTHORITY TO MAKE PAYMENTS.

''Any authority to make payments or to enter into contracts under this Act shall be available only to such extent or in such amounts as are provided in advance appropriation Acts.

"SEC. 404. NATIONAL AND STATE FUNDING.

''Nothing in this Act shall be construed to permit, allow, encourage, or authorize any Federal control over any aspect of any private, religious, or home school, whether or not a home school is treated as a private school or home school under State law. This section shall not be construed to bar private, religious, or home schools from participation in programs or services under the Act.

"SEC. 405. FREEDOM TO CHOOSE.

''None of the funds made available under this Act shall be used to—

''(1) require any individual to choose or pursue a specific career path or major;

''(2) compel any individual to enter into a specific course of study which requires as a condition or completion, attainment of federally-funded or endorsed industry recognized skills or standards; or

''(3) require any individuals to meet or obtain federally-funded or endorsed industry recognized skills, certificates, or standards.

"SEC. 406. LIMITATION FOR CERTAIN STUDENTS.

''None of the funds received under this Act may be used to provide vocational-technical education programs to students prior to the seventh grade, except that equipment and facilities purchased with funds under this Act may be used by such students.

"SEC. 407. FEDERAL LAWS GUARANTEEING CIVIL RIGHTS.

''Nothing in this Act shall be construed to be inconsistent with applicable Federal laws guaranteeing civil rights.

"SEC. 408. AUTHORIZATION OF SECRETARY.

''For the purposes of increasing and expanding the use of technology in vocational-technical education instruction, including the training of vocational-technical education personnel as provided in title II, the Secretary is authorized to receive funds collected by the Federal Government from fees for the use of property, rights-of-way, and easements under the control of Federal departments and agencies for the placement of telecommunications services that are dependent, in whole or in part, upon the utilization of general spectrum rights for the transmission or reception of such services.

"PART B—STATE ADMINISTRATIVE PROVISIONS

"SEC. 411. JOINT FUNDING.

''(a) GENERAL AUTHORITY.—Funds made available to States under this Act may be used to provide additional funds under an applicable program if—

''(1) such program otherwise meets the requirements of this Act and the requirements of the applicable program;

''(2) such program serves the same individuals that are served under this Act;

''(3) such program provides services in a coordinated manner with services provided under this Act; and

''(4) such funds would be used to supplement, and not supplant, funds provided from non-Federal sources.

''(b) APPLICABLE PROGRAM.—For the purposes of this section, the term 'applicable program' means any program under any of the following provisions of law:

''(1) Section 123, title II, and title III of the Job Training Partnership Act.

''(2) The Wagner-Peyser Act.

''(c) USE OF FUNDS AS MATCHING FUNDS.—For the purposes of this section, the term 'additional funds' does not include the use of funds as matching funds.

"SEC. 412. PROHIBITION ON USE OF FUNDS TO INDUCE OUT-OF-STATE RELOCATION OF BUSINESSES.

''No funds provided under this Act shall be used for the purpose of directly providing incentives or inducements to an employer to relocate a business enterprise from one State to another State if such relocation would result in a reduction in the number of jobs available in the State where the business enterprise is located before such incentives or inducements are offered.

"SEC. 413. STATE ADMINISTRATIVE COSTS.

''For each fiscal year for which a State receives assistance under this Act, the State shall provide from non-Federal sources for costs the State incurs for administration of programs under this Act an amount that is not less than the amount provided by the State from non-Federal sources for such costs for the preceding fiscal year.

"SEC. 414. LIMITATION ON FEDERAL REGULATIONS.

''The Secretary may issue regulations under this Act only to the extent necessary to administer and ensure compliance with the specific requirements of this Act.

"SEC. 415. STUDENT ASSISTANCE AND OTHER FEDERAL PROGRAMS.

''(a) ATTENDANCE COSTS NOT TREATED AS INCOME OR RESOURCES.—The portion of any student financial assistance received under this Act that is made available for attendance costs described in subsection (b) shall not be considered as income or resources in determining eligibility for assistance under any other program funded in whole or in part with Federal funds.

''(b) ATTENDANCE COSTS.—The attendance costs described in this subsection are—

''(1) tuition and fees normally assessed a student carrying the same academic workload as determined by the institution, and including costs for rental or purchase of any equipment, materials, or supplies required of all students in the same course of study; and

''(2) an allowance for books, supplies, transportation, dependent care, and miscellaneous personal expenses for a student attending the institution on at least a half-time basis, as determined by the institution.

''(c) COSTS OF VOCATIONAL-TECHNICAL EDUCATION SERVICES.—Funds made available under title II may be used to pay for the costs of vocational-technical education services required in an individualized education plan developed pursuant to section 614(d) of the Individuals with Disabilities Education Act and services necessary to meet the requirements of section 504 of the Rehabilitation Act of 1973 with respect to ensuring equal access to vocational-technical education.

"PART C—DEFINITIONS

"SEC. 421. DEFINITIONS.

''Except as otherwise specified in this Act, as used in this Act:

''(1) ADMINISTRATION.—The term 'administration' means programs of a State necessary for the proper and efficient performance of its duties under this Act, including supervision, but does not include curriculum development programs, personnel development, or research programs.

''(2) ALL ASPECTS OF THE INDUSTRY.—The term 'all aspects of the industry' means strong experience in, and comprehensive understanding of, the industry that individuals are preparing to enter.

''(3) AREA VOCATIONAL-TECHNICAL EDUCATION SCHOOL.—The term 'area vocational-technical education school' means—

''(A) a specialized secondary school used exclusively or principally for the provision of vocational-technical education to individuals who are available for study in preparation for entering the labor market;

''(B) the department of a secondary school exclusively or principally used for providing vocational-technical education in not fewer than five different occupational fields to individuals who are available for study in preparation for entering the labor market;

''(C) a technical institute or vocational-technical education school used exclusively or principally for the provision of vocational-technical education to individuals who have completed or left secondary school and who are available for study in preparation for entering the labor market, if the institute or school admits as regular students both individuals who have completed secondary school and individuals who have left secondary school; or

''(D) the department or division of a junior college, or community college, that operates under the policies of the State board and that provides vocational-technical education in not fewer than five different occupational fields leading to immediate employment but not necessarily leading to a baccalaureate degree, if the department or division admits as regular students both individuals who have completed secondary school and individuals who have left secondary school.

''(4) COOPERATIVE EDUCATION.—The term 'cooperative education' means a method of instruction of education for individuals who, through written cooperative arrangements between a 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, which alternation shall be planned and supervised by the school and employer so that each contributes to the education and employability of the individual, and may include an arrangement in which 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) DISPLACED HOMEMAKER.—The term 'displaced homemaker' means an individual who—

''(A) has worked primarily without remuneration to care for a home and family, and for that reason has diminished marketable skills; or

''(B) is a parent whose youngest dependent child will become ineligible to receive assistance under title I of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 not later than 2 years after the date of which the parent applies for assistance under this title.

''(6) EDUCATIONAL SERVICE AGENCY.—The term 'educational service agency' means a regional public multiservice agency authorized by State statute to develop and manage a service or program and provide the service or program to a local educational agency.

''(7) ELIGIBLE RECIPIENT.—The term 'eligible recipient' means a local educational agency, an area vocational-technical education school, an educational service agency, an institution of higher education (as such term is defined in section 1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1141(a))), and a consortium of such entities.

''(8) LOCAL EDUCATIONAL AGENCY.—The term 'local educational agency' has the meaning given such term in section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801).

''(9) OUTLYING AREA.—The term 'outlying area' means the United States Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau.

''(10) REPRESENTATIVES OF EMPLOYEES.—The term 'representatives of employees' means—

''(A) individuals who have been elected by organizations, associations, or a network of similar institutions to represent the economic interests of employees at a significant segment of workplaces; or

''(B) individuals from organizations, associations, or a network of similar institutions, with expertise to represent, or experience representing, the interests of employees with respect to vocational-technical education.

''(11) SECONDARY SCHOOL.—The term 'secondary school' has the meaning given the term in section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801).

''(12) SPECIAL POPULATIONS.—The term 'special populations' means individuals with disabilities, economically disadvantaged individuals, individuals of limited English proficiency, and individuals participating in nontraditional training and employment.

''(13) SECRETARY.—The term 'Secretary' means the Secretary of Education.

''(14) STATE.—The term 'State' means each of the several States of the United States, the District of Columbia, and the Commonwealth of Puerto Rico.

''(15) TECH-PREP PROGRAM.—The term 'tech-prep program' means a program of study that—

''(A) combines at least 2 years of secondary education (as determined under State law) and 2 years of postsecondary education in a nonduplicative sequential course of study;

''(B) strengthens the applied academic component of vocational-technical education through the integration of academic and vocational-technical instruction;

''(C) provides technical preparation in an area such as engineering technology, applied science, a mechanical, industrial, or practical art or trade, agriculture, a health occupation, business, or applied economics;

''(D) builds student competence in mathematics, science, and communications through applied academics in a coherent sequence of courses; and

''(E) leads to an associate degree or a certificate in a specific career field and to high skill, high wage employment or further education.

''(16) VOCATIONAL-TECHNICAL EDUCATION.—The term 'vocational-technical education' means organized educational programs that—

''(A) offer a sequence of courses that provide individuals with the academic knowledge and skills the individuals need to prepare for further education and careers in current or emerging employment sectors; and

''(B) include competency-based applied learning that contributes to the academic knowledge, higher-order reasoning and problem-solving skills, work attitudes, general employability skills, and occupation-specific skills, of an individual.

''(17) VOCATIONAL STUDENT ORGANIZATION.—The term 'vocational student organization' means an organization, for individuals enrolled in programs of vocational-technical education programs, that engages in programs as an integral part of the instructional component of such programs, which organization may have State and national units.''.

SEC. 402. REPEAL OF SMITH-HUGHES VOCATIONAL EDUCATION ACT.

The Act of February 23, 1917 (39 Stat. 929; 20 U.S.C. 11) (commonly known as the ''Smith-Hughes Vocational Education Act'') is repealed.

SEC. 403. EFFECTIVE DATE.

Except as otherwise provided, the repeals and amendments made by this Act shall take effect on the date of the enactment of the Carl D. Perkins Vocational-Technical Education Act Amendments of 1997.

The CHAIRMAN. During consideration of the bill for amendment, the Chair will accord priority in recognition to a Member offering an amendment that he has had printed in the designated place in the CONGRESSIONAL RECORD. Those amendments will be considered read.

Are there any amendments to the bill?

AMENDMENT NO. 1 OFFERED BY MR. GOODLING

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

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 1 offered by Mr. GOODLING:

Page 3, after line 18, insert the following:

(3) by amending subsection (c) to read as follows:

''(c) NATIONAL PROGRAMS.—None of the funds made available under this section for programs authorized under titles I, II, and part C of title III, shall be used for any program authorized under part A of title III.

Page 3, line 19, strike ''(3)'' and insert ''(4)'' and strike ''(c)'' and insert ''(d)''.

Page 9, strike lines 12 through 14, and insert the following:

''(c) RURAL AND URBAN RESERVE.—A State may reserve not more than 5 percent of the allotment made under section 102(a)(1) to use for grants to rural areas and not more than 5 percent of such allotment to use for grants to urban areas.''.

Beginning on page 9, strike lines 15 and all that follows through page 10, line 2.

Page 10, after line 2, insert the following:

''(e) DEFINITIONS.—For purposes of this section—

''(1) the term 'rural area' means an area that is not in a metropolitan statistical area;

''(2) the term 'urban area' means an area that serves a central city in a metropolitan statistical area; and

''(3) the terms 'central city' and 'metropolitan statistical area' have the same meanings given such terms in section 10952 of the Elementary and Secondary Education Act of 1965.''.

Page 16, after line 10, insert the following (and redesignate any subsequent subsections accordingly):

''(c) AMOUNT OF GRANTS.—

''(1) IN GENERAL.—If the sums appropriated for any fiscal year for grants under this section are not sufficient to pay in full the total amount which approved applicants are eligible to receive under this section for such fiscal year, the Secretary shall first allocate to each such applicant which received funds under this part for the preceding fiscal year an amount equal to 100 percent of the product of the per capita payment for the preceding fiscal year and such applicant's Indian student count for the current program year, plus an amount equal to the actual cost of any increase to the per capita figure resulting from inflationary increases to necessary costs beyond the institution's control.

''(2) PER CAPITA DETERMINATION.—For the purposes of paragraph (1), the per capita payment for any fiscal year shall be determined by dividing the amount available for grants to tribally controlled postsecondary vocational technical institutions under this part for such program year by the sum of the Indian student counts of such institutions for such program year. The Secretary shall, on the basis of the most accurate data available from the institutions, compute the Indian student count for any fiscal year for which such count was not used for the purpose of making allocations under this section.

Page 22, strike line 13, and insert the following:

(D) by amending paragraph (3) to read as follows:

''(3) The State board shall, for secondary vocational-technical education programs, establish effective activities and procedures, by which parents, students, teachers, and area residents concerned will be able to participate in State and local decisions that influence programs under this Act, and ensure that such individuals are given access to the information needed to use such procedures.''.

Page 23, line 5, strike ''and''.

Page 23, line 9, strike the semicolon and insert ''in current and emerging occupations; and''.

Page 23, after line 9, insert the following:

''(D) how funds will be used to improve or develop new vocational-technical education courses.''.

Page 23, line 13, strike ''and''.

Page 23, line 14, before ''of'' insert '', and evaluation''.

Page 24, line 1, strike ''component'' and insert ''and vocational components''.

Page 24, line 5, after ''academic'' insert ''and vocational''.

Page 24, line 14, after ''describe'', insert '', to the extent practicable,''.

Page 25, strike lines 8 and 9 and insert the following:

''(8) describe what steps the State shall take to involve representatives of local school boards in the development of the State's benchmarks;

''(9) provide a financial audit of funds received under this Act which may be included as part of an audit of other Federal or State programs; and''.

Page 25, line 10, strike ''(9)'' and insert ''(10)''.

Page 27, strike line 11 and insert the following:

''(a) BENCHMARKS.—

''(1) ELIGIBILITY.—To be eligible to receive an allot-''.

Page 27, strike lines 17 through 24 and insert the following:

''(A) attainment of challenging State academic and vocational proficiencies;

''(B) attainment of secondary school diplomas or general equivalency diplomas; and

''(C) placement in, retention in, and completion of, postsecondary education or advanced training, or placement and retention in military service, or employment.

''(2) EXISTING BENCHMARKS.—If a State has developed State performance indicators or benchmarks for skills according to challenging academic or vocational proficiencies consistent with this Act, the State may use such performance indicators or benchmarks in measuring the progress of vocational-technical education students.''.

Page 30, line 3, strike ''have met'' and insert ''have performed in meeting''.

Page 32, line 10, before the semicolon insert '', effective teaching skills based on research, and effective practices to improve parental and community involvement''.

Page 32, line 22 and page 33, line 2, after ''academic'' insert ''and vocational''.

Page 33, line 8, strike ''support for'' and insert ''establishing agreements between secondary and postsecondary vocational-technical education programs in order to provide postsecondary education and training opportunities for students participating in such vocational-technical education programs, such as''.

Page 33, line 23, strike ''and''.

Page 33, line 25, strike the period and all that follows and insert a semicolon.

Page 33, after line 25, insert the following:

''(10) support for education and business partnerships; and

''(11) support to improve or develop new vocational-technical education courses.''; and

Page 34, strike line 7 and insert ''**TIONAL-TECHNICAL EDUCATION PROGRAMS**.''.

Page 36, strike line 1 and all that follows through page 37, line 2, and insert the following:

''(b) SPECIAL DISTRIBUTION RULES FOR SUBSEQUENT FISCAL YEARS.—

''(1) FISCAL YEARS 1999 AND 2000.—In fiscal years 1999 and 2000, each State shall distribute the funds available under this Act in such fiscal years for secondary school vocational-technical education programs to local educational agencies within the State as follows:

''(A) LESSER OR EQUAL AMOUNTS.—Each State shall distribute all funds allocated by the State for each such fiscal year for secondary school vocational-technical education programs in amounts less than or equal to the total amount of funds distributed pursuant to section 231(a) of this Act as such section was in effect on the day before the date of the enactment of the Carl D. Perkins Vocational-Technical Education Act Amendments of 1997 for such programs in fiscal year 1997 as follows:

''(i) 30 percent shall be allocated to such agencies in proportion to the number of individuals aged 15 to 19, inclusive, who reside in the school district served by such agency for the preceding fiscal year compared to the total number of such individuals who reside in the school districts served by all local educational agencies in the State for such preceding year.

''(ii) 70 percent shall be allocated to such agencies in proportion to the number of individuals aged 15 through 19, inclusive, who reside in the school district served by such agency from families with incomes below the poverty line (as defined by the Office of Management and Budget and revised annually in accordance with section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2))) applicable to a family of the size involved for the fiscal year for which the determination is made compared to the number of such individuals in all the local educational agencies in the State.

''(B) GREATER AMOUNTS.—Each State shall distribute all funds allocated by the State for each such fiscal year for secondary school vocational-technical education programs in amounts greater than the total amount of funds distributed pursuant to section 231(a) of this Act as such section was in effect on the day before the date of the enactment of the Carl D. Perkins Vocational-Technical Education Act Amendments of 1997 for such programs in fiscal year 1997 as follows:

''(i) 40 percent shall be allocated to such agencies in proportion to the number of individuals aged 15 to 19, inclusive, who reside in the school district served by such agency for the preceding fiscal year compared to the total number of such individuals who reside in the school districts served by all local educational agencies in the State for such preceding year.

''(ii) 60 percent shall be allocated to such agencies in proportion to the number of individuals aged 15 through 19, inclusive, who reside in the school district served by such agency from families with incomes below the poverty line (as defined by the Office of Management and Budget and revised annually in accordance with section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2))) applicable to a family of the size involved for the fiscal year for which the determination is made compared to the number of such individuals in all the local educational agencies in the State.

''(2) FISCAL YEAR 2001.—Each State shall distribute funds allocated under this Act in fiscal year 2001 for secondary school vocational-technical education programs to local educational agencies within the State as follows:

''(A) 35 percent shall be allocated to such agencies in proportion to the number of individuals aged 15 to 19, inclusive, who reside in the school district served by such agency for the preceding fiscal year compared to the total number of such individuals who reside in the school districts served by all local educational agencies in the State for such preceding year.

''(B) 65 percent shall be allocated to such agencies in proportion to the number of individuals aged 15 through 19, inclusive, who reside in the school district served by such agency from families with incomes below the poverty line (as defined by the Office of Management and Budget and revised annually in accordance with section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2))) applicable to a family of the size involved for the fiscal year for which the determination is made compared to the number of such individuals in all the local educational agencies in the State.

''(3) FISCAL YEAR 2002.—Each State shall distribute funds allocated under this Act in fiscal year 2002 for secondary school vocational-technical education programs to local educational agencies within the State as follows:

''(A) 40 percent shall be allocated to such agencies in proportion to the number of individuals aged 15 to 19, inclusive, who reside in the school district served by such agency for the preceding fiscal year compared to the total number of such individuals who reside in the school districts served by all local educational agencies in the State for such preceding year.

''(B) 60 percent shall be allocated to such agencies in proportion to the number of individuals aged 15 through 19, inclusive, who reside in the school district served by such agency from families with incomes below the poverty line (as defined by the Office of Management and Budget and revised annually in accordance with section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)) applicable to a family of the size involved for the fiscal year for which the determination is made compared to the number of such individuals in all the local educational agencies in the State.

Page 37, strike lines 7 through 11, and insert the following:

''(1) demonstrates that a proposed alternative formula more effectively targets funds on the basis of poverty (as defined by the Office of Management and Budget and revised annually in accordance with section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)) to local educational agencies within the State than the formula described in subsection (b);''.

Page 37, line 20, strike ''$7,500'' and insert ''$10,000''.

Page 41, line 5, insert ''and'' after the semicolon.

Page 41, line 9, strike ''be'' and insert ''operate programs that are''.

Page 44, line 12, strike ''$20,000'' and insert ''$35,000''.

Page 47, line 8, strike ''that'' and insert ''which provides vocational-technical education programs and''.

Page 47, line 17, after ''Such'' insert ''vocational-technical education''.

Page 48, line 18, strike ''component'' and insert ''and vocational components''.

Page 48, line 22, after ''academic'' insert ''and vocational''.

Page 49, line 5, strike ''and implementation'' and insert '', implementation, and evaluation''.

Page 49, line 6, before the semicolon insert '', and how these individuals are effectively informed about, and assisted in understanding, the requirements of this Act,''.

Page 49, line 18, strike ''provide'' and insert ''support''.

Page 49, beginning on line 22, strike ''components'' and insert ''and vocational components''.

Page 50, line 2, after ''academic'' insert ''and vocational''.

Page 50, line 20, before the semicolon insert '', effective teaching skills based on research, and effective practices to improve parental and community involvement''.

Page 50, line 25, strike ''vocational'' and insert ''vocational-technical''.

Page 51, beginning on line 18, strike ''The'' and all that follows through ''subsection (b)'' on line 19, and insert ''Funds made available under this part''.

Page 52, line 4, strike ''and implementation'' and insert '', implementation, and evaluation''.

Page 52, line 7, after ''and'' insert ''academic''.

Page 52, line 18, strike ''and''.

Page 52, line 24, strike the period and insert a semicolon.

Page 52, after line 24, insert the following:

''(11) teacher preparation programs which assist individuals who are interested in becoming vocational-technical education instructors, including individuals with experience in business and industry;

''(12) improving or developing new vocational-technical education courses; and

''(13) support for family and consumer sciences programs.

Page 55, line 1, after ''expenditures'' insert ''of funds provided under this Act''.

Page 55, strike line 14 and insert the following:

''(c) COLLECTION OF INFORMATION AND REPORT.—''.

Page 56, line 19, after the semicolon insert ''and''.

Page 56, after line 19 insert the following:

''(C) to carry out research that can be used to improve teaching and learning in the vocational-technical education classroom;''.

Page 56, line 20, strike ''(C)'' and insert ''(D)'' and strike ''programs'' and insert ''research''.

Page 59, line 10, strike ''4-year'' and insert ''4 or 6-year''.

Page 62, line 22, strike ''$200,000'' and insert ''$250,000''.

Page 64, line 2, strike ''Part C'' and insert ''Parts C, D, E, F, G, and H''.

Page 64, line 4, strike ''is'' and insert ''are''.

Page 65, lines 5 and 14, strike ''program'' and insert ''fiscal''.

Page 65, line 21, strike ''similar windfalls,''.

Page 67, line 18, before the semicolon insert ''or to participate in any vocational-technical education program''.

Page 67, line 20, strike ''or'' and insert ''of''.

Page 67, line 22, strike ''or'' after the semicolon.

Page 67, line 24, after ''or'' insert ''federally''.

Page 67, line 25, strike the period and insert '', unless the participant has selected and is participating in a program or course of study that requires, as a condition of completion, attainment of an industry-recognized skill or standard; or''.

Page 67, after line 25, insert the following:

''(4) to require any individual to obtain a federally funded or endorsed certificate of mastery.''.

Page 68, after line 21, insert the following:

''SEC. 409. PARTICIPATION OF PRIVATE SCHOOL PERSONNEL.

''A State or local educational agency which uses funds under this Act for inservice and preservice vocational-technical education professional development programs for vocational-technical education teachers, administrators, and other personnel may,

upon request, permit the participation in such programs of vocational-technical education teachers, administrators, and other personnel in nonprofit private schools offering vocational-technical education programs located in the geographical area served by such agency.''.

Page 70, line 6, strike ''For'' and insert ''(a) GENERAL RULE.—Except as provided in subsection (b), for''.

Page 70, after line 11, insert the following:

''(b) EXCEPTION.—If the amount made available for administration of programs under this Act for a fiscal year is less than the amount made available for administration of programs under this Act for the preceding fiscal year, the amount the State is required to provide from non-Federal sources for costs the State incurs for administration of programs under this Act shall be the same percentage as the amount made available for administration of programs under this Act.

Page 73, after line 21, insert the following (and redesignate any subsequent paragraphs accordingly):

''(4) CAREER GUIDANCE AND ACADEMIC COUNSELING.—The term 'career guidance and academic counseling' means providing individuals with information access on career awareness and planning for their occupational and academic future which shall involve career options, financial aid, and postsecondary options.

Page 74, line 2, after ''related'' insert ''vocational-technical education''.

Page 77, beginning on line 13, strike ''through applied academics'' and insert ''(including through applied academics)''.

Page 78, line 2, strike ''employment sectors'' and insert ''occupations which require other than a baccalaureate or an advanced degree''.

Mr. GOODLING. Mr. Chairman, I offer an amendment, a manager's amendment, that would modify the within State secondary funding formula to distribute funds in 1998 by the current law formula, in 1999 and 2000 by a formula based 70 percent on poverty, 30 percent on population with a hold harmless at the 1997 funding level. Any additional funds above the 1997 level will be distributed by a formula based 60 percent on poverty, 40 percent on population. In the year 2001 all funds are allocated by a formula based 65 percent on poverty, 35 percent on population. And in the year 2002 all funds are allocated by a formula based on 60 percent poverty, 40 percent population.

The amendment will raise the minimum grant amount from $7,500 to $10,000 for secondary programs, and from $20,000 to $35,000 for postsecondary programs. It would modify the 10-percent rural reserve and would strike the 5 percent for incentive grant awards. The amendment would further modify the secondary alternative formula language to allow funds to be targeted to areas of greater poverty. The Chairman's amendment would raise the small State minimum grant award for technology prep to $250,000 and would insert language prohibiting the use of funds authorized for State grants to be used for national programs. Part C through H of title III are repealed. Language is added to increase the involvement of parents in vocational—technial education programs. Language asking States to describe how they will involve local school boards in the development of the State's benchmarks is included and the amendment would add language allowing nonprofit private schools who have secondary vocational-technical education programs, to be able to participate in vocational-technical education professional development activities. Finally, the amendment would make other modifying and technical changes to the bill.

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

Mr. BARRETT of Nebraska. Mr. Chairman, I rise in support of the Goodling amendment, the manager's amendment, because it does allow States to reserve 5 percent of their Federal funds to help rural areas improve vocational education, and unlike our urban Members, rural residents often do not have the option of hopping on a subway or a bus to get to their needed services. Sometimes we have to drive many, many miles to even to get the most basic of services.

Many of Nebraska's rural communities are grappling with some pretty dramatic State education funding changes. At risk of course is vocational education, which provides opportunities for young people to get the job skills and learn about the technologies in the business world.

In my State we have a very unique problem. We have a labor shortage. Our unemployment rate today is about 2.3 percent. Many businesses have wanted to expand or locate in my State only to find that we do not have enough skilled people for them to employ. That is why targeting vocational funds to rural areas might very well help attract and retain existing businesses.

So, Mr. Chairman, I congratulate the gentleman from Pennsylvania [Mr. GOODLING] and the subcommittee chairman, the gentleman from California [Mr. RIGGS], and the staff for all of the hard work that has gone into this legislation. I would encourage my colleagues to support the Goodling amendment as well as the bill.

Mr. MARTINEZ. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in support of the amendment, and I rise to discuss a provision of the amendment that is offered by the gentleman from Pennsylvania [Mr. GOODLING], and a cornerstone of this amendment is the changes that it will make to the secondary substate former provisions which have been agreed upon in a bipartisan fashion, and the formula which is included in the reported bill strongly deemphasizes, in my estimation, poverty and allows the States to reserve up to 15 percent of local moneys for an undefined purpose and subsequently was completely unacceptable to us on our side of the aisle.

In contrast, the manager of the amendment will gradually institute a formula over a 5-year period which is slightly less targeted toward poverty than in current law but still is adequate. In doing this, the formula provisions will protect current funding streams to ensure that school districts, whether represented by a Democrat or a Republican, will continue to operate quality vocational education programs.

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In addition, the amendment would ensure that States who wish to waive the provision of this formula would have to develop one that better targets poverty to gain the approval of the Secretary of Education. Coupled with this alternative formula provision is the ability of States to target both rural and urban areas through grants and increase minimum grant amounts for both secondary and postsecondary recipients.

While many, including myself, would have wanted to maintain the formula in current law, I believe both sides view this as a compromise which we could all support. We on this side support the gentleman's amendment, and I urge all my colleagues to do likewise.

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

Mr. Chairman, I just want to point out to my colleagues that we worked very diligently to arrive at this bipartisan compromise. This bipartisan compromise, as included in the manager's amendment, really is the result of weeks and weeks of very intensive negotiations. It came about as a result of literally a last-minute, 11th-hour proposal made by our Democratic colleagues yesterday.

However, I want to point out that what we have done here effectively is to meet halfway. Current law sends money down to local school districts for secondary programs on a formula that is based roughly on 30-percent population and 70-percent poverty. The 70 percent poverty factor is a proxy for the current title I variable and the 30-percent population factor is a proxy for the 20-percent IDEA and 10-percent population factors in current law.

In our committee bill we proposed splitting the funds for secondary programs on a 50/50 poverty-population formula. What the Chairman has proposed, and which has met with agreement on the other side of the aisle, is a new substate formula based 40 percent on population and 60 percent on poverty. This will be gradually phased in over the life of the bill.

However, what I want to stress to my colleagues and this is really critical in view of some of the amendments that may be coming up later today on this legislation, that any additional funds above the 1997 level would be distributed, beginning in fiscal year 1999, on a new formula which is based 60 percent on poverty, 40 percent on population.

So, that is to say, that to the extent we can have additional moneys going down to the local level and to the extent we can secure any additional appropriations for Perkins vocational-technical education programs, beginning in 1999 those moneys will go down to the local school district by a formula that is based 60 percent poverty—40 percent population.

If any amendment comes up later today that would effectively reduce the amount of money—reduce from the 90 percent of the funds that are going locally—then that amendment would have the effect of basically upsetting this very delicate agreement that we have arrived at in a bipartisan fashion with respect to the sub-State formula.

In the Chairman's manager's amendment, we have come up with an agreement that allows 10 percent of the funds to be targeted to rural and urban areas—a maximum of 5 percent for rural areas and 5 percent for urban areas. But we should not overlook the concerns we heard from some of our witnesses regarding suburban areas.

We all recognize the problems of urban cities, and I daresay that those urban school districts are fairly well represented on the Democratic side of the aisle. They have some very forceful and articulate advocates on our Committee. Suburban schools have many of the same problems that urban school districts face today, very similar problems in fact: drugs, gangs, youth violence. Those problems are being found, as the gentleman from Pennsylvania [Mr. PETERSON] pointed out, in rural areas and, as I am stressing now, in suburban areas as well as urban areas.

I mentioned in my opening remarks that we held a field hearing across the Potomac River in northern Virginia Fairfax County, VA is a county that most Members are familiar with because of its proximity to Washington, DC. I want to stress that whereas in 1990, 8.7 percent of the children in Fairfax County schools were considered living in poverty, today, in 1997, that number has risen to 18.3 percent—an average annual increase of 15 percent.

One other point I want to make and that concerns reducing the minimum grant amount. I am very glad that we were able, again, to arrive at a bipartisan agreement with our Democrat colleagues on this issue. We heard during our hearings that there is a need to try to spread this money more equitably around the country. A lot of the Perkins dollars simply are not getting into certain areas and communities of the country.

By lowering the minimum grant amount in current law from $15,000 to $10,000 for secondary programs, one effectively cutting the minimum grant amount by one-third. We are driving more money to more school districts at the local level, using those Federal taxpayer dollars to leverage State and local dollars that are going into public education specifically for vocational-technical education programs.

Again, I am pleased that our Democratic colleagues were able to arrive at an agreement with us on this particular issue, and I urge support of the manager's amendment.

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

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

Mr. ROEMER. Mr. Chairman, I rise in support of the bill before us, and in support of the amendment before us, but also in support of moving this bill from the House floor and our body to conference, where we hope it can even undergo further improvements.

I rise in support of this legislation for a number of reasons. One is because so many people today do not go on to graduate from a 4-year college or university and need this help through this particular legislation; second, because in a global economy where more and more businesses are doing their business overseas, where more and more of our workers are needing lifetime skills and not just learning between 18 and 22, we need to make sure that programs like this are targeted to the most vulnerable in our society and targeted for a lifetime of learning, not just for a particular couple of years or time period.

Those are very, very important reasons why we need the legislation. The world is changing. We need to target the help to help our businesses compete, to help our young people learn new skills, and to help them learn these skills for a lifetime.

I also think we have had a number of improvements in this bill through the subcommittee process and the full committee process and now with the administration amendments. We have maintained the tech prep program which is very critical for the State of Indiana and helps prepare some of our youngest, most talented and most vulnerable people to get the necessary skills in Indiana to stay in Indiana and contribute to the business, to the work force, to the plant, and ultimately, to the economy.

Second, we have been able to strengthen provisions addressing professional development in this bill so we continue to work with the teachers that need to enhance their abilities to teach young people in different ways as to the changing world and the changing machines and computers they are working with. That is a very key ingredient in this bill.

Third, we are training the personnel to use technology and long-distance learning capabilities more and more through the language in this bill. We have heard from testimony throughout the last couple of months that long-distance learning and E rate and a host of other things are going to be very, very important, not only to train young people but for equity in learning, to make sure that some of the schools that are in inner-city areas that cannot afford the long-distance learning machines and technology also get access to that technology.

Quite frankly, Mr. Chairman, we need to do more there, more through enforcing the E rate that was recently passed by the FCC. We need to do more in terms of technology and getting this technology into schools that cannot afford it. We need to do more in terms of the fairness and the equity. But this is a beginning in this bill. I support that, and hopefully we can do more in conference.

Last, Mr. Chairman, I think one of my biggest concerns about this legislation is the funding mechanism. I want to make sure that we have the funding formula more and more oriented toward making sure that the most vulnerable people in our society, those that need this assistance and education the most, those people that are trying to get off welfare, that they get the skills for a good education and training to stay off those welfare rolls. We need a funding formula that drives this assistance in education and training to those people. Instead of making it population-based, we need to drive it more toward the poverty rate and those that need it.

We are starting to do that. I hope we do even more of that in the conference coming up with the Senate. It is similar to disaster assistance. If we had a disaster assistance bill on the floor that was supposed to go to those people in North Dakota that just experienced a disaster, but we said no, we are not going to base this on the disaster or the flooding, we are going to base it on the population so people in California and Florida will get it just as people in North Dakota will get it, that would not make a whole lot of sense.

So let us try to drive this formula, the funding formula, in conference more and more toward those in poverty, those that need it; those schools that really need the resources to address those people to get the education and training, both for their dignity, for their futures and their family's futures, but also to help fix the welfare problem that we have in this society today, too.

We are making great strides. We need to continue to be fair and equitable. I urge my colleagues to pass this legislation and continue to improve it in conference.

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

Mr. Chairman, I rise to support this amendment, and overall stand to support the vocational education bill which is so important as part of our Federal education system. This act provides our students with the tools to be prepared for a trade or career directly following high school.

As has been indicated, every student is not going on to college. The intention of these programs is to teach young people a trade while allowing students to be academically prepared for postsecondary education. Giving our students viable options for the future is very critical for the economic and social development of our Nation.

It is for that reason that I am pleased that the concern that I raised during the committee markup regarding reserves for only rural districts has been addressed. I appreciate the subcommittee chair for allowing the position that I had that the bill before the House today includes a 5-percent reserve for

both urban and rural areas who display need.

The additional pool of funds will allow students in regions of our country, where a college education is unfortunately just not economically an option, to have vocational education programs best suited for their future.

I would also like to offer my sincere strong support for the Mink-Morella-Sanchez-Woolsey amendment to provide a hold harmless for programs serving displaced homemakers, single parents, and pregnant women, and programs that promote gender equity.

Opponents of this provision claim that States can offer these programs at the present time if they decide to do so. However, prior to when the Perkins Act required the States to have gender equity programs, only 1 percent, let me state it again, only 1 percent of State grants went to displaced homemakers and supportive services. The history of this provision proves that these programs will not be funded if the Mink amendment is not included in this bill. So I urge Members of the House to support this very important amendment.

Sadly, this will leave members of our population who are struggling to support families and to stay off of welfare, as we talk of from welfare to work, this will not give the opportunity to women to be trained in specific fields. It will also leave young women in high schools across the country with little encouragement to participate in vocational education programs that increase the chance of them attaining a job with a future when they graduate.

As we attempt to move this country from welfare to work, I find it strange that job training programs such as the Perkins Act would ignore the female population that constitutes a large majority of people who are currently relying on public assistance who will have to move to work.

□ 1145

Therefore, I urge my colleagues in the House on both sides to fully support the Mink-Morella-Sanchez-Woolsey amendment and vote for its passage.

Mr. PETERSON of Pennsylvania. Mr. Chairman, I move to strike the requisite number of words, and I would like to share my strong support for the amendment offered by the gentleman from Pennsylvania [Mr. GOODLING].

Mr. Chairman, I yield to the gentleman from Pennsylvania [Mr. GOODLING].

Mr. GOODLING. Mr. Chairman, I just want to point out two things. We are hearing a lot about where the money should go. Keep in mind now, we are talking about 75 percent of the population that has been pretty well ignored because they do not receive a 4-year college degree. We have to make sure that that 75 percent is ready to enter the high tech jobs that are out there, if we are going to remain competitive.

I would also like to point out that with the formula contained in the bill, the nine largest cities in the country, receive anywhere from a 12.7-percent to 17.2-percent increase. But we are talking about 75 percent of our population that we really have to deal with and deal with promptly if we are going to remain competitive in this United States.

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

The amendment was agreed to.

AMENDMENT NO. 5 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. 5 offered by Mrs. MINK of Hawaii:

Page 21, line 4, strike ''(b)'' and insert ''(c)''

Page 21, line 6, strike ''(b)'' and insert ''(c)''.

Page 21, line 10, strike the periods and end quotation marks and insert a semicolon.

Page 21, after line 10, insert the following:

(5) in subsection (b)(1)—

(A) in subparagraph (A)—

(1) by striking ''section 221'' and inserting ''paragraph (3) of section 201(c); and

(ii) by striking ''section 222'' and inserting ''paragraph (4) of section 201(c)''; and

(B) by striking subparagraph (J).

Page 33, after line 12, insert the following (and redesignate the subsequent paragraphs accordingly):

''(4) sex equity programs,''.

Page 34, after line 5, insert the following:

''(e) HOLD HARMLESS.—Notwithstanding the provisions of the part or section 102(a), to carry out programs described in paragraphs (3) and (4) of subsection (c), each eligible recipient shall reserve from funds allocated under section 102(a)(1), an amount that is not less than the amount such eligible recipient received in fiscal year 1997 for carrying out programs under sections 221 and 222 of this Act as such sections were in effect on the day before the date of the enactment of the Carl D. Perkins Vocational Technical Education Act Amendments of 1997.

(Mrs. MINK of Hawaii asked and was given permission to revise and extend her remarks.)

Mrs. MINK of Hawaii. Mr. Chairman, I rise today together with my colleagues the gentlewoman from Maryland [Mrs. MORELLA], the gentlewoman from California [Ms. SANCHEZ], the gentlewoman from California [Ms. WOOLSEY] and the gentlewoman from California [Ms. MILLENDER-MCDONALD] to offer this amendment which seeks to preserve existing programs serving the needs of girls and women in our vocational educational system.

The bill in its current form represents a major setback for girls and women in our educational system. It eliminates important provisions of current law which target programs for displaced homemakers, single parents and pregnant women, and programs to ensure gender equity and train women for nontraditional careers. It eliminates the equity coordinator now required in every State to assist vocational education programs in meeting the needs of girls and women in these special categories, and eliminates a 10.5 percent set-aside which is required under current law.

The amendment we offer today does not fully restore these provisions but assures that it will continue to receive the support at the current level. It maintains a vocational education equity coordinator and provides a hold-harmless for the displaced homemaker, single parent and gender equity programs at the fiscal year 1997 level. We have heard in the manager's amendment how the expectation is that there will be increased funding because of the bipartisan support for this program, and the formula is based upon the assumption that the funding will increase to the year 2002.

Under our amendment we do not have a 10 percent set-aside. All we are asking is that the current funding which has been allocated to these four programs be maintained at the level that is being experienced in the local communities.

Over 13 years ago Congress made sure that the special needs of women and girls were attended to by this set-aside, and numerous analyses have been made about the effectiveness of this program. GAO and other sources have reported that this is a program that has provided that assistance which was absent prior to this set-aside. There is evidence to indicate that only 1 percent of the program recipients were women in these categories.

So I hope that my amendment will be agreed to. It is especially urgent because of the changes that were made in the welfare program. We are now putting emphasis on work and on work training. The only education program in the bill that was passed last year which meets the criteria of work activity is vocational training. Vocational training is recognized by all persons as the one means by which people who are not able to find a job, get a job, improve themselves, get into a situation where they can actually sustain their families with their income.

So it is extremely important, at this stage of correlating the existing law to the new changes under welfare, that we not abandon the support that has been given to displaced homemakers, single parents, single pregnant women and others in this category. They need that continued support.

We are restructuring this program. We are creating new ways in which to orient the funding of the program. It seems to me that in this period of transition it is critical that we hold harmless a program of this sort. Otherwise it will get lost.

Notwithstanding what the majority Members, including the Chair of the full committee, have said, suggesting that the bill before us is adequate, I would like to point out that the bill does not in any way make sure that single parents, displaced homemakers, single pregnant women, or individuals

seeking nontraditional employment can be served. Although the State application must include a description of how the State will serve these categories of people, the application is only a planning document. There is no enforcement mechanism that would sanction the States if they did not actually do what they said in their application.

The State leadership activities only allow a State to provide support for these programs; that they may choose to spend all of their money on required activities and absolutely none on the programs for displaced homemakers, single pregnant women, and sick single parents.

The accountability provisions which have been referred to do not include a benchmark for measuring services to this group of disadvantaged persons. A State can report that only one single displaced homemaker was served and would meet the requirements of the benchmarks.

I ask the House to consider the progress that we have made in addressing the special needs of these individuals in probably the most disadvantaged group in our society and in view of the fact that the welfare bill, which we voted and made into law, singles out the single parents on welfare and says that the policy of this country is that all of these individuals should work, work off their welfare or work into a job situation; in order to work into a job situation, have specifically said that the work requirement could be met by the work activity definition of vocational education.

That being the case, this Congress and this House in particular has recognized the significance of vocational education. Women, after all, constitute half the population. They should have special attention. In view of what we did in the welfare bill, it seems to me to abandon them now, offer them no protection of at least sustaining the efforts that have been put in place, would be a dramatic reversal of the emphasis that we have put on serving this population.

I urge my colleagues to support my amendment and continue the programs that are in existence.

Mrs. ROUKEMA. Mr. Chairman, I move to strike the last word, and I rise in opposition to the amendment.

Mr. Chairman, I must stand in opposition to this amendment for my dear colleague from Hawaii. We so often agree on some of these gender issues, but on this, as I did in the committee markup, I must oppose the amendment.

I agree with the direction of this legislation and that is to move away from any type of set-aside and, therefore, cannot support the amendment.

This amendment, in my assessment, would severely limit the authority given to the States which is one of the prime reforms of this legislation; that is, the authority given to the States, to local school districts and post-secondary institutions that under this bill would determine their own priorities for reform and for funding.

I think there are benefits, enormous benefits to putting more decisionmaking at the local level, as long, and I must stress this to my colleagues that do not understand this legislation or have not read it yet, as long as we have the backup and enforcement mechanisms that are required. I believe the legislation does this.

To address the concerns that special populations would not be accommodated under this legislation, for any of our colleagues who question that, I have to refer them to page 29 where there is an explicit statement about special populations. This statement refers to how the State has to take certain actions in accordance with this legislation. Those actions include all kinds of populations and specifically displaced homemakers, single parents and single pregnant women.

Further, the legislation does include the necessary enforcement mechanisms and penalties, as I read it. If the State application fails to show how the State will ensure that the special populations meet or exceed State benchmarks, then the Secretary of Education would disapprove the application. Further, if the State fails to meet its own benchmarks, then the Secretary and the Department of Education can intervene to bring the State up to a minimum adequate level of performance. That is explicit in the legislation.

In addition, the Secretary and the department could also sanction the State by withholding all or part of the State grant. So I am really not quite sure where the author of this amendment, how the author of the amendment is able to say that there are no enforcement mechanisms.

I am more than reasonably assured that we are protecting the special populations and at the same time gaining the benefits from the knowledge, the direct knowledge of those at the local level who best know how to target these programs. That is one of the essential reforms of this bill. To adopt this amendment would deny that and reinstate set-asides.

I do not believe that we need set-asides or quotas. We need equity, we need outreach, and we need nondiscrimination. The Secretary and the Department of Education have the explicit authority in this legislation to maintain those principles.

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

Mr. Chairman, today I rise on behalf of our bipartisan amendment to H.R. 1853, the sex equity amendment. Our amendment will preserve programs that eliminate sex bias in vocational education and job training programs. This assistance is vital to displaced homemakers, single parents, and to pregnant women attempting to enter the work force.

Let us face it, young women are being tracked into vocational education that leads to low wage, traditionally female occupations. I remember when I was graduating from high school and I went to see my counselor. With a straight A average, I was told to go to the local community college. I said I wanted to be a doctor. My counselor said, ''Why don't you become a nurse?''

Sadly, 10 years later my younger sister went to the same counselor at the same high school, and she also had practically a straight A average, and she was told the same thing: ''Stay close to home. Go to school for a 2-year degree that will get you a job that will let you start working right away.''

We need to stop this. The current 10.5 percent set-aside in Perkins dollars is designated to reverse this detrimental trend. More importantly, these specialized programs move displaced homemakers and single parents from welfare to work, something most of us agree needs to be done.

This amendment will preserve the specialized job training programs by requiring local entities to maintain current funding for the next fiscal year. Each State will also be required to maintain its sex equity coordinator, and that is very important because it allows somebody to talk to young women about good-paying jobs and following a program that will allow them to be good breadwinners.

□ 1200

This approach will ensure that these programs are maintained by providing States and local entities maximum flexibility in meeting the vocational education needs of women.

Since we are all interested in reducing the number of women and families on welfare, our primary goal should be to increase the employability and the earning potential of women, especially women with children. The programs that we have now do this. They succeed in promoting self-sufficiency for women.

So let us not take a step back but, instead, let us work toward maintaining and advancing these programs.

I am especially concerned that programs to help young single mothers will remain intact. My district in Orange County has the highest incidence of teen pregnancy. When a young lady makes a good decision to keep a child but wonders how she will support it, it is important that we have programs in place to assist teen mothers to graduate from high school with the ability to find and maintain employment that is essential to getting these families out of that welfare and low-poverty cycle.

If we are to break that cycle, that dependency that haunts teenage mothers, then we must help these young women to graduate from high school with the skills necessary to gain good, meaningful, long-term employment.

Funding sex equity and single parent programs now is an investment in our young people. Small grants combined

with local community efforts can help to make a tremendous impact on programs for young women. Please vote for our amendment.

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

Mr. Chairman, during my tenure in the House, I have always supported programs that would ensure that women have access to nontraditional jobs. For women who are seeking job training services, the bottom line is a livable wage. Nontraditional jobs pay better, they offer greater benefits. For displaced homemakers and single parents, nontraditional jobs can be a pathway to economic self-sufficiency and family stability.

I also believe that, we know the old adage, if it ain't broke don't fix it, we have a situation that is not broken, that appears to be working, that this bill will help to enhance, so let us not change it. It is because of my interest in the self-sufficiency of women that I have joined with my colleagues, the gentlewoman from Hawaii [Mrs. MINK], the gentlewoman from California [Ms. SANCHEZ] and the gentlewoman from California [Ms. WOOLSEY] to offer this amendment to preserve programs for displaced homemakers, single parents and pregnant women.

The amendment does not add any cost to the bill nor does it seek to restore the current law set-aside at the State level for these programs. It merely requires that localities currently funding such programs continue to do so at the same level as fiscal year 1997.

The amendment also restores the vocational education equity coordinator required in each State to oversee and evaluate equity programs for displaced homemakers and single parents in vocational education, which is current law.

It is essential that we preserve these programs, I believe, to ensure that women and girls have access to higher wage, higher skilled jobs that traditionally are reserved for men.

Programs and services to displaced homemakers and single parents have received very high marks. A national assessment of past program participants found a majority rated the program that they attended as excellent or very good. Three out of four customers who participated in other government programs, such as the welfare system, the Job Training Partnership Act 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.

In Pennsylvania, participants enrolled in the displaced homemaker programs terminated or reduced their need for public assistance, resulting in savings to the State of nearly $2 million a year.

Mr. Chairman, I want to commend the gentleman from Pennsylvania [Mr. GOODLING], the members of the committee, the ranking member, the gentleman from Missouri [Mr. CLAY]. I want to also commend the gentleman from California [Mr. RIGGS].

All of this committee have done an excellent job on this particular bill. I know they have put a lot of hard work into it, and this is a bill that directs funds for vocational education programs into the local level.

I also appreciate the efforts of the chairman and the committee to protect programs for displaced homemakers, single parents, and pregnant women. However, history, as well as anecdotal information, collected by the National Coalition for Women and Girls on Education, makes it clear that without reserves States will not continue these services.

Before designated funds were in place, States and localities spent only 0.2 percent of their vocational funding on specialized programming for women and girls. Unless language is written with more specific wording, programs for this special population may not continue. I think they will not continue in many instances.

Some displaced homemaker programs have already been put on notice by State directors of vocational and technical education that, if Congress eliminates the reserves, they will not be funded. This is an ominous warning about States' commitment to equity without firm Federal guidelines.

Our amendment ensures that these successful programs will continue. It 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.

Mr. Chairman, women comprise close to half of the civilian work force. By the year 2000, more women than men will be entering the work force. The failure to incorporate women into all areas of the work force penalizes not only women but the entire American economy.

U.S. productivity and competitiveness in the international marketplace will depend more and more upon industry's ability to encourage, incorporate, and nurture the skills and knowledge, energy, and creativity of women workers.

Our amendment is not an option, it is a necessity, so I urge a ''yes'' vote on this important amendment.

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

Some years ago, when we were reauthorizing vocational education, we found, when we got almost to the end of the markup, that we had set-asides totaling 120 percent. Obviously, funding for programs can only total 100 percent but we had included set-asides for 120 percent, which meant that so many programs were created that were so small, that no one really could do much of anything with the money they were getting. So we had to go back to the drawing board, and fortunately we were able to eliminate an awful lot of those set-asides.

Now, today, we are back, and what we would do with this amendment is make sure that there is less money for local school districts to do exactly what these Members want to do. In the formula under our bill we force this money down to the local level, 90 percent of it, for local priorities.

Now, let me tell my colleagues what the amendment does, on the other hand. Let us say a State gets only $4 million. Only $4 million. Well, the first $60,000 goes off the top for a sex equity coordinator. Then that person has to have five, six, maybe eight other people that have to help that sex equity coordinator. Another $60,000, $100,000, $200,000 goes off the top and never gets down to the local level to help the people we are trying to help. I again point out, we are talking about 75 percent of our population, including displaced homemakers, who we need to serve in this legislation.

Now, it was mentioned that this amendment would be better than the job training services provided to displaced homemakers under the Job Training Partnership Act. This is no any longer true. As a matter of fact, we have approximately $1.5 billion in the job training bill that we passed in May through which displaced homemakers may receive assistance. We have defined displaced homemakers as dislocated workers under that legislation and increased the emphasis for serving this population under that bill. We have also expanded services for displaced homemakers in our reconciliation bill under its welfare-to-work provisions with another $3 billion.

We have to understand there is 75 percent of our population that has not been served well; that must be served if we are going to remain a competitive nation. And if we do not remain a competitive nation, then there is no use to talk about education or training because there will be no jobs out there.

In my district we have many jobs available for those who have skills. There are very few jobs for unskilled laborers any longer, and in the year 2000 there will be less. So we have to deal with this 75 percent. We cannot require a little set-aside here and a little set-aside there.

As I mentioned, if we do it the way we now have it in the manager's amendment, we are forcing 90 percent of the money down to the local level.

Now, I ask who, more than I, have led the fight over the years to make sure that we are serving the needs of displaced homemakers? Not any woman that I know, as a matter of fact, and that is why this legislation is filled with references requiring services for special populations.

We start out on page 24 and we say describe how the State will ensure that members of special populations meet State benchmarks established under section 114 and are prepared for postsecondary education, future learning,

high skill, high wage careers. Then we have an auditor that comes in and makes darn sure that, as a matter of fact, the State is doing what they said to the Secretary they are going to do.

We go on then and indicate that each State that receives an allotment under section 102 shall annually prepare and submit to the Secretary a report on how the State is performing on State benchmarks. And, under that, special population, the report submitted by the State in accordance with the subparagraph, shall include a description of how special populations, displaced homemakers—we even spell them out—are served under our legislation.

And then we go to the local level, and we say ''support for programs for single parents, displaced homemakers, single pregnant women and individuals in nontraditional occupations that lead to high skill, high wage careers.'' And again, we mention the local level on page 52 and say, ''programs for single parents, displaced homemakers and single pregnant women.''

We have spelled it out over, and over, and over, again that the State will serve special populations, displaced homemakers, single pregnant women and single parents, probably far better than they have been served in the past. If the State does not, then the State will be in serious trouble as far as their State allocation is concerned.

So I would hope that we do not start this business now of having set-asides until we weaken everything so there is not enough money to do anything well and no flexibility for local governments and States to serve those in most need.

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

(Ms. WOOLSEY asked and was given permission to revise and extend her remarks.)

Ms. WOOLSEY. Mr. Chairman, assuming over 50 percent of the 75 percent of individuals not going to college are women, if we really want to reduce the number of families on welfare, we should thank our colleague, the gentlewoman from Hawaii [Mrs. MINK] for offering this amendment.

I am personally very proud to support girls and women in vocational education, and I am proud of the coauthorship of this amendment with my colleague from Hawaii, and the gentlewoman from Maryland [Mrs. MORELLA] and the gentlewoman from California [Ms. SANCHEZ] and the gentlewoman from California [Ms. MILLENDER-MCDONALD].

Clearly, this amendment proves that the real welfare reform for families, those who are on welfare, will get off the rolls if we take care of women and their children. This amendment prevents families not only from being on welfare and helping them get off of welfare, it prevents them from going on welfare in the first place.

The Mink amendment is real welfare reform. It does that because it preserves vocational education programs that give women the skills they need to get jobs that pay a livable wage. Also, it provides women with the ability to support themselves and their families. These programs train displaced homemakers, single parents and single pregnant women for nontraditional careers, such as blue collar jobs, jobs that men usually hold, jobs that pay better than the traditional jobs women often take.

The data of the Bureau of Labor Statistics, Mr. Chairman, shows that young women who graduate from high school and go right into the job market earn less, 25 percent less, than their male counterparts. The reason for this? Again, according to the Bureau of Labor Statistics, it is that these young women are overrepresented in low-paying occupations.

The Mink amendment does not require any local community to start any new program to train women for nontraditional jobs, it just maintains and holds harmless what is in place today.

□ 1215

It simply says if we already have a program for displaced homemakers for single parents or for single pregnant women, we can and should continue the program.

We know these programs work. The Department of Labor in Florida showed that over 70 percent of the women who participated in their programs in 1992 and 1993 doubled their income after completing the program. A study of the participants in Oregon's program showed that the graduates had expanded employment opportunities, increased salaries, and reduced dependency on public assistance.

In 1992, less than 7 percent of all working women were employed in nontraditional occupations. Yet those women earned 20 to 30 percent more than women in more traditional jobs if they were in the nontraditional occupations.

The Morella-Woolsey-Sanchez-Millender-McDonald sex equity amendment is good welfare prevention and good welfare reform, and I urge all of my colleagues to vote for it.

Ms. MILLENDER-McDONALD. Mr. Chairman, I move to strike the requisite number of words.

(Ms. MILLENDER-McDONALD asked and was given permission to revise and extend her remarks.)

Ms. MILLENDER-McDONALD. Mr. Chairman, as a former director of gender equity programs for the Los Angeles Unified School District, I would like to correct something that the previous speaker spoke on with reference to women, single parents, displaced homemakers, teen pregnancy programs.

As the director of those programs, I know from the absolute experience that we provided the majority of the money to those programs to help the women, the young women who were pregnant, parents as well as displaced homemakers in these programs. The majority of the money did go down to the local level to help them, and we want to just make sure the RECORD reflects this statement and correction of that statement, because I do know the value and necessity for providing quality vocational programs for single parents and displaced homemakers.

I also know the need for equity coordinators to oversee, coordinate, and evaluate equity initiatives in vocational education. I had four equity coordinators working under me, and I do know that they made evaluations of the program on an annual basis.

Under current law, a 10.5-percent set-aside is required at the State level for these programs. Our amendment would not restore the set-aside but simply require that localities currently funding such programs continue to provide funding for these programs at the same level as the fiscal year 1997. Our amendment would also restore the requirement that a vocational education equity coordinator exist in every State.

The Vocational Education Reauthorization Act that Congress has deemed essential in helping women escape domestic violence and become self-sufficient for the past 13 years has indeed been a model program and one that is sorely needed. I do not see nor understand why we would not want to maintain a program at the current level that has proven to be one of the most successful programs in this country.

The 1996 GAO study ''Employment Training: Successful Projects Share Common Strategy'' reported that the single parent/displaced homemaker program funded through the Florida program is one of the most successful training programs. Most of the 1,300 single parent/displaced homemaker program participants and program coordinators follow the Florida model.

In Oregon, during the same year, the long-term success rate of these single and displaced homemaker programs was remarkably high. The employment rate soared from 28 percent to 71 percent, and the median wage rate increased from $6 per hour to $7.45 per hour. In addition, Mr. Chairman, the dependence on AFDC of the program participants fell from 29 percent to 15 percent.

Studies all over the country, from Arizona to Georgia, demonstrate the vast improvement in increased salaries for women participants, a higher rate of employment of women in nontraditional jobs, and more women living independently from welfare assistance. And these numbers do not even mention the vast ways in which the vocational education has improved the self-esteem of these women and enhanced the lives of their families.

The single and displaced homemaker programs are exceeding the goals they were designed to meet. This is not the time for us to close down these programs. If anything, we should be expanding these programs to ensure that

we reach even more women in need of a quality education program, especially in light of the welfare reform bill that was passed by the majority in this House.

But that is not what this amendment does. The Mink-Morella-Sanchez-Woolsey-Millender-McDonald amendment requires that local recipients of vocational education funds spend at least as much as they spent in fiscal year 1997 on programs for displaced homemakers, single parents, single pregnant women and programs which promote gender equity.

We need this amendment to ensure that the doors to education and employment opportunities remain open for single and displaced women. This amendment will maintain the gender equity coordinator position and continue to create opportunities for women that they should have. I urge all of my colleagues to support this amendment.

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, in the spirit of bipartisan cooperation, I would like to urge the majority to withdraw its opposition to this amendment. This is a very conservative amendment seeking to hold onto the status quo. We are only asking that you continue to do what we were doing before.

The chairman before talked about the high-technology world that we are into already and how it is critically necessary that we be able to train people for this high-technology world. Here is a whole pool of people out there who can qualify, that we are ignoring in the traditional approach to vocational education, and too many people at the State and local level are still trapped in the traditional approach. They will not look at the pool of females who are available for some of these areas.

It has been mentioned that we ought to open up blue collar jobs to women, and that is good and well, but we do not need to go that far. We have a massive number of jobs being opened every day in the world of the Internet and the world of computer repair and computer maintenance, technicians, mechanics. We have a revolution going on in our school system that we are not fully aware of, that will require large numbers of new kinds of personnel.

I have an article that was in the New York Times today about teachers being trained, we need to spend more money to train teachers, and another article about training teachers how to make use of educational technology, computers, and telecommunications apparatus that may be available in the future. We have a $2.2 billion universal fund that is going to allow for discounts to go to schools so that more schools can get telecommunications services and be wired for the Internet. We have a whole category of people out there that this bill really did not take into full consideration.

I appreciate the fact that the subcommittee chairman did incorporate language that would recognize the fact that we have a telecommunications and technology revolution underway. We should be doing more to recognize that in this legislation. It really did not do that.

And certainly in opposing this bill, which seeks to keep open a new channel that has been opened already, to allow us to take full advantage of the great pool of people out there who are being ignored for these various technician and mechanical applications of high technology that are being opened, and we are going to ignore it if we do not do that.

We do not have much monitoring of anything in education anymore. If my colleagues have been out there, they know that nothing is being monitored and enforced. If my colleagues take a step backwards and do not keep this provision in there, it will be a sign to the traditionalists and to the sexists to continue doing things the way they were doing them before we had this provision put into law. So we need to keep going forward and understand where we are in this revolution.

I was visiting a Citibank processing center several years ago, where they process their paperwork and bills and so forth, a massive center of people doing high-technology computerized processing, and I noticed most of the people in there were women. They pointed out the fact that women, particularly those who did not have college educations, who are intelligent but do not have a college education, were the best employees for that kind of repetitive job which required a high degree of focus and accuracy. They did not want college-educated women because they got bored, their minds wandered.

There is a certainly category, the kind of people we are talking about here, who could fill those jobs if they were given the opportunity, but if we do not open up the vista, if we do not have the people in charge of vocational and technical education.

I want to emphasize that vocational education does not mean what it used to mean. We are not talking about automobile mechanics, we are not talking about plasterers, we are not talking about various kinds of people only. We are talking about the full range of jobs that are opening up in our society, which is a high-technology society which requires people who are good technicians, good mechanics, and they have good pay in these areas also.

My son is employed in the computer area, and the industry is training people at improvising all along to meet its needs. The jobs pay very well, and women can do those jobs as well as men. But even in this new area, most of the people that are there are men because there is a mind-set that starts with vocational education and career guidance in the schools that we have to break.

The Mink amendment breaks that mind-set. The Mink amendment wants to continue what we started before to break that mind-set. We want the traditionalists to understand that the Federal Government is not taking a back seat. We see things from the national and international level that local people do not see. They deserve to have our vision projected. The mandates are really often ways to open up their minds to see new vistas.

We see a global economy. We see the great need. We know that there 80,000 jobs out there already not being filled, related in some way to computers and telecommunication and technology. We should provide more leadership by maintaining what we have already. Let us vote positive for the Mink amendment.

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

I will not take the whole 5 minutes because I do not want to be redundant. I simply want to recall an adage that is worth its weight in gold, and that is, Come and let us reason together.

We have had a lot of dialog in terms of welfare reform. Yet, to oppose the amendment of the honorable gentlewoman from Hawaii [Mrs. MINK] would in fact eliminate a set-aside and provide a setback for the most vulnerable and fragile segment of our society that we seek to assist in the amendment of the gentlewoman.

I would simply say, very briefly, that we need to envision welfare reform as providing an opportunity for people to become self-sufficient by providing them an apparatus to develop the right kind of vocational education and skills to enable them to move out into the world of work.

This is not a spendthrift kind of amendment. It is an investment in the most fragile infrastructure of our society. I would encourage unanimous support of the Mink amendment.

Mr. Chairman, I yield to the gentlewoman from the Virgin Islands [Ms. CHRISTIAN-GREEN].

(Ms. CHRISTIAN-GREEN asked and was given permission to revise and extend her remarks.)

Ms. CHRISTIAN-GREEN. Mr. Chairman, I thank the gentlewoman from Indiana [Ms. CARSON] for yielding.

Mr. Speaker, I rise in support of the amendment offered by my colleague, the gentlewoman from Hawaii [Mrs. MINK]. I want to commend and associate myself with her remarks and those of the other sponsors of the amendment, my esteemed colleagues, the gentlewoman from Maryland [Mrs. MORELLA], the gentlewoman from California [Ms. WOOLSEY], the gentlewoman from California [Ms. MILLENDER-MCDONALD], and others who have spoken for this amendment.

The amendment offered by my colleagues is needed to preserve the important existing programs which serve

the needs of girls and women in our vocational system. It seeks to retain a minimum level of support for programs for girls and women in this system, to retain an equity coordinator, and to eliminate sex bias in vocational education as well as in access to programs and training which would eventually lead to better-paying jobs for women.

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Some have argued that this kind of investment is already covered in the bill. But, Mr. Chairman, it has been demonstrated that wherever these programs were not specifically federally mandated, they were dropped.

At no prior time in this country's history has it been more important for us to make sure that our women, who make up the vast majority of single households, are still locked out of the vast majority of jobs, have been locked into lower salaries and who have been given no other choice but to turn to AFDC, now TANF, to enable them to raise their children, be given every opportunity to learn a nontraditional trade, to develop a better-paying skill and thus move into the job market with hope for a better future not only for themselves but for their children.

I urge my colleagues, Mr. Chairman, to support the education of our young women, to support job opportunities for single parents and for mothers to be, and to therefore restore hope for these women and for their children.

Mr. DAVIS of Illinois. Mr. Chairman, I rise today in support of the amendment offered by Mrs. MINK of Hawaii. This is a good amendment. This amendment is fundamentally about equal rights and equal access. Simply put, this amendment ensures that displaced homemakers, single mothers, pregnant women, and others traditionally underserved by vocational education will have access to vocational education and job training.

Vocational education has become a cornerstone of our democracy. Vocational education provides millions of American citizens with the opportunity to become independent. Vocational education provides individuals with real skills so that they can succeed in today's workplace. In fact, thousands of women in my district have benefited from these vocational programs. For example, the Chicago Women In Trade's [CWIT] Organization located in my district is now in its 10th year and is supported by sex-equity funds. CWIT has been successful in training over 450 women, many single parents, and helping them move from low-income jobs to high wage careers.

These vocational programs for women have been funded since 1984, and have been very successful. These programs have helped women find real jobs. When women find meaningful jobs that is good for America. It helps to lower the welfare roles, and enables women and families to escape domestic violence. More importantly, it empowers women and gives them real independence.

I urge my colleagues not to go backward, to draconian methods of denying women the opportunity to vocational opportunities. Rather let's move forward and restore gender equity to vocational programs.

Let's support this amendment as it is good for America.

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

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

Mr. KIND. Mr. Chairman, I rise in strong support of this amendment as well as the legislation overall. I feel that although it is not a perfect piece of legislation, we can move this on to conference. The Senate has some different provisions in it, but as a new member of the Committee on Education and the Workforce, I am proud to see the cooperation and bipartisan effort that went into crafting this deal, even though there were a lot of 11th-hour maneuverings which got us to this point.

I want to commend the gentleman from California [Mr. RIGGS] and the gentleman from California [Mr. MARTINEZ] for the hard work they put into it, as well as the leadership of the gentleman from Pennsylvania [Mr. GOODLING] and the gentleman from Missouri [Mr. CLAY] on this legislation, but I do feel that there is still some more work that needs to be done and improved in this piece of legislation.

We have heard a couple of comments today about the substate formula and the minimum local grants and the effect that is going to have on a lot of needy students. I feel that the change of the formula, especially in the final couple of years, will undermine the key Federal role in assisting the neediest rural students in western Wisconsin, the district that I represent. I think this formula change sends a bad message to them. But also the formula change, combined with reducing the minimum grant from $15,000 to $10,000, would dilute the effectiveness of Federal funds. Again, this provision could endanger many of the consortia in my district in western Wisconsin where we have an effective system that allows local school districts to pool their vocational education funds.

I am also concerned that the legislation severely cuts the funding for State-level activities. Vocational education institutions in western Wisconsin rely on State agencies to maintain a detailed performance of accountability and to supply them with analyzed statewide information on student success and program performance for their local planning. Performing these tasks at the system level is the most effective way to assist the local improvement.

But I find the elimination of the special job training and just to hold harmless on already existing gender equity programs to be the most disturbing aspect of this legislation here today. The barriers that continue for women in those nontraditional fields remain a troubling national problem. This will only be compounded now with the full implementation of welfare reform across the country. By reducing support for women seeking to gain access to high-skilled training for high-wage careers, this bill once again overlooks the needs of a disadvantaged population. We must retain a minimum level of support for programs for girls and women in vocational education. I think this amendment goes a long way at addressing this need.

That is why I strongly urge my colleagues here today to give welfare reform a chance and to support the Mink-Morella-Sanchez-Woolsey amendment.

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

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

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

Mrs. TAUSCHER. I thank the gentleman for yielding.

Mr. Chairman, I rise today in support of this important amendment that maintains current funding levels for programs that benefit girls and women and promote gender equity in our vocational education system. These vital programs train women for higher wage jobs so they can become self-sufficient and stay off welfare. They also promote high-skill, high-technology training in nontraditional fields for girls and women. These programs address the special needs of vocational training for displaced homemakers, single moms and single pregnant women.

As the mother of a 6-year-old daughter, I want her to have the same career opportunities that will be available to my 6-year-old nephew. We must not forget our daughters, nieces, and granddaughters and the legacy we pass on to them.

This amendment makes sense and these programs deserve our support. Please vote to maintain the funding for these important programs which offer a way up the ladder for women determined to improve their lives and that give our young girls the chance to feel the thrill of professional achievement and personal success.

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

Mr. Chairman, I support all the previous speakers and all that they have said as it relates to this fine piece of legislation. I want to first commend the gentleman from Pennsylvania [Mr. GOODLING], the chairman, as well as the gentleman from Missouri [Mr. CLAY], our ranking member, for all their hard work over the years to work on and retain the Perkins Act which has helped several million women across this country.

I am a former teacher in the public school system in the Detroit public schools. I taught business classes and vocational classes. I saw the peak as young women and men gained the skill necessary to compete in America's job market. I know the importance of vocational education and the skills that it requires and offers to young people to move and matriculate as they become parents.

Most of my colleagues know that this is the 25th year of title 9. Title 9 was

instituted in 1972 and this year we celebrate the 25th anniversary of title 9. In title 9's experience, millions of women and men, particularly women, have shared across this country in higher education experiences as a result of the title 9 experiences, and many of them in their vocational education training.

As has been already said, vocational education has increased employment opportunities. Vocational education has also increased wage earning for millions of Americans. It has reduced AFDC caseloads across America and has had millions of dollars in savings. This is not a time to cut back. We must mandate States that they continue in their support of vocational education training.

I come from the State of Michigan. I served in that legislature for several years. I served on the education committee there and know of the commitment after the enactment of the vocational education ruling, after the Perkins Act mandated the 10 percent, that many children were able, through the mandate from the Federal Government, to participate in vocational education programs to prepare them for the world of work.

I commend the gentlewoman from Hawaii [Mrs. MINK] and the other sponsors for bringing this amendment forward. We have got to keep the commitment to the States. The 10 percent is just a minuscule amount. I wish we could increase that amount, but to eliminate it totally is unfortunate. This amendment asks that we retain the level of funding for 1997 and beyond, that that level of funding not decrease.

Mr. Chairman, I hope we support the Mink amendment.

Ms. NORTON. Mr. Chairman, will the gentlewoman yield?

Ms. KILPATRICK. I yield to the gentlewoman from the District of Columbia.

Ms. NORTON. I thank the gentlewoman for yielding. I rise in strong support of the Mink amendment.

Mr. Chairman, this is no time to turn tail and run after 13 years of bipartisan support for special attention to the most vulnerable women in America on vocational education opportunities. That is not only because we are in the throes now finally of welfare reform, but because vocational training is where women have been most shortchanged and where there has been the most discrimination.

Vocational training has been a major element in discrimination against women in the workplace. It is only fair to specially target some of our funds toward these most vulnerable of women, displaced homemakers, single parents, single pregnant women. These are the women most in need. These are the women most likely to be trapped into discriminatory job opportunities. These are the women most likely to be overlooked.

This amendment assures that there will be special outreach to these women, and if there is not special outreach, then for many of them it simply will not happen.

We will not need the sanctions if we get the outreach. We will not get the outreach without this amendment. In many ways I regard this amendment as akin to a nondiscrimination provision. Where we have had the breakthroughs for women is in professional jobs like law and medicine and accounting and business. In jobs where women can make as much or more money as a welder or machinist is where we need to put our attention and where we need to do the most outreach.

The call on vocational training funds will be enormous. These funds are going to go to the most enlightened and the most educated. Those are not the women covered by this amendment.

The remedy for poverty, Mr. Chairman, is very simple. It is a job. But it is not every job. As those seeking to get off welfare now understand, it is not most jobs for which most of the most vulnerable women have the training. I approach this in many ways as a nondiscrimination provision. Government money has been used to reinforce existing job patterns. What we do with this amendment is to use government money to get us out of those patterns. Remember, this amendment ought to be seen as the counterpart to the horrendous budget cuts that these women themselves have received, 97 percent of the people on AFDC are women and children. They have $53 billion in cuts; 85 percent of the people on Medicaid are women and children. They have $72 billion in cuts. And it goes on and on that way.

The way to make sure that these cuts do not harm these single mothers, these displaced homemakers, and these single pregnant women is to give them the best opportunities for jobs. For them, the best opportunities are in vocational training. If we take away this opportunity after so many years of bipartisan support, we undermine what we have been trying to do.

Ms. ROYBAL-ALLARD. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in strong support of the Mink-Morella-Sanchez-Woolsey amendment to the vocational education reauthorization bill.

These gender equity programs have been highly successful throughout the Nation and have dramatically increased the number of women who participate in vocational education programs.

We have studies that indicate that women who participate in these programs are able to increase their earning capacity in nontraditional occupational fields and successfully eliminate their cyclical dependency on public assistance.

A recent GAO study of employment training programs found that the 1,300 displaced homemaker and single-parent programs in operation throughout the Nation are among the most successful programs of this type.

In Oregon, for example, these programs increased the employment rates for participants from 28 to 71 percent, increased hourly earnings by an average of $1.45, and reduced AFDC dependency from 29 to 15 percent.

The study documented similar increases in earnings and placements in nontraditional jobs and reductions in welfare rates in other States as well.

Clearly, the need to ensure equal access to training programs is even more important today than it was when the gender equity provisions were originally enacted by Congress.

For example, the passage of last year's welfare reform legislation places severe restrictions on the ability of poor women and their children to continue to receive welfare.

Since the majority of women on welfare are women with children, it is imperative to provide them real opportunities to earn higher wages in highly skilled jobs to support themselves and their children.

The failure to continue to protect vocational training could severely limit single parents, single pregnant women, and displaced homemakers' ability to find employment and will increase the likelihood that they and their children will remain in poverty or become homeless.

We simply must not abandon the Federal commitment to gender equity in vocational education by eliminating minimum guarantees of funding for gender equity programs.

The gender equity provisions of the Mink amendment strike a reasonable compromise between set-aside programs and assurances that States will continue to allocate resources to gender equity programs.

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I urge my colleagues to support the Mink-Morella-Sanchez-Woolsey amendment.

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

Mr. Chairman, I rise in strong support of the Mink amendment to ensure that States continue to operate vocational educational programs for women and girls.

Last year we passed a welfare reform law designed to help individuals become self-sufficient. Many of those struggling to get off welfare are single parents and displaced homemakers. Unfortunately, traditional vocational training programs do not focus on the unique obstacles faced by women trying to raise a family. If we truly value families, we must value those programs that allow parents to provide for those 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 more than a decade these programs have

helped women move into careers that provide higher wages, better benefits, and the possibility of advancement. Not surprisingly, women in nontraditional occupations earn 20 to 30 percent more than those in traditionally female occupations. We must protect and support programs that help women move into these higher paying jobs. That is how we end welfare dependency and increase family incomes.

I am concerned, Mr. Chairman, that under this bill programs would ignore the needs of women. My colleagues will recall that last month we celebrated the 25th anniversary of title IX, which prohibits gender discrimination in education. We have made progress in promoting gender equity in education since the title IX law was passed in 1972, but we have not put an end to discrimination entirely. We must not undermine the mission of title IX by eliminating the role played by gender equity coordinators in vocational education. The Mink amendment will keep this important activity alive.

When we discussed these programs some time ago, I spoke about Kelly Miles, a single mother of three from New York City who was on public assistance for many years. Through a nontraditional employment training program for women, Kelly was able to move off welfare and begin a career as an electrician. She is a wonderful example of what women can achieve through these very important programs.

The programs preserved by the Mink amendment help us reach thousands of Kelly Miles, women who want to be self-sufficient but need to develop the tools to get there. I urge all of my colleagues to support the Mink amendment.

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

Mr. Chairman, I rise to ask the question do we need the Mink amendment to deal with displaced home workers, single parents, and single pregnant women? In my view, the answer is no. In this bill it is not mentioned once, it is not mentioned twice, it is not mentioned three times. It is in there four times. From the plan to the benchmarks to all the goals, it is listed again and again as one of our top priorities.

What happens when we have too many Federal rules? Less money to the classroom, more money for bureaucrats. Do we need more bureaucrats in this issue? I do not think we do.

In Pennsylvania I was chairman of Health and Welfare for 10 years and served on that committee for 19 years in both the House and the Senate. I was very much a part of Pennsylvania's historic welfare reform bill, which preceded the Federal bill but paralleled it.

Every incentive that is needed to help this population is a part of welfare reform because it is the majority of welfare recipients who are in this position. Welfare to work money targets this population appropriately. In the job training bill we made it much easier to use the money for this population, and in this bill we outline it not once, but four times, that this is a population that needs to be served.

In many States, and I know in Pennsylvania we have a very strong displaced homemaker program, vocational schools often have expanded their programs to utilize those State dollars because the need was there. I think we are assuming here at the Federal level that local districts, that States, are not aware of this problem. Everything that is happening in America leads us to serving this population. If States are going to meet the targets in the Federal bill, they must serve this population or they will not.

So for us today to over and above the four-time limits in the bill to say that every school district must prove to the State and to the Federal Government that they spent no less money, that is really more bureaucracy than if we had a set-aside. That means potentially 10,000 to 16,000 school districts will have to be evaluated, and, my colleagues, I do not believe that is necessary. If I thought it was necessary, I would support the Mink amendment.

I think it is important that we follow the lead of this bill of getting money to the classroom. All the incentives are in place to serve this population, and this bill highlights it not once, but four times. I ask for defeat of the Mink amendment. It is not necessary.

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

Mr. Chairman, I would like to have the opportunity to, even though I know we are under the 5-minute rule, close debate on this particular amendment. First of all, let me just say that I worry that this debate has turned into an exercise in political correctness, and let me tell my colleagues why I say that. We did not hear from a single witness, nor to the best of my knowledge, did we receive any correspondence in support of maintaining any kind of set-asides to serve special populations. What the Mink amendment would do is essentially replace a State mandate with a local mandate. It would replace a State set-aside with a local set-aside and reduce the flexibility that we want to give local schools to provide vocational-technical education programs. And that is very much in keeping with a longstanding American tradition of decentralized decisionmaking in public education.

In fact, as I mentioned, we did hear from Paul Cole, one of our witnesses and the vice president of the American Federation of Teachers. He testified in support of eliminating set-asides before our Subcommittee on Early Childhood, Youth and Families, and I quote from Mr. Cole's testimony.

''Federal legislation should eliminate set-asides at State and local levels. For instance, funding formulas for special populations are harmful when they provide an incentive for schools to retain students in these categories because the funding depends on it.''

And Mr. Cole's statement is very consistent with the report that was done by the Department of Education, Office of Educational Research and Improvement, entitled ''National Assessment of Vocational Education Final Report to Congress,'' and I quote from that report.

''There are two major risks in broad-brush efforts to include more and more special population students in vocational education. The first is that factors other than the students' best interest will become more prominent in placement decisions. For example, recruiting special needs students in order to keep vocational enrollments up, and thus maintain staff positions, is a familiar practice, and it often complements a desire in comprehensive schools to get hard-to-educate students out of regular classes.'' That is a practice that is called in some areas of the country ''dumping'' or ''tracking students.'' ''In situations such as this some students will benefit from participation in vocational programs, but others will not.''

The report goes on to say, ''The second risk is that vocational programs, especially those in area schools, will increasingly become special needs programs separated from the mainstream of secondary education, an outcome opposite to the integration of academic and vocational curricula envisioned by Perkins.''

So the other thing I want to point out is I know that the gentlewoman from California [Ms. MILLENDER-MCDONALD] who wants me to yield has some concerns as to whether or not we are building sufficient safeguards into the legislation to ensure that these special populations will continue to be served. I want to go right to the bill because I suspect a number of people who have spoken on the other side of the aisle on the Mink, et al. amendment have not actually looked at the bill. So I am going to read from it.

''Each State application shall describe how the State will ensure that members of special populations meet State benchmarks, and each State will provide vocational technical education programs that lead to high skill, high wage careers for members of special populations, displaced homemakers, single parents, and single pregnant women.''

These are adequate assurances.

Now I was asked about accountability. Let us talk about accountability for just a moment. Under the accountability section, ''Each State that receives funding under this bill shall annually prepare and submit to the Secretary of Education a report on how the State is performing on State benchmarks that relate to vocational-technical education programs.''

In preparing the report, the report submitted by the State ''shall include,'' again the operative word, ''shall''—a description of how special populations, displaced homemakers, single parents, and single pregnant

women participate in vocational technical education programs and, again, have met the vocational-technical education benchmarks established by the State.'' This is mandatory, not permissive or optional.

And what happens if the State fails to meet those benchmarks? Very clearly, right here, colleagues, in the bill, ''If a State fails to meet the State benchmarks, the Secretary of Education may withhold from the State all or a portion of the State's allotment under this Act.''

We have taken real concrete steps to address Members' concerns in this legislation. I submit to Members that the language in the bill now negates the need for the Mink amendment. I implore my colleagues, do not replace a State mandate with a local mandate, do not replace a State set-aside with a local set-aside. Support the legislation as it is presently drafted. Vote ''no'' on the Mink amendment. Just say no to more mandates for local schools.

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

Mr. Chairman, I listened with interest to the logic from the gentleman from California, and I wondered whether or not if we follow that logic through if the idea would be that if we built more prisons somehow we would end up with more crime. The truth of the matter is that simply because we try to solve a problem by fixing it, by assisting in the solution of the issue, by having people work in various school systems and the like to solve a problem of gender inequity does not mean that the inequity is going to be perpetuated; it means that we are trying to solve it.

I mean, the fact of the matter is that when young people in my district and across the country ask me what the great issues of the day that I believe are out there, I say, ''Listen, you look at the people sitting in this room in a particular high school, look at the young women in this high school.'' The fact is that if they go out and get the same job, work in the same number of hours as a young man doing the same kind of activity, they are going to get paid 69 cents for every dollar that the man gets, and the fact is that it is time that we take into consideration the kind of gender prejudice that exists in America.

Mr. Chairman, that is all that we have done in the Congress in the past. That is what we are asking that this bill, and I think the Mink amendment, which is supported on a bipartisan basis by the gentlewoman from Maryland [Mrs. MORELLA] and the gentlewoman from California [Ms. SANCHEZ] and the gentlewoman from California [Ms. WOOLSEY] and the like, that recognizes what we want to maintain is the effort that has been recognized by the Congress of the United States to end the kind of gender prejudice that exists throughout our country.

The fact is that anyone who has looked at where jobs are and young women are targeted in terms of what the kinds of jobs that they are going to be able to pursue is that not only is the pay gap currently that 6 out of 10 women are employed in the traditional female roles. One reason for the pay gap that currently exists is that 6 out of 10 women are employed in the traditional female fields of service, technical jobs, sales and administrative support.

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In contrast, two-thirds of the men worked as managers, operators, professionals, and craft workers. All we are trying to do in this legislation, and I think the gentlewoman from Hawaii [Mrs. MINK] deserves a great deal of credit, is to try to maintain the fact that we want to ensure that there is in fact a small set-aside to eliminate the kind of gender gap that has existed in our system, and do everything we can to make certain that that gap is eliminated on the fastest possible basis.

Mr. Chairman, I know we are running out of time.

Mrs. MALONEY of New York. Mr. Chairman, will the gentleman yield?

Mr. KENNEDY of Massachusetts. I yield to the gentlewoman from New York.

Mrs. MALONEY of New York. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I rise really in support of the Mink amendment. My office keeps a scorecard on the legislative attempts to take programs and benefits away from women. Unfortunately, we are chalking up another attack today. It is not as if we are asking for new funding. All we want is continued funding at this year's level, and the continuation of programs that work. Displaced homemakers, single parents, pregnant women, and some girls in vocational schools are all populations at risk. Why shut them out? Why, at the same time we are trying to get women off welfare rolls, are we eliminating the very programs that will help them get off welfare rolls?

In Oregon a recent study documented its long-term success in increasing employment rates from 28 percent to 71 percent. Wages increased; 14 percent of the women on welfare got off welfare. There is so much to fix, Mr. Chairman, that is broken. Let us not try to fix what is not broken. Let us continue funding for this program.

Ms. EDDIE BERNICE JOHNSON of Texas. Mr. Chairman, will the gentleman yield?

Mr. KENNEDY of Massachusetts. I yield to the gentlewoman from Texas.

(Ms. EDDIE BERNICE JOHNSON of Texas asked and was given permission to revise and extend her remarks.)

Ms. EDDIE BERNICE JOHNSON of Texas. Mr. Chairman, I rise in support of the Mink amendment.

Mr. Chairman, I rise today to voice my strong support to Congresswoman MINK's amendment. I urge my colleagues to support this amendment asking for financial support for programs that benefit girls and women. This is essential to help secure a future for millions of female citizens.

Young adults need vocational education and job training because this will provide them the skills needed to succeed in today's workplace. We must provide women with these opportunities because only then will we contribute to lowering the number of women receiving welfare assistance, enabling them to become self-sufficient and independent. Struggling homemakers, single mothers, and teenage women will have an opportunity to live productively and comfortably by having the chance to become educated in employment areas where there is high demand for skilled workers.

Vocational education and job training are directly linked to the reduction of welfare. If we want women to get off welfare, we need to provide meaningful job programs to train them. The participation in these programs results in higher wages and an increased number of work hours for women. I am asking you to support programs that train women for nontraditional jobs—like masons, computer programmers, and plumbers.

Displaced homemakers and single parent programs are crucial to the well-being of the disadvantaged. It is crucial that we provide funding for these programs. Displaced homemakers and single parent programs specialize in individually targeted pre-employment training and counseling services. Women will benefit from life skills development, career exploration, job training and placement, and support services.

In my State of Texas, 52 percent of displaced women rated the displaced homemaker or single parent program as much better than any other government program in which they have participated. Texas needs financial support of these programs. These programs help all women:

There are 1.2 million displaced homemakers in Texas: 47 percent of displaced homemakers are under 50 years old; and 39 percent of displaced homemakers are African-American, Asian, and Hispanic.

There are 561,342 single mothers in Texas: 61 percent of Texan single mothers are between the ages of 25–44; 47 percent of single mothers are African-American and Hispanic; and 53 percent are nonminority.

I urge all of you to support this amendment: you will be building the foundation for displaced homemakers, single parents, and individuals training for nontraditional occupations.

Mr. GOODLING. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. KLUG) having assumed the chair, Mr. EWING, 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. 1853) to amend the Carl D. Perkins Vocational and Applied Technology Education Act, had come to no resolution thereon.

GENERAL LEAVE

Mr. SKEEN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the

further consideration of H.R. 2160, and that I may include tabular and extraneous material.

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

There was no objection.

AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS ACT, 1998

Mr. SKEEN. Mr. Chairman, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 2160) making appropriations for Agriculture, Rural Development, the Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 1998, and for other purposes.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New Mexico [Mr. SKEEN].

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

Ms. PELOSI. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make a 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 259, nays 165, not voting 10, as follows:

[Roll No. 281]

YEAS—259

Aderholt	Chenoweth	Franks (NJ)
Archer	Christensen	Frelinghuysen
Armey	Coble	Gallegly
Bachus	Coburn	Ganske
Baesler	Collins	Gekas
Baker	Combest	Gephardt
Baldacci	Cook	Gibbons
Ballenger	Cooksey	Gilchrest
Barr	Cox	Gillmor
Barrett (NE)	Crane	Gilman
Bartlett	Crapo	Goode
Barton	Cubin	Goodlatte
Bass	Cunningham	Goodling
Bateman	Danner	Goss
Bereuter	Davis (FL)	Graham
Bilbray	Davis (VA)	Granger
Bilirakis	Deal	Greenwood
Bliley	DeLay	Gutknecht
Blunt	Dellums	Hall (OH)
Boehner	Diaz-Balart	Hall (TX)
Bonilla	Dickey	Hamilton
Bono	Doolittle	Hansen
Borski	Doyle	Hastert
Boucher	Dreier	Hastings (WA)
Brady	Duncan	Hayworth
Bryant	Dunn	Hefley
Bunning	Ehlers	Herger
Burr	Ehrlich	Hill
Burton	Emerson	Hilleary
Buyer	Engel	Hobson
Callahan	English	Hoekstra
Calvert	Ensign	Holden
Camp	Evans	Horn
Campbell	Everett	Hostettler
Canady	Ewing	Hulshof
Cannon	Fawell	Hunter
Cardin	Foley	Hutchinson
Castle	Fowler	Hyde
Chabot	Fox	Inglis
Chambliss	Frank (MA)	Istook
Jenkins	Neal	Sessions
Johnson (CT)	Nethercutt	Shadegg
Johnson, Sam	Neumann	Shaw
Jones	Ney	Shays
Kanjorski	Northup	Shimkus
Kasich	Norwood	Shuster
Kelly	Nussle	Sisisky
Kim	Oberstar	Skeen
King (NY)	Ortiz	Skelton
Kingston	Oxley	Smith (MI)
Klink	Packard	Smith (NJ)
Klug	Pappas	Smith (OR)
Knollenberg	Parker	Smith, Linda
Kolbe	Paul	Snowbarger
LaFalce	Paxon	Solomon
LaHood	Pease	Souder
Largent	Peterson (PA)	Spence
Latham	Petri	Stearns
LaTourette	Pickering	Stenholm
Lazio	Pickett	Stump
Leach	Pitts	Sununu
Lewis (CA)	Pombo	Talent
Lewis (KY)	Porter	Tauzin
Linder	Portman	Taylor (MS)
Lipinski	Price (NC)	Taylor (NC)
Livingston	Pryce (OH)	Thomas
LoBiondo	Quinn	Thompson
Lucas	Radanovich	Thornberry
Manzullo	Rahall	Thune
Matsui	Ramstad	Tiahrt
McCollum	Redmond	Traficant
McCrery	Regula	Upton
McDade	Riggs	Walsh
McHugh	Riley	Wamp
McInnis	Rogan	Watkins
McIntosh	Rogers	Watts (OK)
McIntyre	Rohrabacher	Weldon (FL)
McKeon	Ros-Lehtinen	Weldon (PA)
Metcalf	Royce	Weller
Mica	Ryun	White
Miller (FL)	Salmon	Whitfield
Moakley	Sanford	Wicker
Mollohan	Saxton	Wise
Moran (KS)	Scarborough	Wolf
Morella	Schaefer, Dan	Young (FL)
Murtha	Schaffer, Bob	
Myrick	Sensenbrenner	

NAYS—165

Abercrombie	Ford	McNulty
Ackerman	Frost	Meehan
Allen	Furse	Meek
Andrews	Gejdenson	Menendez
Barcia	Gordon	Millender-McDonald
Barrett (WI)	Green	Miller (CA)
Becerra	Gutierrez	Minge
Bentsen	Harman	Mink
Berman	Hastings (FL)	Moran (VA)
Berry	Hefner	Nadler
Bishop	Hilliard	Obey
Blagojevich	Hinchey	Olver
Blumenauer	Hinojosa	Owens
Bonior	Hooley	Pallone
Boswell	Hoyer	Pascrell
Boyd	Jackson (IL)	Pastor
Brown (CA)	Jackson-Lee (TX)	Payne
Brown (FL)	Jefferson	Pelosi
Brown (OH)	John	Peterson (MN)
Capps	Johnson (WI)	Pomeroy
Carson	Johnson, E. B.	Poshard
Clay	Kaptur	Rangel
Clayton	Kennedy (MA)	Reyes
Clement	Kennedy (RI)	Rivers
Clyburn	Kennelly	Rodriguez
Condit	Kildee	Roemer
Costello	Kilpatrick	Rothman
Coyne	Kind (WI)	Roybal-Allard
Cramer	Kleczka	Rush
Cummings	Kucinich	Sabo
Davis (IL)	Lampson	Sanchez
DeFazio	Lantos	Sanders
DeGette	Levin	Sandlin
Delahunt	Lewis (GA)	Sawyer
DeLauro	Lofgren	Schumer
Deutsch	Lowey	Scott
Dicks	Luther	Serrano
Dingell	Maloney (CT)	Sherman
Dixon	Maloney (NY)	Skaggs
Doggett	Manton	Slaughter
Dooley	Markey	Smith, Adam
Edwards	Martinez	Snyder
Eshoo	Mascara	Spratt
Etheridge	McCarthy (MO)	Stabenow
Farr	McCarthy (NY)	Stark
Fattah	McDermott	Stokes
Fazio	McGovern	Strickland
Filner	McHale	Stupak
Flake	McKinney	Tanner
Foglietta		
Tauscher	Velazquez	Wexler
Thurman	Vento	Weygand
Tierney	Visclosky	Woolsey
Torres	Waters	Wynn
Towns	Watt (NC)	Yates
Turner	Waxman	

NOT VOTING—10

Boehlert	Houghton	Smith (TX)
Conyers	Molinari	Young (AK)
Forbes	Roukema	
Gonzalez	Schiff	

□ 1329

Messrs. SKAGGS, HILLIARD, RUSH, ROTHMAN, OWENS, DICKS and Ms. JACKSON-LEE of Texas changed their vote from ''yea'' to ''nay.''

Mr. FRANK of Massachusetts and Mr. MOLLOHAN changed their vote from ''nay'' to ''yea.''

So the motion was agreed to.

The result of the vote was announced as above recorded.

MOTION TO RECONSIDER THE VOTE OFFERED BY MR. FRANK OF MASSACHUSETTS

Mr. FRANK of Massachusetts. Mr. Speaker, I move to reconsider the vote.

MOTION TO TABLE OFFERED BY MR. KINGSTON

Mr. KINGSTON. Mr. Speaker, I move to lay the motion to reconsider on the table.

The SPEAKER pro tempore (Mr. KLUG). The question is on the motion offered by the gentleman from Georgia [Mr. KINGSTON] to lay on the table the motion to reconsider the vote offered by the gentleman from Massachusetts (Mr. FRANK).

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

RECORDED VOTE

Mr. FRANK of Massachusetts. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 238, noes 188, not voting 8, as follows:

[Roll No. 282]

AYES—238

Aderholt	Chenoweth	Frelinghuysen
Archer	Christensen	Gallegly
Armey	Coble	Ganske
Bachus	Coburn	Gekas
Baker	Collins	Gibbons
Ballenger	Combest	Gilchrest
Barr	Cook	Gillmor
Barrett (NE)	Cooksey	Gilman
Bartlett	Cox	Goode
Barton	Crane	Goodlatte
Bass	Crapo	Goodling
Bateman	Cubin	Goss
Bereuter	Cunningham	Graham
Bilbray	Davis (VA)	Granger
Bilirakis	Deal	Greenwood
Bliley	DeLay	Gutknecht
Blunt	Diaz-Balart	Hamilton
Boehlert	Dickey	Hansen
Boehner	Doggett	Hastings (WA)
Bonilla	Doolittle	Hayworth
Bono	Doyle	Hefley
Brady	Dreier	Herger
Bryant	Duncan	Hill
Bunning	Dunn	Hilleary
Burr	Ehlers	Hobson
Burton	Ehrlich	Hoekstra
Buyer	Emerson	Holden
Callahan	English	Horn
Calvert	Ensign	Hostettler
Camp	Everett	Houghton
Campbell	Ewing	Hulshof
Canady	Fawell	Hunter
Cannon	Foley	Hutchinson
Castle	Fowler	Hyde
Chabot	Fox	Inglis
Chambliss	Franks (NJ)	Istook

Jenkins	Nethercutt	Sessions
Johnson (CT)	Neumann	Shadegg
Johnson, Sam	Ney	Shaw
Jones	Northup	Shays
Kanjorski	Norwood	Shimkus
Kasich	Nussle	Shuster
Kelly	Oxley	Sisisky
Kim	Packard	Skeen
King (NY)	Pappas	Skelton
Kingston	Parker	Smith (MI)
Klink	Paul	Smith (NJ)
Klug	Paxon	Smith (OR)
Knollenberg	Pease	Smith (TX)
Kolbe	Peterson (PA)	Smith, Linda
LaHood	Pickering	Snowbarger
Largent	Pickett	Solomon
Latham	Pitts	Spence
LaTourette	Pombo	Stearns
Lazio	Pomeroy	Stump
Leach	Porter	Sununu
Lewis (CA)	Portman	Talent
Lewis (KY)	Price (NC)	Tauzin
Linder	Pryce (OH)	Taylor (NC)
Livingston	Quinn	Thomas
LoBiondo	Radanovich	Thornberry
Lucas	Rahall	Thune
Manzullo	Ramstad	Tiahrt
McCollum	Redmond	Towns
McCrery	Regula	Traficant
McDade	Riggs	Upton
McHugh	Riley	Walsh
McInnis	Rogan	Wamp
McIntosh	Rogers	Watkins
McIntyre	Rohrabacher	Watts (OK)
McKeon	Ros-Lehtinen	Weldon (FL)
Metcalf	Royce	Weldon (PA)
Mica	Ryun	Weller
Miller (FL)	Salmon	White
Molinari	Sanford	Whitfield
Mollohan	Saxton	Wicker
Moran (KS)	Scarborough	Wolf
Morella	Schaefer, Dan	Young (FL)
Murtha	Schaffer, Bob	
Myrick	Sensenbrenner	

NOES—188

Abercrombie	Evans	Manton
Ackerman	Farr	Markey
Allen	Fattah	Martinez
Andrews	Fazio	Mascara
Baesler	Filner	Matsui
Baldacci	Flake	McCarthy (MO)
Barcia	Foglietta	McCarthy (NY)
Barrett (WI)	Ford	McDermott
Becerra	Frank (MA)	McGovern
Bentsen	Frost	McHale
Berman	Gejdenson	McKinney
Berry	Gephardt	McNulty
Bishop	Gonzalez	Meehan
Blagojevich	Gordon	Meek
Blumenauer	Green	Menendez
Bonior	Gutierrez	Millender-McDonald
Borski	Hall (OH)	Miller (CA)
Boswell	Hall (TX)	Minge
Boucher	Harman	Mink
Boyd	Hastings (FL)	Moakley
Brown (CA)	Hefner	Moran (VA)
Brown (FL)	Hilliard	Nadler
Brown (OH)	Hinchey	Neal
Capps	Hinojosa	Oberstar
Cardin	Hooley	Obey
Carson	Hoyer	Olver
Clay	Jackson (IL)	Ortiz
Clayton	Jackson-Lee (TX)	Owens
Clement	Jefferson	Pallone
Clyburn	John	Pascrell
Condit	Johnson (WI)	Pastor
Conyers	Johnson, E. B.	Payne
Costello	Kaptur	Pelosi
Coyne	Kennedy (MA)	Peterson (MN)
Cramer	Kennedy (RI)	Poshard
Cummings	Kennelly	Rangel
Danner	Kildee	Reyes
Davis (FL)	Kilpatrick	Rivers
Davis (IL)	Kind (WI)	Rodriguez
DeFazio	Kleczka	Roemer
DeGette	Kucinich	Rothman
Delahunt	LaFalce	Roybal-Allard
DeLauro	Lampson	Rush
Dellums	Lantos	Sabo
Deutsch	Levin	Sanchez
Dicks	Lewis (GA)	Sanders
Dingell	Lipinski	Sandlin
Dixon	Lofgren	Sawyer
Dooley	Lowey	Schumer
Edwards	Luther	Scott
Engel	Maloney (CT)	Serrano
Eshoo	Maloney (NY)	Sherman
Etheridge	Skaggs	Tanner
Slaughter	Tauscher	Waters
Smith, Adam	Taylor (MS)	Watt (NC)
Snyder	Thompson	Waxman
Spratt	Thurman	Wexler
Stabenow	Tierney	Weygand
Stark	Torres	Wise
Stenholm	Turner	Woolsey
Stokes	Velazquez	Wynn
Strickland	Vento	Yates
Stupak	Visclosky	

NOT VOTING—8

Forbes	Petri	Souder
Furse	Roukema	Young (AK)
Hastert	Schiff	

□ 1350

Mr. WAXMAN and Ms. SLAUGHTER changed their vote from ''aye'' to ''no.''

Mrs. LINDA SMITH of Washington changed her vote from ''no'' to ''aye.''

So the motion to table the motion to reconsider the vote was agreed to.

The result of the vote was announced as above recorded.

□ 1352

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 2160, with Mr. LAHOOD, (Chairman pro tempore), in the chair.

The Clerk read the title of the bill.

The CHAIRMAN pro tempore. When the Committee of the Whole rose on Wednesday, July 16, 1997, all time for general debate had expired.

(Mr. SOLOMON asked and was given permission to speak out of order for 1 minute.)

AMENDMENT PROCESS FOR LEGISLATIVE BRANCH APPROPRIATION

Mr. SOLOMON. Mr. Chairman, the Committee on Rules is planning to meet next week to grant a rule which may limit the amendments offered to the legislative branch appropriation bill. Members who wish to offer amendments to the bill should submit 55 copies of their amendment, together with a brief explanation, to the Committee on Rules in H–312 of the Capitol.

Amendments should be drafted to the bill as ordered reported by the Committee on Appropriations. Copies of the text will be available for examination by Members and staff in the offices of the Committee on Appropriations over here in H–218 of the Capitol.

Members should use the Office of Legislative Counsel to ensure that their amendments are properly drafted.

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

Mr. SOLOMON. I yield to the gentleman from Maryland.

Mr. HOYER. Mr. Chairman, for the purposes of those of us who may have amendments and want to discuss those amendments, could the gentleman from New York [Mr. SOLOMON], the chairman, give us some idea of the criteria that the committee might use in limiting amendments?

Mr. SOLOMON. Reclaiming my time, I would say to the gentleman from Maryland (Mr. Hoyer), my good friend, that we would probably follow the previous precedent as set by both the Republican leadership in the past and the Democratic leadership before that.

Mr. HOYER. Mr. Chairman, if the gentleman would yield further, because I may not be as good a historian as he is, could he give me some idea what that precedent calls for?

Mr. SOLOMON. Reclaiming my time, we, first of all, are bound by a budget agreement with our President. We could not have any amendments that are going to increase the spending. That would probably be limited.

Mr. HOYER. If the gentleman would yield further, so that we can cut spending?

Mr. SOLOMON. Reclaiming my time, I would think so, sure.

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

Mr. SOLOMON. I yield to the gentleman from Wisconsin.

Mr. OBEY. Mr. Chairman, would the committee allow for any and all amendments to cut spending without limitation to be made in order?

Mr. SOLOMON. Reclaiming my time, I do not know. But we would certainly take that under consideration, along with the ranking minority members and other members of the Committee on Rules.

As long as we have the attention of the membership, if I might, there have been a couple procedural votes here concerning the possibility of the rule on the foreign operations appropriation bill that will come on the floor next week.

During testimony before the Committee on Rules, the gentlewoman from California [Ms. PELOSI], my very, very good friend, testified on behalf of a pro-choice position that she would, and I went back and looked at the testimony, that she would ask us if we would please make in order an alternative viewpoint to the Mexico City-Chris Smith amendment.

And I always want to treat the gentlewoman from California [Ms. PELOSI] very fairly, because she is a very close personal friend of mine. And we did, after consultation with the pro-choice side of the issue, agree to make in order an amendment. And that is really what my good friend, the gentlewoman from California [Ms. PELOSI], asked for.

I think now there is some kind of an understanding, and we are sorry that there is a misunderstanding. But we truly did try to be fair to both the pro-life position and the pro-choice position. So I really would just urge us to proceed on that because of the agreement that we had made previously.

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

Mr. SOLOMON. I yield to the gentleman from Wisconsin.

Mr. OBEY. Mr. Chairman, I think, in fairness to the chairman, it is important to point out that the reason that my colleague has had so many women objecting to proceeding under regular order today and the reason he has had

so many of us join them is because we have seen what we regard as a routine action on the part of the Committee on Rules to systematically deny to ranking minority members on committees, ranging from the Committee on Armed Services, to the Subcommittee on Agriculture, to the Subcommittee on Foreign Operations, to the Subcommittee on the Interior. We have seen routinely requests of ranking minority members denied and then amendments put in order which do extensive rewrite of authorizations.

And, so, I think that the gentleman from New York [Mr. SOLOMON] needs to understand that the unhappiness extends far beyond that one amendment. We believe there must be an understanding about how amendments are or which amendments are made in order when asked for by ranking members on all committees. And it is not just that one message which is causing the problem.

Mr. SOLOMON. Reclaiming my time, let me say to the gentleman from Wisconsin [Mr. OBEY] that, other than the situation with our good friend from California [Mr. DELLUMS], I do not know of any other situation.

I would be glad to sit down and review those with the gentleman from Wisconsin [Mr. OBEY] and the chairman of the Committee on Appropriations. In the meantime, I yield to the gentlewoman from California [Ms. PELOSI], and then we have to get on with regular business.

Ms. PELOSI. Mr. Chairman, since the distinguished gentleman from New York [Mr. SOLOMON], chair of the Committee on Rules, referenced my name and what possibly occurred in the Committee on Rules, I would like the privilege of responding to him.

First of all, our bill, the foreign operations bill, is one that we worked very hard, under the leadership of the gentleman from Alabama [Mr. CALLAHAN], to produce a bipartisan product that has reached so much agreement. We came through our full committee in only 40 minutes of debate, which is probably record time, and we are prepared to come to the floor with strong bipartisanship.

The amendments made in order by the Committee on Rules did violence to that bipartisanship and makes this rule unacceptable. One of the issues involved is the international family planning issues. But that is only one of the complaints that we have about the bill.

The Democratic women in the House have provided great leadership on the international family planning issue. And yet, when it was time for an alternative to the Smith amendment, which was made in order, and that is fair, when it was time for an alternative to be made in order, in a back-room deal on the Republican side of the aisle, with not one Democrat or Democratic woman present, an alternative was given to the gentleman from California [Mr. CAMPBELL], the gentleman from New York [Mr. GILMAN], and the gentleman from Pennsylvania [Mr. GREENWOOD], without the participation of the women, especially the Democratic women in the House.

Now, first of all, it is all authorizing on an appropriations bill. The Smith amendment is. But if you are going to go down that route, then we thought it would be appropriate that there be an alternative, and that is what I asked for in my testimony, a bipartisan alternative that we could present.

The gentleman from New York [Mr. SOLOMON] knows full well and the Republican leadership knows full well that the alternative that they allowed in this bill, the Republican alternative they allowed, failed on this floor a matter of weeks ago.

The difference between what we wanted to propose and what they allowed is that the amendment they allowed is a loser. It is a loser. And they know it. And that is why they could not accommodate our fresher approach to a bipartisan amendment that we would present.

□ 1400

That is why the Democratic women of the House today are saying that we want to be heard on this subject. You cannot keep us from the table. One way or another, we will get our point across that this is an important issue to us, that we have taken the lead on it over and over again, and that we will be heard on this subject.

With all due respect to my good friend, who I do consider a distinguished chairman of the Committee on Rules, perhaps we had a misunderstanding. But the misunderstanding springs from the fact that a bipartisan alternative is not one that is plotted out in the backroom on the Republican side without the participation of the Democrats, particularly the Democratic women. I am the ranking member of the Subcommittee on Foreign Operations, Export Financing and Related Programs. There are not many women ranking members and I insist on the respect the ranking member is due.

The CHAIRMAN pro tempore (Mr. LAHOOD). The time of the gentleman from New York [Mr. SOLOMON] has expired.

Does the gentleman ask unanimous consent for further time?

Mr. SOLOMON. Yes, Mr. Chairman, very briefly.

The CHAIRMAN pro tempore. The gentleman is recognized.

Ms. SLAUGHTER. Mr. Chairman, will the gentleman please yield to me as a member of the Committee on Rules?

The CHAIRMAN pro tempore. The gentleman from New York has the time.

Ms. SLAUGHTER. Mr. Chairman, I was simply requesting that he yield to me.

The CHAIRMAN pro tempore. The gentleman from New York has the time.

Mr. SOLOMON. Mr. Chairman, we do have to get up to the Committee on Rules to deal with a very important bill in just a moment. I just want to say that the gentlewoman from California [Ms. PELOSI] has certainly explained her position and she is sincere in it, but I would just have to read back her testimony.

It says:

If, however, the Rules Committee chooses to make legislative amendments in order, I would request that I would be allowed or someone would be allowed to offer perfecting amendments to the Smith amendment, in particular, again, if Mr. SMITH's amendment imposes the Mexico City language.

Mr. Chairman, I very sincerely took her testimony at heart. We were going to make in order an amendment.

Ms. PELOSI. Mr. Chairman, will the gentleman yield for a question?

The CHAIRMAN pro tempore. The time of the gentleman from New York has expired.

The Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 1998, and for other purposes, namely:

Ms. SLAUGHTER. Mr. Chairman, I move that the Committee do now rise.

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

RECORDED VOTE

Ms. SLAUGHTER. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 191, noes 233, not voting 10, as follows:

[Roll No. 283]

AYES—191

Abercrombie	DeFazio	Hilliard
Ackerman	DeGette	Hinchey
Allen	Delahunt	Hinojosa
Andrews	DeLauro	Holden
Baesler	Dellums	Hooley
Baldacci	Deutsch	Hoyer
Barcia	Dicks	Jackson (IL)
Barrett (WI)	Dingell	Jackson-Lee (TX)
Becerra	Dixon	Jefferson
Bentsen	Doggett	John
Berry	Dooley	Johnson (WI)
Bishop	Doyle	Johnson, E. B.
Blagojevich	Edwards	Kanjorski
Blumenauer	Engel	Kaptur
Bonior	Eshoo	Kennedy (MA)
Borski	Etheridge	Kennedy (RI)
Boswell	Evans	Kennelly
Boucher	Farr	Kildee
Boyd	Fattah	Kilpatrick
Brown (FL)	Fazio	Kind (WI)
Brown (OH)	Filner	Kleczka
Capps	Flake	Klink
Carson	Foglietta	Kucinich
Clay	Ford	LaFalce
Clayton	Frank (MA)	Lampson
Clement	Frost	Lantos
Clyburn	Gejdenson	Levin
Condit	Gephardt	Lewis (GA)
Conyers	Gonzalez	Lipinski
Costello	Green	Lofgren
Coyne	Hall (OH)	Lowey
Cummings	Hall (TX)	Luther
Danner	Harman	Maloney (CT)
Davis (FL)	Hastings (FL)	Maloney (NY)
Davis (IL)	Hefner	

Manton	Pallone	Snyder
Martinez	Pascrell	Spratt
Mascara	Pastor	Stabenow
Matsui	Payne	Stark
McCarthy (MO)	Pelosi	Stenholm
McCarthy (NY)	Peterson (MN)	Stokes
McDermott	Pomeroy	Strickland
McGovern	Poshard	Stupak
McHale	Price (NC)	Tanner
McKinney	Rangel	Tauscher
McNulty	Reyes	Thompson
Meehan	Rodriguez	Thurman
Meek	Roemer	Tierney
Menendez	Rothman	Torres
Millender-McDonald	Roybal-Allard	Towns
	Rush	Turner
Miller (CA)	Sabo	Velazquez
Minge	Sanchez	Vento
Mink	Sanders	Visclosky
Moakley	Sandlin	Waters
Mollohan	Sawyer	Watt (NC)
Moran (VA)	Schumer	Waxman
Murtha	Scott	Wexler
Nadler	Serrano	Weygand
Neal	Sherman	Wise
Oberstar	Sisisky	Woolsey
Obey	Skaggs	Wynn
Olver	Skelton	Yates
Ortiz	Slaughter	
Owens	Smith, Adam	

NOES—233

Aderholt	Fawell	McCollum
Archer	Foley	McCrery
Armey	Fowler	McDade
Bachus	Fox	McHugh
Baker	Franks (NJ)	McInnis
Ballenger	Frelinghuysen	McIntosh
Barr	Gallegly	McIntyre
Barrett (NE)	Ganske	McKeon
Bartlett	Gekas	Metcalf
Barton	Gibbons	Mica
Bass	Gilchrest	Miller (FL)
Bateman	Gillmor	Molinari
Bereuter	Gilman	Moran (KS)
Bilbray	Goode	Morella
Bilirakis	Goodlatte	Myrick
Bliley	Goodling	Nethercutt
Blunt	Gordon	Neumann
Boehlert	Goss	Northup
Boehner	Graham	Norwood
Bonilla	Granger	Nussle
Bono	Greenwood	Packard
Brady	Gutierrez	Pappas
Bryant	Gutknecht	Parker
Bunning	Hamilton	Paul
Burr	Hansen	Paxon
Burton	Hastert	Pease
Buyer	Hastings (WA)	Peterson (PA)
Callahan	Hayworth	Petri
Calvert	Hefley	Pickering
Camp	Herger	Pickett
Campbell	Hill	Pitts
Canady	Hilleary	Pombo
Cannon	Hobson	Porter
Cardin	Hoekstra	Portman
Castle	Horn	Pryce (OH)
Chabot	Hostettler	Quinn
Chambliss	Houghton	Radanovich
Chenoweth	Hulshof	Rahall
Christensen	Hunter	Ramstad
Coble	Hutchinson	Redmond
Coburn	Hyde	Regula
Collins	Inglis	Riggs
Combest	Istook	Riley
Cook	Jenkins	Rivers
Cooksey	Johnson (CT)	Rogan
Cox	Johnson, Sam	Rogers
Cramer	Jones	Rohrabacher
Crane	Kelly	Ros-Lehtinen
Crapo	Kim	Roukema
Cubin	King (NY)	Royce
Cunningham	Kingston	Ryun
Davis (VA)	Klug	Salmon
Deal	Knollenberg	Sanford
DeLay	Kolbe	Saxton
Diaz-Balart	LaHood	Scarborough
Dickey	Largent	Schaefer, Dan
Doolittle	Latham	Schaffer, Bob
Dreier	LaTourette	Sensenbrenner
Duncan	Lazio	Sessions
Dunn	Leach	Shadegg
Ehlers	Lewis (CA)	Shaw
Ehrlich	Lewis (KY)	Shays
Emerson	Linder	Shimkus
English	Livingston	Shuster
Ensign	LoBiondo	Skeen
Everett	Lucas	Smith (MI)
Ewing	Manzullo	Smith (NJ)
Smith (OR)	Tauzin	Watkins
Smith (TX)	Taylor (MS)	Watts (OK)
Smith, Linda	Taylor (NC)	Weldon (FL)
Snowbarger	Thomas	Weldon (PA)
Solomon	Thornberry	Weller
Souder	Thune	White
Spence	Tiahrt	Whitfield
Stearns	Traficant	Wicker
Stump	Upton	Wolf
Sununu	Walsh	Young (FL)
Talent	Wamp	

NOT VOTING—10

Berman	Kasich	Schiff
Brown (CA)	Markey	Young (AK)
Forbes	Ney	
Furse	Oxley	

☐ 1419

Mr. PETRI changed his vote from ''aye'' to ''no.''

Mr. DICKS changed his vote from ''no'' to ''aye.''

So the motion was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

TITLE I

AGRICULTURAL PROGRAMS

PRODUCTION, PROCESSING, AND MARKETING

OFFICE OF THE SECRETARY

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses of the Office of the Secretary of Agriculture, and not to exceed $75,000 for employment under 5 U.S.C. 3109, $2,836,000: *Provided,* That not to exceed $11,000 of this amount, along with any unobligated balances of representation funds in the Foreign Agricultural Service, shall be available for official reception and representation expenses, not otherwise provided for, as determined by the Secretary.

EXECUTIVE OPERATIONS

CHIEF ECONOMIST

For necessary expenses of the Chief Economist, including economic analysis, risk assessment, cost-benefit analysis, and the functions of the World Agricultural Outlook Board, as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1622g), and including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which not to exceed $5,000 is for employment under 5 U.S.C. 3109, $4,844,000.

NATIONAL APPEALS DIVISION

For necessary expenses of the National Appeals Division, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which not to exceed $25,000 is for employment under 5 U.S.C. 3109, $11,718,000.

OFFICE OF BUDGET AND PROGRAM ANALYSIS

For necessary expenses of the Office of Budget and Program Analysis, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which not to exceed $5,000 is for employment under 5 U.S.C. 3109, $5,986,000.

OFFICE OF THE CHIEF INFORMATION OFFICER

For necessary expenses of the Office of the Chief Information Officer, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which not to exceed $10,000 is for employment under 5 U.S.C. 3109, $4,773,000.

OFFICE OF THE CHIEF FINANCIAL OFFICER

For necessary expenses of the Office of the Chief Financial Officer, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which not to exceed $10,000 is for employment under 5 U.S.C. 3109, $4,283,000: *Provided,* That the Chief Financial Officer shall actively market cross-servicing activities of the National Finance Center.

OFFICE OF THE ASSISTANT SECRETARY FOR ADMINISTRATION

For necessary salaries and expenses of the Office of the Assistant Secretary for Administration to carry out the programs funded in this Act, $613,000.

AGRICULTURE BUILDINGS AND FACILITIES AND RENTAL PAYMENTS

(INCLUDING TRANSFERS OF FUNDS)

For payment of space rental and related costs pursuant to Public Law 92–313, including authorities pursuant to the 1984 delegation of authority from the Administrator of General Services to the Department of Agriculture under 40 U.S.C. 486, for programs and activities of the Department which are included in this Act, and for the operation, maintenance, and repair of Agriculture buildings, $123,385,000: *Provided,* That in the event an agency within the Department 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 5 percent of the funds made available for space rental and related costs to or from this account. In addition, for construction, repair, improvement, extension, alteration, and purchase of fixed equipment or facilities as necessary to carry out the programs of the Department, where not otherwise provided, $15,000,000, to remain available until expended; and in addition, for necessary relocation expenses of the Department's agencies, $2,700,000, to remain available until expended; making a total appropriation of $141,085,000.

HAZARDOUS WASTE MANAGEMENT

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses of the Department of Agriculture, to comply with the requirement of section 107(g) of the Comprehensive Environmental Response, Compensation, and Liability Act, as amended, 42 U.S.C. 9607(g), and section 6001 of the Resource Conservation and Recovery Act, as amended, 42 U.S.C. 6961, $20,000,000, to remain available until expended: *Provided,* That appropriations and funds available herein to the Department for Hazardous Waste Management may be transferred to any agency of the Department for its use in meeting all requirements pursuant to the above Acts on Federal and non-Federal lands.

DEPARTMENTAL ADMINISTRATION

(INCLUDING TRANSFERS OF FUNDS)

For Departmental Administration, $25,731,000, to provide for necessary expenses for management support services to offices of the Department and for general administration and disaster management of the Department, repairs and alterations, and other miscellaneous supplies and expenses not otherwise provided for and necessary for the practical and efficient work of the Department, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which not to exceed $10,000 is for employment under 5 U.S.C. 3109: *Provided,* That this appropriation shall be reimbursed from applicable appropriations in this Act for travel expenses incident to the holding of hearings as required by 5 U.S.C. 551–558.

OFFICE OF THE ASSISTANT SECRETARY FOR CONGRESSIONAL RELATIONS

(INCLUDING TRANSFERS OF FUNDS)

For necessary salaries and expenses of the Office of the Assistant Secretary for Congressional Relations to carry out the programs funded in this Act, including programs involving intergovernmental affairs and liaison within the executive branch, $3,668,000: *Provided,* That no other funds appropriated to the Department in this Act shall be available to the Department for support of activities of congressional relations: *Provided further,* That not less than $2,241,000 shall be transferred to agencies funded in this Act to maintain personnel at the agency level.

OFFICE OF COMMUNICATIONS

For necessary expenses to carry on services relating to the coordination of programs involving public affairs, for the dissemination of agricultural information, and the coordination of information, work, and programs authorized by Congress in the Department, $8,138,000, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which not to exceed $10,000 shall be available for employment under 5 U.S.C. 3109, and not to exceed $2,000,000 may be used for farmers' bulletins.

OFFICE OF THE INSPECTOR GENERAL

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses of the Office of the Inspector General, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and the Inspector General Act of 1978, as amended, $63,128,000, including such sums as may be necessary for contracting and other arrangements with public agencies and private persons pursuant to section 6(a)(9) of the Inspector General Act of 1978, as amended, including a sum not to exceed $50,000 for employment under 5 U.S.C. 3109; and including a sum not to exceed $95,000 for certain confidential operational expenses including the payment of informants, to be expended under the direction of the Inspector General pursuant to Public Law 95–452 and section 1337 of Public Law 97–98: *Provided,* That funds transferred to the Office of the Inspector General through forfeiture proceedings or from the Department of Justice Assets Forfeiture Fund or the Department of the Treasury Forfeiture Fund, as a participating agency, as an equitable share from the forfeiture of property in investigations in which the Office of the Inspector General participates, or through the granting of a Petition for Remission or Mitigation, shall be deposited to the credit of this account for law enforcement activities authorized under the Inspector General Act of 1978, as amended, to remain available until expended.

OFFICE OF THE GENERAL COUNSEL

For necessary expenses of the Office of the General Counsel, $27,949,000.

OFFICE OF THE UNDER SECRETARY FOR RESEARCH, EDUCATION AND ECONOMICS

For necessary salaries and expenses of the Office of the Under Secretary for Research, Education and Economics to administer the laws enacted by the Congress for the Economics Research Service, the National Agricultural Statistics Service, the Agricultural Research Service, and the Cooperative State Research, Education, and Extension Service, $540,000.

ECONOMIC RESEARCH SERVICE

For necessary expenses of the Economic Research Service in conducting economic research and analysis, as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1621–1627) and other laws, $71,604,000: *Provided,* That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225).

NATIONAL AGRICULTURAL STATISTICS SERVICE

For necessary expenses of the National Agricultural Statistics Service in conducting statistical reporting and service work, including crop and livestock estimates, statistical coordination and improvements, marketing surveys, and the Census of Agriculture notwithstanding 13 U.S.C. 142(a–b), as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1621–1627) and other laws, $118,361,000, of which up to $36,140,000 shall be available until expended for the Census of Agriculture: *Provided,* That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $40,000 shall be available for employment under 5 U.S.C. 3109.

AGRICULTURAL RESEARCH SERVICE

For necessary expenses to enable the Agricultural Research Service to perform agricultural research and demonstration relating to production, utilization, marketing, and distribution (not otherwise provided for); home economics or nutrition and consumer use including the acquisition, preservation, and dissemination of agricultural information; and for acquisition of lands by donation, exchange, or purchase at a nominal cost not to exceed $100, $725,059,000: *Provided,* That appropriations hereunder shall be available for temporary employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $115,000 shall be available for employment under 5 U.S.C. 3109: *Provided further,* That appropriations hereunder shall be available for the operation and maintenance of aircraft and the purchase of not to exceed one for replacement only: *Provided further,* That appropriations hereunder shall be available pursuant to 7 U.S.C. 2250 for the construction, alteration, and repair of buildings and improvements, but unless otherwise provided the cost of constructing any one building shall not exceed $250,000, except for headhouses or greenhouses which shall each be limited to $1,000,000, and except for ten buildings to be constructed or improved at a cost not to exceed $500,000 each, and the cost of altering any one building during the fiscal year shall not exceed 10 percent of the current replacement value of the building or $250,000, whichever is greater: *Provided further,* That the limitations on alterations contained in this Act shall not apply to modernization or replacement of existing facilities at Beltsville, Maryland: *Provided further,* That the foregoing limitations shall not apply to replacement of buildings needed to carry out the Act of April 24, 1948 (21 U.S.C. 113a): *Provided further,* That funds may be received from any State, other political subdivision, organization, or individual for the purpose of establishing or operating any research facility or research project of the Agricultural Research Service, as authorized by law.

AMENDMENT OFFERED BY MR. STENHOLM

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

The Clerk read as follows:

Amendment offered by Mr. STENHOLM: Page 11, line 16, insert before the period the following: '': *Provided further,* That the item under the heading ''AGRICULTURAL RESEARCH SERVICE'' in title I of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1996 (Public Law 104–37; 109 Stat. 304), is amended by striking the penultimate proviso, relating to conveyance of the Pecan Genetics and Improvement Research Laboratory''.

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

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

There was no objection.

Mr. STENHOLM. Mr. Chairman, this amendment repeals a provision in Public Law 104–37, the Fiscal Year 1996 Agricultural Rural Development and Food and Drug Administration and Related Agencies Appropriation Act, directing the conveyance of the Pecan Genetics and Improvement Research Laboratory in Brownwood, TX, from the Agricultural Research Service to Texas A&M University.

Due to outstanding liability questions, the conveyance of the Brownwood Pecan Station cannot take place at this time. This amendment does not require any additional funds. I have consulted with both the ARS and Texas A&M, and both are amenable to this amendment. I urge its adoption.

Mr. SKEEN. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Texas [Mr. STENHOLM].

Mr. Chairman, we have read the amendment, it has a lot of merit, and we accept it.

Ms. KAPTUR. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I wanted to say to the gentleman from Texas [Mr. STENHOLM] that we have read his amendment and are agreeable on this side. I understand that the gentleman has a particular problem in that the State cannot accept this facility because of cleanup requirements and that the State of Texas cannot, therefore, take this facility, and it is going to revert back to the department.

One of my concerns when we first read the amendment was that there be sufficient funding in the legislation for cleanup purposes which, as I understand it, total around $3 million.

Will the gentleman confirm that for me, please?

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

Ms. KAPTUR. I yield to the gentleman from Texas.

Mr. STENHOLM. Mr. Chairman, the ARS has spent $100,000, roughly, studying the dump and has found it to be a typical dump with a little methane gas and other benign chemicals, and therefore to do what Federal regulations would require the State of Texas, Texas A&M University would be very remiss to spend $3 million cleaning up something that they consider would not be necessary to meet any health reasons.

So the State of Texas cannot by law accept a gift of land that contains a garbage dump. So this language striking the provision is required for ARS to

reverse the existing statutory language directing the conveyance. That is all simply that the amendment does.

Ms. KAPTUR. Mr. Chairman, the bill that we are debating today includes additional funds for the department for hazardous waste management, and it appears to me in reading the legislation that we would be able to accommodate this particular site with the appropriated dollars in the bill. So our major concern regarding funding has been met in the legislation, and we would agree to the gentleman's amendment.

Mr. BRADY. Mr. Chairman, I rise today in support of the Stenholm amendment to be Agriculture appropriations bill on the conveyance of the Brownwood, Texas Pecan Station. The Stenholm amendment repeals a provision in Public Law 104–37, the Fiscal Year 1996 Agriculture Appropriations Act, directing the transfer of the land from the Agriculture Research Service to Texas A&M University. Because of certain outstanding liability issues, the transfer of this land from ARS to Texas A&M cannot take place at this time.

Mr. Chairman, this is a noncontroversial amendment supported by both ARS and Texas A&M University. It is also an amendment that does not require any additional funds.

I support the continued efforts of the Agriculture Research Service's pecan breeding program because it is the only breeding program in the world producing improved pecan varieties. Varieties produced by this program are the foundation of the improved pecan industry worldwide, setting standards of yield and quality. Pecan breeding and genetics are the most important tools for improving pecan profitability for U.S. producers in a global market. Chemical pest management in pecans has failed to provide long-term solutions to insects and diseases, regardless of the funds used. Consequently, breeding and selection is the best option for the future.

As I stated earlier, Texas A&M, in my district, is supportive of this amendment. The Texas A&M Agriculture Program, through the Texas Agriculture Experiment Station has long had strong ties to the ARS Pecan Station at Brownwood. This amendment would in no way diminish the relationship with the university, the experiment station, or the pecan station.

I am pleased to support Congressman STENHOLM's efforts and I urge the passage of this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. STENHOLM].

The amendment was agreed to.

Ms. KAPTUR. Mr. Chairman, I move that the Committee do now rise.

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

RECORDED VOTE

Ms. KAPTUR. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 189, noes 232, not voting 13, as follows:

[Roll No. 284]

AYES—189

Abercrombie	Gutierrez	Oberstar
Ackerman	Hall (OH)	Obey
Allen	Hall (TX)	Olver
Andrews	Harman	Ortiz
Baesler	Hastings (FL)	Owens
Baldacci	Hefner	Pallone
Barcia	Hilliard	Pascrell
Barrett (WI)	Hinchey	Pastor
Becerra	Hinojosa	Payne
Bentsen	Holden	Pelosi
Berry	Hooley	Peterson (MN)
Bishop	Hoyer	Pomeroy
Blagojevich	Jackson (IL)	Poshard
Blumenauer	Jackson-Lee (TX)	Price (NC)
Bonior	Jefferson	Rangel
Borski	John	Reyes
Boswell	Johnson (WI)	Rodriguez
Boucher	Johnson, E. B.	Roemer
Boyd	Kanjorski	Rothman
Brown (CA)	Kaptur	Roybal-Allard
Brown (FL)	Kennedy (MA)	Rush
Brown (OH)	Kennedy (RI)	Sabo
Capps	Kennelly	Sanchez
Carson	Kildee	Sanders
Clay	Kilpatrick	Sandlin
Clayton	Kind (WI)	Sawyer
Clement	Kleczka	Schumer
Clyburn	Klink	Scott
Condit	Kucinich	Serrano
Conyers	LaFalce	Sherman
Costello	Lampson	Sisisky
Coyne	Lantos	Skaggs
Cummings	Levin	Skelton
Danner	Lewis (GA)	Slaughter
Davis (FL)	Lofgren	Smith, Adam
Davis (IL)	Lowey	Snyder
DeFazio	Luther	Spratt
DeGette	Maloney (CT)	Stabenow
Delahunt	Maloney (NY)	Stark
DeLauro	Manton	Stenholm
Dellums	Martinez	Stokes
Deutsch	Mascara	Strickland
Dicks	Matsui	Stupak
Dingell	McCarthy (MO)	Tanner
Dixon	McCarthy (NY)	Tauscher
Doggett	McDermott	Thompson
Dooley	McGovern	Thurman
Doyle	McHale	Tierney
Edwards	McKinney	Torres
Engel	McNulty	Towns
Eshoo	Meehan	Turner
Etheridge	Meek	Velazquez
Evans	Menendez	Vento
Farr	Millender-McDonald	Visclosky
Fazio	Miller (CA)	Waters
Filner	Minge	Watt (NC)
Flake	Mink	Waxman
Foglietta	Moakley	Wexler
Frank (MA)	Moran (VA)	Weygand
Frost	Murtha	Wise
Gejdenson	Nadler	Woolsey
Gephardt	Neal	Wynn
Gonzalez		Yates
Green		

NOES—232

Aderholt	Campbell	Ehlers
Archer	Canady	Ehrlich
Armey	Cannon	Emerson
Bachus	Cardin	English
Baker	Castle	Ensign
Ballenger	Chabot	Everett
Barr	Chambliss	Ewing
Barrett (NE)	Chenoweth	Fawell
Bartlett	Christensen	Foley
Barton	Coble	Fowler
Bass	Coburn	Fox
Bateman	Collins	Franks (NJ)
Bereuter	Combest	Frelinghuysen
Bilbray	Cook	Gallegly
Bilirakis	Cooksey	Ganske
Bliley	Cox	Gekas
Blunt	Cramer	Gibbons
Boehlert	Crane	Gilchrest
Boehner	Crapo	Gillmor
Bonilla	Cubin	Gilman
Bono	Cunningham	Goode
Brady	Davis (VA)	Goodlatte
Bryant	Deal	Gordon
Bunning	DeLay	Goss
Burr	Diaz-Balart	Graham
Burton	Dickey	Granger
Buyer	Doolittle	Greenwood
Callahan	Dreier	Gutknecht
Calvert	Duncan	Hamilton
Camp	Dunn	Hansen
Hastert	McIntosh	Sanford
Hastings (WA)	McIntyre	Saxton
Hayworth	McKeon	Scarborough
Hefley	Metcalf	Schaefer, Dan
Herger	Mica	Schaffer, Bob
Hill	Miller (FL)	Sensenbrenner
Hilleary	Molinari	Sessions
Hobson	Mollohan	Shadegg
Hoekstra	Moran (KS)	Shaw
Horn	Morella	Shays
Hostettler	Myrick	Shimkus
Houghton	Nethercutt	Shuster
Hulshof	Ney	Skeen
Hunter	Northup	Smith (MI)
Hutchinson	Norwood	Smith (NJ)
Hyde	Nussle	Smith (OR)
Inglis	Oxley	Smith (TX)
Istook	Packard	Smith, Linda
Jenkins	Pappas	Snowbarger
Johnson (CT)	Parker	Solomon
Johnson, Sam	Paul	Souder
Jones	Paxon	Spence
Kasich	Pease	Stump
Kelly	Peterson (PA)	Sununu
Kim	Petri	Talent
King (NY)	Pickering	Tauzin
Kingston	Pickett	Taylor (MS)
Klug	Pitts	Taylor (NC)
Knollenberg	Pombo	Thomas
Kolbe	Porter	Thornberry
LaHood	Portman	Thune
Largent	Pryce (OH)	Tiahrt
Latham	Quinn	Traficant
LaTourette	Rahall	Upton
Lazio	Ramstad	Walsh
Leach	Redmond	Wamp
Lewis (CA)	Regula	Watkins
Lewis (KY)	Riggs	Watts (OK)
Linder	Riley	Weldon (FL)
Lipinski	Rivers	Weldon (PA)
Livingston	Rogan	Weller
LoBiondo	Rogers	White
Lucas	Rohrabacher	Whitfield
Manzullo	Ros-Lehtinen	Wicker
McCollum	Roukema	Wolf
McCrery	Royce	Young (FL)
McDade	Ryun	
McInnis	Salmon	

NOT VOTING—13

Berman	Goodling	Schiff
Fattah	Markey	Stearns
Forbes	McHugh	Young (AK)
Ford	Neumann	
Furse	Radanovich	

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Mrs. CUBIN and Mr. MOLLOHAN changed their vote from ''aye'' to ''no.''

Mr. DEUTSCH and Ms. MCKINNEY changed their vote from ''no'' to ''aye.''

So the motion was not agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN pro tempore (Mr. RIGGS). The Clerk will read.

The Clerk read as follows:

None of the funds in the foregoing paragraph shall be available to carry out research related to the production, processing or marketing of tobacco or tobacco products.

BUILDINGS AND FACILITIES

For acquisition of land, construction, repair, improvement, extension, alteration, and purchase of fixed equipment or facilities as necessary to carry out the agricultural research programs of the Department of Agriculture, where not otherwise provided, $59,000,000, to remain available until expended (7 U.S.C. 2209b): *Provided,* That funds may be received from any State, other political subdivision, organization, or individual for the purpose of establishing any research facility of the Agricultural Research Service, as authorized by law.

COOPERATIVE STATE RESEARCH, EDUCATION, AND EXTENSION SERVICE

RESEARCH AND EDUCATION ACTIVITIES

For payments to agricultural experiment stations, for cooperative forestry and other research, for facilities, and for other expenses, including $168,734,000 to carry into effect the provisions of the Hatch Act (7 U.S.C.

361a–361i); $20,497,000 for grants for cooperative forestry research (16 U.S.C. 582a–582a7); $27,735,000 for payments to the 1890 land-grant colleges, including Tuskegee University (7 U.S.C. 3222); $31,654,000 for special grants for agricultural research (7 U.S.C. 450i(c)); $17,327,000 for special grants for agricultural research on improved pest control (7 U.S.C. 450i(c)); $106,744,000 for competitive research grants (7 U.S.C. 450i(b)); $4,500,000 for the support of animal health and disease programs (7 U.S.C. 3195); $650,000 for supplemental and alternative crops and products (7 U.S.C. 3319d); $500,000 for grants for research pursuant to the Critical Agricultural Materials Act of 1984 (7 U.S.C. 178) and section 1472 of the Food and Agriculture Act of 1977, as amended (7 U.S.C. 3318), to remain available until expended; $3,000,000 for higher education graduate fellowships grants (7 U.S.C. 3152(b)(6)), to remain available until expended (7 U.S.C. 2209b); $4,350,000 for higher education challenge grants (7 U.S.C. 3152(b)(1)); $1,000,000 for a higher education minority scholars program (7 U.S.C. 3152(b)(5)), to remain available until expended (7 U.S.C. 2209b); $2,500,000 for an education grants program for Hispanic-serving Institutions (7 U.S.C. 3241); $4,000,000 for aquaculture grants (7 U.S.C. 3322); $8,000,000 for sustainable agriculture research and education (7 U.S.C. 5811); $9,200,000 for a program of capacity building grants (7 U.S.C. 3152(b)(4)) to colleges eligible to receive funds under the Act of August 30, 1890 (7 U.S.C. 321–326 and 328), including Tuskegee University, to remain available until expended (7 U.S.C. 2209b); $1,450,000 for payments to the 1994 Institutions pursuant to section 534(a)(1) of Public Law 103–382; and $8,882,000 for necessary expenses of Research and Education Activities, of which not to exceed $100,000 shall be for employment under 5 U.S.C. 3109; in all, $420,723,000.

AMENDMENT OFFERED BY MR. CALLAHAN

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

The Clerk read as follows:

Amendment offered by Mr. CALLAHAN: On page 12 line 17 strike ''31,654,000'' and insert ''32,154,000'' and on page 13 line 24 strike ''420,723,000'' and insert ''421,223,000''.

Mr. CALLAHAN. Mr. Chairman, this amendment provides $500,000 to Auburn University to work in cooperation with Faulkner State Community College and Alabama Southern Community College's Center for Excellence in Forestry.

These projects are unique, joint efforts that focus on water quality and habitat loss in the gulf coastal region and forestry in the Southeast. The main efforts of the research will focus on nonpoint source pollution, watershed management, and the reduction of chemical discharge from wood and pulp processing.

I would also like to speak for a couple of seconds regarding some report language that appears in the report accompanying this bill.

In full committee, the chairman offered on my behalf some report language that supported the School of Forestry building complex at Auburn University. The language included a sentence that the committee recommends that up to $4.75 million be made available for this project.

I recognize this language is in an account that has no money and, therefore, has no standing. I do not intend for that language to give Auburn University an edge on any other university project. I would hope that in conference that all facilities be judged on their merit only.

I should like to thank the chairman for giving me this opportunity to present this amendment, and appreciate the assistance and cooperation of my good friend from New Mexico, as well as the cooperation from our good friend, the gentlewoman from Ohio [Ms. KAPTUR].

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

Mr. CALLAHAN. I yield to the gentleman from New Mexico.

Mr. SKEEN. Mr. Chairman, we have seen the amendment, and we accept it.

Ms. KAPTUR. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I thank the gentleman from Alabama [Mr. CALLAHAN], our good friend, for the cooperation that he has exhibited since the time that we were in the subcommittee and the full committee, it truly is appreciated, and for his remarks concerning his report language amendment in full committee.

□ 1500

I concur with his assessment that the report language he references has no standing since there is no funding in the Cooperative State Research Facilities account.

I would like to note for the RECORD that the subcommittee received numerous, numerous requests from Members on both sides of the aisle for funding for research buildings, and I am sure that all these proposals have merit, and should funding be made available in this account, I would expect that each proposal that qualifies for these funds would be judged on their merits.

Mr. Chairman, I also want to say that I thank the gentleman and supported his amendment, especially because it is done within the context of the additional money that was included within the subcommittee allocation. So it is within the budget constraints that we are forced to abide by, and I want to thank the gentleman for working with us on this and we accept his amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Alabama [Mr. CALLAHAN].

The amendment was agreed to.

Mr. UNDERWOOD. Mr. Chairman, I am grateful that the Appropriations Committee has reported continued funding for the Agricultural Development in the American Pacific [ADAP] project and the Tropical and Subtropical Agricultural Research Programs, both conducted by the Cooperative State Research, Education and Extension Service within the USDA.

With committee provisions reporting ADAP funding at $564,000, as in previous years, the American Government demonstrates its continuing commitment to provide funds and grants to its communities in the Asia-Pacific region. These include not only Guam, but also Hawaii, the Northern Marianas Islands, American Samoa, the Federated States of Micronesia, and the Freely Associated States.

ADAP funds a number of activities for the Asia-Pacific communities. These include financing research of regional agricultural problems common to members of the five land-grant institutions in the American-affiliated Pacific, strengthening market information systems, producing instructional materials development and distribution, and providing scholarships for land-grant faculty and staff.

I commend the committee's continued support for ADAP, however, I am disappointed with the decreased funding it has reported for the Tropical and Subtropical Agricultural Research Programs. Not only does this program impact Guam, it also affects Hawaii, Florida, Puerto Rico, and the Virgin Islands. For the people of Guam, the Tropical and Subtropical Research Programs fund numerous activities. These include financing research contributing to the establishment of energy and labor efficient irrigation and fertigator systems, watermelon disease control, modeling crop production systems, market surveys, and the biological control of pests in order to increase productivity.

Although I have stressed the benefits Guam receives from these programs, I also point to the implications the Tropical and Subtropical Research Programs have on the neighboring regions. Knowledge and expertise culled from these studies not only improve Guam's local agricultural industry, they are disseminated throughout Micronesia, Asia, and Africa.

American tropical and subtropical regions face agricultural needs unique to other areas. Continued support for the Tropical and Subtropical Research Programs are necessary steps to improving not only the livelihood of the people of Guam, but also other tropical regions of the world.

I will continue to actively support funding for ADAP and the Tropical and Subtropical Agricultural Research Programs. These programs are fundamental vehicles for improving standards of living not only on Guam, but also other tropical regions of the United States.

Ms. FURSE. Mr. Chairman, I rise to express my appreciation to Chairman SKEEN and Ranking Member KAPTUR for including $364,000 in this appropriation for multi-commodity research at the Food Innovation Center, located in my district.

This is a joint project of Oregon State University and the Oregon Department of Agriculture dedicated to the development and marketing of new food products. This funding will assist in creating family-wage jobs in Oregon in the food processing industry.

This outstanding facility created for enhancing entrepreneurship brings together the incredible agricultural productivity of the Pacific Northwest and the expertise of our business community. The Food Innovation Center's focus on increasing the value-added component of the Pacific Northwest's agricultural sector helps derive more income from the vast array of commodities produced there.

Oregon agriculture continues to break productivity and income records. We can do even better by utilizing the cost-effective investment that the Food Innovation Center is. If we in Oregon were to add value to our raw agricultural products at the national average level, 20,000 jobs would be created. The Food Innovation Center helps us move toward that goal.

I thank the subcommittee for its support of this tremendously cost-effective private-public partnership.

Ms. DELAURO. Mr. Chairman, I move that the Committee do now rise.

The CHAIRMAN. The question is on the motion offered by the gentlewoman from Connecticut [Ms. DELAURO].

The question was taken; and the chairman announced that the ayes appeared to have it.

RECORDED VOTE

Ms. KAPTUR. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The CHAIRMAN. This will be a 17-minute vote.

The vote was taken by electronic device, and there were—ayes 344, noes 73, not voting 17, as follows:

[Roll No. 285]

AYES—344

Abercrombie	Davis (FL)	Hostettler
Ackerman	DeFazio	Hoyer
Allen	DeGette	Hulshof
Andrews	Delahunt	Hunter
Archer	DeLauro	Hutchinson
Armey	DeLay	Hyde
Bachus	Dellums	Inglis
Baker	Deutsch	Istook
Baldacci	Diaz-Balart	Jackson (IL)
Ballenger	Dickey	Jackson-Lee (TX)
Barcia	Dicks	Jefferson
Barr	Dingell	Jenkins
Barrett (NE)	Dixon	John
Barrett (WI)	Doggett	Johnson (WI)
Bartlett	Dooley	Johnson, E.B.
Barton	Doolittle	Johnson, Sam
Bass	Doyle	Jones
Bateman	Duncan	Kanjorski
Becerra	Dunn	Kaptur
Bentsen	Edwards	Kasich
Bereuter	Ehrlich	Kelly
Berry	Engel	Kennedy (MA)
Bishop	Ensign	Kennedy (RI)
Blagojevich	Eshoo	Kennelly
Bliley	Evans	Kildee
Blumenauer	Ewing	Kilpatrick
Blunt	Farr	Kim
Boehlert	Fazio	Kind (WI)
Boehner	Filner	King (NY)
Bonilla	Flake	Kleczka
Bonior	Foglietta	Klink
Bono	Foley	Klug
Borski	Ford	Knollenberg
Boswell	Fox	Kolbe
Boucher	Frank (MA)	Kucinich
Boyd	Franks (NJ)	LaFalce
Brady	Frost	LaHood
Brown (CA)	Gallegly	Lampson
Brown (FL)	Gejdenson	Lantos
Brown (OH)	Gekas	Largent
Bryant	Gephardt	Latham
Bunning	Gibbons	Lazio
Burr	Gilchrest	Leach
Burton	Gillmor	Levin
Buyer	Gilman	Lewis (GA)
Calvert	Gonzalez	Lewis (KY)
Camp	Goodlatte	Linder
Canady	Goodling	Lipinski
Cannon	Graham	Livingston
Capps	Granger	LoBiondo
Carson	Greenwood	Lofgren
Chabot	Gutierrez	Lowey
Chambliss	Hall (OH)	Lucas
Christensen	Hansen	Luther
Clay	Harman	Maloney (CT)
Clayton	Hastert	Maloney (NY)
Clement	Hastings (FL)	Manzullo
Clyburn	Hastings (WA)	Markey
Coble	Hayworth	Mascara
Collins	Hefley	Matsui
Combest	Hefner	McCarthy (MO)
Condit	Herger	McCollum
Conyers	Hill	McDade
Cooksey	Hilliard	McDermott
Costello	Hinchey	McGovern
Cox	Hinojosa	McHale
Coyne	Hoekstra	McInnis
Cubin	Holden	McIntosh
Cummings	Hooley	McKeon
Danner	Horn	McKinney
McNulty	Pomeroy	Snowbarger
Meehan	Porter	Snyder
Meek	Portman	Spence
Menendez	Poshard	Spratt
Metcalf	Price (NC)	Stabenow
Mica	Pryce (OH)	Stark
Millender-McDonald	Quinn	Stenholm
Miller (CA)	Rangel	Strickland
Miller (FL)	Redmond	Stupak
Minge	Reyes	Sununu
Mink	Rodriguez	Talent
Moakley	Roemer	Tanner
Molinari	Rogan	Tauscher
Mollohan	Rogers	Taylor (NC)
Moran (KS)	Rohrabacher	Thompson
Morella	Ros-Lehtinen	Thornberry
Murtha	Rothman	Thune
Myrick	Roukema	Thurman
Nadler	Roybal-Allard	Tiahrt
Neal	Rush	Tierney
Nethercutt	Ryun	Torres
Neumann	Sabo	Towns
Ney	Salmon	Turner
Northup	Sanchez	Upton
Norwood	Sanders	Velazquez
Nussle	Sandlin	Vento
Oberstar	Schaefer, Dan	Visclosky
Obey	Schumer	Wamp
Olver	Sensenbrenner	Waters
Ortiz	Serrano	Watt (NC)
Owens	Sessions	Watts (OK)
Packard	Shadegg	Waxman
Pallone	Shaw	Weldon (FL)
Pappas	Shays	Weldon (PA)
Parker	Sherman	Wexler
Pascrell	Shimkus	Weygand
Pastor	Shuster	White
Paul	Sisisky	Wicker
Paxon	Skaggs	Wise
Pelosi	Skelton	Wolf
Peterson (MN)	Slaughter	Woolsey
Pickering	Smith (NJ)	Wynn
Pitts	Smith (OR)	Yates
Pombo	Smith (TX)	Young (FL)
	Smith, Adam	
	Smith, Linda	

NOES—73

Aderholt	Fowler	Regula
Baesler	Frelinghuysen	Riggs
Bilbray	Ganske	Riley
Bilirakis	Goode	Rivers
Callahan	Gordon	Royce
Campbell	Goss	Sanford
Cardin	Green	Sawyer
Castle	Hall (TX)	Saxton
Chenoweth	Hamilton	Scarborough
Coburn	Hilleary	Schaffer, Bob
Cook	Hobson	Scott
Cramer	Houghton	Skeen
Crane	Johnson (CT)	Smith (MI)
Crapo	Kingston	Solomon
Cunningham	Lewis (CA)	Stearns
Davis (IL)	McCarthy (NY)	Stump
Davis (VA)	McCrery	Taylor (MS)
Deal	McIntyre	Thomas
Dreier	Pease	Traficant
Ehlers	Peterson (PA)	Walsh
Emerson	Petri	Watkins
English	Pickett	Weller
Etheridge	Radanovich	Whitfield
Everett	Rahall	
Fawell	Ramstad	

NOT VOTING—17

Berman	Manton	Schiff
Fattah	Martinez	Souder
Forbes	McHugh	Stokes
Furse	Moran (VA)	Tauzin
Gutknecht	Oxley	Young (AK)
LaTourette	Payne	

□ 1522

Mr. GOSS changed his vote from ''aye'' to ''no.''

So the motion was agreed to.

The result of the vote was announced as above recorded.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. ROGAN) having assumed the chair, Mr. RIGGS, Chairman pro tempore 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. 2160) making appropriations for Agriculture, Rural Development, Food and Drug Administration, and related agencies programs for the fiscal year ending September 30, 1998, and for other purposes, had come to no resolution thereon.

ADJOURNMENT TO MONDAY, JULY 21, 1997

Mr. DUNCAN. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at noon of Monday next.

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

There was no objection.

HOUR OF MEETING ON TUESDAY, JULY 22, 1997

Mr. DUNCAN. Mr. Speaker, I ask unanimous consent that when the House adjourns on Monday, July 21, 1997, it adjourn to meet at 12:30 p.m. on Tuesday, July 22, 1997, for morning hour debates.

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

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. DUNCAN. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

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

There was no objection.

SPECIAL ORDERS

The SPEAKER pro tempore (Mr. ROGAN). Under the Speaker's announced policy of January 7, 1997, 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 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.]

BALANCE THE BUDGET WITH TAX RELIEF, CONTINUED ECONOMIC GROWTH

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, with all the discussion about balancing the budget and providing tax relief, people are concerned. Well, why is it necessary and is it even consistent to give tax relief while we are trying to balance the budget? After all, people are

paying taxes, more revenues are coming in, and it is easier to balance the budget that way.

But there is a part of that argument that I think is overlooked if we look at just first glance. What I am speaking of is, if we give people tax relief, we are going to have economic growth, we are going to have more jobs, more people working, more people paying tax revenues, and this growth will decrease the deficit faster than just mere cutbacks in spending. We need to have both, but spurring economic growth is the key part of deficit reduction.

Let us look at the picture of taxes. In the 1950's, the average middle-class Federal tax burden was about 6 percent. In the 1970's, it was 16 percent. In 1994, it was 23 percent. But by 1995, the total tax burden was up to 39 percent, 24 percent of that being in Federal income tax alone. That is up from 5 percent in the 1950's.

□ 1530

Members can see what a huge portion of family income taxes take. Mr. Speaker, I believe that the higher the tax rate of middle-class Americans, the less time they have together as families, because when we had a 39-percent tax burden, what that is saying is that the second income of the family just goes to pay taxes. Mom and dad are both working. The second income goes to pay the taxes, 39 percent. Do your own math in your own house.

The tax relief that we are trying to get passed and we are working on a bipartisan basis with the President on it, gives tax relief to people who earn between $20,000 and $75,000. Seventy-six percent of the tax relief package goes to middle-income families making between $20,000 and $75,000. Of that, 90 percent of it goes toward education, the HOPE scholarship to make it more affordable through a deduction program and a tax credit program to send kids to college. Then $150 billion of it goes to the $500-per-child tax credit. There is a big disagreement at this point with the President on it. We are trying to work out our differences. The President wants to give that $500 tax credit to people who do not pay Federal income taxes, whereas the Republican plan says now you only give tax relief to those who pay income taxes.

It is a very important thing; because if you take a woman, say a single mother named Susan, she has a 14-year-old and a 16-year-old, under the Republican plan, Susan would get a $1,000 tax relief check from the government, $1,000 less in taxes. Under the Clinton plan, she would get zero, because the President's proposal is to say that once the child turns 12, no tax relief.

But what is worse is if you had a man out there who had three or four kids and he was not paying Federal income taxes, he could get $2,000 or $2,500 worth of tax relief even though he is not paying the taxes. He still, if he is eligible, is going to get all kinds of welfare-type benefits, like Medicaid and public housing and welfare cash benefits from the DFACS or temporary assistance to needy families. He will get food stamps, WIC, and so forth. But the check comes from Susan and her 14-year-old and her 16-year-old. That is not fair to single working women around America.

If you want to know more about this tax program, I would recommend that you look it up on the International Web. Get beyond the Republican versus Democrat debate. The Democrats have a web page, too. I do not know what their web page number is, but this is the Republican web page. If you will look it up, it is http://hillsource.house.gov and you can figure out what the tax relief would be for you.

Again, why is it important to give middle-class Americans tax relief? Because if you have more money in your pocket because we as a Federal Government have confiscated less of it, what Susan will do with her $1,000 is she will buy more shoes, go out to eat more, maybe buy more clothes, do whatever, she will have more consumable income. When she does that, because 58 million Americans will be able to do that, businesses will expand, jobs will be created, less people will be on welfare, more people will be paying taxes and just like Kennedy and Reagan proved, tax cuts actually increase the revenue because of the economic growth.

SUPPORT THE SPACE PROGRAM

The SPEAKER pro tempore (Mr. ROGAN). Under a previous order of the House, the gentleman from Florida [Mr. WELDON] is recognized for 5 minutes.

Mr. WELDON of Florida. Mr. Speaker, I rise this afternoon to speak about our space program and the recent successes that it has had. They really, truly have been spectacular. They have drawn the attention of the whole world. As all of us know, there are some risks associated with going up into space. It is not a business for those who are risk averse but the payoffs are tremendous and we have seen that with all the tremendous breakthroughs in science and technology that came from our Apollo program and Mercury and Gemini programs. Those were really the pioneers, those were the men and women who first got involved, led the race to the Moon and we learned a great deal, a tremendous amount.

Then we were able to follow on from all that with the current reusable launch vehicle that we have, the space shuttle program, a program that has shown and demonstrated its tremendous durability and its tremendous versatility with the ability to go up into space and retrieve satellites and fix those satellites and then redeploy them back out into space.

Of course, right now we are currently involved with the shuttle-Mir program. We all know there are some serious concerns about the Mir and its ability to survive, but we have learned a great deal from men in space, from the cooperative effort there.

But really what I did want to talk quite a bit about and acknowledge the tremendous work of NASA and particularly the people at JPL and everybody that was involved in this program, the tremendous success of the Mars Pathfinder program. Indeed, I think it has captured the imagination of men and women, young and old all around the globe. I just wanted to share with my colleagues today some of these tremendous photographs that have been made available to me by NASA officials.

This is a photograph taken by the rover after it went off the ramp there. You can see here these tracks in the Martian soil. You can look back and see the Pathfinder vehicle right there on the surface of Mars where it landed. Then this is a shot taken by the Pathfinder of the Sojourner vehicle. It is really a tremendous photograph, tremendous detail. You can see the tremendous detail in the soil and in the rocks.

There is our little rover, Sojourner. An amazing vehicle. It survived very nicely the landing on Mars and it has been roving around using solar power. These are the solar panels on the top of the Sojourner and it collects solar energy and it is able to travel around on the surface of Mars, analyzing rocks. It is really going to provide our scientists a tremendous amount of information about Mars, Mars history, and it is already revealing that Mars may have at one time had a climate much more similar to Earth's than what it is right now.

I would also like to share, Mr. Speaker, with my colleagues here an artist's rendering of our international space station, something that we definitely need to get up in space soon to replace the Mir with all its associated problems. But this is going to be a great, tremendous opportunity for people from Europe and Japan, and hopefully if the Russians can get it together, they will be able to stay involved in it, and where people from all over the world will be working together doing tremendous scientific research.

Where do we go from there is the question. We all want to see the space station up there and flying in space, but what is next? We need to go on from there. We do not want to just stop at that point. Here I have for you some artist's renderings of some very exciting concepts. This would be for a lunar base and the possibility of having something like this in the future truly does exist. For example, one of the potential uses of going back to the Moon is to actually collect solar energy on the surface of the Moon and beam it, using microwaves, to the Earth. This would be an inexhaustible source of solar energy that could be used well into the future. It would eliminate fossil fuel usages and nuclear power

plants. Definitely a cheap and inexhaustible source of energy.

But this is really what I wanted to spend a little bit of time talking about today, and, that is, maybe someday the possibility of going on to Mars with a manned mission. There are people within NASA as well as within the American space society talking about ideas of how we could someday send men and women to Mars. This shows a Mars base and a return vehicle there as well as a little greenhouse. This is what it could someday be. I encourage all my colleagues to support NASA and support our space efforts.

JUSTICE FOR FARRIEL BRITT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina [Mr. ETHERIDGE] is recognized for 5 minutes.

Mr. ETHERIDGE. Mr. Speaker, I stand before my colleagues today, immensely frustrated and troubled by the judicial system in Costa Rica and the lack of enforcement authority by the United States of America. One of my constituents, a father from Southern Pines in the Second Congressional District of North Carolina, has been waiting patiently for years for justice to be done. He is awaiting the return of his 6-year-old daughter, Holly Dantzler, from the country of Costa Rica.

Many people watching today may know Mr. Farriel Britt's story. He was the subject of a ''Prime Time Live'' story that was aired in May of this year because his daughter had been kidnapped by his ex-wife, Terry Dantzler, and taken to Costa Rica. The State of North Carolina and the State of South Carolina, where Mr. Britt's ex-wife lived, both agreed that Mr. Britts should have custody of his daughter and both States have granted him custody of his daughter. But Mr. Britt's' ex-wife kidnapped her and fled to Costa Rica where she has thus far escaped American justice.

Mr. Speaker, Mrs. Dantzler has an international kidnapping warrant outstanding against her. An international kidnapping warrant. One would think that the State Department would be working night and day to make sure that this woman is arrested and her child returned to her father in the United States, but apparently the United States of America is powerless in the face of one Costa Rican judge.

Mr. Speaker, I am frustrated because Mr. Farriel Britt turned to me for help when he could not fight this fight alone anymore. I have to say, I thought the fact that I was a U.S. Congressman, elected by the people of the Second District of North Carolina, would be of some help to him. But I have since learned that while I may get my phone calls returned by the State Department more quickly these days, the State Department apparently is powerless because they have not responded to my needs nor Mr. Britt's.

Our State Department issued a request for extradition to the Costa Rican Government. That means that Mrs. Dantzler was supposed to be arrested by the Costa Rican Government and sent back to the United States. Mr. Britt flew to Costa Rica because Holly would need someone to care for her when her mother was arrested and taken into custody. As my colleagues may expect, Mr. Britt thought his daughter would soon be returned to him. He waited during the weekend of Father's Day on June 17. I cannot imagine the agony of waiting in a hotel room during Father's Day for the return of a daughter whom you have not seen for 3 years. But he waited to no avail.

While Mr. Britt was waiting, the judge in Costa Rica was meeting behind closed doors with Mrs. Dantzler's attorney. They met not once but twice. Some sort of deal was worked out so that Mrs. Dantzler could keep her child and only be held under House arrest. House arrest is a sham in the country of Costa Rica. There is no method of enforcing house arrest in Costa Rica. No officer is assigned to guard Mrs. Dantzler's door, no one watches her house, so she is able to come and go as she pleases.

If that is the case, I wonder what exactly prevents her from fleeing Costa Rica and going to some other destination.

Mr. Speaker, I am troubled that a judge charged with enforcing an extradition order from the United States of America is flaunting her authority in the face of this country. This is a criminal case and she would be, in this country, removed from office. The State of North Carolina already decided the custody case. As far as this judge is concerned, Mr. Britt should just wait indefinitely for his daughter to be returned to the United States, but Mr. Britt has been waiting for his child. Mr. Britt has been waiting for 3 long years. Now that he has finally located her in Costa Rica, why should he be subjected to the whims of one judge in Costa Rica?

The U.S. Department of State has asked the Government of Costa Rica to arrest this woman and send her home so that Holly Dantzler can be returned to her father. This simple justice is being subverted by one judge in Costa Rica who is flaunting the law.

Today I request that the State Department demand the Government of Costa Rica to remove this judge from Mr. Britt's' case and enforce this extradition order so that this child can be returned to the United States of America and be reunited with her father as the law demands.

I thank the Speaker for allowing me this time to speak in behalf of a father who is being unjustly denied the companionship of his daughter.

□ 1545

DON'T GIVE UP THE SHIP

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Tennessee [Mr. DUNCAN] is recognized for 5 minutes.

Mr. DUNCAN. Mr. Speaker, John Paul Jones, the great American naval officer, once said, ''Don't give up the ship.'' But unfortunately, it looks like that is exactly what the United States is doing. Foreign-flag cruise lines are abusing American taxpayers by not paying taxes on billions of dollars of business from Americans and are slowly driving our domestic ships out of business.

Now, these same foreign-flag cruise lines are calling for repeal of the Passenger Services Act. This repeal would be horrible for the domestic cruise line industry. It could result in the loss of thousands of American jobs and millions, if not billions, of dollars in tax revenues.

The Passenger Services Act requires that all passenger vessels in the United States and the U.S. trade must be 100 percent American. They must be built and registered in the United States, owned by U.S. citizens and crewed by American seamen. If a vessel servicing a U.S. port fails to meet these standards, it must stop at a foreign port before it brings its passengers back home.

Mr. Speaker, almost every cruise line operating out of the United States today skirts the requirements of the Passenger Services Act by registering its ships in foreign countries like Panama and Liberia and docking in foreign ports before coming to America. As a result, these foreign cruise vessels can use poorly-trained, low-paid, Third World crews even though 90 percent of the passengers on their ships are Americans. Instead of repealing the Passenger Services Act, we should be talking about a very different question: Should foreign-flag cruise ships be allowed to unfairly compete with U.S. flag vessels?

I realize that we live in a world economy, and I certainly do not oppose free trade. Our trade with other nations has produced many jobs for Americans, and I have nothing whatsoever against people from other nations. But I also believe very strongly that our trade laws should be fair, and quite simply, Mr. Speaker, in the vacation cruise line industry the current trade rules are not fair to domestic or American cruise lines.

For example, foreign-flag operators generate billions of dollars in revenue from American travelers, but pay no U.S. corporate income tax. Let me repeat that. Foreign-flag operators generate billions of dollars in revenue from American travelers, but pay no U.S. corporate taxes.

Currently, the largest cruise line in the world reported nearly $2 billion in revenues in 1995, primarily from North American vacationers. How much U.S. corporate income tax did Carnival pay on those earnings? Zero. That is right, zero on $2 billion in revenues.

What about labor costs? Foreign-flag cruise lines employ Third World labor and pay Third World wages. In the

process they avoid immigration and labor laws that their U.S. competitors must obey.

In addition, foreign operators benefit from foreign government subsidies designed to encourage capital investment overseas and provide employment for their citizens.

The real issue at stake in the proposed repeal of the Passenger Services Act is who gets the American vacation dollars; a U.S. or a foreign business? No one would dream of letting Toyota, Sony, or some other foreign corporation set up shop within our boundaries and escape U.S. taxes, immigration and labor laws, but this is exactly what we are allowing in the vacation cruise line industry.

The U.S. passenger vessel industry deserves our support. There are some 3,600 passenger carrying vessels in the U.S. fleet, 20 or more of which are in overnight service. These U.S. passenger vessels employ thousands of Americans and make a significant economic contribution to their local communities. In addition, the owners of these vessels obey U.S. laws, pay U.S. taxes, and employ Americans. Instead of repealing the Passenger Services Act, we should be exploring ways to increase the viability and the strength of the American cruise line industry.

I would propose that we put an end to our practice of subsidizing foreign cruise lines. Mr. Speaker, Americans are sick and tired of paying over half of their income in taxes and then letting big foreign corporations get tax breaks and other preferential treatment.

The truth is that the foreign cruise lines have powerful lobbyists who have been able to get their ships favorable treatment for many years, but the American people deserve a change, they deserve better.

It is not going to be easy to fix all of our problems and close tax loopholes like this one. Opponents will throw up every roadblock they can, but the duty of the Congress is clear.

THIS HOUSE NEEDS TO GET ITS BUSINESS IN ORDER

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Texas [Ms. JACKSON-LEE] is recognized for 5 minutes.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I think today was one of those more unique days in the U.S. Congress, particularly this House, and I think it deserves an explanation to the American people, for the real issue today is that this House needs to get its business in order.

I join today on one of the very rare occasions with the gentlewoman from California [Ms. PELOSI] along with many other women in this House, Congresswoman PELOSI being the ranking member on the Committee on National Security, to raise the question of fairness and the irony that we are supposed to be here to work things out. Those who might have seen the constant rising might have wondered what the business of this House was today. The business was to indicate to those who control this House, my Republican friends, that bipartisanship is something that they called for and that we called for but they are not acting upon. How disturbing to find that in foreign operations where an amendment was worked out dealing with international family planning, and some may say, ''How small an issue,'' but the issue bears on many concerns that this country has; one, its international relations with helping many, many countries formulate in a fair manner the treatment of women who are interested in family planning.

If you really want to promote families, then you will promote women having the choice to plan families and to have the knowledge and understanding which, in fact, may avoid abortions, of which many of my colleagues to the right are so vehemently opposed to, then promote family values and work with countries like China and the continents of Africa and South America in promoting family planning. But yet the bipartisan amendment that was worked out was thrown aside and discarded. Women who have worked on this issue for so long, it was substituted for by a Republican amendment that just a couple of weeks ago had failed badly.

What is the intent of that? To dash the hopes of those who would work fairly in this House to pass an amendment that would work fairly on behalf of the international community and support family planning, and, yes, to dash the hopes of anyone who would think that we would work together in a bipartisan manner. How tragic.

It is important that this House gets itself in order, and I hope that by rising today and voting time and time again to adjourn this Congress the message got out that women stand for something, Democratic women in this Congress; we stand for fairness and, yes, we stand for bipartisanship. We stand for understanding that the way to solve the world's problem is working together, training people on the way to manage their families and to be successful.

Then, as we proceeded in discussing this issue called tax reform and tax cuts, let me also acknowledge that our Republican friends need to get their House in order. I do not know. For some reason it seems that the schoolteacher and the police officer, the fire fighter, the bus driver, and the single working mother on the Republican tax plan do not deserve to get a tax cut when just 2 years ago, 3 years ago in 1994, when almost a majority of the Republicans signed the Contract on America, they agreed that those who either paid income tax received an earned income tax credit; those are the working poor, or paid payroll tax were deserving of a child tax credit. Today their memories have faded them. These people are not around to lobby, they are not out in the hallway. So they have forgotten the bus driver, they have forgotten the school-teacher, they have forgotten the single working mother, they have forgotten the police officer.

These are the families that the Republicans are saying are looking for welfare. They are preschool and kindergarten teachers, teachers aids, sales clerks, carpenters, rookie police officers, in-home caregivers. They are the millions of people across America who work hard and struggle every month to pay their bills and to provide for their children. Most of them would be pretty surprised to find out that the Gingrich Congress does not think they deserve tax breaks like everyone else, even though a big chunk of their paychecks go to paying Federal taxes.

So, I think that we need to know why we are here. First, to put forward legislation that works, the family planning amendment that women negotiated under the leadership of the gentlewoman from California [Ms. PELOSI] and got an agreement to be passed.

And then, if we talk about tax reform and tax breaks, go outside these halls and look at the everyday working American and tell me that they do not deserve the $500 a year tax credit because they are a rookie police officer, a teacher, a bus driver.

Let us get our House in order, and let us plan to work so that the legislation that comes out of this House speaks the right language, and that is for all of America and not special interests.

NATIONAL MONUMENT FAIRNESS ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Utah [Mr. HANSEN] is recognized for 5 minutes.

Mr. HANSEN. Mr. Speaker, on September 18, 1996, President Clinton went out to safety on the south rim of the Grand Canyon and stood there and declared 1.7 million acres of Utah as a national monument. He had a right to do that. It is called the antiquity law that was passed in 1906, and the reason it was passed is Teddy Roosevelt and others could see that we were ruining many of the prehistoric things that were around. We were finding all these things that had been there for years and destroying them. So he had a right to do that. I do not object to the right.

What I do object to is the interpretation of the law. The law is very clear. It says that the President of the United States will do this for two purposes, and he will state these purposes. First, is to protect the archeological part of it, and another, historic site. This President did not declare either one.

And the next part of the law is the key, and it says he shall use the smallest acreage available to protect that particular thing—1.7 million acres—bigger than Delaware and Rhode Island combined; and no one told us what was there, except we know that there was

tons and tons of coal that is low-sulfur coal, high-Btu coal, and what would inure to the children who are educated in the State of Utah is 5.6 billion acres; money, billions of dollars, excuse me, that would inure to them. Also, a lot of the coal would be exported that would help people in other areas.

But the President had a right to do that. However, when they talk about protection, that is a misnomer. There is very little protection in the antiquities law.

Since that time Congress wisely has determined. The park bill has gone in since that time. The National Environment Protection Act has gone in. The Wilderness Act, the FLPMA Act. All of these acts, Wild and Scenic River Act, do this.

We go back and we check what other Presidents have done, President Franklin Delano Roosevelt, President Kennedy, President Carter, but from time to time some extreme environmentalist says we have got to protect this, really not realizing it does not protect anything. What it really does is it takes away the protection of the management plans of BLM and Forest Service.

So we find ourselves in a position where the President protected nothing, he abused the power of the Presidency, he hurt the people of the West, and I cannot understand why he would do it. But he has the right; I would agree with that.

Now, I have introduced a bill, which is H.R. 1127, called the National Monument Fairness Act. What does it do? A lot of people, after he introduced the 1.7 million acres, Senators, Congressmen, came to me as chairman of that committee and said, ''Well, I don't want that to happen to my State. I want a law that takes it away so it can't happen,'' and they name their State.

I think the President should have the right to do some of these things in a small amount as the law brings it about, so I have introduced this with 50,000 acres. He cannot go into these millions and millions of acres for political purposes.

□ 1600

The nice thing about our President, he was fast to say that he did it for political reasons. If we look at the idea all the way through it, I have been subpoenaing papers from the White House and the Department of the Interior, and every one of them says that ''We are doing this for political reasons. How will this play with the environmental community? How will this play with the rich movie stars? How will this play with the celebrities?

When they finally decided to do it, they did not do it in the Oval Office, they did not do it in Utah, they went to the Grand Canyon, safely in Arizona. The nice thing about it there is one of the things I subpoenaed said, we do not want mainstream Utah there, we want the environmental community there. That is a great thing to say to our people.

Anyway, carrying that on, what does my bill do? The bill allows the President to do up to 50,000 acres, much as the law originally intended. Over that he would have to confer with the Governor and the legislature of the State, and as the Constitution gives the right of the lands of America to this House and the House over there, that is what they would have to do, is go through Congress.

I would hope people would realize that this is not an environmental bill at all. This is a bill on abuse of the President's power, which I think more and more people are coming to realize, whether they are Republicans or Democrats.

THE ECONOMIC DISASTER WAITING TO HAPPEN IN BRUSSELS

The SPEAKER pro tempore (Mr. ROGAN). Under a previous order of the House, the gentleman from Washington [Mr. DICKS] is recognized for 5 minutes.

Mr. DICKS. Mr. Speaker, I rise today to call my colleagues' attention to the economic disaster that is waiting to happen in Brussels. At this time the European Commission Merger Task Force is meeting to discuss the impact of the merger between two American companies, Boeing and McDonnell Douglas. The taskforce has as its purview the judgment of whether the merger poses any adverse impacts on competitiveness in the world aircraft market.

But what is happening, Mr. Speaker, is that the European members representing governments who have directly subsidized the European aircraft consortium Airbus are using these discussions to extort trade concessions from Boeing in order to increase the market position of Airbus. This is truly an improper and unfair manipulation of the process.

Now that our own Federal Trade Commission has determined that there are no anticompetitiveness problems with the merger, it is time for the United States to stand firm against the European Community and demand a halt to this travesty.

Until 2-days ago, Mr. Speaker, the real intention of the Europeans was thinly veiled by their expression of deep concern over competitiveness. But on July 15, the EC's Minister of Competitiveness, Karel Van Miert, betrayed what I believe is the true motivation of the EC negotiators, to extract concessions out of Boeing through these merger talks that would directly assist Airbus.

Two days ago, on the Belgian radio, Mr. Van Miert made this statement following the breakdown of the negotiations with Boeing: ''We cannot give our consent unless Boeing makes very serious commitments in order to, let's say, also further guarantee the chances of Airbus in this market in the future.''

That, Mr. Speaker, is what this charade is all about, guaranteeing market opportunities for Airbus. We cannot, as a free trading Nation, allow this to stand. Certainly in light of this outrageous statement, I believe that the President, the State Department, and our Trade Representative must clearly and unequivocally express the dissatisfaction of the United States with the progress of these negotiations, in addition to our intention of taking retaliatory action if the EC proceeds in this wrongheaded direction.

To make things worse, today Commissioner Van Miert

noted with satisfaction the fact that the advisory committee grouping the experts of Member States unanimously shares the European Commission's analysis whereby the proposals made by Boeing are not of a kind to dispel the serious doubts expressed by the Commission regarding the risk that will weigh upon competition because of the proposed merger between Boeing and McDonnell Douglas. . .. The commission showed it remained serene, and Mr. Van Miert hopes to firmly recall that the Boeing-McDonnell issue was treated strictly within the framework of the Regulation on mergers and that the Commission analysis was based on tangible facts and figures and not just on a political motive of some kind.

I think Mr. Van Miert should go back and listen to his radio tape in Belgium.

The spokesman then explained that the Commission will take its final decision on 23 July. . . in order to leave the relevant services time to proceed to authentication of the documents comprising this issue.

I want to point out to my colleagues that Mr. Van Miert says that the

. . . European Commission decision in concentration matters is legally binding for the parties concerned and means, when it is a matter of veto, that the merged identity is illegal in law. The EC regulation on mergers moreover give the Commission instruments that are apt to dissuade those who do not respect such a decision. In particular, it has the power to impose fines up to 10 percent of the cumulated turnover of the parties, or daily penalties, as long as the infringement lasts.

So I want to point out to my colleagues, this is a very serious matter, one that could result in fines of up to $4.5 billion against the Boeing Co. and the seizure of Boeing aircraft overseas. I say to the President and Vice President, members of this administration, we in the Congress want to support you in whatever actions are necessary in order to explain to the Europeans that if they do this, the United States will retaliate, must retaliate, in order to make certain that this merger goes forward and that we not be blackmailed by the European Commission and Mr. Van Miert.

Mr. Speaker, I include for the RECORD an article on the current status of EC negotiations.

The article referred to is as follows:

CURRENT STATUS OF EC NEGOTIATIONS

Discussions between Boeing and the European Commission Merger Task Force have reached an impasse. Boeing has offered significant remedies (see Attachment A) to allay the Commission's concerns regarding the merger, but the Commission continues to demand more. A team of Boeing executives and lawyers met around the clock with the

Merger Task Force from July 11th through July 15th. On July 15th, Boeing appeared to have a potential agreement with the Merger Task Force, only to have the Merger Task Force retreat later that day on the issue of Boeing's contracts with American, Delta, and Continental. Following the Advisory Committee's meeting on July 16th, Boeing was advised that the Commission was reopening the divestiture issue.

Boeing is concerned that it will be unable to reach a successful conclusion to the merger review. Every time it appears that Boeing is near an agreement with the Commission, the Commission escalates its demands. At the present, the two open issues appear to be divestiture of Douglas Aircraft Company and modification of Boeing's existing contracts with American Airlines, Delta Air Lines and Continental Airlines.

Boeing has repeatedly stated to the Commission that it will not consider divesting Douglas Aircraft Company. Divestiture of Douglas Aircraft Company will mean its certain death and the loss of over 14,000 jobs.

The Commission's true objective on Boeing's airline contracts was revealed when, on July 15th, following the breakdown of negotiations, Karel Van Miert stated on Belgian radio: ''. . . we cannot give our consent unless Boeing makes very serious commitments in order to, let's say, also further guarantee the chances of Airbus in this market in the future.''

As reported in the Financial Times, the Wall Street Journal and the International Herald Tribune of July 17th, 1997, Mr. Chirac said on July 16th: ''We strongly support the Commission on its position on Boeing-McDonnell. It could be extremely dangerous for Europeans.''

Similarly, Mr. Rexrodt, Germany's economics minister is reported to have said that concessions offered by Boeing were ''clearly not enough''.

Boeing is now faced with the proverbial Hobson's choice of agreeing to divestiture and, effectively, kill Douglas Aircraft, capitulating to the Commission's demands that Boeing abandon its airline contracts or simply walking away from a merger which has received the unqualified endorsement of the Federal Trade Commission.

BOEING'S REMEDIES PROPOSALS

Douglas Aircraft Company

The Commission has repeatedly asserted that Boeing's share of the commercial aircraft market would jump from 60% to 84% upon the acquisition of Douglas Aircraft Company and that Boeing's position as a ''dominant'' player in the commercial aircraft market would be enhanced. Once again the Commission is manipulating facts to fit a predetermined result. To achieve the 84% market share figure, the Commission included all of Douglas Aircraft Company's installed base. This includes aircraft delivered up to 30–50 years ago! Douglas Aircraft Company's share of the commercial aircraft market in 1996 was 3.8%. Since the merger announcement in December, 1996, Douglas Aircraft Company has booked orders for a total of 7 aircraft, all of which were announced before the merger announcement and 5 of which are leased freighters.

The Commission has argued that Boeing may be able to leverage the Douglas Aircraft installed base into additional sales of Boeing aircraft. The Commission has not put forward any evidence to suggest that this would be the case and in fact, evidence suggests the contrary. If the Douglas installed base were so valuable, why is Douglas failing? If the Fokker installed base were valuable, why did one of the Airbus partners (Daimler Benz) sell Fokker's spares business and why didn't another airframe manufacturer surface as a potential buyer?

The Federal Trade Commission has thoroughly investigated the viability of McDonnell Douglas's commercial aircraft business and has concluded that it is not viable and that any attempt to divest the commercial aircraft business would further damage the business and not promote competition. Nevertheless, the Merger Task Force proposed that Boeing attempt to divest Douglas Aircraft Company. The Merger Task Force further proposed that if no buyer could be found for Douglas Aircraft Company Boeing would be required to shut down the commercial aircraft production lines of Douglas Aircraft and sell the spares business.

So great is the Commission's zeal to deny Boeing any access to Douglas Aircraft Company, it is overlooking potential enormous harm to the owners and operators of Douglas aircraft worldwide. Expert analysis submitted to the Merger Task Force shows that even an attempt at divestiture of Douglas Aircraft Company or its spares business could result in the loss of value of Douglas aircraft in service worldwide of 7–14 billion dollars. Evidence has also shown that the cost of customer support increases when such support is provided by someone other than an airframe manufacturer, and the quality of such support decreases.

Not only is the Commission ignoring the potential adverse impact of a divestiture on airlines, but it is ignoring EU precedent and jurisdiction and comity considerations as well. An order by the Merger Task Force requiring divestiture of United States assets in the context of a merger between two U.S. companies would be unprecedented in the history of EC antitrust review and would violate principles of jurisdiction and comity.

Boeing has repeatedly stated to the Merger Task Force that it would not attempt to divest any portion of the McDonnell Douglas commercial aircraft business because of the potential harm to world's airlines and the adverse impact such an attempt would have on the over 14,000 employees of Douglas Aircraft Company. Boeing has instead offered significant structural and procedural remedies (see Attachment A) that address the Commission's particular concerns regarding ''leveraging'' without having a devastating impact on Douglas Aircraft Company's customers, suppliers and employees.

Exclusive Agreements

From almost the very beginning of the Commission's merger review, the Airbus Member States and Karel Van Miert have asserted that the merger could not be approved unless Boeing terminated its ''exclusive'' agreements with American, Delta and Continental.

The agreements are between a United States airplane manufacturer and United States airlines and are unrelated to the merger. The three ''exclusive'' agreements essentially provide the customers significant price protection and order flexibility over a 20 year period in exchange for a sole supplier relationship with Boeing. Were the exclusivity clauses not present, Boeing would have required much larger firm orders from the airlines to compensate Boeing for its risk. The airlines are therefore receiving the benefits of very large orders without the financial risk.

The Federal Trade Commission has thoroughly reviewed the existing ''exclusive'' agreements and has found no basis to challenge them under U.S. law. While the Federal Trade Commission's July 1, 1997 decision evidences concerns regarding such agreements, the concerns relate only to the degree of foreclosure of the market that may result from future additional ''exclusive'' agreements.

The Commission does not have jurisdiction over the ''exclusive'' agreements in a merger review. It can acquire jurisdiction only if it attacks the agreements under the competition rules of Articles 85 and 86 of the EC Treaty. However, because of its desire to obtain concessions from Boeing regarding these agreements, the Commission has manufactured jurisdiction based upon unsubstantiated allegations by Jean Pierson of Airbus that the agreements were the result of a conspiracy between Boeing and McDonnell Douglas to use the merger and Boeing's resulting ''dominant'' position and access to McDonnell Douglas customers to force airlines to enter into such agreements. Thus, the Commission is seeking ''voluntary'' concessions as the price of merger approval instead of running the risk of losing a competition case under traditional antitrust rules.

Although Boeing's agreements with its three U.S. customers are not properly included in the Commission's merger review and are legal under U.S. law, Boeing is willing to make significant concessions to the European Commission regarding, such agreements in order to resolve the issue and obtain merger clearance.

As seen in Attachment A hereto, Boeing has offered a 10-year moratorium on such ''exclusive'' agreements except for those campaigns in which another aircraft manufacturer offers one first. Boeing has never gone one step further and offered to modify its existing agreements to shorten the duration of the ''exclusivity'' period to 13 years (the term of Air Bus' ''exclusive'' deal with US Airways) and to allow American, Delta and Continental to become launch customers for the A3XX. What the Commission asks Boeing to do instead is give up all of its contract rights and allow the airlines to keep all of theirs.

Spillover

Notwithstanding the existence of the 1992 Bilateral Agreement between the DU and U.S. relating to commercial aircraft subsidies, the Commission has repeatedly tried to extract concessions from Boeing in the area of government-funded research and development contracts. It has also insisted on extracting concessions from Boeing that would impair its ability to deal with its suppliers.

The Commission's articulated concern is as follows: by acquiring McDonnell Douglas, Boeing will become bigger and therefore more ''dominant''. In addition, the acquisition of McDonnell Douglas would increase Boeing's resources in the area of Dodd and NASA research and development contracts.

The Commission has demanded that Boeing hold its commercial and defense businesses separate. This would, of course, deprive the U.S. Government of the benefits of the application of commercial technology to defense programs. The Commission has also demanded that Boeing license its patents to Air Bus.

Boeing has attempted to address the Commission's concerns by offering certain remedies in the area of suppliers, reporting of government research and development contracts and patents, as set forth in Attachment A. To offer any further remedies would interfere with the 1992 Bilateral and would seriously impair Boeing's ability to conduct its business.

BOEING RESPONDS TO EUROPEAN COMMISSION RECOMMENDATION

SEATTLE, July 16—The Boeing Company today was informed that the Advisory Committee of the European Commission's Merger Task Force has recommended that the proposed merger between Boeing and McDonnell Douglas Corp. not proceed because remedies offered by Boeing were not sufficient.

In particular, Boeing and the Commission have not been able to resolve the issue of

combining McDonnell Douglas's commercial airplane business with that of The Boeing Company, and the issue of so-called ''sole-source supplier'' agreements that Boeing entered into at the request of its U.S. airlines customers.

''We are extremely disappointed because Boeing submitted to the Commission a series of significant remedies designed to address all of the Commission's concerns and to protect the interest of our airline customers, suppliers, and the more than 200,000 employees of Boeing and McDonnell Douglas,'' said Boeing Chairman and Chief Executive Officer Phil Condit.

In addition, Condit noted, ''The issues that the Commission has raised already were analyzed in an extensive review by the U.S. Federal Trade Commission, which approved the merger, without conditions, on July 1.''

''It is our hope,'' Condit added, ''that once our remedies are reviewed by the full Commission, prior to July 23, that the Commission will find in favor of the merger and in favor of free and fair competition.''

THE GUAM WAR RESTITUTION ACT

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 1997, the gentleman from Guam [Mr. UNDERWOOD] is recognized for 60 minutes as the designee of the minority leader.

Mr. UNDERWOOD. Mr. Speaker, this is the last opportunity that I will have to speak on the issue of Guam's liberation before its 53d celebration on Monday, July 21, 1997, which will be the 53d anniversary of the liberation of Guam from the hands of the Japanese occupiers when the marines landed on the beaches with the help of the 77th Army.

What I would like to do is to tell a little bit about the story about Guam, and some legislation that I have introduced today to help rectify an egregious error, an egregious error that may be made about the experience of the people of Guam.

The people of Guam experienced something that is very unique in the American framework. It was the only American territory with civilians who lived on it that has been occupied by a foreign power since the War of 1812. During World War II the Aleutian Islands of Attu and Kiska were occupied by the Japanese, but prior to that the civilians on those islands were evacuated by the military.

In the case of Guam, what we had was approximately 20,000 native Guamanians, better known as Chamorus, who were at that time considered U.S. nationals. They were not aliens. They were non-U.S. citizens, but they were considered U.S. nationals. Of course, Guam was an American territory. They endured some 32 months of Japanese occupation.

The reason I tell this story is to celebrate not only the heroism of the American marines and soldiers and sailors who did so much to liberate the island from the hands of the Japanese, but also to draw attention to the experience of the people that I represent, the people of Guam, the experience of the elderly generation of Guam.

I myself, I am the youngest in my family, and every one of my siblings was born either during the Japanese occupation or during the 1930's. I think almost everybody from Guam, certainly of course who was born on Guam, has a very clear and direct connection and strong family history with respect to this dramatic experience of the Japanese occupation.

My purpose here is not to reopen wounds, but rather to heal the wounds of the people. The people of Guam will have a compelling case to make before their Federal Government, and of a Federal Government that seems unwilling to hear this story and unwilling to correct the injustices committed against the people of Guam in World War II.

I want to make it clear that from my chronicling of this, it is not meant to cast any doubts about the nature of the liberation, or to even cast aspersions about the nature of the Japanese people. We all know that World War II was a terrific world conflagration. But I do want to take the opportunity to explain the experience of this unique island and this unique group of people.

The central point, as I have indicated, is that Guam, only Guam, was the only American territory occupied in World War II; not the Philippines, which although it was an American territory at the time, was promised its independence long before the outbreak of World War II, and in fact became independent in 1946; and not the Aleutian Islands, as I have indicated, which was also occupied by Japanese soldiers, but whose inhabitants were evacuated by the military prior to the onset of hostilities.

From the invasion day of December 10, 1941, when the Japanese landed on Guam to what we celebrate on Guam as Liberation Day, July 21, 1944, Guam was the only American soil with American nationals occupied for 32 months.

It has now been 53 years since the liberation of Guam, and if anything, time has not meant that all is forgotten or forgiven, not until there is some measure of national recognition of what happened to our fellow Americans on Guam, and how the Federal Government failed to make them whole and right the wrongs of the occupation.

The occupation of Guam was especially brutal, for two reasons. First of all, the Japanese were occupying American territory with American nationals whose loyalty to the United States would not bend; and second, the Chamorus, the indigenous people of Guam, dared to defy the occupiers by assisting American sailors who hid and who evaded initial capture by the enemy by providing food and shelter to the escapees.

In the final months of the occupation, just before the marines landed in July 1944, the brutalities increased. Thousands of Chamorus were made to perform forced labor by building defenses and runways for the enemy. Others were put to labor in rice paddies. The war in the Pacific turned for the worse for the Japanese occupiers, and in the final weeks as the pre-invasion bombardment by American planes and ships signaled the beginning of the end for them, the atrocities likewise escalated.

Forty-six Chamorus in the southern village of Malesso were herded into caves and were summarily executed by the enemy throwing hand grenades into the caves and spraying the caves with rifle fire and machine gunfire. Miraculously, some of them survived by pulling the bodies of their fallen fellow villagers over themselves to protect themselves against the rain of shrapnel and bullets, and also to hide the fact that they were still alive.

Louisa Santos called on me in 1992. She was a survivor of this. She asked me never to let this country forget what happened on Guam, and to promise that I would do everything I could to tell her story, and to tell the story of the people of Guam. She survived the massacre in Malesso, bore the scars of that massacre and the shrapnel in her back and on her feet, and every time she walked, with every step, she was reminded of that nightmarish experience on Guam. I am sad to report that she died 3 years ago.

In the capital city of Agana another group of Chamorus were rounded up and one by one executed by beheading and mutilation by swords. Miraculously the story of one very brave woman, Beatrice Flores Emsley, who was 13 years old at the time, stood to bear witness as she survived an attempted beheading.

Mrs. Emsley, before she died 2 years ago, bore the long scar down the side of her neck where a sword struck her. She fainted after being struck and awoke 2 days later with maggots all over her neck, but thankful to be alive. Mrs. Emsley, of course, stood as the best spokesperson for the experience of the Chamoru people during World War II.

Thousands of Chamorus, every single one of them, not hundreds but thousands, were forced to march from their villages in northern and central Guam to internment camps in southern Guam before the weeks before liberation. Everyone marched, old people, old men and women, newborn babies, children and the sick, they were marched to internment camps in Manengon, the largest one of all, where they awaited their fate for the next few weeks, and many did not live to see the liberation.

Many did not live, but their brothers and sisters, and most importantly, their children and grandchildren, survived, and their fellow Chamorus survived, again to bear witness to these atrocities. In their final acts of retribution against the people of Guam the Japanese occupiers inflicted a violence against our people that cannot easily be forgotten.

The Catholic high school for young men in Guam, Father Duenas Memorial School in Tai, bears witness to the courage of one young priest who in the

last days before liberation was also beheaded as revenge for the occupiers' frustration in not capturing the lone American sailor who had evaded their grasp with the aid of the Chamoru people.

□ 1615

The memory of this young noble priest lives on as the high school named in his honor stands witness to his courage. Against this backdrop of terror the liberation of Guam began on July 21, 1944.

On that fateful day, if we can think back historically, two groups of people came together. One was in uniform and the other was in rags; one used weapons of war and the other used tools for survival. One came in from the sea and the other came down from the hills; and one left their families behind while the other tried to keep their families together. One liberated the island from without, while the other liberated the island from within.

In their meeting the great historical drama that Guam alone could play in World War II came to pass, as American soil was liberated from enemy hands and as American marines and American soldiers were united with American civilians held captive in internment camps on American soil.

The battle-hardened American servicemen, many of whom I have met over the years, came to Guam concerned about meeting a determined enemy; but these men soon came to understand the special nature of this battle amongst all those battles in the Pacific war, indeed amongst all the battles of World War II. This was a reoccupation. This was retaking what once was lost and what was once American.

As the young marines and the soldiers saw our people coming down from the hills, they broke down and openly wept as they saw Guam's children emerge from the hills carrying handmade American flags, and as they saw Guam's old men and women emerge from the internment camps clutching rosaries and thanking young liberators for their deliverance from certain death.

The story of these people cries out for attention and certainly understanding. The story has a dimension of unfinished business to it, of an injustice that must be corrected and of a legacy of loyalty that has been tarnished by the neglect of some Federal officials; in the aftermath of liberation, a grave injustice that to this day, 53 years later, has yet to be undone.

The Treaty of Paris, the treaty of peace with Japan signed on September 8, 1951, by the United States and 47 Allied powers, effectively precluded the just settlement of war reparations for the people of Guam against their former occupiers, against the Japanese. In the treaty the United States waived all claims of reparations against Japan by United States citizens.

Consider how ironic this situation is, in that the people of Guam became citizens just 1 year earlier, on August 1, 1950, by virtue of the Organic Act, a citizenship that was granted to the people of Guam largely because of their demonstrated loyalty to America during the occupation, was given in 1950. And the peace treaty in 1951 waived all their rights for filing war claims against the Japanese a year later for an experience that occurred in the previous decade.

The historical events surrounding the signing of this treaty of peace creates a compelling argument that the Federal Government, including the U.S. naval government of Guam at the time and the U.S. Congress, failed to address the circumstances of the Americans on Guam and allowed a situation to develop over the years where justice was delayed and ultimately denied. The bitter irony is that the loyalty of the people of Guam to the United States has resulted in Guam being forsaken in the determination of war reparations.

Did the Federal Government simply forget what happened on Guam? Unfortunately, the answer is not that Guam was forgotten at all, but that at critical moments when Congress dealt with the issue of war reparations for all Americans during World War II, like the case of civilian nurses who were captured in the Philippines or civilian Americans who were interned in Japan, those situations were attended to. Whenever Congress attended to those issues, Guam's unique situation escaped the attention of lawmakers in this body.

In fact, the record does show a deliberate attempt by Congress and the Navy to address the reparations issue and to do right by the people of Guam for their wartime loyalty. That they fell short in their attempts is the cause for our efforts to seek redress 50 years later. This is not a case of a people belatedly asking for something that they are not entitled to by justice or design. It is a case of the law falling short in the goal of making Guam whole after the war, and of Congress neglecting to address the issues that were raised by its own War Claims Commission.

What Congress did was, they recognized right after the war, 1945, they recognized the devastation and the dramatic and urgent need for rehabilitation. And on November 15, 1941, Congress passed Public Law 79–224, which is known as the Guam Meritorious Claims Act. This was supposed to grant immediate relief to the residents of Guam by the prompt settlement of meritorious claims. The following year, 1946, Congress also passed the Guam Land Transfer Act, Public Law 79–225, and the Guam Rehab Act, 79–583.

While the Guam Meritorious Claims Act became the primary means of settling war claims for the people of Guam, the Guam Land Transfer Act provided a means for exchanging land for resettlement purposes. Unfortunately, conditions on Guam in 1945, which was thoroughly devastated, in 1946 did not lend themselves to the best of congressional intentions. During the battle to liberate Guam, over 80 percent of the buildings were destroyed. The city of Agana and the second largest city, Sumay, were completely annihilated.

Once the island was secured, Guam became the forward operating base for the subsequent invasions of the Philippines, Iwo Jima, and Okinawa. Over 45 percent of the land mass was acquired for this wartime effort, and over 200,000 military personnel came to Guam to prosecute the war against Japan. The Chamorus, numbering only about 20,000, were temporarily housed in refugee camps. To their credit, the Chamoru people did not complain. In fact, they helped the military in every way they could to help defeat their former oppressors.

In the report of the War Claims Commission with respect to the war claims arising out of World War II, it stated that no organized program for reconstruction of damaged or destroyed civilian facilities had been undertaken.

In asking Congress to revisit this issue at this particular time, I want to point out a couple of items. When Congress passed the Guam Meritorious Claims Act in 1945, it established a mechanism where if you made a claim for more than $5,000, you had to go to Washington to personally adjudicate the claim. You had 1 year in which to file and complete a claim. When and if you had a claim for personal injury or death, and I just mention that many people were killed and/or beheaded, you could not adjudicate that as other than a property claim.

Despite those three defects, the people of Guam were allowed only 1 year's opportunity to address these claims.

When that was completed in 1948, the Congress passed a broader war claims act which included all Americans and American nationals who were interned by the Japanese and other enemies during the war. In 1962, due to defects in that law, this law was again changed. Neither the 1948 law nor the 1962 law included the people of Guam.

Here is the anomaly. My grandfather, James Holland Underwood, who was originally from North Carolina, was taken and was interned as an American civilian in Japan. As a result of the 1948 War Claims Act, he received a war claim for his internment by the enemy. His wife, my grandmother, and all their children who were also interned by the Japanese could not receive any claim under the 1948 or the 1962 law.

So you have the anomaly here where you have one group of Americans who were attended to by two separate actions of Congress, while you had one war restitution law that was dealt with by the people of Guam in the Guam Meritorious Claims Act for 1 year.

It has been a great tragedy, and in the course of dealing with that the Department of the Interior created what was known as the Hopkins Commission in 1947; came out, studied the situation, made a series of recommendations and clearly indicated that in the

case of Guam, the Guam Meritorious Claims Act was clearly inadequate.

So here we are, some 53 years later, addressing the same issue. This issue could have been resolved had Guam been included in the 1948 law or had Guam been included in the 1962 revision of that law. But in both instances, Guam was not included. Guam had no representative in this body until 1972, so there was not adequate opportunity for any elected representative of the island to present their case in front of this body when the issue came to surface during 1948 and 1962.

All of this is not meant to cast any doubt or to lessen the intensity of the feelings of the people of Guam on Liberation Day. Liberation Day on Guam is still by far the largest single holiday, widely celebrated. Schools are out. The government is closed. Businesses are closed. The greatest parade of the year occurs on that day. And when the Marines go marching by, you will hear the greatest cheer for the Marines that you will ever hear in any community throughout the world.

So there is a great deal of affinity and a great deal of love and recognition for the military and their efforts during World War II. And the people of Guam in their experience and in their devotion to the flag that stands behind me are, I think, unmatched in the experience certainly during World War II as the only community that was held and occupied by a foreign enemy.

But we still have this issue. And so today I have dropped in the bill, the Guam War Restitution Act, and I am happy to report that I have several, very many cosponsors on this. Basically, what it does is it allows for the payment of war claims of $20,000 for a death, $7,000 for an injury, and $5,000 for forced march or forced labor or internment.

Most of the people who were injured or experienced forced labor, forced march, or internment have regrettably already passed on, so they will not get any awards. And their descendants will not get any awards, either, because in the context of providing legislation like this, the only money that could actually ever go to an heir of someone who experienced this was in the case of a death.

So in the case of Guam, these issues still remain unresolved, and they still tug at the heart strings of those of us who have heard all of the stories and for many of the people of Guam who personally experienced the hardships. It is really important to understand the context in which the people of Guam feel this. Every family has a relationship to the war experience which is at once powerful and inspiring at the same time that it is disheartening and sometimes a little debilitating.

But, nevertheless, the war experience stands as powerful testimony to the capacity of the Chamoru people to survive and their ability to survive under some very difficult circumstances, as well as powerful testimony to the liberators who came. And the liberators who came numbered many who have served in this body and in the other body, most notably Senator Howell Heflin of Alabama, who was wounded on Guam, and Gen. Louis Wilson, who received the Congressional Medal of Honor and who later on became Commandant of the Marine Corps.

□ 1630

In fact, last week I laid a wreath at the Tomb of the Unknown Soldier with the current Commandant of the Marine Corps, General Krulak, in recognition of the work and the relationship that I think the people of Guam have with the United States Marine Corps as a result of this war experience.

But the war experience is still unresolved, and so I call upon Members of this body to cosponsor the legislation. Let us do something that should have been done before.

We have an enormously ironic situation, where we have a people who could have submitted claims against the Japanese Government but they were declared citizens 1 year before the peace treaty between Japan and the United States, although that peace treaty occurred 6 years after the war.

So we have in the instance, for example the Philippines, which was American territory, we had the Congress giving the Philippines $390 million for the war experience, and then the Philippines, as an independent country, also claiming war restitution from Japan and receiving it. And in both instances the Philippines deserved it.

But in the case of Guam, we have the instance where they are denied the opportunity to make claims against Japan and, by any Federal official who has studied the situation, clearly inadequate opportunity to make claims against the U.S. Government.

I want to point out that in the negotiation of the Japan-U.S. peace treaty and in the reporting of this peace treaty to the Senate, Secretary of State John Foster Dulles clearly indicated, in response to a question, that if any American citizen has a legitimate war reparations claim that, as a result of this treaty, that war reparations claim should not be directed to the Japanese Government, it should be directed to the U.S. Government.

So in light of all of that history, I call upon the people of this House to cosponsor this important legislation and to honor this very unique and powerful story about how a small group of people endured much in the name of the flag that stands behind me, and whose faith that America would return never wavered and who indeed suffered much.

Now, I want to bring this story up to the present day, and I want to bring it up to the present day because it is bothersome. Guam, today, is a vital part of the projection of American power in the Asia and Pacific part of the world. As the dynamics of the world has shifted, Guam remains the only U.S. territory that is on the other side of the international dateline in which military facilities exist.

As the dynamics of power has shifted in Asia, the United States no longer has military facilities in the Philippines and, increasingly, the U.S. forces in Japan, particularly in Okinawa, are always under a great deal of criticism by some of the local people and even in Korea.

So we have a situation where the United States military and the United States' interests, which are projected into the Asia-Pacific theater, Guam's role in that is enhanced by the whole changing dynamics of the area, yet the Department of Defense has taken a couple of steps which really the people of Guam have interpreted as hostile steps.

To discuss one, just to briefly touch on it, last week, July 10, the Department of Defense announced that they were pulling out of the Guam school system and establishing their own Department of Defense school. They are in the process of establishing this school system, which is destined for opening in October of this year, despite the fact that I and other Guam officials had been reassured that if they took this step, it would not happen until 1998 so that we could, hopefully, work out some problems and disagreements. But here the Department of Defense has decided to unilaterally pull out their students from the Government of Guam schools.

This is really the first time in my experience, and we have discussed this with a number of people, where a Department of Defense school has been established in opposition to the wishes of the local community. It may surprise some people to know that there are Department of Defense schools in the 50 States, but usually it is done within the context of collaboration and cooperation with the local community.

Now, the net effect of pulling these military dependents out of the Guam schools is to change the racial composition. It will have an effect on the ethnic composition of the kids who attend schools on Guam.

This action was taken at the same time or nearly the same time, 4 days ahead, of the first meeting of the President's One America Commission; to have one America. The President has created a commission to improve the racial climate of the United States and to bring the people of the United States together and to make sure that we openly acknowledge our racial and ethnic differences and that we can do so in a climate of trust and mutual support.

At the same time that the President announces this initiative and the first meeting of this commission is held here in Washington, D.C. on July 14, just a week earlier the Department of Defense is creating a separate school system on Guam.

This always begs the question whether people in the Department of Defense

see Guam as part of America rather than as ''us and them'' or as some, perhaps, overseas foreign area. Of course, it is not, but if they continue to behave this way, they are really threatening civilian-military relationships on the island.

To add insult to injury on this, the Department of Defense has announced that no local teachers can be hired for their DOD schools, but they would be happy to hire local custodians or other people to work in the schools in a less than professional capacity; and that while no locally hired civil service employees can attend these DOD schools, State-side hires, State-side hired civil service employees will be able to attend these DOD schools.

So the bottom line on these actions is not to build connections and bridges between communities, but certainly has the net effect of not only building more gaps between the communities but certainly is not keeping faith with the experience that I described on July 21, 1944.

In addition to this, BRAC, in 1995, decided to close down some facilities on Guam, and many military planners have now acknowledged that that was probably not a very wise decision, but, inevitably, in any event, it has occurred and the people of Guam are trying to recover from this.

In addition to this, the Navy announced earlier this year that they are conducting two A–76 studies on their military facilities to determine which civilian jobs can be privatized or let out on a contractual basis. And the two bases that they picked were in Pensacola and on Guam.

It is hard for me to understand why they would identify, in addition to the BRAC decision, in addition to all that has gone on, they identified in January of this year some 1,100 jobs as being analyzed for privatization. They said they did this after exhaustive study and careful analysis and understanding that this would not affect the readiness, but, of course, not considering how it would affect those 1,100 loyal civil service workers.

Just yesterday they wrote a letter, as required by law, to officials of this body and to officials of the administration announcing that they are adding another 534 jobs for this careful analysis, which leads me to believe that the first analysis was probably not all that careful.

But here is the kicker. The kicker is that this is only applied to Guam. It is not being applied to other locations. And when the people from Guam are only represented in this fine institution by a nonvoting delegate, and they have no representatives in the other body, and they represent a fairly small population, they always ask themselves the question: Would the Navy do this in Virginia? Would the Navy do this in Florida? Would the Navy do this in California? And, most importantly, would they do it in this way?

I think, clearly, the answer is, probably not. They probably would not do it, and for sure they would not do it in this way.

This is not the way to treat a community that has been tested by war, that has not only evidenced its loyalty in the context of World War II, but most people who have a great deal to do with the military know the fine record of many young people from Guam in the military. Guam had the highest per capita casualty rate of any jurisdiction during the Vietnam conflict. So everybody knows the record of the people of Guam in the context of service to this country and in the context of the hardships that sometimes war imposes on people. And the people of Guam have responded well.

But now, when there are times of peace and there are times of contentment, their peaceful existence is again disturbed not by foreign enemies but by a series of misguided planners in the Department of Defense.

I ask officials at the Department of Defense, and I call upon them, especially those who are responsible for projecting American power in Asia and the Pacific, to seriously consider the ramifications of their actions on what was formerly a very good and solid relationship between the civilian and military communities on Guam.

On Guam this relationship is a three-legged stool. This relationship is founded upon the economic value of the military presence to Guam, on the fact that our kids go to the same schools, and the fact that we have a peaceful land resolution process. The one on land is a little wobbly, the one on schools has been fractured, and now DOD is carefully sawing off that other one as we speak. I ask them to take these words very seriously.

And I call upon the Members of this institution to take a serious look at the people of Guam's experience during World War II. I know there are many people who are watching, particularly those who were veterans of the conflict, of any conflict in the Pacific during World War II, who know about the viciousness and the brutality of war, and who know about the viciousness and the brutality of the battle on Guam and who remember those events fondly.

I think the people of Guam deserve the recognition on July 21 and that, indeed, all of the liberators, all of the men who participated in the liberation of what once was an American territory prior to the invasion of the Japanese deserve all of our honor and our attention and we should make good on that experience.

FEDERAL RESERVE EXERTS POWERFUL INFLUENCE

The SPEAKER pro tempore (Mr. ROGAN). Under a previous order of the House, the gentlewoman from New York [Mrs. MALONEY] is recognized for 5 minutes.

Mrs. MALONEY of New York. Mr. Speaker, when the Federal Reserve speaks, people listen. When the Fed is about to make some sort of monetary decision, the world stops and watches. That is because the Federal Reserve System is comprised of powerful experts whose influence affects anyone who makes and spends money.

Some people think the Federal Reserve's primary purpose is to conduct monetary policy. Little do they know that only 1,600 of the Fed's 25,000 employees are working in monetary policy. The rest are employed in unrelated services, such as the transportation of paper checks.

The Fed pays $36 million for this service, of which $17 million is a Government subsidy. This money, taxpayer money, could be used to reduce the debt.

☐ 1645

The Federal Trade Commission staff said in a 1990 report that these subsidies drive out private competition and innovation.

My bill would end this subsidy. It is time to ask why a giant Government bureaucracy is subsidized to run something that the private sector can run far more efficiently.

I come before my colleagues tonight to point out another area of this powerful Government bureaucracy that has not received enough scrutiny, the Fed's fleet of 47 airplanes that ferries canceled checks back and forth across the country Monday through Thursday.

Since 1980, the Monetary Control Act has required the Fed to extend these check-clearing services beyond its member banks to all depository institutions at prices without a subsidy. The purpose of the Monetary Control Act of 1980 was to make sure that private companies could compete with the Federal Reserve on a level playing field in providing services to the banking industry. But the Fed, to this day, insists on subsidizing its paycheck transportation as long as it makes up the cost somewhere else in its operation.

The Democratic staff of the Committee on Banking and Financial Services conducted a 2-year investigation of the Fed's check-clearing practices and determined that, as of 1997, $17 million of the $36 million used to run the program is subsidized by you and me, the American taxpayer.

In effect, we are subsidizing an inefficient, overgrown operation that the private sector could provide at a lower cost and with better results. If this operation cannot be run more efficiently, the Government should check out of the check transportation business and concentrate on helping Americans make money, not waste it.

I recently introduced a bipartisan bill with my colleague the gentleman from Washington [Mr. METCALF]. This bill would end this subsidy and require the Federal Government and the Fed to operate on a level playing field with the private sector.

As we enter the 21st century, with all the revolutionary changes, it is bad

public policy and downright foolish to subsidize the Fed's transportation of paper checks. Competition and free enterprise will provide lower prices and wider consumer choices in the provision of banking service.

Support our bipartisan bill, the Efficient Check Clearing Act of 1997, H.R. 2119, and help bring our Nation's central bank into the 21st century.

GENERAL LEAVE

Mr. BILIRAKIS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislataive days to revise and extend their remarks on the subject of my special order today.

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

There was no objection.

THE INVASION OF THE REPUBLIC OF CYPRUS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 1997, the gentleman from Florida [Mr. BILIRAKIS] is recognized for 60 minutes as the designee of the majority leader.

Mr. BILIRAKIS. Mr. Speaker, once again, it is my sad privilege to address the House to remind all of America of the invasion of the Republic of Cyprus.

As we know, 1997 is the 23d year of divided rule on the island; 1997 has also been hailed as the year of Cyprus. Although I am greatly saddened that the northern portion of the island remains occupied by Turkish troops, on this map here, actually, this is called the green line, and in actuality, in order to see it better, we have it colored in blue here and you can see that the northern part of the island is separated from the southern portion.

I do remain hopeful and optimistic that we are 1 year closer to a just solution. It is imperative, Mr. Speaker, that we continue to build upon the progress that was made during 1996, referred to in some quarters as the year of the big push.

The divided island of Cyprus is certainly ready for peace. There are families who are certainly ready for answers as well. They want answers to what happened to their loved ones who disappeared 23 years ago during the Turkish invasion.

To this day, there are still five American citizens among the 1,619 people still missing from the invasion. These families want to end sleepless nights of wondering whether or not their loved ones are still alive. Hopefully, these questions will be answered and these families will finally be given peace of mind.

Our ultimate goal should be peace for all citizens of Cyprus. However, peace will not come without the strong and active leadership of the United States. The United Nations has unsuccessfully attempted to resolve the differences between the two Cypriot communities.

Since 1974, the United Nations has stationed over 1,000 troops on the island to prevent violence from spreading throughout Cyprus. Yet the violence has not abated. I strongly support U.N. Resolution 939, which calls for a bizonal, bicommunal single state of Cyprus. However, I submit we will not achieve this goal by maintaining the status quo.

I yield at this time to my colleague, the gentlewoman from New York [Mrs. MALONEY].

Mrs. MALONEY of New York. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, once again, as I have every year that I have been a Member of Congress, it is my honor and sad privilege to stand with the gentleman from Florida and remember and commemorate the 23d anniversary of the 1974 illegal Turkish invasion of Cyprus. The continued presence of Turkish troops represents a growing violation of human rights and international law.

On the positive side, I am pleased with the success that the gentleman in Florida and I have had in the formation of the Congressional Caucus on Hellenic Issues last year. We now have 62 Members from both parties and from all regions of the country. Democrats, Republicans, liberals, and conservatives have all joined together to pursue our common objectives of justice, human rights, and stronger ties between the United States and its strong democratic allies, Cyprus and Greece.

Earlier this year, many of the members of the Hellenic Caucus joined us in signing a letter to the President to stop the sale of Seahawk helicopters. We were successful. No helicopters were sold to Turkey. Over the last week, U.S. Secretary of State Madeleine Albright mitigated a nonaggression pact with the Foreign Minister of Greece and the Foreign Minister of Turkey.

Now that Greece and Turkey have come to a peaceful agreement, it will allow the focus to be concentrated on a more peaceful solution, hopefully, in Cyprus. Last weekend, the President of Cyprus, Glafkos Clirides, and the Turkish Cypriot leader, Rauf Denktash, met in a first round of U.N. talks, and they have agreed to a second round of talks in August.

The appointment of Richard Holbrooke as United States special envoy to Cyprus shows the United States' commitment to a settlement in the region. In fact, he met with both sides this past Monday. I am pleased to be an original cosponsor of House Concurrent Resolution 81, introduced by the gentleman from New York [Mr. GILMAN], that calls for a United States initiative seeking a just and peaceful resolution in Cyprus.

I am hopeful that we will reach a peaceful solution soon, but it must be a fair solution. Turkey must withdraw its troops. Imported settlers must be returned to their countries of origin. The island must be unified without a green line. The almost 200,000 Greek Cypriots who were expelled from their homes must have the opportunity to return home. We must know what happened to the 1,614 Greek Cypriots and 5 Americans which were seized by Turkish troops and remain unaccounted for to this day.

The pain of some of my constituents in Astoria, Queens, whose beloved family members are still missing, must be put to rest. On this issue, there can be no compromise. We will never give up the demand to know the fate of people like Chrisaci Loizoi, Andrew Kassapis, and George Anastasiou. We must have them accounted for.

I have many constituents who do not know what happened to their brothers, their fathers, their sisters, their mothers. For all they know, they are still suffering in some brutish Turkish prison. Human decency demands an accounting.

Over the past few years, we have witnessed tremendous changes around the world: The fall of the Berlin Wall, the beginning of steps in the Middle East toward peace, and the end of apartheid. It is my sincere hope that soon we will be able to add Cyprus to that list of places where peace and freedom have triumphed.

I would like to bring to the attention of my friend, the gentleman from Florida [Mr. BILIRAKIS], and to other Members of Congress that there will be a meeting and concert in Bryant Park, located in Manhattan, NY, this coming Friday to further observe the invasion of Cyprus.

In closing, Mr. Speaker, I really have to commend the gentleman from Florida [Mr. BILIRAKIS], my friend and colleague from the other side of the aisle, who has worked extremely hard on this issue. Both of us have visited Cyprus and we have seen firsthand the green line that separates this country; and we both hope that in the coming talks, this line will be erased and that finally there will be peace and justice in Cyprus.

Mr. BILIRAKIS. Mr. Speaker, I thank the gentlewoman from New York [Mrs. MALONEY]. I dare say that there are not many people, within or without Congress, who have put more time into this issue on behalf of those great people, and I thank her so very much. It is such a pleasure and honor to work with her on this issue and so many others.

Continuing with my remarks, Mr. Speaker, last year some of the worst human rights abuses occurred on the island since the Turkish invasion. Four unarmed Greek Cypriots and one unarmed Turkish Cypriot were shot and killed while protesting the division of the island. Nearly 100 protesters and 14 U.N. peacekeepers were injured throughout the year, as well.

We ask ourselves sometimes, why is an end to the division of Cyprus in America's best interest? International stability is a key factor to our increasingly global economy. A divided Cyprus

only continues to serve as a fuse between, lit fuse I might say, between two of our NATO allies, Greece and Turkey.

Twice since the 1974 invasion Greece and Turkey have almost gone to war. The most recent incident was in 1996 concerning the Imia Islet crisis. The Aegean Sea is home to the world's busiest shipping lanes. Indeed, Cyprus is in a key strategic position relative to the Mediterranean region and the Suez Canal, which is instrumental in supplying oil and other materials vital to the stability of the entire region.

In this map here to my left, we see actually the country of Greece here and Turkey here, and then the Republic Island of Cyprus in this particular area. And I think it is just very easy to be able to determine the tremendously strategic position of that island.

So it is just imperative that the problems be solved. As such, any conflict between Greece and Turkey could disrupt trade in the region and have extremely serious consequences for many nations, including the United States.

□ 1700

If the situation in Cyprus continues to deteriorate, there could be serious repercussions among other NATO nations and these nations could be forced to choose between two allies, Greece or Turkey. In order for a lasting peace to be forged, the Turkish militarization of the island and of the region must end. Currently there are over 35,000 Turkish troops stationed on Cyprus, and in addition Turkey has a large amphibious assault force located within 100 miles of the island. The proximity of such a significant Turkish presence has led NATO to estimate that the island of Cyprus could fall to Turkish troops within 24 hours should Turkey ever decide to attack.

U.N. reports cited Turkey's lack of motivation as the reason for the stalled peace process. The Turkish Government has stated that it will take all necessary steps including military actions to defend Turkey's interest on the island. Without U.S. leadership, it is unlikely that a lasting peace settlement can be negotiated.

Mr. Speaker, I yield to the gentleman from New Jersey [Mr. PAPPAS].

Mr. PAPPAS. I thank the gentleman from Florida for yielding and once again I commend him for his continued leadership on issues affecting Cyprus, Greece, and Turkey and, most important, the people that live in those three nations. I look forward to continuing to work with the gentleman on these issues and other issues.

Mr. Speaker, today I rise to add my voice to the chorus calling for justice in Cyprus. Twenty-three years ago, 6,000 Turkish troops and 40 tanks landed on the north coast of Cyprus and captured nearly 40 percent of the island.

Today 35,000 troops occupy the northern portion of Cyprus; 1,619 people remain missing, including 5 Americans. A barbed wire fence known as the Green Line cuts across the island, separating towns and people that had lived together for many generations. Mistrust and animosity have spread beyond this island to our NATO partners Turkey and Greece. This is not good.

Efforts are undertaken but they are not enough. The United States, the European Union, NATO, and the United Nations must do more now before this sore develops into a permanent cancer between our NATO partners and the peace and security of southeast Europe. We must remember that this problem started by the violent invasion of Cyprus by Turkey, and lasting peace can only be restored by the removal of the Turkish armed aggressors.

Why has the sad story of the invasion of Cyprus not received more attention in the press here in the United States? Maybe it is because the press is intimidated to report on this. Turkey, which occupies by military force the northern part of Cyprus, has the distinction of leading the world in jailing of journalists. More than North Korea, more than Communist China, more than Iraq and more than Iran. That is why we are here today on the floor and what we are doing is so important, because we in a sense are acting as the journalists for the world, for the people of Cyprus, bringing to the scrutiny of the public what has been censored in Turkey.

As evidence of this, I cite an editorial that appeared in last week's Philadelphia Inquirer, July 9. The article notes, ''It is impossible to have other freedoms in a country where there is no freedom of the press.''

This past Sunday, the New York Times wrote in an editorial, ''Under Turkey's broad antiterrorism law, journalism itself is criminalized and reporters face prison time for doing their job.'' It goes on to say, ''Press freedom is among the casualties of a failed strategy, imposed by the military, which Mr. Yilmaz cannot change overnight.''

And then just yesterday the Washington Post weighed in on the subject in an editorial that said, ''Journalists who write about Kurdish nationalism from an independent perspective have been at risk of being locked up and censored, harassed and beaten. Article 312 of the Turkish penal code permits reporting and community on other than the government line to be punished as incitement to racial hatred.''

Finally, Mr. Speaker, I would urge all of my colleagues to join the gentleman from Florida [Mr. BILIRAKIS], the gentleman from New York [Mr. GILMAN], the gentlewoman from New York [Mrs. MALONEY], and many others in cosponsoring House Concurrent Resolution 81, which would show the world that this Congress and this country are committed to seeking a just and peaceful resolution of the situation in Cyprus. Let us not let this problem caused by the Turkish invasion of Cyprus fester in the underbelly of southeastern Europe any longer.

I urge everyone to pray for a peaceful and just end to the Turkish invasion while there is still time to make peace. Again I thank the gentleman for his leadership.

Mr. Speaker, I include the text of the articles referred to in my remarks for the RECORD, as follows:

[From the Philadelphia Inquirer, July 9, 1997]

FREE SPEECH UNDER FIRE—TURKEY LEADS THE WORLD IN JAILING JOURNALISTS.

His name is unfamiliar to most Americans; his newspaper, unknown here. But his case should be a cause for anyone who cherishes the right too often taken for granted in this nation; to publish criticism of the government.

Ocak Isik Yurteu was imprisoned on Dec. 28, 1994, for editing a daily newspaper critical of the Turkish government, and is now serving a 15-year, 10-month sentence under the country's abusive antiterror law. ''Nobody in the world has been sentenced to so many years in prison for articles others have written,'' he said from Sakarya Prison last year.

But then, no country in the world imprisons journalists and smothers press freedoms more egregiously than Turkey. According to the Committee to Protect Journalists (CPJ), for three years running Turkey has held more journalists in prison than any nation on earth. The count is now 78.

Most are charged under an antiterror law that effectively classifies all reports on the Kurdish rebellion other than the government's as either ''separatist propaganda'' or ''incitement to racial hatred.'' Imagine if the United States had had such a law during the civil-rights movement.

Mr. Yurteu's newspaper published what is considered balanced reporting on the Kurdish conflict, but truth is not what the Turkish government wanted its people to read.

A delegation from CPJ will be arriving in Turkey on Saturday, to champion the cause of Mr. Yurteu and his many jailed colleagues before the nation's top leaders. They will be pushing for the abolition of the repressive laws and the release of the 78 imprisoned journalists.

They will be demanding that a nation that wants desperately to join the European Union and to take part in the Western world's economic and technological advances, adhere to a fundamental precept of democracy: a free press.

The imprisoned journalists deserve the support of anyone here who has published an angry letter about the President—or written such a letter. Or has called a radio talk show and complained about Congress. Or has passed out leaflets knocking the major or town council.

It's worth remembering, as Mr. Yurteu wrote, ''It is impossible to have other freedoms in a country where there is no freedom of the press.''

[From the New York Times, July 13, 1997]

TURKEY, JAILER OF JOURNALISTS

Turkey has the shameful distinction of imprisoning more journalists than any country in the world. The New York-based Committee to Protect Journalists has compiled a list of 78 reporters, writers and editors now in jail, and the Turkish Press Council reckons the total may be twice as high. Now that a new Government has assumed power, it has a timely opportunity to open those prison doors. Doing so would lessen a stain on Turkey's reputation and enhance the democratic credentials of Prime Minister Mesut Yilmaz's secularist center-right coalition.

Most of the journalists in prison are charged with disseminating ''separatist propaganda'' or with being members of proscribed

pro-Kurdish political groups. In fact, under Turkey's broad anti-terrorism law, journalism itself is criminalized and reporters face prison for doing their job. An emblematic case is that of Ocak Isik Yurtcu, a prominent writer and former newspaper editor who has served 3 years of a 15-year sentence. Mr. Yurtcu's offense was to publish articles about the Turkish Army's scorched-earth campaign against Kurdish insurgents in southeastern Turkey.

Mr. Yurtcu's plight, along with scores of other cases, will be taken up this summer by a visiting delegation of journalists, among them Terry Anderson and Peter Arnett, at the request of Turkish press organizations. By responding favorably, Prime Minister Yilmaz would signal a halt to Turkey's descent into repression. He would begin to answer critics, especially in the European Union, of Turkey's dismal human rights record, and would set a different example from his immediate secular and Islamic predecessors.

This is more than a press issue. For nearly a decade Turkey has relied primarily on force to counter Kurdish terrorists, without opening a parallel political attack for a huge, aggrieved ethnic minority. Press freedom is among the casualties of a failed strategy, imposed by the military, which Mr. Yilmaz cannot change overnight. Yet it is within his power to release jailed journalists and decriminalize free speech, an essential precondition for an end to Turkey's domestic turmoil. Turkey's friends hoped he will not let this moment pass.

[From the Washington Post, July 16, 1997]

TURKEY'S PRESS: TURKEY'S KURDS

It is an irony and an embarrassment that even as NATO imposes high democratic standards on new members, it has given an errant old member, Turkey, a bye. On the litmus issue of imprisoning journalists for what they write, for instance, Turkey is the recognized world champion. The Committee to Protect Journalists, an American defense group, counted 78 jailed Turkish journalists at the beginning of the year. All the more satisfying, then, that the group has not elicited from the new Turkish government of Mesut Yibnaz a commitment to do something about a record that, if a current NATO applicant had it, would exclude it from the West's premier democratic club.

The trouble lies, of course, in Turkey's continuing conflict with a Kurdish minority that has its pacific assimilationist element but its armed separatist element as well. An official policy giving a long leash to an assertive Turkish military has not only failed to curb Kurdish terrorism but has also cost past governments political support. Journalists who write about Kurdish nationalism from an independent perspective have been at risk of being locked up and censored, harassed and beaten. Article 312 of the Turkish penal code permits reporting and commentary on other than the government line to be punished as ''incitement to racial hatred.''

The Kurdish problem is as tough as any ethnic conflict anywhere. No one has a good solution in the inflamed circumstances in which it is unfolding now. What is certain, however, is that the problem must be addressed in a context in which the Turkish people are fully and fairly informed about the options before them. This is the prospect now opened up by the Yilmaz government. It speaks for a minority coalition and faces parliamentary resistance to its new free-press commitments. But it also has the opportunity to bring Turkey the appreciation rather than the opprobrium of the democratic West. Up to this point, the army has plainly been calling most of the shots on policy toward the Kurds. The army is manifestly unfit for this role and plays it poorly. Opening up the press is no glib civics textbook prescription. It is a practical way for Turkey to build support for a consensus approach.

Mr. BILIRAKIS. I thank the gentleman. He is a rookie, I guess we would call him, a freshman here, but he has already made his presence known in many ways and particularly on this issue.

Mr. Speaker, the Republic of Cyprus needs active United States support to attain its goal of membership in the European community. This membership would promote stability by permanently linking Cyprus to Europe both economically and strategically. Indeed the European Parliament has indicated its desire for peace on the island. Cyprus has earned its place in the European Union. Now the international community must take steps to move the peace process forward.

In addition, Mr. Speaker, Cyprus is ready to become an important trading partner with the United States. The Greek Cypriot community is a democratic society known for its open and efficient economic system. Despite the violent blow dealt by the invasion, the Cypriot economy has strongly rebounded to become one of the strongest economies in the region.

Mr. Speaker, I yield to the gentleman from New Jersey [Mr. PAYNE].

Mr. PAYNE. Mr. Speaker, I thank the gentleman for calling this special order. I will not take too much time, since I see a number of my colleagues, showing the importance of this very vital issue to many of us in the Congress on both sides of the aisle from throughout the United States of America, because we talk about justice and fairness, we talk about the new era that we live in where we say that we will not allow the big and the strong to take advantage of the smaller.

That was the whole question in the Persian Gulf situation when 28 nations came together to say that the invasion of Kuwait that was imminent was wrong and we came together as a united country of the world, countries of the world, from the Arab community, from Africa, from the West to say that we will protect this little country.

Mr. Speaker, I rise today as a member of the Human Rights Subcommittee to join in commemorating this sad day in history of the Republic of Cyprus. On July 20, 1974, 6,000 Turkish troops and 40 tanks landed on the north coast of Cyprus and captured almost 40 percent of the island. More than 35,000 Turkish troops continue to occupy the northern portion of Cyprus.

The Green Line, a barbed wire fence, separating the northern part of the island from the free portion, is the only wall remaining in the world. We brought down the Berlin Wall. We have gone through and have sort of new independent countries in Europe. But this wall still remains.

Thousands of Greek Cypriots from the towns and communities in which they and their families have previously lived for generations are separated from one another. Today there are 1,619 people whose whereabouts are still unknown, and we have heard already 5 of these are U.S. citizens that we still have not heard about.

The illegal invasion and occupation by Turkey represents over two decades of unanswered questions, human rights violations and cultural destruction. As I conclude, Mr. Speaker, I would like to say that I had the opportunity 2 years ago to visit Cyprus. I had the opportunity to go with a constituent of mine, Andy Comodomos, where we drove up to the Green Line. We were allowed to go up into the Turkish-occupied portion of the island where we went to the street that Mr. Comodomos lived on and went to the house that he was raised in and then went up the to the home of his cousin who lived there.

We rang the bell and we were allowed to come in by this Turkish family who came up from the south to occupy the house. It was heartbreaking for him to see his home, his backyard, the basement of the home that his family grew up in being occupied illegally by people who had illegally taken possession of the home. I speak out with my other colleagues here and I urge my colleagues to join me in supporting the Turkish Cypriot leader Denktash and Greek Cypriot President Glafcos Clerides in their talks and that our new head of the United Nations, Kofi Annan, is calling for continued talks. We hope that there will finally be a breakthrough.

Mr. BILIRAKIS. I thank the gentleman. I daresay that probably this constituent who was able to get to go to his former home probably had not seen it for something like 20, 21 years and would not have been able to do that were it not for the fact that he was accompanying the gentleman. I appreciate the gentleman's support.

Mr. Speaker, I yield to the gentleman from New York [Mr. GILMAN], the chairman of the Committee on International Relations.

Mr. GILMAN. I thank the gentleman for yielding. I want to thank the gentleman from Florida [Mr. BILIRAKIS], who has been an outstanding spokesman and advocate for peace in Cyprus for organizing this special order this evening. Today's special order on Cyprus comes on the eve of the 23d anniversary of the brutal invasion of Cyprus by Turkish troops. As we observe this sad anniversary, the international community is still confronted with the fact that in excess of 30,000 Turkish military personnel still remain on the island to enforce an illegal partition and to protect a self-proclaimed government that has been recognized by only one other country, Turkey itself.

Those of us in the Congress who supported the negotiated settlement to the dispute which has led to the division of Cyprus are painfully aware of the complexities of the issue, of the injustices committed, and particularly

the suffering over these many long years of the Cypriot people on both sides of the Green Line.

Indeed Cyprus has become a code word for stalemate and intractability in international diplomacy.

Just last week there occurred a new and positive development in Madrid, on the fringes of the NATO summit. The foreign ministers of both Greece and Turkey met together, under the auspices of our own government, and agreed on a set of principles to guide the resolution of disputes between our two NATO allies. The essential element of the statement issued by the foreign ministers in Madrid is that disputes between Greece and Turkey are to be settled through peaceful means and will be based on the mutual recognition of their legitimate interests. While this communique was related specifically to disputes in the Aegean, I am hopeful that it is going to inaugurate an era of better understanding on the issues that concern both Greece and Turkey, including Cyprus itself.

Although a resolution of the Cyprus problem depends first and foremost upon the will of the Cypriot people themselves, regardless of their ethnic background, certainly a better relationship between Greece and Turkey can play a critical role in helping resolve this vexing international dispute.

It is gratifying that the Clinton administration seems more interested than in the past in finding a solution for Cyprus. The announcement last month that President Clinton appointed Ambassador Richard Holbrooke as a special envoy for Cyprus is also promising. If Ambassador Holbrooke brings the same energy and determination to Cyprus as he brought to ending the conflict in Bosnia, it is hopeful that he will be able to convince the Cypriot people to put behind them their differences and work out a just and peaceful settlement.

The shape of a possible settlement is out there. I believe that both President Clerides and Mr. Denktash are men who can rise above the recent enmity that has developed between the two communities and find a way to reunite the island based on mutual good will and confidence.

We should all encourage these two leaders to make the most of direct talks which began in New York just last week and which will soon be continuing in Geneva. Old history and grievances must be placed behind us as we seek to resolve the division of Cyprus. Let us hope that both sides will reach within themselves to find the resolve to settle this persistent problem.

The Greek Cypriots have demonstrated flexibility and the spirit of compromise in recent rounds of U.N.-sponsored talks. We now call upon Mr. Denktash to demonstrate this same kind of flexibility. Twenty-three years is too long a time. There are now young people coming of age in Cyprus who know nothing other than the experience of living on a divided island and a divided society.

☐ 1715

For this next generation what can be done to guide them in learning to accept life with a neighboring but different culture? Time is running out for the possibility of achieving a peaceful settlement, and the people of Cyprus now have to ask themselves if the enmity between the two communities is truly worth the price of a divided nation.

Mr. BILIRAKIS. Mr. Speaker, I thank the gentleman who for years and years has done the best he possibly could to try to resolve this problem.

Mr. Speaker, I yield to the gentleman from New Jersey [Mr. PALLONE] at this point.

Mr. PALLONE. I want to begin as I do every year by thanking the gentleman from Florida [Mr. BILIRAKIS] for organizing this special order. It has now been 23 years since Turkey invaded Cyprus, and I deeply appreciate the opportunity to join the gentleman from Florida [Mr. BILIRAKIS] and the other cochair of our Congressional Caucus on Hellenic Issues, the gentlewoman from New York [Mrs. MALONEY] in keeping this issue in the spotlight.

For almost a quarter of a century now the people of Cyprus have lived on a divided, militarized, and occupied island, and the facts of the situation are well known. I do not want to spend time tonight revisiting them, but I do believe there are important developments on the Cyprus issue that I want to spend the bulk of my time addressing, and I do want to say to those who were murdered during the Turkish invasion and to the 1,619 people who have never been accounted for, 5 of whom are American, that you are not forgotten. Those who have lived through the nightmare of the last 23 years and those who have never known freedom in their lifetime, I want you to know that you have many allies in the U.S. Congress who are determined to see you govern every inch of your own country.

On July 9, this year, as was mentioned by some of my colleagues, these high-level negotiations between some of the key principals involved, once again got underway at the invitation of the Secretary General, the President of Cyprus, and the Turkish-Cypriot leader. They met face to face for the first time in 3 years, and I just want to say this is certainly a very positive development, as my colleagues have said, as was the joint statement which was released by Greece and Turkey the day before the talks in New York in which the two countries vowed to settle disputes by peaceful means, based on mutual consent, and without use of force or threat of force.

But before I discuss the current peace process in further detail, I wanted to draw attention to an unfortunate display of provocation by the Turkish government. Two days ago Turkey's Vice Prime Minister, who was the Prime Minister when Turkey invaded Cyprus in 1974, announced that he is going to visit the Turkish occupied area of Northern Cyprus on July 19, and the stated purpose of his visit is to congratulate the Turkish military for its invasion in 1974 and celebrate the subsequent occupation which is today enforced by some 35,000 Turkish troops.

So while we are here today honoring the memory of those who were murdered and never accounted for as a result of this Turkish aggression and even as the Greeks and Cypriots around the world prepare to do the same, the Turks are planning celebrations and slapping themselves on the back to commemorate these 23 years of brutality.

Mr. Speaker, I am outraged by this behavior, and I know the Cypriot people are as well. Yesterday I had the honor of personally meeting with the Cypriot Ambassador who conveyed to me his disappointment in this uncalled for provocation.

And I think the Vice Prime Minister's visit is deserving for another reason that we mentioned, that Ankara and Athens are releasing a joint statement vowing to settle their disputes peacefully. I mean the purpose of this statement one would presume was to set a good tone for settlement negotiations. But the Vice Prime Minister's visit to Northern Cyprus really belies Ankara's intent to negotiate in good faith, and I think it is really a deliberate provocation and needs to be brought to my colleagues' attention.

It also serves to reinforce the Congress' belief, this Congress' belief, that there are several aspects regarding the U.S. position that I think need to be addressed and reaffirmed as these negotiations get underway. I would just like to state those briefly.

As everyone is aware by now, President Clinton recently signaled his commitment to resolving the Cyprus problem by appointing Ambassador Richard Holbrooke, who was the architect of the Dayton Accords, and he is now the special emissary to Cyprus and his record of service has been mentioned by my colleagues, and, I think, the President should be congratulated for signaling his interest in the Cyprus issue through this appointment. But there was some concern following Ambassador Holbrooke's appointment that he might use the Dayton Accords as a model for the situation in Cyprus. To his credit, Ambassador Holbrooke has stated he does not intend to do such a thing and I want to commend him for that statement.

And I just wanted to say and reiterate that the Dayton Accords are not applicable to Cyprus. The roots and causes of the Cyprus problem are without question very different from those of the conflict that began in Bosnia in 1992. The Cyprus situation is a matter of illegal invasion and occupation of a foreign power. By contrast, the conflict in Bosnia was primarily ethnic in nature.

Accordingly, any solution to the situation in Cyprus must reflect the circumstances that are unique to the Cyprus problem's origin, and this problem is clearly one of illegal invasion and occupation.

There are a number of conditions. I think the United States must pressure the Turkish Government to accept conditions that the Cypriot and Greek Governments and certainly all of us here tonight consider nonnegotiable, and these are first, with regard to the issue of sovereignty: Any solution reached must be consistent with U.N. Resolution 750 of 1992, which states a Cyprus settlement must be based on the State of Cyprus with a single a sovereignty and international personality and a single citizenship with its independence and territorial integrity safeguarded. Relatedly, any overall settlement must be consistent with all U.N. resolutions on the Cyprus issue.

To facilitate the goal of the State of Cyprus with a single sovereignty, the United States should push for the establishment of a federation with two federated States, one Greek Cypriot and one Turkish Cypriot administered by a federal government. In other words, the United States should support the establishment of a constitutional democracy much like our own where the States receive their powers from the Federal Government. A rotating presidency under separate sovereignties for the Greek and Turkish communities should be viewed as completely unacceptable.

Second, any solution to the Cyprus problem must be based on internationally accepted standards of human rights. Simply stated, all Cypriots must be guaranteed the three basic freedoms: freedom of movement, property, and settlement.

And third, all foreign troops should be withdrawn from the island. In 1994, President Clerides proposed the demilitarization of the island as a precursor to meaningful negotiations, an offer which has to date been met with nothing but derision from Turkey. In 1995, the House went on record in support of this peaceful gesture when it passed the Cyprus Demilitarization Act, and I believe, and most informed observers of the Cyprus situation agree, that no progress can be made until Ankara withdraws its illegal occupying force.

I just want to stress again, Mr. Speaker, as I did earlier, that the Cyprus situation is one of illegal occupation of a sovereign country by a foreign power. The United States therefore must use its influence to facilitate the removal of the Turkish occupying force in the introduction of NATO or U.N. peacekeeping forces, if necessary, so negotiations can begin in earnest.

And just in conclusion, while these issues do not represent a comprehensive list of concerns, they are, in my opinion, most important. Other matters the gentleman from Florida [Mr. BILIRAKIS] mentioned, such as the Cypriot accession to the European Union, have to be pursued. Integrating Cyprus into the framework of the European Union would demonstrate unequivocally to Turkey that its only real option is to accept a sovereign, independent Cyprus.

Mr. Speaker, I just wanted to say that obviously the United States should embrace the opportunity to make progress, but we must not reach an agreement just for the sake of reaching an agreement. It is tragic that Cyprus has been divided for 23 years, but we would have to wait as long as we must to bring true and lasting freedom to the Cypriot people.

Again I want to thank my colleague from Florida. I know he believes very sincerely in this. He has been doing this for many years, and when this finally is resolved a lot of the reason for it, a lot of the reason why the U.S. Government is now more concerned and the President is more concerned, is because of the efforts of Mr. BILIRAKIS and the Hellenic Caucus.

Mr. BILIRAKIS. Mr. Speaker, I thank the gentleman for those kind remarks and thank him for consistently year in and year out joining me in this special order, and if I were not leading this, I dare say he probably would be or certainly would still be just as much involved.

Mr. Speaker, in the past, our Nation has pledged its support to developing free, market democracies. The United States should consider offering trade incentives to Cyprus to allow the manufacturing sector to increase, the labor market to improve, and the infrastructure to modernize.

I also welcome efforts in Congress to maintain the traditional $15 million earmarked for Cyprus. This money funds projects aimed at reunification and reducing tensions between the two communities on Cyprus. I pledge my total support to building a strong trade relationship between the United States and the Republic of Cyprus. The continued growth of their economy will provide for a more stable country, which is a key ingredient in the peace process.

Mr. Speaker, the island has seen a tremendous amount of growth over the years mostly from tourism. However, the heart of Cyprus' potential growth has yet to be tapped. Hundreds of international firms recognize that the island's $15,000 per capita gross domestic product and the high education level of its people make Cyprus an ideal location for their regional headquarters.

In stark contrast, and I really, I just hesitate to mention it because I do not mean to be throwing stones, but the per capita gross domestic product in the Turkish-occupied region is a mere $3,500. There is also a significantly higher crime rate in the Turkish portion of the island.

I yield at this time to the gentlewoman from New York [Mrs. KELLY].

Mrs. KELLY. Mr. Speaker, I rise today to join with my colleagues in marking the tragic events that occurred 23 years ago on the island of Cyprus. On July 20, 1974, the Government of Turkey sent troops to Cyprus and forcibly assumed control of more than one-third of that island. The action dislocated much of the Greek Cypriot population creating a refugee problem that exists to this day.

Just think about it, children who are born 23 years ago, are old enough to have families of their own today. Additionally, over 1,600 Greek Cypriots are missing. They are still unaccounted for as a result of this invasion. The children who were born may not have known their own families.

While in the past the Turkish Cypriot community was unwilling to work toward an agreement, I am pleased that both sides have come together in my congressional district to hold their first round of talks in Amenia, NY. It is clear to me that the clean air and beautiful countryside of Amenia has assisted immeasurably in laying a strong foundation for these negotiations since both sides have agreed to continue these talks in Geneva on August 11.

The talks are the first step in a long process that will hopefully lead to a consensus agreement for lasting peace. It is my hope that an agreement will include the removal of the roughly 35,000 Turkish troops from the island of Cyprus and the return of 180,000 Greek Cypriots to the homes that they fled in 1973. We have heard about the anguish that those Cypriots feel when they know that there are other people occupying those homes.

I want to applaud the willingness of the Greek Cypriots in demonstrating their continued commitment to compromise in order to bring an end to this longstanding dispute and also to Rauf Denktash, the President of Turkish Republic of Northern Cyprus, a State recognized only by Turkey for making the right move toward the peace table.

While the past efforts have failed to produce any movement toward an agreement, we continue to pray that these talks will bear fruit so that all the people of Cyprus will know the sweet taste of freedom and a lasting peace. While the talks continue, the U.S. Government has to let our position be heard loud and clear by all interested parties to show we are serious about achieving a lasting peace in Cyprus. In this regard, I am pleased to be a cosponsor to the House Concurrent Resolution 81, the concurrent resolution calling for the United States initiative seeking a just and peaceful resolution of the situation in Cyprus.

Additionally, I am going to continue to support legislation in Congress to cut economic support funds and military assistance to Turkey until it withdraws its troops from Cyprus, lifts its blockade of Armenia and makes progress on extending political and economic rights to its Kurdish minorities.

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Mr. Speaker, it is with decisive steps such as these that we can begin to hope

for a brighter future for Cyprus. I wish to commend the gentleman from Florida [Mr. BILIRAKIS] for his steadfast work in this area. I look forward to working with him and all of my colleagues who share our concerns to achieve a unified and peaceful Cyprus for the future. The talks are a long step toward the peace process that we hope will lead to a consensus agreement for lasting peace. I think it is very important that we get that.

Mr. BILIRAKIS. Mr. Speaker, I thank the gentlewoman for taking the time to come over to join us on this special order, and for hosting those two gentlemen during those important talks.

I yield to the other gentleman from New Jersey [Mr. MENENDEZ], who also has visited the island.

Mr. MENENDEZ. Mr. Speaker, I thank my colleague. First of all I want to recognize and commend the gentleman for keeping this issue before the Congress of the United States, and for that matter, before the American people, and for organizing this special order.

We do hope there will be a point in time in which this special order will truly be just a commemoration and not a further quest and search for peace and justice in Cyprus. The gentleman has been an outstanding advocate in this respect, and we commend him.

Mr. Speaker, I rise as a member of the Committee on International Relations and as a member of the Congressional Human Rights Caucus to join in the commemoration of that unhappy anniversary and tragic circumstances of 23 years, over two decades, of the division of the island of Cyprus. It seems incredible, but for 23 years now the Republic of Cyprus has been artificially divided following an illegal invasion by Turkish troops on July 20, 1974.

On that date over 200,000 Greek Cypriots became refugees in their own country and to this day are denied the right to return to their homes. Today a full 37 percent of the island remains under occupation by Turkish troops, which in defiance of U.N. resolutions, now number over 35,000. This makes Cyprus one of the most militarized places in the world.

I saw that fact firsthand as I traveled with my constituents from New Jersey, the Zambas family, to Cyprus, crossed the green line, which is the division between northern Cyprus and the rest of the country, to the occupied territory to an area called Brastio-Morphu. Clearly to me the militarization was so, so obvious in the process of that visit.

But also what was obvious is that when Turkish Cypriots, those who lived on the island, not those who have been imported from Anatolia but those who live on the island, are given an opportunity to intermingle with Greek Cypriots, that there is the opportunity for coexistence and coalescence. That became clear to me in the conversation between my constituents and the Turkish Cypriots who had lived there before the invasion. They were willing to talk to each other. Only the people who were escorting us, the security forces, refused to let them speak to each other. As an example of that, it is those who occupy the north that create this division.

We remember the over 1,619 Greek Cypriots and 5 American citizens who are still missing as a result of the military operations in 1974. Sadly, we also commemorate this year the deaths of three civilians last summer, two who died from the bullets of Turkish soldiers, they were unarmed, they were simply along the green line, and the other at the hands of a mob of Turkish thugs.

These actions are nothing but barbaric and should be addressed in that way, which is why I was happy to join many of my colleagues at the United Nations in condemning those barbaric actions. Those are not the actions that a civilized country takes. It is not the actions that a country for which we give aid takes against other individuals.

Mr. Speaker, the comments of the former Prime Minister, Prime Minister Tansu Ciller, that we will break the hands of those raised against us, signify, contrary to Turkey's stated position, that in fact they consider northern Cyprus Turkey's domain. So after 23 years, the people of Cyprus in both communities deserve a solution which will reunite the island, its communities, and its people.

For too long the Cyprus problem has been a source of tension and instability in an important area of the world. My colleague, the gentleman from Florida, has a map that very well describes that part of the world and the importance of what is happening in the Aegean. Even our Secretary of State Madeleine Albright recently pointed out ''U.S. Cyprus relations extend far beyond, far beyond the so-called Cyprus problem. Cyprus is a valued partner against new global threats.''

I think that is why we in the Congress are engaged in this issue. A resolution would strengthen peace and stability in the volatile eastern Mediterranean and significantly advance the United States national security interests in the region and beyond. It is in the United States national interest to see such a solution. Cyprus is a bridge between East and West. It is a bulkhead in the sea of Islamic fundamentalism. Its solution would ease the tensions between two very important NATO allies.

President Clinton's appointment of Richard Holbrooke as his Special Emissary on Cyprus has us all refocused again on the attention to a resolution to the Cyprus problem at a crucial time. Last week I was proud to circulate and send a letter, and I know that my colleague, the gentleman from Florida and others, joined with me in a letter signed by 67 of our colleagues in the House to President Clinton outlining what we believe should be the parameters of any Cyprus solution.

Those parameters are basically those that have been recognized I think by the international community through U.N. resolutions, but specifically they are that Cyprus should be reunited with a strong federal government in which the federated states derive their powers from a federal constitution, a democratic constitution which would ensure the rights of all citizens and all communities, and which would guarantee the right to private property and free travel to all parts of the country.

We have heard much about the Greek Cypriots' willingness to compromise, and they have, time and time again. But there are limitations. Turkey must not be allowed to derail once again the tremendous opportunity for peace that exists on the island. While Turkey has verbally committed itself at appropriate moments during these years to pursue better relations with its neighbors, its actions, however, not what it says but what it does, its actions demonstrate a consistent pattern of hostility and unwillingness.

Even the former U.N. Secretary General, Boutros Boutros-Ghali, said so in a report on Cyprus. So if Turkey is serious about its commitment to a permanent solution, then it must bring its views into conformity with the U.N. framework on issues of sovereignty and political equality.

In conclusion, I want to say that Cyprus will not be a prisoner to Turkey's objections or threats. It will not postpone and it should not postpone its well-deserved entry into the European Union over Turkish objections. If European integration is good for Turkey, then it must be good for all of the Cypriot people.

The world must know that in this small Mediterranean island of Cyprus, there are people filled with hope and expectation that this is the moment in which their divided homeland can once and for all be reunited in accordance with international expectations. We cannot rest until the last boot of the last Turkish soldier leaves Cyprus, until a divided country is reunited, until the last divided city of the world, Nicosia, is rejoined, until peace and justice become a reality for all of its citizens, Greeks and Turks alike.

I again commend the distinguished gentleman from Florida [Mr. BILIRAKIS] for keeping this before the American people, before Congress, and forging ahead.

Mr. BILIRAKIS. I thank the gentleman so much for helping in that regard, and for his energy and support for this cause over the years.

Mr. Speaker, I yield to the gentleman from Massachusetts [Mr. MCGOVERN], who is also one of our freshmen, but very much interested in this subject.

Mr. MCGOVERN. Mr. Speaker, I thank the gentleman for yielding to me. I rise to join my distinguished colleague from Florida and all those who acknowledge today this sad date in the

history of Cyprus. I rise to add my name to the long list of Members of Congress who throughout the past 23 years have decried Turkey's brutal invasion of this Mediterranean island.

After 23 years some might be tempted to throw in the towel, to believe that these 23 years of Turkish occupation of northern Cyprus prove the helplessness of the international community in the face of ethnic strife and injustice. Some might even say that our yearly acknowledgment of this tragic event are wasted words.

I say that now more than ever we need to voice our resolve, our ongoing commitment to build a lasting peace for all the people of Cyprus. As we have witnessed in so many parts of the world, peace-building does not happen overnight. It requires hard work, vigilance, and the very resolve that we have maintained over the years and that will help us undo Turkish wrongdoing in Cyprus.

Mr. Speaker, we cannot let our determination falter. To do so would be to allow the persistence of injustice, and equally as important, harm our own interests. Ethnic conflicts, as those in central Africa have so dramatically shown us, tend to spill over and threaten the stability of entire regions, and threatening markets for American business overseas.

The Republic of Cyprus has worked to develop a stable economy and an important economic role for itself in the Mediterranean and Europe. It attracts millions of tourists to its shores annually, and also serves as an economic focal point for the entire eastern Mediterranean region. Furthermore, the Republic of Cyprus is one of the few countries that has met the tough economic criteria of the Maastricht agreement, indicating its promise as a future actor in European economies.

Yet, can there be real economic stability when 160,000 Greek Cypriots remain displaced and away from their rightful homes? Can there be real economic stability when 35,000 Turkish troops threaten security in the Republic of Cyprus? Can there be real economic stability when the northern half of Cyprus languishes in economic and political isolation under a neo-totalitarian regime?

It is clear, Mr. Speaker, that much work remains to be done to guarantee the health of the Cypriot economy and our own interests in the region. This work begins right here in Congress. We Members must follow the lead of our Representatives, like the gentleman from Florida [Mr. BILIRAKIS], the gentleman from New York [Mr. GILMAN], the gentleman from Illinois [Mr. PORTER], the gentleman from Indiana [Mr. HAMILTON], the gentleman from New York [Mr. ENGEL], and the gentlewoman from New York [Mrs. MALONEY] in their efforts on behalf of Cyprus.

I pledge my support for the resolution they have introduced, House Concurrent Resolution 81. Further, I urge my colleagues to ensure that the foreign aid appropriations bill that we submit to the President will include the $15 million earmark to help Cyprus in these critical times.

Congressional actions, however, are not the only means to complete the work of building a lasting peace in Cyprus. This month's U.N.-sponsored peace talks in New York between Greek and Turkish Cypriots have shown that the international community shares our determination for peace. The European Union, in selecting Cyprus as one of its next members, has especially proven their commitment to progress. Furthermore, the Clinton administration has taken an energetic and more direct approach to the Cyprus issue, and their efforts clearly contributed to the spirit of optimism emerging from this month's U.N. talks.

I further commend the administration's appointment of Ambassador Richard Holbrooke as Special Emissary for Cyprus. The Ambassador will be an important instrument for us to bring about change, most notably, in the following areas.

First of all, human rights. Ambassador Holbrooke should be aware of our objections to Turkey's deprivation of Greek Cypriot possessions, its discrimination against the Greek Cypriot community in Northern Cyprus, its restrictions of liberties in the form of curfews for Greek Cypriots, its confinement of 2,000 Greek Cypriots in detention centers, its imprisonment of Greek Cypriots in Turkey, and finally, its repression of legal recourse for Greek Cypriots living in the occupied areas.

Second, Cypriot unity. We must urge the Ambassador to work for a unified Cyprus, supported by a constitution that provides for proportionate and equitable participation of both Greek and Turkish Cypriots.

Finally, missing persons. We will not abandon the American citizens who count among the 1,619 people who disappeared following the Turkish invasion of 1974. With the continued resolve of Congress, the help of the administration, the cooperation of our European U.N. partners, we will succeed in ending a status quo that fractures Cypriot society and stifles democracy and justice for the people of Northern Cyprus. In doing so, our strategic, economic, and humanitarian interests will be well served.

I want to thank the gentleman from Florida [Mr. BILIRAKIS] for his leadership on this issue, which has been steadfast over the years. When I was a congressional aide here working for the gentleman from Massachusetts [Mr. MOAKLEY], I was well aware of all of his efforts, and I appreciate his letting me be part of this special order.

Mr. BILIRAKIS. Mr. Speaker, I thank the gentleman for his comments and support.

The division of Cyprus, Mr. Speaker, is perhaps most obvious in the divided capital city of Nicosia, located here on a map about in the international center of the island, a city which after the collapse of the Berlin Wall is the last truly divided city in the world. At checkpoints across the city, armed guards stare at each other across an uneasy no man's land. In the center of the city, bullet holes scar buildings and serve as a powerful reminder of the events of 1974.

☐ 1745

It is no wonder that the people of Cyprus, both Greek and Turkish, are ready for peace. Nese Yahsin, a Turkish Cypriot poet, was recently featured in the Christian Science Monitor. Her poem ''Which Half?'' captures the spirit of the two people. ''Which Half?'' is the name of her poem.

She writes:

''They say a person should love their homeland,
that's also what my father often says.
My homeland has been divided in two,
which of the two pieces should I love?''

I find it symbolic that a popular Greek Cypriot composer, Marios Tokas, put this simple four-line verse to music which is often sung by Turkish and Greek Cypriots.

Even with the animosity and intercommunity conflict, the divided people of Cyprus have made progress toward bicommunal living. Recently several thousand young Cypriots from both communities were able to come together for the first time in over 23 years for a U.N.-sponsored pop concert. Despite much protest, the concert was successful and Cypriots from both sides of the island took one step closer to bicommunal harmony.

A couple of years ago I led a delegation over the green line to Famagusta, located here, Kyrenia, located up here, and to the tip of Karpassas, the area of the enclaved Cypriots. Sadly, this line not only divides a nation but people as well. In order for Cypriots living in the occupied zone to visit the southern side of the island, they must first fly to Ankara, Turkey, then to Athens, Greece, and then to the unoccupied portion of the island. In contrast, a trip between the occupied ghost town of Famagusta, where I have had relatives who are displaced, and the thriving holiday resort of Protoras, which is just below the line, would only take a matter of minutes by car.

However, I believe that the tide may be changing and unity in the island of Cyprus is a real possibility. Just last week, Greek and Turkish leaders pledged to overcome decades of tension and threats of war by agreeing to respect each other and settle disputes by peaceful means. I am hopeful that the United States appointment of Richard Holbrooke, as others have said, as special envoy to Cyprus will accelerate the peace process.

Mr. Holbrooke's appointment was well received in Cyprus, Greece, and especially in Turkey. Perhaps, because of his experience and respect in the international community, he will be in a better position than his predecessors to negotiate with the Turkish Government. It seems rather odd, though, doesn't it,

to be negotiating for land wrongfully taken in an illegal invasion and recognized by only one country on Earth?

The United States must re-examine its goals and interests in the region. We must send a strong message to all parties involved—that a divided Cyprus is unacceptable. Furthermore, Congress must send a message to Turkey stressing our commitment to finding a lasting peace on the island of Cyprus. In fact, I am an original cosponsor of House Concurrent Resolution 81, which reaffirms that the status quo on Cyprus is unacceptable and detrimental to the interests of the United States.

Mr. Speaker, I would like to conclude on a note of urgency. Now is the time to take the next step in the Cyprus peace process. Cyprus, Greece, Turkey, and the United States are finally coming together this month in New York to discuss their respective issues. Moreover, Greece and Turkey, with strong pressure from the United States, recently announced their intentions to settle all disputes in a peaceful manner.

However, once the peace process begins, we should only move forward. We must insist that the United States serve as a constructive participant in the peace settlement in order to ensure a just and lasting solution.

As Members of Congress, we must do everything possible to encourage this peace process. It is only through this process that we will achieve our ultimate goal—to reunite the people and the island of Cyprus.

Mr. Speaker, I yield to the gentleman from California [Mr. SHERMAN].

Mr. SHERMAN. Mr. Speaker, I thank the gentleman for yielding to me. I appreciate the efforts of the distinguished gentleman from Florida on this issue. I want to associate myself with the comments that have come earlier.

Those who are watching us have heard the sad story of how this island was divided by force from an invasion of a foreign army 23 years ago today. They have heard how there are nearly 200,000 refugees, over 1,600 missing persons, 5 of them U.S. citizens. Nicosia is today, as the gentleman from Florida pointed out, the only truly divided city and only divided capital in the world.

A few years ago the most famous divided city was Berlin. President Ronald Reagan said, ''Mr. Gorbachev, tear down this wall.'' It is time for Americans to turn to Mr. Yilmaz and say, ''Mr. Yilmaz, tear down this wall. Unite this island. Unite the city of Nicosia.''

I do want to bring to the attention of my colleagues renewed interest in the State Department and the Defense Department to transferring several frigates to the Turkish Navy. This is something that should not be done without a lot of pause and a lot of consideration. There are those that say that we should help the Turkish military because it confronts Iran and Iraq, but I would ask, in an effort to contain Iran and Iraq, where will the Turkish Navy deploy the frigates? The last ocean-going vessel seen in eastern Anatolia was Noah's ark.

These frigates ought to be viewed as an expansion of the Turkish Navy. The people of Cyprus are familiar with that organization's work, and these frigates should not be transferred without an awful lot of careful consideration, both in the administration and here on Capitol Hill.

We are all happy to see Mr. Holbrooke given the responsibility and the mission of trying to bring peace and unity to Cyprus. Now, on the 23d anniversary of a terrible division and illegal invasion, we call for the demilitarization of Cyprus and peace and unity on that island.

Mr. SHERMAN. Mr. Speaker, I rise to join my colleagues in commemorating the somber anniversary of the Turkish invasion of Cyprus on July 20, 1974. I would like to thank Congressman BILIRAKIS for holding this special order.

In the 23 years since the invasion of the Sovereign State of Cyprus, Turkey has illegally occupied 40 percent of the island, maintaining 35,000 troops and installing 80,000 colonists in properties seized from Greek Cypriot refugees who have lived there for many generations. As a result of this human tragedy, 200,000 displaced persons have lost their homes and livelihood, another 1,619, including 5 American citizens remain unaccounted for and several thousand have lost their lives. The enclaved people who remained in northern Cyprus are denied basic human rights such as freedom of movement, access to education, religious freedom or political rights. Today the ''Green Line'' separating the Greek and Turkish portions of the island stands as a testament to this ethnic cleansing.

My colleagues and I have called and will continue to call for a just and lasting settlement of the Cyprus problem that will reunify the land and its people. In House Resolution 81, recently reported from the House International Relations Committee, we called for the withdrawal of Turkish troops and an early substantive initiative toward a resolution. We welcome the recent diplomatic efforts with the appointment of Richard Holbrooke as a Special Emissary for Cyprus and the heightened attention given to this issue by the President. The proximity talks concluded in Troutbeck under the auspices of the U.N. Secretary General and upcoming rounds of negotiations represent a critical window of opportunity for a peaceful resolution of this conflict. As we have stressed to the President and the parties to the conflict, such a resolution must be based on international law, democratic principles and respect for human rights, property rights and freedom of movement.

The resolution of this conflict and the prompt accession of Cyprus to the European Union will guarantee the extension of democratic principles and the rule of law in Cyprus and contribute to the stability of this region, which is critical to our national security interests.

Let the 23d anniversary of the invasion be the last time we commemorate this tragic event. I hope that next year we gather to mark the first anniversary of the reunification of Cyprus and the conclusion of this tragic chapter in the long and rich history of the Cypriot people.

Mr. MARTINEZ. Mr. Speaker, I would first like to commend the distinguished gentleman from Florida for organizing this special order on Cyprus. MIKE BILIRAKIS has truly been a tireless champion for the peaceful resolution of the Cypriot problem.

Mr. Speaker, I join my colleagues this afternoon in observing the 23d anniversary of Turkey's illegal invasion and continued occupation of the island of Cyprus. On July 20, 1974, Turkey unleashed its army on the Cypriot people. Turkey's violent and bloody invasion of this Mediterranean Island State has been rightfully condemned by the United Nations and all peace loving nations of the world.

I would like to applaud Secretary of State Madeleine Albright's recent statement to Cyprus' Foreign Minister Loanis Kasoulides when she said, ''What we seek is the reunification of Cyprus. We believe that the division of the island is unacceptable.'' It is clearly in American national security interests to seek a peaceful settlement to this problem. I would also like to commend President Clinton's decision to appoint ambassador Richard Holbrooke as the U.S. Special Emissary to promote a Cyprus settlement. Ambassador Holbrooke is eminently qualified to meet this new diplomatic challenge.

Mr. Speaker, the 23d anniversary of this brutal invasion should weigh heavily on the conscience of all civilized people of the world who share in the belief that states must eschew the destructive path of naked aggression and abide by the rules of international law. It is time for the world to tell Turkey that the status quo in Cyprus is unacceptable.

Mr. Speaker, the status quo must be broken. The paralysis in U.N. sponsored negotiations must be broken. And the intercommunal strife that has torn Cypriots apart must be settled peacefully. But none of these worthy objectives can occur as long as Turkey continues to violate international law and flout U.N. resolutions condemning its oppressive occupation of one-third of Cypriot territory.

It is indeed a sad testament to the intransigence of Turkey's position that 23 years after its invasion of northern Cyprus, it still maintains 35,000 troops on the island. The Ankara government must come to the realization that its troops in northern Cyprus stand as an obstacle to a just and permanent resolution of the Cypriot problem.

President Glafcos Clerides deserves to be commended for his honesty, flexibility and good faith efforts to broach the divide that needlessly separates Greek Cypriots from Turkish Cypriots. President Clerides statesmanlike position is a far cry from the inflexibility reflected by Turkish Cypriot Leader Mr. Denktash.

Mr. Speaker, any permanent resolution to this issue must take into consideration the anxieties and legitimate concerns of both Greek Cypriots and Turkish Cypriots. However, the first step toward reconciliation and reunification must be the end of Turkey's illegal occupation of northern Cyprus.

Mr. PORTER. Mr. Speaker, we come to the floor today, as we have many times before, to commemorate the sad anniversary of the division of Cyprus. I want to commend my friend and colleague from Florida for initiating this annual special order, and express my deep regret that it is again necessary for us to come together to mark this occasion.

The history of this conflict, marked by strong feelings and a lingering threat of violence, speaks to the difficulty of finding a permanent solution. Over 1,600 Greek Cypriots and 5 Americans are among those who remain missing 23 years after the invasion. A generation of Cypriots on both sides of the green line has

grown up knowing only division, hate and mistrust. Over 35,000 heavily armed Turkish troops continue to occupy the upper one-third of this beautiful country, despite the fact that this military occupation is recognized to be illegal and in violation of numerous U.N. resolutions. Turkish Cypriots are being displaced in their own homeland by settlers from Turkey who do not share their Cypriot culture. While the military division of the island has been a tragedy the world has long recognized, the economic divergence between the two communities which is currently taking place not threatens the future of the island in a different way.

Since I stood here on this date a year ago, the Clinton administration and the international community have made strong statements about their resolve to find a solution to the Cyprus problem. Earlier this year, we heard from the Clinton administration that there would be a big push on Cyprus this year. But we are over half-way through 1997 and a Cyprus solution still seems a distant reality. We appoint envoys and we talk about what needs to be done to bring peace and unity to this tiny Mediterranean country, but when it comes time to deal with hard issues, we have no will to take a tough stand against aggression and in favor of international law. The Cyprus problem has been reviewed at least 150 times during the past 23 years to no avail. We cannot let the 151st effort meet the same fate.

I must say, however, that this year I have some hope that this will be the last time that we have to raise this issue in the context a continuing occupation of over one-third of Cyprus' territory by Turkish troops. The recent appointment of Richard Holbrooke to mediate a permanent solution to this long-running problem indicates a higher level of attention to this issue than we have seen in recent years, and I am hopeful that this interest on the part of the U.S. Government will translate to a greater commitment among the parties to resolve the issues which keep them divided. I know Mr. Holbrooke's abilities are formidable, and it will take all of his diplomatic skills to reach a just solution. I wish him well and urge him to seek a lasting resolution, and not just a quick fix that cannot be sustained. I am also cautiously optimistic about the U.N. initiative that is currently underway, and the encouraging signals that have come out of last weekend's session in New York.

For Cypriots to have a prosperous and secure future, the Turkish troops must leave, enabling Cyprus to once again be whole. Talks are scheduled to begin in 1998 regarding Cyprus' entry into the European Union, and this impending event will be a catalyst for Greek and Turkish Cypriots of goodwill to find a lasting peace and reunite a divided country. I would urge the administration to raise this issue at the highest levels. I also urge our military officials to talk directly with their counterparts in the Turkish military and encourage them to begin withdrawing the troops as a first step toward unification.

Obviously, Mr. Speaker, our country cannot and, in fact, should not involve itself in the negotiations themselves—the parties must resolve this problem themselves. But we can and should do everything possible to establish an environment in which agreement can take place.

Twenty-two years is too long to see a divided island and divided people. It is my deepest hope, that the next special order on Cyprus will be to commemorate and celebrate a new found lasting peace and unity in Cyprus.

Mrs. MALONEY of New York. Mr. Speaker, I rise today to commemorate the 23d anniversary of the 1974 illegal Turkish invasion of Cyprus. The continued presence of Turkish troops in Cyprus is a gross violation of human rights and international law.

Fortunately, since the last anniversary of this tragic event, significant and commendable progress has been made toward a peaceful resolution. Foreign Minister of Greece, Theodoros Pangalos, and Foreign Minister of Turkey, Ismail Cem, have made a nonaggression pact. Furthermore, the President of Cyprus, Glafkos Clirides, and the Turkish Cypriot leader, Rauf Denktash, met in a first round of United Nations talks. A second round is scheduled for next month.

The United States has also contributed to the region's efforts to reach a settlement. Richard Holbrooke has been appointed U.S. Special Envoy to Cyprus and U.S. Secretary of State Madeleine Albright was involved in mediating the nonaggression pact between Greece and Turkey. Furthermore, I am pleased with the success that my colleague, Representative BILIRAKIS, and I had in the formation of the Congressional Caucus on Hellenic Issues. Only 1 year old, the 62 member caucus has played a leading role in ending the U.S. sale of Seahawk helicopters to Turkey.

The invasion of Cyprus by Turkey was an outrageous show of inhumanity. We must remember that 200,000 Greek Cypriots were expelled from their homes and that 1,614 Greek Cypriots and 5 Americans were seized by Turkish troops and remain unaccounted for to this day. And, consistent with the dictates of human decency, we must strive to reach a peaceful, fair solution without delay.

Mr. Speaker, I ask that my colleagues rise with me in commemoration of the 23d anniversary of the invasion of Cyprus. Many of my own constituents in Astoria, Queens, continue to suffer as they wait for more information on the fate of their relatives. I am hopeful that a resolution will soon be reached and the pain caused by this inhumane invasion will be alleviated. Thank you.

Mr. MCGOVERN. Mr. Speaker, I rise to join my distinguished colleague from Florida, Mr. MIKE BILIRAKIS and all those who acknowledge today this sad date in the history of Cyprus. I rise to add my name to the long list of Members of Congress who throughout the past 23 years have decried Turkey's brutal invasion of this Mediterranean island.

After 23 years, some might be tempted to throw in the towel, to believe that these 23 years of Turkish occupation of Northern Cyprus prove the helplessness of the international community in the face of ethnic strife and injustice. Some might even say that our yearly acknowledgement of this tragic event are wasted words. I say that now more than ever, we need to voice our resolve, our ongoing commitment to building a lasting peace for all the people of Cyprus. As we've witnessed in so many parts of the world, peace building does not happen overnight—it requires hard work, vigilance, and the very resolve that we've maintained over the years and that will help us undo Turkey's wrongdoing in Cyprus.

Mr. Speaker, we cannot let our determination falter. To do so would allow the persistence of injustice, and, equally as important, harm our own interests. Ethnic conflicts, as Central Africa has so dramatically shown us, tend to spill over borders, compromising the stability of entire regions, and threatening markets for American business overseas. The Republic of Cyprus has worked to develop a stable economy and an important economic role for itself in the Mediterranean and Europe. It attracts millions of tourists to its shores annually, and also serves as an economic focal point for the entire Eastern Mediterranean region. Furthermore, the Republic of Cyprus is one of the few countries that has met the tough economic criteria of the Maastricht agreement, indicating its promise as a future actor in European economics.

Yet, can there be real economic stability when 160,000 Greek Cypriots remain displaced and away from their rightful homes? Can there be real economic stability when 35,000 Turkish troops threaten the security of the Republic of Cyprus? Can there be real economic stability when the northern half of Cyprus languishes in economic and political isolation under a near totalitarian regime? It is clear, Mr. Speaker, that much work remains to be done to guarantee the health of the Cypriot economy and our own interests in the region.

This work begins right here in Congress. We Members must follow the lead of Representatives GILMAN, HAMILTON, PORTER, BILIRAKIS, ENGEL, and MALONEY in their efforts on behalf of Cyprus, and I pledge my support for the resolution that they have introduced, House Congressional Resolution 81. Further, I urge my colleagues to ensure that the Foreign Aid Appropriations bill that we submit to the President will include the $15 million earmark to help Cyprus in these critical times.

Congressional actions, however, are not the only means to complete the work of building a lasting peace in Cyprus. This month's U.N.-sponsored peace talks in New York between Greek and Turkish Cypriots have shown that the international community shares our determination for peace. The European Union, in selecting Cyprus as one of its next members, has especially proven their commitment to progress.

Furthermore, The Clinton administration has taken an energetic and more direct approach to the Cyprus issue, and their efforts clearly contributed to the spirit of optimism emerging from this month's U.N. talks. I further commend the administration's appointment of Ambassador Richard Holbrooke as Special Emissary for Cyprus. The Ambassador will be an important instrument for us to bring about change, most notably in the following areas:

First of all, human rights. Ambassador Holbrooke should be aware of our objections to Turkey's deprivation of Greek Cypriot possessions, its discrimination against the Greek Cypriot community in Northern Cyprus, its restriction of liberties in the form of curfews for Greek Cypriots, its confinement of 2,000 Greek Cypriots in detention centers, its imprisonment of Greek Cypriots in Turkey, and finally its suppression of legal recourse for Greek Cypriots living in the occupied areas.

Second, Cypriot unity. We must urge the Ambassador to work for a unified Cyprus, supported by a constitution that provides for proportionate and equitable participation of both Greek and Turkish Cypriots.

And finally, missing persons. We will not abandon the American citizens who count among the 1,619 people who disappeared following the Turkish invasion of 1974.

With the continued resolve of Congress, the help of the administration, and the cooperation of our European and United Nations partners, we will succeed in ending a status quo that fractures Cypriot society and stifles democracy and justice for the people of Northern Cyprus. In doing so, our strategic, economic, and humanitarian interests will be served.

I thank the gentleman from Florida for his leadership on this issue.

Mr. FRELINGHYSEN. Mr. Speaker, for 23 years now, the citizens of Cyprus have had to endure a national divided by a 112-mile barbed-wire fence guarded by thousands of soldiers on either side.

Since the Turkish invasion of the island on July 20, 1974, the Turkish Government has fortified the northern section of Cyprus with hundreds of tanks with more than half a billion dollars per year in military spending for only 175,000 inhabitants. In fact, defense spending accounts for approximately three-quarters of the gross domestic product for the Turkish-occupied section of Cyprus. It is time to send the Turkish tanks homes and let the citizens of Cyprus decide the future of their island.

While appeals for self-determination and peace continue to fall on deaf ears in Ankara, there is renewed hope for peace and freedom in Cyprus. United States Ambassador Richard C. Holbrooke, who brokered the Dayton Peace Accord for Bosnia, was recently assigned to be United States Special Emissary for Cyprus. This is a clear sign that the Clinton administration is finally giving Cyprus the diplomatic attention that it so desperately needs. I have long held the belief that the United States, along with the United Nations, the European Union, and interested countries can play a critical and constructive role in facilitating efforts toward a peaceful, just, and lasting resolution for the Cypriot people.

Mr. Speaker, my colleagues and I, gathered here today, stand ready to do what we can to assist Ambassador Holbrooke in his efforts during the peace process. In fact I recently signed the following letter, along with many of my colleagues, to President Clinton which expresses our hope and support for a just and speedy resolution for the people of Cyprus. I would like to include the text of that letter for the RECORD.

CONGRESS OF THE UNITED STATES,
Washington, DC, July 10, 1997.

THE PRESIDENT,
The White House, Washington, DC.

DEAR MR. PRESIDENT: We are writing to welcome your appointment of Ambassador Richard C. Holbrooke as your Special Emissary for Cyprus. The decision is certainly a positive development and reflects the high priority the Administration is attaching to the just and speedy resolution of the Cyprus issue.

The remainder of the current year, as well as next year, offers a window of opportunity and new hope for progress on the issue. The meetings this week in New York between President Clerides and Mr. Denktash can be a positive development. We also believe that the prospect of Cyprus' accession to the European Union, with negotiations scheduled to start early next year, can act as a catalyst and reinvigorate efforts to achieve a comprehensive and lasting settlement. We hope that all sides will recognize the benefits of such a prospect and grasp this significant opportunity.

We, in Congress, have long considered the forcible division and foreign occupation of Cyprus as unacceptable and a continuing source of tension and instability in an area, which undermines our national interests. We have therefore consistently supported a peaceful, just and lasting resolution of the Cyprus problem that will reunify the island and its people. Such a solution will also strengthen peace and stability in the volatile Eastern Mediterranean and significantly advance our national security interests in the region and beyond.

We firmly believe that the United States, in coordination with the United Nations, the European Union and interested governments can play a critical and constructive role in facilitating efforts towards this end.

We wish to express our views on what the basis of such a solution should be. We believe that the principles of this resolution should include a reunited country, with a strong federal government in which the federated states derive their powers from the federal constitution. A democratic constitution would create such a federal government and would insure the rights of all citizens, including the rights of all communities. The Constitution would also guarantee private property rights and free travel to all parts of the country.

We believe that these principles are based on international law, the provisions of relevant United Nations Security Council resolutions, our democratic principles, a respect for human rights, and would be in accordance with the norms and requirements for accession to the European Union. A solution that does not encompass those principles would not lead to a lasting peace.

Your appointment of Ambassador Holbrooke, the prospect of the European Union accession negotiations and recent positive developments in the Eastern Mediterranean give all of us hope that we will, at long last, witness real progress towards a final resolution of this tragic problem. We are ready to assist your efforts, and the efforts of your emissary, in the best possible way and look forward to cooperating with you closely during the process. We wish to be kept closely advised of the progress that takes place.

Sincerely,

Robert Menendez, Luis V. Gutierrez, Thomas J. Manton, Peter Deutsch, Donald M. Payne, George W. Gekas, Ed Pastor, Robert E. Andrews, Ileana Ros-Lehtinen, Alcee L. Hastings, Brad Sherman, Bob Clement, Albert R. Wynn, Rubén Hinojosa, Bob Filner, John Lewis, Frank Pallone, Jr., John Edward Porter, Sander Levin, Carrie P. Meek, Patrick J. Kennedy, Gary Ackerman, Maurice D. Hinchey, Bill Pascrell, Jr., William O. Lipinski, Marty Meehan, Tom Lantos, David E. Bonior, Michael R. McNulty, Carolyn B. Maloney, Michael Pappas, Stephen Horn, Michael Bilirakis, Mike Forbes, Curt Weldon, Robert T. Matsui, Eliot L. Engel, Earl Blumenauer, Steven R. Rothman, Sherrod Brown, Tim Holden, Esteban E. Torres, John F. Tierney, Lincoln Diaz-Balart, Nancy Pelosi, Joseph P. Kennedy II, Darlene Hooley, Charles E. Schumer, Rod R. Blagojevich, Gene Green, Ed Bryant, Nita Lowey, Ron Klink, Walter Capps, Sue W. Kelly, Jim McDermott, Glenn Poshard, Sam Gejdenson, Owen B. Pickett, Herbert H. Bateman, Jane Harman, Howard L. Berman, Rod Frelinghuysen, Elizabeth Furse, Marcy Kaptur, Dennis J. Kucinich, Mike Doyle.

Mr. FORBES. Mr. Speaker, it is with great sadness and frustration that I rise this evening to commemorate the 23d anniversary of an international crisis. On July 20, 1974, Turkish forces invaded the Island Nation of Cyprus, capturing nearly 40 percent of the country and 70 percent of its economic wealth. The invasion was a craven act of aggression resulting in thousands of deaths, the expulsion of 200,000 Greek-Cypriots from the northern territory of Cyprus and today 1,619 people, including some Americans, are still unaccounted for. The Turkish Government's unjust actions are atrocious violations of human rights.

A permanent reminder of this tragic event is the Green Line, a barbed wire fence that severs the nation, cutting across family and community ties that had been intact for generations. This oppressive occupation is illegal and the Turkish Government's self proclaimed Turkish Republic of Northern Cyprus is not recognized in the international community. Despite the government of Cyprus making every attempt possible to bring peace to the region, Turkish troops, that number well over 35,000, are still intact. Turkish warplanes continue to fly over Cypriot airspace undeterred by the ban on military planes overflying the island. Turkey simply refuses to cooperate in seeking a compromise and has even threatened war if Greece asserts its legitimate rights.

The United States Government has always supported a solution to the Cyprus crisis and it's important to continue, in fact, it is time for Congress to get even more vocal on the issue. Fortunately, there are signs indicating this is becoming a top foreign policy priority as Richard Holbrooke will be a special envoy to frame a settlement. This is encouraging news as Holbrooke was the key negotiator of the 1995 accord that ended the ethnic war in Bosnia. By pressing Turkey to remove its illegal occupation and to constructively work for a resolution we look forward to celebrating the end of this conflict. Until that happens, the Turkish Government must know the United States will continue to mark this anniversary and speak out for the suffering in Cyprus.

As founders of democracy, Greece and the United States share a special and unique kinship. The Republic of Cyprus is an example of a country that has maintained its democratic institutions under extremely difficult circumstances. It is for these reasons that I vehemently oppose the continued Turkish occupation of Cyprus. I am a proud sponsor of H.R. 81 the demilitarization of Cyprus proclaiming the status quo unacceptable.

Mr. Speaker, I would like to thank the gentleman from Florida, Congressman BILIRAKIS, for once again taking a leading role in organizing these annual special orders. Rest assured I will continue to be a supporter of Cyprus' security interests and urge all Members to support peace and reconciliation in the region.

Mr. CAPPS. Mr. Speaker, as a new Member, it is an honor to participate in this important special order. As a Member of the International Relations Committee who is privileged to represent many Cypriot-Americans, I believe it is imperative to call attention this evening to the 24th anniversary of the tragic invasion of Cyprus.

First, I want to commend the gentleman from Florida [Mr. BILIRAKIS], and the gentlewoman from New York [Mrs. MALONEY], not just for organizing tonight's event, but for their leadership as co-chairs of the Congressional

caucus on Hellenic Issues. I am proud to have joined more than 60 of my colleagues on the Caucus, whose goal is to advance our national interests by educating Members on the military, diplomatic and human rights issues that are paramount in this region.

Tonight, as we discuss the beautiful island of Cyprus, we reflect on the past and look with hope toward the future. Sadly, the event we commemorate this evening is one of the most horrifying and tragic in recent history. Twenty-four years ago, Turkish forces invaded Cyprus. As a result, 200,000 Greek Cypriots were evicted from their homes and watched as their property was confiscated. Most tragically, more than 1,600 Cypriots and 5 Americans were captured by Turkish troops and remain unaccounted for to this day.

For almost a quarter of a century, the situation has not demonstrably improved. The Turks still occupy over a third of the island with 35,000 heavily armed troops. Human rights abuses are still common, violent clashes between the two sides flare up with regularity, and the families of the missing still await any news about their loved ones.

Unfortunately, this pattern of behavior on Turkey's part is not restricted to Cyprus. Earlier this year, the International Relations Committee noted in the State Department funding bill that the Ecumenical Patriarchate in Istanbul has been the subject to terrorist threats without the protection of the Turkish government. And just yesterday, the Washington Post editorialized about Turkish mistreatment of its Kurdish minority and of journalists who write about this conflict.

But as we lament two dozen years of despair, recent events give us some cause for hope. Mr. Speaker, I believe President Clinton demonstrated his commitment to finding a just and lasting solution to the Cyprus conflict by naming Ambassador Richard Holbrooke as special U.S. Envoy. Mr. Holbrooke's diplomatic skills are legendary, and I know that he will work very hard to bring peace and human rights to this troubled land.

In another development, President Clirides and Turkish-Cypriot leader Denktash met recently for the first time in almost 3 years, and plan to meet again next month. I join my colleagues in urging both leaders to negotiate in good faith so that Cyprus will once again become a united country, free from foreign troops, and a bastion of human rights, peace and serenity. I thank my colleagues for inviting me to participate in this important special order.

Mr. ROTHMAN. Mr. Speaker, I rise today to honor the Greek-Cypriot people and express my support for the unified Cyprus. For too long, Greek-Cypriots have been living in a divided nation. It is my firm belief that the time has come for a reversal of the unlawful territorial gains made by Turkish forces in 1974, and for a unified Cyprus to once again assume its rightful place among nations.

I am optimistic that a unified Cyprus will begin to emerge in the coming months, especially given the Clinton administration's new commitment to this troubled part of the world. I believe the appointment of Mr. Richard Holbrooke as our Nation's special envoy for Cyprus marks the beginning of this long-awaited transformation.

Greek-Cypriots have always been the majority in Cyprus. Unfortunately, the tragic events of July 20, 1974 created a divided Cyprus. When Cyprus gained independence from Britain in 1960, Turkish-Cypriots aggressively sought to dominate the newly independent state of Cyprus. While Cyprus' 1960 constitution provided for power-sharing between the Greek and Turkish-Cypriot communities, the Turkish-Cypriot community, which constituted 18% of the island's population, gained veto powers over legislation and became entitled to a disproportionate share of governmental posts.

Mr. Speaker, on July 20, 1974, Turkey invaded Cyprus and declared victory by securing 37% of the island's territory. This unilateral military action led to the flight of thousands of refugees from their ancestral homeland. To this day, over 35,000 Turkish troops remain on Cyprus. That is 35,000 too many troops. That is 35,000 too many war-makers. What we need on the island of Cyprus is not more troops, not more armed forces from the Republic of Turkey, but peace-makers, people who are willing to secure a genuine peace, restoring unity to the proud people of Cyprus.

Mr. Speaker, my final remarks concern the solemn memory of the 1,619 Greek-Cypriots, who to this day, remain unaccounted for after Turkey's 1974 invasion. Among these individuals were five Americans, who like the others, share a fate unknown and whose loss pains their respective families to this day. So as the reconciliation process moves forward, I for one, strongly believe that officials from the Republic of Turkey must account for the missing. They must work hard to bring to a close the tragedy born out of their decision to invade Cyprus in 1974.

On behalf of my Greek and Cypriot-American constituents, it is a solemn honor to join with them on this day and stand in solidarity with their cause.

Mr. MANTON. Mr. Speaker, July 20th will mark the 23d anniversary of Turkey's illegal invasion of Cyprus and their continued occupation of the country of Cyprus. I rise today to join my colleagues to commemorate this event. I particularly want to thank Congressman BILIRAKIS for arranging this special order.

Mr. Speaker, this is an important event in the history of Cyprus because it marks the end of the Greek Cypriots freedom to practice their religion, educate their children as they see fit and express themselves in an open and free manner.

Since Turkey first invaded Cyprus in 1974, 1,619 people, including five Americans, were last seen alive in the occupied areas of Cyprus and have never been accounted for. We must not let the passage of years weaken our determination to pressure the Turkish Government to provide answers for the families of the missing. We cannot forget that their suffering continues.

Last summer, Cyprus was witness to some of the worst outbreaks of violence in their region since 1974. The two separate hostile incidents left two young men dead and many injured. This illustrates the need to bring to an end the illegal occupation of the island of Cyprus. Although there has been little reescalation of violence since then, an uneasy calm continues to hand over the divided island.

During my time in Congress, I have taken an active interest in Greek issues. As a member of the Congressional Hellenic Caucus, I have continuously strived to find a solution to the problem that plagues Cyprus and her people. I have appreciated the opportunity to work with my colleagues in Congress on a number of other issues which directly impact the Greek and Greek-American communities.

A number of pieces of legislation addressing the Cyprus issue and those related to it have been introduced during the 105th Congress and I am proud to be a cosponsor of these important bills. In particular, House Concurrent Resolution 81 calls for a United States initiative seeking a just and peaceful resolution of the situation in Cyprus. In addition, H.R. 1361 would prohibit economic support fund assistance under the Foreign Assistance Act of 1961 for the Government of Turkey for Fiscal Year 1998 unless they make certain improvements relating to human rights.

This week in the Catskill Mountains a glimmer of hope has emerged through the tension which has hunted the island of Cyprus for over 20 years. The two leaders of Cyprus, Rauf Dentkash and Glafcos Clerides, have been enemies in the past, however, their discussions seem to be leading in the direction of finding a solution to the problems they, and their people, have been facing for so many years. I was pleased to learn of the positive feedback given by the leaders and by the United Nations about what has been accomplished during these talks so far and the hope for a positive outcome.

I would also like to take this opportunity to extend my congratulations to Ambassador Richard Holbrooke for becoming the new special emissary for Cyprus. His past success and leadership on the peace process in Bosnia was an asset to Bosnia, the United States and the entire international community. I am confident his expertise and rigorous diplomacy will produce a positive outcome to the situation in Cyprus.

Earlier this year, I was pleased to meet with Rev. Christophorou Christophorou, the president of the Cyprus National Committee of Struggle for the Missing Persons, during the annual conference of PSEKA. We discussed the issue of those missing from Cyprus as a result of the Turkish invasion of the 1974 and other issues important to the people of Cyprus.

Turkey holds the key to ending the Cyprus situation. It is my hope that next year we will be celebrating the end of the strangling occupation of Turkish troops on the island of Cyprus and the people of Cyprus may once again enjoy the freedoms so many of us enjoy and take for granted.

Mr. KENNEDY of Rhode Island. Mr. Speaker, I would like first to thank my colleague from Florida, Mr. BILIRAKIS, for organizing this special order acknowledging the 23d anniversary of the Turkish occupation of the island of Cyprus. It is imperative that we correct Cyprus' situation as a divided state. The people of Cyprus are divided into two states ruled by two governments. The Greek Cypriots in the south are ruled by the Republic of Cyprus, erected in 1960 when independence was granted. The north has been occupied by the Turkish since 1975, when they illegally invaded the island.

The divided Cyprus is a story of two nations; one a well balanced democracy with three thriving parties, the other a militarily occupied area. The economic disparity in the divided Cyprus is even more pronounced. The south's economy is booming as the result of their low trade barriers and free market economies. Their GNP has risen at a record-breaking rate as unemployment falls. Meanwhile,

the economy of the north has stagnated and inflation run rampant at 70 percent as the Turkish close it off from the rest of the world. For there ever to be peace and prosperity on the island of Cyprus, a unified independent government protecting all of Cyprus must be created. A critical part of such an event will be the withdrawal of Turkish troops from northern Cyprus. Only then will Cyprus become the thriving member of the European trade community it has the potential to become.

In my State of Rhode Island we have a strong Greek and Cypriot community, which has brought the plight of Cyprus to my attention. Only when we, in Congress, show our strong support for a unified Cyprus will the necessary changes occur.

Ms. PELOSI. Mr. Speaker, I rise today to join with my colleagues in marking a sad day, the 23d anniversary of the Turkish invasion and partition of the Republic of Cyprus. I would like to thank and comment Mr. BILIRAKIS of Florida for his vigilance and commitment to a peaceful resolution of this illegal act which cast a pall on the world stage on July 20, 1974.

This is, perhaps, the first time in 23 years that we can reasonably talk about an end to the standoff on Cyprus. Many of us in the House have long fought for peace, some from the very moment the Turkish army landed on the island nation's northern shores, depositing thousands of troops and armor in a bald-faced land grab. Tragically, it was with U.S. arms in hand that Turkish soldiers committed their brutal acts of atrocity. Today, only Turkey recognizes the Turkish Cypriot state which declared independence in 1983. No other nation has taken that step.

Recently, President Clinton showed us reason for hope. With the appointment of Richard Holbrooke as his special envoy for Cyprus, the President gave every indication that the clock is ticking, and he intends there be peace on Cyrpus. Greek and Turkish Cypriot leaders sat down in upstate New York only last week to lay the groundwork for future talks. All of this is encouraging, and significant for a region which could explode at any moment. At present Cyprus is a tinderbox: 35-thousand Turkish troops are on the island and stand ready to rip it apart. Despite the tension on the island, and the longstanding animosity between Greece and Turkey, it has been Greece which has shown a desire to move the peace process forward, sounding a conciliatory tone toward Turkey, a move which I commend and support.

While we work for an end to the Turkish occupation of Cyprus, we must do so within the context of a just peace. Peace should come with a full accounting of the atrocities committed against the Greek Cypriot community. Nearly 2,000 people, including 5 Americans, are still missing, unaccounted for, 23 years after the invasion; thousands of Greek Cypriots have been uprooted from their homes. We cannot allow more than two decades of human rights abuses to go uninvestigated.

A just peace, Mr. Speaker, is a lasting peace. The people of Cyprus deserve no less.

Mr. GILMAN. Mr. Speaker, today's special order on Cyprus comes on the eve of the 23d anniversary of the brutal invasion by Turkish troops. I congratulate my friend, the gentleman from Florida, [Mr. BILIRAKIS] for organizing this special order. As we observe this sad anniversary, the international community is still faced with the fact that in excess of 30,000 Turkish military personnel remain on the island to enforce an illegal partition and protect a self-proclaimed government that has been recognized by only one other country—Turkey itself.

Those of us in Congress who have supported a negotiated settlement to the dispute which has led to the division of Cyprus are painfully aware of the complexities of the issue, the injustices committed, and particularly the suffering over these many long years of the Cypriot people on both sides of the green line.

Indeed, Cyprus has become a code word for stalemate and intractability in international diplomacy.

Last week there occurred a new, positive development in Madrid on the fringes of the NATO summit. The Foreign Ministers of both Greece and Turkey met together under the auspices of our own Government and agreed on a set of principles to guide the resolution of disputes between our two NATO allies. The essential element of the statement issued by the Foreign Ministers is that disputes between Greece and Turkey are to be settled through peaceful means and will be based on the mutual recognition of their legitimate interests. While this communique was related specifically to disputes in the Aegean, I am hopeful that it will inaugurate an era of better understanding on all the issues that concern Greece and Turkey, including Cyprus itself. Although a resolution of the Cyprus problem depends first and foremost upon the will of the Cypriot people themselves, regardless of their ethnic background, certainly a better relationship between Greece and Turkey can play a critical role in helping resolve this vexing international dispute.

It is gratifying that the Clinton administration seems more interested than in the past in finding a solution for Cyprus. The announcement last month that President Clinton has appointed Ambassador Richard Holbrooke as Special Envoy for Cyprus is also promising. If Ambassador Holbrooke brings the same energy and determination to Cyprus as he brought to ending the conflict in Bosnia, it is hopeful that he will be able to convince the Cypriot people to put behind them their differences and work out a just and peaceful settlement.

The shape of a possible settlement is out there. I believe that both President Clerides and Mr. Denktash are men who can rise above the recent enmity that has developed between the two communities, and find a way to reunite the island based on mutual goodwill and confidence. We should all encourage the two leaders to make the most of the direct talks which began in New York last week.

Old history and grievances must be placed behind us as we seek to resolve the division of Cyprus. It is hoped that both sides will reach within themselves to find the resolve to settle this persistent problem. The Greek Cypriots have demonstrated flexibility and the spirit of compromise in recent rounds of U.N. sponsored talks. We call upon Mr. Denktash to demonstrate the same flexibility.

Twenty-three years is too long a time. There are now young people coming of age in Cyprus who know nothing other than the experience of living in a divided society. For this next generation what can guide them in learning to accept life with a neighboring but different culture? Time is running out for the possibility of achieving a peaceful settlement, and the people of Cyprus now have to ask themselves if the enmity between the two communities is truly worth the price of a divided nation.

Mr. COYNE. Mr. Speaker, I rise today to commemorate the 23d anniversary of the invasion of Cyprus by Turkish military forces, and to express my support for U.N. Secretary-General Kofi Annan as he strives to bring a long awaited peace to this troubled island.

After 23 years, the people of northern Cyprus continue to be ruled by Rauf Denktash, who assumed control on July 20, 1974, with the assistance of 6,000 Turkish troops. There are still 1,619 people whose whereabouts remain unknown in the wake of the Turkish assault that captured 40 percent of the island. Of the 1,619 missing, 5 are United States citizens.

The United Nations has always recognized the Greek Cypriot Government as the legitimate government of the island, while Turkey remains the only country that recognizes Denktash's government and supports it with 30,000 troops scattered at military posts throughout the north of Cyprus. The Turkish Cypriot Government has continually refused to make progress toward a solution to the conflict.

In the past years, the international community has attempted to pressure Turkey to pull its hand away from the Cyprus conflict. Last year, the Clinton administration made an attempt to ease tensions by sending Special Presidential Emissary Richard Beattie to the region. Beattie's efforts were unsuccessful because neither Turkey or the Turkish Cypriot Government seemed willing to work toward facilitating change.

Last week, the United Nations brought the Greek and Turkish Cypriot leaders together in upstate New York for several days of talks. President Glafco Clerides of Cyprus and Rauf Denktash are meeting face to face for the first time in 3 years. The aims of the talks are to achieve a bizonal, bicommunal federation between the two sides. It is my belief that the United Nations, the European Union, and the United States should continue to keep pressure on the Turkish Cypriot leaders and the Turkish Government in order to facilitate a peaceful resolution to this conflict.

Mr. Speaker, the Cypriot people deserve peace and prosperity. Let us send a clear message that the United States Congress supports the United Nations efforts to bring pace to the people of Cyprus.

Mr. WELDON of Pennsylvania. Mr. Speaker, July 20, 1997, marks the 23d anniversary of the illegal invasion and occupation of the Republic of Cyprus by Turkey. The legacy of this invasion and subsequent division of Cyprus continues to this day, making Cyprus the only country in the world divided by a wall. Constructed by the invading Turks in an effort to divide the island, the Green Line, as it has become known, is a symbol of the ugly face of naked aggression.

This aggression came on July 20, 1974, in the form of 6,000 Turkish troops and 40 tanks. Turkish forces successfully seized 40 percent of the island which represented 70 percent of the Nation's economic health; 200,000 Greek Cypriots were forced from their homes by the invading forces, and to this day, 1,619 people remain unaccounted for—5 of them American citizens.

Turkey has since fortified its illegally obtained gains by placing 30,000 troops and 65,000 settlers in the land that rightfully belongs to the forcibly ousted Greek Cypriots. We simply cannot validate an unwarranted, unprovoked invasion of a peaceful, self-governing republic by allowing Turkish occupation to continue. The presence of the Turkish troops represents the continuing shackles of occupation and oppression and also demonstrates a gross violation of human rights and international law.

I am encouraged by the undaunted spirit and courage of the Greek Cypriots in the face of this occupation. That is why I hope that the 23d anniversary that July 20 signifies will rekindle American and international intolerance of aggression and inspire us to nullify the rewards Turkey has reaped as a result of this illegal action. The Greek Cypriots deserve this justice and I remain committed to efforts to deliver this to them.

Ms. LOWEY. Mr. Speaker, I rise this evening to pay tribute to a dubious anniversary. As we sit here, after 23 years of Turkish occupation of Cyprus, it is especially appropriate to recognize the struggle for the freedom of all Cypriots that has been waged for more than two decades.

It was over two decades ago that 6,000 Turkish troops and 40 tanks landed on the north coast of Cyprus, and more than 200,000 Cypriots were driven from their homes and forced to live under foreign occupation. Over two decades ago, and still Turkey has thousands of troops on the island. Over two decades ago, and we still don't know what became of the 1,614 Greek Cypriots and 5 American citizens missing since the Turkish invasion.

That is why I'm pleased that we have this opportunity today. Today, we remember what happened in Cyprus 23 years ago and we pledge to fight to end the occupation. Today, we also look toward the promise of the future. President Clinton recently demonstrated his commitment to solving this difficult issue by appointing Richard Holbrooke as the special envoy to Cyprus. I applaud the President for this decision and I hope that it will lead to a real solution for Cyprus. I hope that this time next year we will be standing here on the House floor celebrating the end of the Turkish occupation.

We must continue to fight against injustice in Cyprus. We must continue to provide aid to Cyprus to help that country deal with the terrible problems caused by more than two decades of Turkish occupation. And, above all, we must continue to keep the plight of the Cypriots on the minds of everyone around the world.

Ms. ROS-LEHTINEN. Mr. Speaker, this Sunday, July 20, we will be commemorating the 23d anniversary of a tragic day for the democratic people of Cyprus. That was the day in 1974 that a foreign army invaded and occupied the northern one-third of the island.

Since that time the Cypriot people have been struggling to regain their freedom and the House of Representatives and the American people need to be aware of the plight and the suffering of the people of Cyprus. Therefore, I am very pleased that Congressman BILIRAKIS has called this special order so that I may join with him and my other colleagues to bring the suffering of Cyprus to the attention of the general public.

We should note that there are encouraging signs of a growing commitment to find a peaceful resolution to this problem. The President has appointed Ambassador Richard Holbrooke as Special Envoy on Cyprus. Ambassador Holbrooke played a key role in bringing the warring factions in Bosnia to the peace table and to agreement on the Dayton peace agreement. Ambassador Holbrooke, along with the ongoing effort by the United Nations and the European Union member countries, will try to finally bring the 23-year-old dispute to a peaceful resolution.

A peaceful resolution to the Cyprus problem is not just in the interest of the Cypriot people. As a country at the cross roads of the great civilizations of Europe and the Middle East, Cyprus has long been an island where people from all these civilizations and cultures mingled freely and in harmony. Cyprus can and needs to play a stabilizing role in this volatile region of the world, as it once did before. That would be in the United States interest, as well as in the interest of the Cypriot people.

But no peaceful resolution will ever succeed while a foreign military force occupies the northern one-third of the island.

The people of Cyprus understood their cultural diversity and were able to live peacefully together for hundreds of years. Outside forces intervened and then invaded Cyprus, caused the division of the island by barbed wire.

Many thousands of Cypriots were forced to leave their homes and have since been prevented from returning. Hundreds, called the enclaved, remain in the military occupied northern part of the island and are suffering many human rights violations under police-state conditions. They are prevented from freely communicating with or meeting with each other or the outside world. These Greek Cypriots, many of whom are elderly, are forced to send their children away to school and suffer many deprivations and hardships and human rights violations.

I filed legislation in the last Congress and am prepared to refile it if a peaceful resolution is not found to relieve the suffering of the enclaved. This legislation would this redirect United States foreign assistance away from the country who maintains a military force in northern Cyprus and redirect that assistance to the suffering people of the enclaved.

Within the last 12 months, the situation had temporarily become very tense and threatened to escalate which could have set off an international chain reaction, causing many deaths. Thanks to the efforts of cool heads, tensions were reduced. But the world can ill afford to allow the forcibly divided Cyprus situation to continue much longer. We must find a way to find a peaceful, lasting, and real resolution to this problem.

I thank the Greek-American community for bringing the plight of people of Cyprus to our attention and for their ongoing efforts to reunite the island of Cyprus. Recent signs are encouraging but a resolution to the CYPRUS problem remains elusive. We must all keep up the pressure on the Clinton administration and the United Nations and the European Union.

I wish to commend Ambassador Holbrooke and the administration for their efforts thus far and urge them to continue their good work on the crucial problem of Cyprus.

I congratulate my fellow Floridian Congressman BILIRAKIS, for being the guiding force in Congress to bring this issue of peace and true freedom for all of Cyprus to the attention of the House and the general public.

Mr. VISCLOSKY. Mr. Speaker, I rise today to mark the 23d anniversary of Turkey's invasion, and subsequent occupation, of Cyprus.

In 1960, Cyprus gained its political independence from the British Empire. Fourteen short years later, however, this independence was shattered when 6,000 Turkish troops and 40 tanks invaded the north coast of Cyprus and proceeded to occupy nearly 40 percent of the island. The ensuing fighting killed thousands of Cypriots and forced hundreds of thousands from their homes. Today, there are 1,619 people still missing, 5 of whom are U.S. citizens.

Twenty-three years after the invasion, we gather to remember those who died and to ensure that the world never forgets that Cyprus is a land divided. More than 35,000 Turkish troops continue to occupy Cyprus in violation of international law. A barbed wire fence cuts across the island, separating families from their property and splitting this once beautiful country in half.

I am pleased that President Clinton has taken positive steps to resolve the situation in Cyprus, including his recent appointment of Ambassador Richard Holbrooke as a special envoy to Cyprus. I strongly encourage Ambassador Holbrooke to hold Turkey accountable for its brutal occupation of Cyprus and to ensure that the island is returned to its rightful owners.

The occupation of Cyprus is one of the reasons that I offered an amendment to the Fiscal Year 1997 Foreign Operations appropriations bill that would have effectively cut $25 million in United States economic aid to Turkey. This amendment, which the House overwhelmingly approved by a vote of 301 to 118, sends a clear message to Turkey that its illegal and immoral occupation of Cyprus will not be tolerated by this country.

Mr. Speaker, I am proud to join with my colleagues in standing up against Turkish oppression in Cyprus. I would especially like to extend my thanks to the gentleman from Florida [Mr. BILIRAKIS] for his tireless work to ensure that the people of Cyprus are not forgotten. Twenty-three years is a long time to wait, but it is my sincerest hope that our actions will help persuade Turkey to end its unlawful occupation of Cyprus.

Mr. ANDREWS. Mr. Speaker, this week marks the 23d anniversary of Turkey's invasion of the peaceful, self-governing island of Cyprus. For 23 years, Turkey has tried to make the island its own. It has attempted to do this by installing 80,000 illegal colonists, by maintaining over 30,000 heavily armed troops on the island, and by moving 200,000 Greek Cypriots from their homes. Through 23 years of hardship, the people of Cyprus have held on to a hope for peace and for the return of their island. Their purpose has not been revenge, but negotiation and reconciliation. Here in the House of Representatives, we have the opportunity to help the cause of justice. Several colleagues and I sent a letter recently to the President outlining our concern for the delicate peace process in Cyprus. We wrote welcoming the appointment of Ambassador Holbrooke as Special Emissary for Cyprus, and what we believe a lasting and peaceful solution should look like: a reunited country, with a strong federal system; a democratic constitution which would insure the rights of

the minority; and guaranteed property right and free travel. I then went one step further and wrote directly to Ambassador Holbrooke and asked him the following two questions: First, if the Turkish Government fails to negotiate in good faith, what actions, sanctions or otherwise is the United States prepared to take? Second, if the Turkish Government fails to negotiate in good faith, what incentives will the United States provide Turkey, in recognition of this major step forward? While I have not yet received a response to my questions, there is no doubt in my mind that this Congress can have a positive effect on the outcome of peace for the island nation.

I urge my colleagues to cosponsor H.R. 388, legislation I have introduced that would cut off all economic and military assistance to Turkey until that country complies with several conditions, including progress toward withdrawal from Cyprus. As saddened as I am by their plight, as dismal as their treatment by a foreign force has been, we should all be inspired by the patience, courage and faith shown by the people of Cyprus. Let us make this the year when the people of Cyprus once again can govern themselves with peace and dignity.

Mr. LEVIN. Mr. Speaker, I want to thank my esteemed colleague from Florida, Mr. BILIRAKIS for organizing this special order on the 23d anniversary of the Turkish invasion and occupation of Cyprus.

In 1974, Turkey launched an invasion of the island of Cyprus that resulted in thousands of deaths, the displacement of over 200,000 people from their homes, and the occupation of 38 percent of the island of Cyprus by Turkish armed forces.

Today, over 35,000 Turkish soldiers and 80,000 Turkish ''colonists'' occupy the northern portions of the island. They are divided from the Greek-Cypriots by a barbed-wire fence referred to as the ''Green Line.'' This buffer zone is patrolled and maintained by a 1,160-strong U.N. peace keeping force. Periodic outbreaks of violence have broken out along this dividing line. Just last year, an unarmed Greek teenager bled to death after being shot by Turkish troops within sight of peacekeepers. The peacekeepers attempted to rescue the youth, but were fired upon from the Turkish side.

The United States must work to put a stop to this cycle of violence and separation.

I am encouraged by President Clinton's appointment of Ambassador Richard Holbrooke as our Nation's Special Emissary to Cyprus. It is my hope that this, along with renewed efforts by the United Nations and the European Union, will help bring an end to the long entrenched disputes that separate the two sides.

I am also encouraged by the renewal of talks in New York between Greek Cypriot President Glafcos and Turkish Cypriot leader Rauf Dentkash. While the two remain far from an agreement, the leaders have at least resumed a dialogue and agreed to additional talks in Nicosia, the capital of Cyprus, and in Geneva later this year.

According to U.N. Special Envoy Diego Cordovez, the two agree that a settlement is necessary for Cyprus to survive, but still disagree over the particulars of what should be included any final agreement. My hope is that the talks will result in a settlement that includes the complete removal of all foreign forces from the island and the establishment of a free and fair democratic government that represents the interests of all the island's citizens.

In the absence of such an agreement, I would urge the two parties to again consider the option of demilitarization of the island. This could be used as a first step to build confidence between the two sides and remove negative foreign influences from the equation.

Mr. DOYLE. Mr. Speaker, today marks the twenty-third anniversary of an extremely troubling event; the invasion and occupation of the northern part of Cyprus. This takeover was an escalation of unrest and violence that Cyprus had been experiencing since it gained independence from Great Britain in 1960.

As a result of this tragic event, 1,614 Greek Cypriots and five Americans have been missing since the 1974 invasion. In 1996 the Turkish Cypriot President Rauf Denktash, reported that the missing Greek Cypriots had been handed over to Turkish Cypriot fighters who carried out revenge massacres, killing all of those who were missing.

Turkish troops now occupy thirty-eight percent of Cyprus, a segment that is recognized only by the State of Turkey. This occupation has led to the dislocation of thousands of Creek Cypriots from their hometowns, friends, and families. This is an unacceptable situation, and our Nation should act decisively to right this wrong.

The situation in Cyprus continues to get worse. In 1996, the violence in Cyprus reached it's worst level since the 1974 invasion. Violence in the buffer zone increased in 1996 as many supporters from both side were killed throughout the year. In addition to the increase in violence, the Greek Cypriots have begun purchasing SA–10 missiles from Russia, which they will begin receiving in February 1998. This has increased tensions, as the Turkish Cypriots insist they will maintain their troops in Cyprus as the level and the rate of increase of arms in Cyprus continues to increase.

Tolerance and reconciliation needs to be stressed to find a solution to this crisis. Again, I urge that we take the necessary steps to obtain a favorable constitutional and territorial settlement.

Mr. FILNER. Mr. Speaker, I rise today to commemorate an unhappy anniversary—the Turkish military invasion of the Republic of Cyprus in July 1974. Mr. Speaker, it has been twenty three years—the occupation remains in place and the suffering of the people of Cyprus continues.

When the Turkish armed forces invaded Cyprus twenty three years ago, the people of Cyprus were driven from their homes and villages, brutalized, and over 1,600 people—including 5 American citizens—were never heard from again. Since that time, the Turkish military has maintained a barbed wire border, with an occupying force of 35,000 troops, called the green line that cuts through miles of countryside.

Mr. Speaker, Greek-Americans in my home town of San Diego and across the United States also share in the agony created by the occupation of Cyprus. They agonize about missing friends and family, the destruction of the Greek-Cypriot culture and the denial of access to ancestral homelands now occupied by the Turkish army.

These people have suffered too long. It is time for the Turkish occupying force to leave and it is time to allow the people of Cyprus to establish a true and united democracy.

The momentum for a real solution to this tragic situation is developing. Negotiations between the parties are proceeding and President Clinton recently appointed Ambassador Richard C. Holbrooke as his Special Emissary for Cyprus. I agree with him that the time for a peaceful solution to this problem is long overdue. We must work to put an end to this occupation and I urge the parties to continue their talks until a peaceful settlement is agreed to. The time for the withdrawal of Turkish troops from Cyprus is now and the need is urgent. The green line that separates the people of Cyprus must be erased forever.

Mr. ACKERMAN. Mr. Speaker, this week marks the 23d year since the brutal partition of Cyprus, yet the focus of the international community and the Congress on a resolution to this tragic separation has not lessened. If anything, attention on the plight of Cyprus has heightened recently. In 1996 we unfortunately witnessed the worst outbreak of violence since the invasion in 1974. In January of this year the Clerides government signed a contract to purchase Russian S–300 air defense missiles. These factors combined threaten to introduce a new and destabilizing element in the mediation process, and has generated a sense of urgency in the efforts towards achieving a viable settlement. Indeed, the role of the United States in pressing for peace on the island has become even more vital to ensuring the creation of a stable, secure and free Europe.

On June 4, President Clinton named former U.S. Assistant Secretary of State for European and Canadian Affairs, Richard Holbrooke, as Special Presidential Envoy for Cyprus. I wholeheartedly welcome that appointment. As one of our most capable negotiators, Mr. Holbrooke's appointment demonstrates the United States' commitment to help support a final political settlement on Cyprus. I also want to commend the Clinton Administration's announced determination to support the peace brokering efforts of the United Nations, as well as ensuring that 1997 is the year of the ''Big Push on Cyprus.'' I am also delighted to note that the Greek and Turkish-Cypriot leaders, Mr. Clerides and Mr. Denktash, convened recently for U.N.-sponsored direct peace talks. This step can only serve to bear further positive fruit.

There is no doubt about the necessary role that the U.S. Congress must play in assisting the parties in reaching a just and peaceful resolution. That is why I cosponsored House Concurrent Resolution 81, introduced by International Relations Committee Chairman BEN GILMAN. This bill reaffirms that the status quo on Cyprus is unacceptable and detrimental to U.S. interests. The resolution also calls for the complete demilitarization leading to the withdrawal of foreign occupation forces, as well as the cessation of foreign arms transfers to Cyprus—all necessary and vital actions that must be undertaken before any settlement is reached.

The time is ripe for one of the world's most intractable conflicts to disappear into the dustbin of history. In fact, NATO's efforts to expand and redefine its role in the post-cold-war era require that the Cyprus conflict be resolved. As a worrisome source of friction between Greece and Turkey, NATO's anchors in the eastern Mediterranean, it serves as a thorn in the side of the greatest alliance ever forged.

I conclude by reiterating Secretary Albright's remarks that Cyprus is a valued partner in the fight against the new global threats of proliferation, terrorism, illegal narcotics, and international crime. Cyprus and the United States share common values and are committed to building a world based on open markets, democratic principles and the rule of law. These ties demand that the United States continue to work towards assisting the two Cypriot communities in reaching a just and secure peace.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 1031

Mr. PAYNE. Mr. Speaker, I ask unanimous consent that my name be removed as a cosponsor of H.R. 1031.

The SPEAKER pro tempore (Mr. PEASE). Is there objection to the request of the gentleman from New Jersey?

There was no objection.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 2169, DEPARTMENT OF TRANSPORTATION AND RELATED AGENCIES APPROPRIATIONS ACT, 1998

Mrs. MYRICK (during the special order of Mr. BILIRAKIS), from the Committee on Appropriations, submitted a privileged report (Rept. No. 105–189) on the bill resolution (H. Res. 189) providing for consideration of the bill (H.R. 2169) making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1998, and for other purposes, which was referred to the House Calendar and ordered to be printed.

A MESSY DAY IN THE HOUSE OF REPRESENTATIVES

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 1997, the gentleman from New York [Mr. OWENS] is recognized for 60 minutes.

Mr. OWENS. Mr. Speaker, it has been a messy day here in the House of Representatives. Today is July 17. We are certainly midway through the work of this first year of the 105th Congress, and it was most unfortunate that we started the day by pulling a bill which would have reauthorized vocational education assistance, and stopped the forward movement of that bill because there was an amendment on the bill which called for a retention of provisions in the bill which would have encouraged local governments and local education agencies to continue to emphasize vocational-technical education for women.

It was most unfortunate that with the overwhelming support that that amendment seemed to have, which merely wanted to continue what was going on already, that it led to the majority suddenly pulling the bill from the floor and refusing to let the House work its will on a bill which would have provided fair treatment for women in vocational education and technical education programs. In an era when technical education is very much in order, and women certainly can do as well as men in some of the high tech areas that offer the most opportunities for the future, the highest pay, we are not willing to have our own Vocational Education Assistance Act reflect the fact that we want maximum opportunities for women.

So that was an unfortunate start of the day. It has been an unfortunate week in that same manner.

Two days ago we refused to allow the House to work its will on a vote, up or down, on the National Endowment for the Arts. The National Endowment for the Arts seems to upset a small band of Members in the House of Representatives. They insist on harassing and pursuing the National Endowment for the Arts, despite the fact that the overwhelming majority of the American people support the National Endowment for the Arts and support the National Endowment for the Humanities, overwhelmingly.

And the Members of Congress, if given a chance to vote yes or no on the funding for the National Endowment for the Arts, would certainly keep its funding at the present level. We were not allowed to do that. This is a week that the majority chose to use its overwhelming powers, because it is the majority, to manipulate the process, and by one vote we lost on a procedural vote that would have given us the opportunity to vote up or down on that important matter.

Later on today we also experienced the intense annoyance and anger of the minority, the Democrats in the minority of the House, because in the agricultural appropriations bill that was about to come up, the same kind of treatment we had received in some other bills this year and in the NEA vote was being manifested. The ranking member of the agriculture subcommittee of the Committee on Appropriations, the ranking Democrat was not allowed by the Committee on Rules to present an amendment that she had requested.

The power of the majority is certainly great enough to stop on this floor most of what they want to stop and to promote and push what they want to push, past it, but we ought to at least have the opportunity to go on record on certain votes, and we are being denied that. So we had a very messy end to the day, at a point where really we do not have much time left before we adjourn on August 1st.

We are moving to pass appropriations bills. Appropriations bills are the most important bills, probably, that we pass, in that they are the ones that provide the funding to keep our government activities going, and we are going to be rushing through those things in the next 10 working days of Congress.

We also have in the background negotiations going on which are very important, vitally important negotiations on the expenditure plan that was passed by both Houses, negotiations on the tax package. That is ongoing.

We know that those important processes are in the works, and worry about the fact that we are going to be pushed against the wall and stampeded at the last minute on those packages if we do not change the way this House operates. The majority does not, again, respect the will of the minority.

There is another problem also beyond the procedural questions, and that is, I lament the fact and a number of my colleagues lament the fact that the tax and expenditure package, the appropriations bills, as they come up are zeroing out or refusing to even discuss and consider certain important matters that ought to be on the agenda. In this 105th Congress, when we enter a situation where we started out with a lot of talk about bipartisan cooperation, especially in the area of education, I suppose one of the most disappointing absences is the fact that the education initiatives that have been proposed have been watered down so and some are not even on the agenda.

The most important, disappointing absence, in my opinion, is the one related to the school construction initiative. That is not even in the tax package or the expenditure plan which the President and the two Houses are negotiating now. We are grateful for the fact that the President at least has kept the school construction initiative alive by listing it among his priorities. The trouble is that the President has a long, long list of priorities, and we wonder how high on the list the school construction initiative will be.

We also wonder about the fact that the empowerment zones which mean so much to our urban areas, since nothing else has been offered in the last 10 years to deal with very pressing problems in our urban areas, the empowerment zones were considered to be a reasonable answer because both parties would support it since it was a combination of the private sector, the government sector and there was a lot of talk about this is the way of the future, but empowerment zones are not in the package either at this point, except for the President's priority list.

So I guess we will have to be grateful for the President at least keeping these things in the discussion. They are not in the House bill or the Senate bill. Therefore, they would not be on the conference table. So the fact that the President has tax incentives for school construction on the list of items for his tax cut proposals, and he has deductions for K through 12 computer donations on his list, and he has brownfields empowerment zones and enterprise zones, expansion of these in his package, we are grateful for that. We are holding on by a thread.

These are very important matters and I think to shift to the most important area, that is the area of education, not only the most important but the

most universally approved area, the area that everybody agrees we need some forward movement on by the Federal Government, that area also has been pushed into the background. It is almost a certainty that very little is going to happen except in the area of higher education, because the President has made that his highest priority and certainly something very new, however inadequate it might be, is going to happen with respect to higher education.

Our concern for K through 12, however, grows greater because we see less and less discussion or talk about how to move to provide more Federal Government encouragement of the improvement of schools, even in the area that the President, this administration has staked out great interest, and that is telecommunications, education technology and computers.

Even in this area the present movement is kind of feeble. They are going to allow deductions for K through 12 computers. The President has in his list an allowance for deductions by corporations and businesses for K through 12 computer donations. About $300 million is proposed to be allowed over a 5-year period. That is a far cry from what is needed in this area.

□ 1800

In other words, education, I had great hopes for because there was great agreement between the two parties that education should be a priority. So I thought the fact that education is considered a priority by both parties would mean that it would be reflected in the tax package and also in the expenditure package, and it really is discouraging to find that that is not the case.

Maybe we should not give up hope. In fact, I will not say maybe. I want to urge all of those who care about education, which is the overwhelming majority of the American people, not to give up hope, because we were in worse shape, probably in July 1995 when proposals were being made that the Department of Education be totally abolished.

At that time proposals were being made to cut certain federally funded education programs by as much as almost $4 billion. So we held on, we persevered, we insisted that the will of the people, that the polls showing the will of the people be honored. And finally, in the election year 1996, there was a turnaround and education did get a great deal of attention. Instead of the $4 billion cut that had been proposed in 1995, there was a $4 billion increase in 1996.

Some people might say, if they are listening, that they have heard me say this many times before. I cannot say it too often. It was an amazing feat that the party in power decided in an election year, but before the election of 1996, to increase funding for education by $4 billion. It was an amazing feat because it represented the triumph of common sense.

We had been talking all along about the fact that we needed to give more attention and more funding and more support for education. The polls had shown it all along, but the leadership, those who were in charge, refused to recognize it until they were faced with the possibility of losing an election. And, of course, it is to their credit that they understood that at the last minute they had to turn around.

So we had an increase of $4 billion for education programs in the fall of 1996, which leads me to encourage my colleagues to hold on. Because in the fall of 1998 we may witness the same kind of resurrection of an understanding of what the priorities are. We may witness the Republican majority being born again in 1998. In order to do that, we have to be diligent. We have to persevere.

We never let up in 1995 and 1996 on the issue of education. We followed the issue right through the proposals to cut the school lunch programs, all the way down to the various proposals to cut Head Start, to cut title I. We brought the issue to the public again and again in order to let the public know what was happening, and they responded with common sense that got through to the majority and they turned around.

Let us stay on the message of the need for a school construction initiative. Let us stay on the message that it is a small amount compared to the total need. Five billion dollars is what the President proposed. Five billion dollars was under discussion for school construction, mainly in loans, low-interest loans that go to localities and States. It was not adequate, but it was at least a beginning.

To have that beginning snuffed out is not acceptable. So keep it in mind. It is a matter of common sense that the deteriorating schools represent one of our greatest problems. The physical deterioration of schools is not just a New York problem.

I have talked before about the fact that in New York it is astonishing that we still have almost 300 schools that burn coal. They have coal furnaces, and the coal is spewing smoke and substances into the air, which are toxics, of course, and New York has a high rate of asthma among young children.

We have a clear correlation between something that is being done by government-owned buildings, and in this case government-owned buildings that are a part of a program to help children, which are very detrimental to the health of children. We have at least 300, almost 300 of 1,000 schools in New York that still have coal-burning burners.

There is an initiative, which I have just read about in the New York State Legislature, which I want to applaud, to float a bond issue for school construction. I hope that that moves beyond talk in the legislature. It is not as much as is needed, but it may be that the States can prime the Federal Government.

We cannot go it alone. Most States and localities cannot go it alone. But if there are some initiatives at the State level, it might embarrass the Federal Government, it might embarrass the majority here in the House and Senate in order to make them begin to reconsider and move forward.

But the public, the voters, the people with common sense must continue to hold on and understand the seriousness of the situation. There are schools, of course, that have lead poisoning problems, there are many schools which have asbestos contamination, and there is a great space problem, which I have enumerated many times here in connection with New York City. And what happens in New York City is not so different from other big cities.

The fact that these things are pushed aside is very disturbing, because it is not a matter of it costs too much money. The $5 billion over a 5-year period, when compared to other programs, does not amount to much money. They are almost not even arguing the issue of it is too much money anymore.

There are philosophical arguments offered, like the fact that if the Government gives help to States and localities for school construction, it is an unprecedented intervention and an intolerable intervention into the local and State government matters. I think that is ridiculous. Education is not merely a local and State government matter. Education impacts on everything, including our national security.

We have gone through those arguments, and we have had a great deal of involvement of the Federal Government in the jawboning about school improvement. It is time we continue to increase the resources that are provided by the Federal Government.

There is no need to worry about the Federal Government taking over education. At this point the Federal Government only spends between 7 and 8 percent of the total expenditure for education overall. That includes higher education. So the percentage of the Federal Government's involvement in local education is less than 5 percent. And if it was increased greatly, even to 15 percent, it certainly would not mean that the Federal Government could control what happens in terms of decisions, or even up to 25 percent.

I advocate strongly that we move in the next 5 years toward a 25-percent involvement of the Federal Government in education funding. That would be a radical increase, but it is necessary. Even if we had 25 percent of the expenditures, and 25 percent of the funds were provided by the Federal Government, it still leaves 75 percent to be provided by the States and the local governments.

If we want to divide power along the lines of money, that means that the State and local governments would still have 75 percent of the power to make decisions. If they have 75 percent of the power to make decisions, they

would not have to worry about anybody else. So I do not think the argument that the Federal Government's involvement in providing resources means that they would take over or be a detriment to decision-making at the local level holds any water at all.

What it is, unfortunately, at the other end, is kind of an abandonment of the issue of the problem of education, abandonment of schoolchildren, while, at the same time, we are spending enormous amounts of money for other kinds of things that are far less necessary.

For example, the B–2 bomber. One of the votes that took place last week, which would be upsetting to most of us, common sense would dictate that we did the wrong thing, was a vote on the B–2 bomber. The B–2 bomber is not needed, according to the President. The B–2 bomber is not needed, according to the Joint Chiefs of Staff. The B–2 bomber is not needed, according to the head of the Air Force. The person in charge of the Air Force says we do not need it, the President says we do not need it, the Joint Chiefs of Staff say we do not need it. Still, we come to the floor and disregard all of that and vote to keep funding a B–2 bomber, the cost of which will escalate as they move into production, and it increases.

My colleague, the gentleman from California [Mr. DELLUMS], stood on the floor and outlined how we are talking about $28 billion that will be needed more in the budget in future years at a time when the budget will be set. And if we are to balance the budget, that means that $28 billion worth of other programs would have to come out of the budget in order for the B–2 bomber to be accommodated. Despite the fact that we clearly understood the mathematics and the arithmetic, the B–2 bomber was voted for continued funding.

So it is not a matter of money, it is a matter of attitudes. And those attitudes are what we have to confront. The attitudes have nothing to do with common sense. The attitudes have nothing to do with scientific reasoning, certainly. They have nothing to do with logic. Logic would dictate we do not continue to build bombers that military authorities do not want.

But of course there are some Neanderthal considerations, like the fact that contracts are given out to factories and manufacturing firms and so forth who produce the B–2 bombers and they have spread around the production of the parts in various States and localities. Everybody sees themselves as having a piece of the pie. Whether the pie is good for America or not, they have their piece so they vote to continue the funding of the B–2 bomber, while we do not fund or refuse to provide even a measly $5 billion over a 5-year period for school construction.

Two weeks ago, I think it was June 28, there was a documentary on television. It was not national, unfortunately. I think it was a local television station in New York, Channel 7. I wanted to congratulate Channel 7 on that excellent documentary. It was just a 30-minute documentary about Class 104. Class 104 is in some school in New York, an actual school.

I want to congratulate the board of education for letting Channel 7 come in and film what was going on in the school. It is a first grade class that is overcrowded, 42 children in a first grade class, and they were documenting the dilemma or the problems faced by a teacher of 42 children in a first grade class.

Just to move around the room was a problem. And then, of course, they very sensitively zeroed in on three children, to talk to their parents, and to get an example of what does it mean to be in this class with 42 children competing for the attention of one teacher.

And it was an excellent production and I urge that my colleagues contact Channel 7, which is an ABC affiliate in New York, and maybe they will send a copy of the documentary on Class 104 and what it means to have children in an overcrowded situation who are that young.

There was one very sensitive young man who was totally lost and beginning to hate school despite the fact that he had a high IQ, very intelligent. He was off to the wrong start and beginning to hate school.

There was another young lady who was very aggressive, and she was only becoming more aggressive because of the fact that in order to get the teacher's attention she had to be aggressive and do things that forced the teacher to pay attention to her. She was doing much better than the sensitive young man who was not aggressive.

Children should not be put into a position where they have to fight for the attention of a teacher. That kind of abandonment represents a kind of institutionalized brutality, a child abuse that is institutionalized. We know if we put 42 children in a first grade class it means that children will be kind of brutalized and yet we do it.

I want to make a connection here at this point with another issue, and that is the issue of the apology that I talked about some time ago that received a lot of very intense response. The apology that was proposed by the gentleman from Ohio [Mr. HALL] in a resolution that the Congress apologize for slavery. It caused a lot of furor.

These issues that are taking place right now in terms of appropriations and budgeting, of tax expenditures, the abandonment of certain areas, certain populations, the abandonment of certain programs, the willingness to run and vote for a B–2 bomber while we cannot find it possible to vote for school construction, while we cannot find it possible to vote for empowerment zones. It all relates to the fact that we have sort of stumbled and lost our way at this point in America.

There is a connection between the furor, and there was a lot of upset people about the proposal by the gentleman from Ohio that we apologize for slavery, that Congress apologize for slavery. I have connected the two.

And I was shocked to find that a poll cited on ''Nightline'' stated that more than 60 percent of whites were angry about the idea and said there should not be an apology for slavery. At the same time more than 60 percent of the blacks said, yes; it was a good idea. Even though it was not originated by blacks and the Black Caucus is not the sponsor, it is the gentleman from Ohio [Mr. HALL] and a group of well-meaning individuals, who deserve to be applauded for what they have done.

It is not a power play, but a very sensible kind of approach to providing healing and reconciliation in a situation that needs more healing and reconciliation. But it set off a furor. And the fact that 60 percent of whites in America, their first reaction, and I hope that that reaction will change, I hope that was the first reaction and that they will stop and consider and that that will not be the reaction a few weeks from now, or certainly a few months from now, after more thought is given to the power of the apology exercise. But the fact the initial reaction was that way is part of the problem in terms of decision-making here in the Congress.

□ 1815

This is a reaction which tells me that people are ready to move to forget anything related to a special sector of the population. Anything that you attach to the descendants of slaves, the African-Americans, anything you attach to them gets hostility. And that is an even greater argument for having the apology exercised, for having a discussion of it, because we still are getting this automatic, almost instinctive hostility:

Why should we do it for the blacks, for the African-Americans? Why should we have a school construction initiative which is primarily going to benefit the inner-city communities where African-Americans go to school? It may not be the indication, but that is the reasoning. Why should we have a welfare program which really provides jobs and training and moves people along the road to establishing some dignified connection with the mainstream economic system? Why should we have that if it is going to blacks?

That is the underlying current there that needs to be dealt with, that we still think that there are deserving Americans and undeserving Americans. And anything that relates to African-Americans, the first reaction is that they are undeserving Americans; they do not deserve empowerment zones, they do not deserve school construction initiatives that might benefit them in education, they certainly do not deserve an apology. Apology means we have got to recognize the problem.

The gentleman from Ohio [Mr. HALL] did not talk about reparations or anything complicated, just a apology. But

the instinctive reaction means that they understand the apology needs recognition, they recognize that there was a problem, and if they have a problem, they might have the obligation to seek a solution.

Well, so be it. Apology does mean that we recognize that there was something that happened in the past that ought to be recognized as a problem. The impact of that on people in the present is something we can debate. As we debate it, we may come up with an obligation to seek a solution to the fact there was a great impact.

Two hundred thirty-two years of slavery had an impact on the descendants of slaves. I mentioned before that the first impact is that none of them could inherit anything. Two hundred thirty-two years, from one year to another, one generation to another, nothing was handed down.

We know from studies that have been documented that most wealth is accumulated from inheritance. Big millionaires and lucky guys who find gold mines and oil fields, that is something else. Most wealth in the world is generated by one generation passing on to another, handing them down, sometimes in small amounts. Small amounts accumulate. People have capital and then invest it.

But if we go back in the genealogy, trace economic genealogy of people, we will find that those who have the benefit of this, which is just about all Americans except two categories, they have been the beneficiaries of inheriting property, inheriting pots and pans, of accumulating enough to use that as a jump-off point for something else; and that is the way wealth in America has moved, and most nations have, moved in the same way. It is passed down from one generation to another.

The native Americans, of course, who owned the land when the Europeans arrived here, that is not the case. It was kind of a reversal. The land was taken away from them in many cases and they could not pass it down. Certainly the African-Americans whose ancestors were born in chains against their will, and then they were forced into labor and the accumulation of wealth, none of that wealth was shared with them. They were not paid for their labor.

So nothing was passed down for 232 years by African-Americans, the descendants of a people who, in the long chain of the Nation, could not pass down that kind of wealth. So it means that we arrive at this point in history with a deficit that has to be recognized.

All these kinds of complicated issues would not be put on the table if we recognized that there was a great criminal enterprise called slavery and it generated these kinds of problems. We can have a search for a solution now, however, in an atmosphere which is not so tense and stressful.

We could not propose such an apology after the end of the Civil War. We could not propose it even 100 years later as we moved into the fight to end legalized segregation and Jim Crow. But why can we not propose it now? Why can we not entertain a discussion of apology for slavery and the implications of it at this point of history?

We are sort of at a pinnacle right now. Consider what is happening right now in 1997 in America. The stock market, Dow Jones Industrial index at 8,000, unprecedented activity on the market. The dollar is stronger than ever before against the yen and mark. We are rated against our competitors economically, doing much better. Our economy is outperforming. We have licked inflation. Employment is moving forward despite the low inflation.

We are on a mountaintop. America is on a mountaintop. We do not have an evil empire to fight anymore. Peace might exist for many decades to come or maybe even for hundreds of years. This is a point in our history where we should not be squabbling about the NEA's funding or about vocational education not having a provision which takes care of women and peculiar problems that they have had in the vocational education area. We should not be squabbling about those things.

We should not be passing legislation which obligates us for billions of dollars for B–2 bombers, while we at the same time cannot conceive of the fact that we should have more money available for education in the form of school construction.

We ought to be able to relax, to use our reason to its maximum. We ought to be able to relax and have the leaders in Congress listen to the people. The polls out there show that the people, with their common sense, still think education is the high priority. I do not think that they have defense as high as education at this point on the polls.

Nobody is more familiar with the polls than the people who are in the political leadership here, or we politicians in general. We know what polls are all about. We listen to polls. And yet the polls that clearly show the popularity of education and the Federal Government's involvement in education are being ignored systematically all the time. Only at election time in 1996 did they bother to listen in order to save their skins at the polls.

Now that we are a year and a half away from an election, nobody wants to deal with the problems of education that the rest of the American people overwhelmingly want to deal with. So we are at a pinnacle, we are at a very advantageous spot.

Why can we not listen to the polls, listen to the mind of the American people? Why can we not entertain and even invite a discussion of very controversial issues that might open the door for reconciliation and healing?

The whole matter of the apology for slavery is one of those things that might open the door that takes us forward into the 21st century with a new kind of mind-set. The present mind-set, as I said before, is unfortunate when we have 60 percent of whites who automatically think it is a bad idea.

It is all right for the Germans to apologize to the rest of Europe for what was done in World War II. It is all right for the Swiss to apologize to the Jews for their conspiracy with the Nazi government to take their gold and their deposits away from them. It is all right for the Japanese to apologize for what they did in Asia. But suddenly the idea of apologies upsets us a great deal.

I want to just drive this home by reading a very disturbing article that I read, by a top-flight columnist for the New York Times. I have read other columnists who also thought the idea of the apology was ridiculous and attacked it with great passion and vehemence.

Mr. Russell Baker's column of July 1, 1997, in the New York Times follows in the same vein. Mr. Baker is a brilliant writer, and although I often do not agree with him, his writing is always entertaining. Mr. Baker is extremely competent, intelligent, knowledgeable; and that is why his article is even more disturbing.

I am just going to read a few quotes from Mr. Baker's article about apologizing, because I find it very, very interesting about these people who get upset and outraged by the notion that they are being asked to apologize. I do not know what kind of family values they have or what kind of upbringing they have.

But I remember very well my mother once told me, after I had stepped on a little girl's foot as I was rushing to get, I think it was a church picnic and they had ice cream. I was rushing and stepped on a little girl's foot and she started crying. I hurt her foot, and my mother said, ''Go apologize.'' Well, my first thought was, apologizing is something that is not going to help her. I stepped on her foot. It is hurting. My apology will not help her at all. I said to my mother, ''I'm sure she's all right. Why should I apologize?'' She said, ''Go apologize.''

If I had not gone and apologized, I probably would have been sort of slapped across the mouth or roughed up a little bit, because my mother would want her child to acculturated in that way to understand apologizing is part of the process of being a civilized human being. It is not a time to get into the logic of apologizing will not help her foot, apologizing will not ease her pain.

But here arguments are saying apologizing will not ease pain, so it is ridiculous. Do we raise our children that way? But the argument comes across from a number of columnists that it is ridiculous because it cannot go back and undo the hurt.

Anyway, let me just do Mr. Baker the honor of quoting from his article, straight from the New York Times, July 1, 1997. It is entitled ''Sorry About That,'' which is already a little sarcasm introduced. It is arguing that

apologizing for slavery would show great sensitivity. ''Why anyone would propose such an aimless exercise, except to demonstrate great sensitivity, is hard to say.''

Now, if I had said to my mother, ''Why should I go back and apologize? All I am doing is demonstrating great sensitivity,'' she would have thought that she made a great error in the way she raised me, or she would have thought it was time to get to work disciplining me to show great sensitivity, part of being a human being. Why do we want to say it is an aimless exercise? But that is what Mr. Baker says here. ''Why anyone would propose such an aimless exercise, except to demonstrate great sensitivity, is hard to say.''

To continue quoting Mr. Baker: ''Both parties to the slave and owner relationship being long dead, there could be nothing more grotesque than the generation of white yuppies apologizing for the sins of long-buried ancestors.''

I do not know where he got the ''generation of white yuppies.'' The U.S. Congress is not a generation of white yuppies. We are the government. We are representatives of the government. Everybody is the government, but we are the spokespersons for the government; the government that was there in 1776, however different it might have been; the government that was there in 1865, when the Emancipation Proclamation was signed. I mean not the Emancipation Proclamation, when the Civil War ended. This government was there when the 13th Amendment that freed the slaves was passed. We are still part of the same government, so I do not know why we suddenly have become white yuppies.

But to continue quoting from Mr. Baker: ''Surely, no sensible descendant of slave forbearers look on such a spectacle without disgust for the hypocrisy of it.'' Again, ''Surely, no sensible descendant of slave forbearers look on such a spectacle without disgust for the hypocrisy of it.''

Well, Mr. Baker is clearly wrong. Sixty percent of the descendants of slaves said they thought apologizing was a good idea. According to the polls that had been reported, 60 percent of the slave descendants, I being one, see nothing wrong with apologizing.

□ 1830

We do not look upon it with great disgust. We do not consider it hypocritical.

But continued Mr. Baker, ''No sensible white American could countenance it without feeling embarrassed by its shabby theatricality.''

He may be right, because after all I just told you 60 percent of white Americans said we should not apologize. I do not know whether they were worried about shabby theatricality or something else, but he says it is shabby theatricality that they are worried about.

To continue quoting Mr. Baker, ''Apologizing for the country's past can only gratify the apologizer's desire to feel good about himself. It invites the audience to compare his moral tone to that of his ancestors, so derelict in their respect for humanity, and come out a winner.''

I do not know what is wrong with having anybody feel good about themselves if that is the only benefit. I think there are many other benefits but feeling good about yourself is a first step toward feeling good about others and reacting to others in a positive way. I have no quarrel with people feeling good about themselves.

Continuing with Mr. Baker's article, ''It not only enhances the apologizer's self-esteem, it doesn't cost him anything. This is an important consideration nowadays when government's chief goal is to avoid spending money on life's losers so the rest of us will have more to spend on ourselves.''

I agree with Mr. Baker wholeheartedly. Apologizing does not cost anything. All the more reason of why we should not hesitate to do it in my opinion. But he is saying that because it does not cost anything, we should not do it. There is a lot of contradiction and conflicts here. We should do things that do cost money. The whole Congress is running away from doing things that do cost money. I suspect that a lot of people are afraid to apologize because they think the next step is that somebody will want some compensatory programs or reparations or those kinds of things, but not Mr. Baker. If all we did was apologize, of course, it would be kind of hypocritical, but why not take the first step and we will take our chances. Let the Congress go forward with the resolution of the gentleman from Ohio [Mr. HALL] and vote to apologize. Let there be a first step. It would not hurt.

Continuing with Mr. Baker's article, ''Like every country, the United States has a lot of history to apologize for. After apologizing for slavery, we could move ahead to apologizing for what our forebears did to the Indians.''

I am quoting Mr. Baker. I agree, Mr. Baker, why not go ahead and apologize for what was done to the Indians? Who would it hurt?

''Was it genocide? No, the word hadn't been invented until it was all over,'' according to Mr. Baker. ''The words that had Americans spellbound back then were 'manifest destiny.' Destiny had given us a continent to populate. The Indians were in the way. Destiny demanded their removal. Such was the argument, anyhow. With that nasty history now far behind, would an apology not be civilized? Would it not show modern Indians how much nicer than our forefathers we are?''

''Sorry, folks, for the brutality of our morally inferior ancestors. If it had been us in charge with our enlightened new age sensitivity, instead of those immoral old-timers, it would never have happened.''

''Couldn't we garnish the apology with some substance?''

''Come on, guys. Be reasonable. It's too late to give it back. Anyhow, we gave you a legal crack at the gambling rackets.'' He is talking to the Indians now.

''Few will quarrel with the government for apologizing to Americans of Japanese ancestry who were put in concentration camps during World War II. Since many who had suffered this monstrous assault are still alive, the apology was not just another piece of posturing.''

In other words, he has introduced the idea of apologizing to the Indians. Then he ridicules the idea of apologizing to the Indians because, after all, the people who did the terrible things to the Native Americans are now dead and we have at least given them a crack at the gambling rackets through the casinos so why do we not just forget it.

I think it is most unfortunate that Mr. Baker in this little three paragraphs is ridiculing the whole idea of diplomacy and negotiations, the fact that our ancestors might have taken a different route. There was plenty of land and plenty of everything. The Indians, the native Americans did not have to be treated the way they were in order for America to be great. Maybe there is a lot that would have been different if we had the same sensitivity then that we do have now. Let us not trample or trivialize our present state of morality and our sense of what is right and what is wrong, how different it is now from then. Unfortunately, it came too late in the case of the slaves. It came too late in the case of the native Americans. But understand that there was a different option, a different route and the fact that our ancestors did not follow that route is something that might be worthy of apologizing for.

We can apologize, however, for the Japanese and the concentration camps because some of them are still alive. That is kind of weird reasoning. These things stay alive in the conscience of a people forever. They never go away. I am going to point that out in a few minutes from his own examples.

To get back to quoting Mr. Russell Baker, ''Many others are still alive who lived in that time and admired Franklin Roosevelt, the man who authorized those camps.''

My father thought Franklin Roosevelt was the greatest man in the world, that ever lived, except for Jesus Christ, I guess, and I almost place Franklin Roosevelt in a similar category. I still think he is a great man, the greatest of all American Presidents. But he made some mistakes. That was one of the mistakes that he made. Anybody who had to make so many decisions for such a long period in such a critical and stressful situation would make mistakes. Franklin Roosevelt made a mistake. We should apologize as we did officially apologize to the Japanese Americans for what happened in World War II. That, we can be proud of.

''For those of us who in 1942 patriotically accepted the camps as necessary for the country's defense, the apology forced us to admit that even we can be terribly wrong when being tossed around by the storms of history.''

That is the kind of reasoning that Mr. Baker applies to the apology to the Japanese for the concentration camps in World War II. Why can we not take the same logic and the same argument and apply it to any mistake that is made in history and that we as a matter of hindsight can see was a mistake? What is wrong with saying that slavery was a grave mistake, a very costly mistake, a very dehumanizing mistake, a very deadly mistake, but it was a mistake that is worthy of at least an apology.

Going back to Mr. Baker, ''Where history is concerned, saintly judgment is rarely possible until a century or two has passed.''

Again I agree with Mr. Baker. ''Where history is concerned, saintly judgment is rarely possible until a century or two has passed.''

Now he is contradicting himself in a wholesale manner, because if saintly judgement is only possible after a century or two has passed, then you can only apologize with integrity, with great vision, after people are dead for a while. He began his argument by saying why apologize for something that people did years ago and all of the victims and all of the oppressors are dead. Now he says you can only judge after a century or two has passed.

A century or two has passed. Slavery lasted for 232 years but it has been over for more than a century, almost two centuries. Now it is time to reflect and to look at the mistakes and to look at the residue of problems that were caused by the mistakes and to deal with it in a forthright, scientific, logical, reasonable manner. But he says that on the one hand because everybody is dead, why deal with it and on the other hand, you can only pass reasonable judgment until they have been dead for a century or two.

''England may be infected, too, with the apologizing fad.'' Now he is back to his sarcasm and his reductio ad absurdum. Apologizing now is going to be a fad.

''England may be infected, too, with the apologizing fad. There is talk there of apologizing for Britain's indifference to starvation in Ireland during the 19th century potato famine.''

Why not apologize for the indifference of a government? The government made a mistake. A lot of people suffered and died as a result. So why not apologize.

''Tony Blair,'' according to Mr. Baker, ''the new Prime Minister has suggested something of the sort might improve relations with Ireland. Yes, it sounds ridiculous. Northern Ireland is a place where one of the most passionate events of every year is the celebration of a battle fought in 1688 between Protestants and Catholics. The Protestants won and have never for an instant dreamed of apologizing. Ireland seems an unlikely country to relinquish its hatreds after a dose of feel-your-pain sensitivity.''

In other words, he is saying if Tony Blair, the new Prime Minister, should decide to apologize to Ireland for the conduct of the British Government during the potato famine, then it is ridiculous because the Irish would never accept it. They do not believe in apologizing. That is why in Northern Ireland the Catholics are at the necks of the Protestants and this conflict between Protestants and Catholics rages on and on.

I would take the opposite approach and say maybe we can break the cycle if Mr. Blair would apologize first and if it would encourage the Catholics to apologize to the Protestants or the Protestants to apologize to the Catholics, maybe you would end this bloodbath in Northern Ireland. Maybe you would begin to have healing and reconciliation in the place of violence.

Ireland defies all logic. Northern Ireland defies all logic. All these people are white and they are at each other's throats. All of them are of the same nationality, they are all Irish, and they are at each other's throats. All of them belong to the same religion. They are Christians. Why does the fighting go on and on in Northern Ireland? Probably because no one has dreamed of apologizing. Probably because the old Neanderthal caveman reaction that you must forever and ever consider your enemy an enemy, you must get revenge, you must seek justice, probably because that dominates the thinking of the leadership so much that they cannot entertain another approach.

In South Africa, 25 million blacks were dominated by 4 or 5 million whites. The blacks have now taken over. They are the majority. They have control of the government. They chose a different path. Instead of trying to punish, instead of seeking justice and retribution, they have a Truth and Reconciliation Commission. Their society is taking a very positive movement forward because they are refusing to go for the old Neanderthal caveman reaction of I must punish those who did wrong to me. The whole Judeo-Christian tradition of moving in a different manner has been accepted in South Africa but not in some other places, like Northern Ireland.

In Haiti, they have chosen not to go for revenge and justice but to go for reconciliation. Therefore, Haiti is not adding on top of its other many economic problems the problem of a new kind of violence between those who had the upper hand before and those who have the upper hand now.

To get back to quoting Mr. Baker, to end his article, ''Apologies for slavery, famine, the Indian wars, can these have any purpose beyond asserting, in a smugly self-congratulatory way, that we are better people than our ancestors? They surely cannot undo the past. A lot of every nation's past is terrible, atrocious, barbaric, but there it is, inescapable, monumental, the work of our dead ancestors many of them no doubt hateful, a few perhaps almost as genteel and high-minded as you and I. Apologizing for them would be as useless and absurd as shaking a fist at the Atlantic Ocean. It is painful to see them patronized by the pious sensitivity crowd.''

Anybody who wants to apologize is now a part of a pious sensitivity crowd. The pious sensitivity crowd is engaged in a fad of apologizing. This does not take us anywhere but back into the caves. It does not move our civilization forward at all. Reconciliation is more important than revenge. That is the lesson that they are learning and South Africa is illustrating. Haiti. In Bosnia we will not have any forward movement until they also accept the principle that reconciliation is more important than revenge. Reconciliation is even more important than justice. Revenge and justice usually require more conflict and more bloodshed. Reconciliation and healing require that victims and injured parties accept the losses of the past and the present as a way of fertilizing the future with promise and hope.

Of course in the case of slavery, if we do not recognize anything was done wrong in the past, we cannot complete the healing process. There is an understanding that is not stated in our culture, in our national life, that accepts the fact that slavery was wrong. We fought a great Civil War, and the lives of many white men were lost in the process of setting the slaves free. We recognized that it was wrong and that Abraham Lincoln, under his leadership and those who fought in the Civil War, we have corrected that great national wrong.

☐ 1845

But on the surface we still need to have greater recognition and discussion of it and not just bury it in our subconscious.

If the descendants of the victims of injured parties can accept their losses, then certainly those who were the oppressors ought to accept it and move toward healing and reconciliation. Surely the descendants of oppressors who inflicted the injuries and the atrocities should be able to move on to seek reconciliation and healing.

Let me just conclude by saying when Jesus of Nazareth declared that if a man strikes you on one cheek you should turn the other cheek he introduced a radical formula for human behavior. Many Christians insist that this is one instruction they find it hard to follow. It is unnatural, it is a demand or a command for extreme discipline. Turn the other cheek is an acceptance of suffering that mutilates one's masculinity. It destroys one's normal concept of dignity. This is exalted advice that must have come from outside the Earth, for it requires that

honor and common sense be surrendered, traded in for a profile of pacifist courage which will probably be labeled as cowardly weakness. The man strikes you on the cheek, then turn the other cheek; we are not asking that kind of activity, that you engage in that kind of activity and you have to suffer when you apologize. It is far easier to apologize than to suffer being struck on the cheek or to carry someone's bag an extra mile when they ask you to carry baggage the extra mile.

Instead of Mr. Baker's opposition to apologizing, I propose that in the style of a Vietnam Memorial Wall we should erect a wall that is called the International Monument of Apologies. In the past we have glorified great warriors and conquerors. Now let us lift up and pay homage to all those who apologize. Let us usher in a new era of civilization with ceremonies of apologies.

Yes, it is true that most of the apologies will be emotional symbolism. However, symbols and symbolism are life and death matters among human beings.

Perhaps at the top of this International Monument of Apologies the Greeks, who have left us so many other symbols, could lead off with an apology. Let the Greeks begin by apologizing to the ghost of a Trojan nation that no longer exists. The Greeks assembled vast war mongering states, and they marched into Troy, they wrecked the place, and when they could not win the battle, they abandoned all international conventions and standards of diplomacy and they tricked the Trojans into getting inside the wall, and then they massacred the women and the children, especially all the males, and they ought to apologize for that. It may be only mythology, it may be fiction, but still it would symbolically lead off the apologizing.

Let the Italian Government apologize for the destruction of the ancient land of the Jews and dispersal of their population by the Romans. Let the Italian Government apologize for what Nero and the citizens of ancient Rome did to the early Christians. Let the Spanish and Portuguese apologize for their initiation of the Atlantic slave trade, African slave trade. Let all the nations who participated in slave trade apologize. Let the British apologize for the open war against the Chinese. Let the Japanese apologize for Pearl Harbor. All the nations of ages.

You know, why not go forward and build a new kind of civilization on apologizing? There is nothing wrong with having a great wall of international apologies for us to come and contemplate what our Governments have done in the past and are willing to own up to in the present.

Let us take our civilization to a new dimension. We readily go to Mars and we land on Mars and applaud the technology and science and how radical that is. Let us in the area of human behavior strike in a new direction. Let us follow the precepts of Judeo-Christian religion. Let us look at that turn the cheek proposition. Let us look at it and build on it and understand that reconciliation and healing are more important than revenge and justice. Let us understand what the gentleman from Ohio [Mr. HALL] is trying to do. He is trying to open the door a little wider. Apology comes first, and after that acknowledgment, recognition, more reconciliation and more healing.

Our society as a whole and our whole decision making process are on social issues and critical educational issues will all benefit if we recognize that nothing is lost by beginning with a process of apologizing. We have conquered overwhelming external enemies, and now it is time to grow again in America. The stock market and the evidences of prosperity are at an all time high. This is a time for us to strike out for a new moral high ground, a new moral high ground which would be beneficial to all of us in America and to the whole world.

PROGRESS REPORT ON THE DEFICIT

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 1997, the gentleman from Wisconsin [Mr. NEUMANN] is recognized for 60 minutes.

Mr. NEUMANN. Mr. Speaker, I rise this evening to bring America some good news for a change and to talk to my colleagues about some of the progress that has been made out here in the last 3 years because it is significant and it really brings us to the question of what next.

We came here, many of us came here, out of the private sector with no political background, myself included, and we came here in 1995 set on the idea that it was our responsibility to do something about the deficit to get us to a point where this Government spent no more money than it brought in, to get us to do something about the high tax rates in this country, and we were very concerned about Social Security and Medicare as it related to our senior citizens.

It has been a great day in Washington because today we actually introduced a bill that deals with the next step, and in order to deal with the next step; that is, paying down some of that debt, you first have to recognize we are in the third year of a 7-year plan to balance the budget, we are on track and ahead of schedule, Medicare has been restored so our senior citizens can rest assured that Medicare is safe for at least another decade, and good news for virtually every American all over this country:

Taxes are coming down. We have got a $500 per child tax credit coming through. If you own stocks or bonds or have a retirement fund of any sort, the capital gains tax reduction will affect you and allow you to keep more of your own money instead of sending it to Washington. The death taxes are coming down.

And of course there is all sorts of other tax provisions in there: the $1,500. If you have got a student in college right now, the $1,500 to help you get that student through college.

But the good news, and we will see more of this as we go forward this evening, is there are more tax cuts coming in the plan.

The logical next step is to talk about paying down the debt, and before I get into this I think it is real important we pause and just make sure that we talk a little bit about the difference between the deficit and the debt.

Every year since 1969 the Federal Government has been spending more money than what it has in its checkbook. It is not a lot different than our home. In our home we have income, we get a paycheck every month or every week, depending on what kind of setup you have, but at any rate you get a paycheck, you put it in your checkbook, and you write out checks to pay your bills.

Well, in your home you cannot write out checks for more than is in your checkbook, or of course the checks are going to bounce. Well, what the Federal Government has been doing since 1969 is collecting taxes, putting those tax dollars that they take out of your pocket into the government checkbook and then writing out all kinds of checks.

The problem in the government is it is very different than in our homes. When the government writes these checks out, they write out checks for more than what is in their checkbook. That is called the deficit. Since 1969 every year the government takes money out of your pockets, puts it in their checkbook and then writes out checks for more money than they have in the checkbook. That is the deficit.

Well, what happens with that deficit? Since their checkbook is overdrawn, they really only have one thing that they can do; they go and borrow the money to put in their checkbook.

And here is what has happened over the course of the last few years:

From 1960 to 1980, the growth of the debt was fairly small. But from 1984 forward, you can see that government has been overdrawing their checkbook by a substantial amount.

So what happens?

Well, in the year 1980, for example, they wrote out more checks than what they had in their checkbook, and they borrowed the money, and the debt started growing. By 1985 you can see the debt was growing more and more, and every year they kept writing out more checks than what they had money in their checkbook, and the debt just kept growing.

Now I point to this chart because it is about the best picture that I have seen to show just how serious this problem of debt is, because every year when they go out and borrow that money to make their checkbooks solvent, of course, it just gets added on to the debt.

To show you how serious this problem is, we are currently about here on this debt chart. It is a very, very serious problem facing this country.

Now, when Washington tells the American people that they are about to balance the budget, what that actually means is they are going to quit spending more money than they have in their checkbook.

Now most Americans would ask the same question they do in Wisconsin. They would ask the question:

Well, if you balance your checkbook; that is, you stop spending more money than you have in your checkbook, what about that debt that is still out there?

And I should show just how big that number is, that we actually put a number to it as we would in our own homes with our own checkbooks.

The debt, the amount of money that the government has overdrawn their checkbook by, in 1969, they borrowed it, and then in 1970 they borrowed some more, 1971, and all the way through to and including this year; that debt adds up to $5.3 trillion. The number looks like this, but let me translate that into English.

It is effectively the same as $20,000 for every man, woman, and child in the United States of America. Again, this is the debt, this is the amount of money they have actually borrowed. This is the money that we will pass on to our children if we do not do something about it.

Another way of looking at this is for a family of five, like mine, the Federal Government has actually borrowed $100,000 basically over the last 15 years.

Put another way, the Federal Government spent $100,000 more than what it took in in taxes from an average family of five, like mine, and here is the real problem with that:

A lot of people in this community would like to say, well, do not worry about the debt, it is no big deal, it will go away, but here is the real problem:

The real problem is that an average family of five in America today sends a check for $580 every month to Washington, D.C., to do nothing but pay the interest on the federal debt.

Now, the families out there should be thinking about, well, what could we do if we did not have that debt. Well, you would keep the $580 in your own pocket, and a lot of them are going, well, I do not know what he is talking about because I do not really pay $580 in income taxes.

But I would like to point out that when you walk in a store and you buy a loaf of bread and the store owner makes a small profit on the loaf of bread, part of that profit gets sent out here to Washington in the form of a tax, and that is part of the $580 a month that our families are paying in interest on this Federal debt.

So again there are 2 different topics here. One is the deficit. The deficit is the amount that the Federal Government overdraws their checkbook by every year. When the people in Washington talk about balancing the budget, what they are talking about is their checkbook. They are talking about stopping the practice of spending more money than they have in their checkbook every year.

Well, what that means is after we balance the budget, we have still got this $5.3 trillion debt hanging over our head.

Now I started this evening by saying it is a wonderful night tonight because today we introduced a piece of legislation that goes to the what next. The what next of course is what do we do about this $5.3 trillion debt? Do we pass it on to our children?

And I am talking some flack over this bill, to be perfectly frank were you. We had a former Vice Presidential candidate that said that we do not have to worry about the debt. In fact, Jack Kemp said that the debt will take care of itself over a long period of time and we really do not need to worry about paying the debt back. When we start running surpluses; that is, when we start collecting more taxes than what we write out checks, why do we not just do all tax cuts and not worry about this debt?

Well, I want to tell you there is two gentlemen, and we are not allowed to show them here because of House rules. On the floor here with me this evening, my son is here, and the reason we cannot look the other way is because it is not acceptable for us in our generation to pass this $5.3 trillion debt on to our children. Is it really fair that our generation spend this money and look the other way and say, ''Well, let's hope it takes care of itself,'' or do you think we more have a responsibility to do something about the debt much like any homeowner would do with any debt against their home?

The bill we introduce today is much like repaying a home loan. It is much like any family in America would do where you simply start making payments on the debt, and over a 30-year period of time we repay the Federal debt. Here is what the bill does:

After we reach a balanced budget we cap the growth of government spending 1 percent below the rate of revenue growth. That creates a surplus because, if you are in balance to start with, spending goes up by one amount a little bit less then revenues go up. That creates a surplus. That surplus, we take two-thirds and we apply it toward paying down the Federal debt. We take one-third and supply additional tax cuts to the American people.

Well, 2 things happen under this bill, actually 3 things. One is there are additional tax cuts for the American people. But 2 other very significant things happen. The first and what I consider to be the most important: We pass this Nation on to our children debt free. By the year 2026 under our plan, the Federal debt is repaid in its entirety. Again by 2026 the debt could be repaid in its entirety under this plan.

The other thing that happens is equally significant. Today we collect more dollars in the social security then what we pay back out to seniors in benefits. That money is supposed to be sitting here in a savings account someplace. Well, it is not here, and I do not think this is any big surprise to anyone. The money has been spent on other Washington programs, and in fact the Social Security trust fund is all part of this $5.3 trillion debt.

□ 1900

As we pay back the Federal debt, the second thing that happens is we put the money back into the Social Security trust fund that has been taken out, so our senior citizens can again be assured that Social Security is solvent at least to the year 2026.

So this bill really has something in it for all generations. To the young people, they will not have to make that $580 a month payment to Washington to do nothing but pay the interest on this debt. Instead, they can keep that money in their own homes for their own families and decide how to best spend their own money. That is what this should be all about. So to the young people, they get a debt-free nation. What a wonderful opportunity that is in this bill.

For the people that are working today, one-third of those surpluses are dedicated to additional tax cuts for working families in America today, so the good news is for people in the work force, taxes go down some more.

For our senior citizens, the Social Security trust fund, the money that has been taken out by the Washington bureaucrats and spent on all kinds of other programs, that money gets put back into the Social Security trust fund and Social Security once again becomes solvent for our senior citizens.

A good day in Washington, a good day in Washington is where we can introduce a bill that actually talks about paying off the Federal debt, lowering taxes and restoring the Social Security trust fund. That is what happened today.

What kind of support do we have on this? Let me start with the Members of Congress. In the House of Representatives we have roughly 100 sponsors from both sides of the aisle. I am happy to say there are Democrat cosponsors in this as well as Republican in the House. We have people such as Speaker GINGRICH. The gentleman from Georgia, Mr. NEWT GINGRICH is a cosponsor of the bill; the chairman of the Committee on Appropriations, the gentleman from Louisiana, Mr. BOB LIVINGSTON, a cosponsor of the bill; the chairman of the Committee on the Budget, the gentleman from Ohio, Mr. JOHN KASICH, a cosponsor of the bill; the honorable chairman of the Committee on Rules, the gentleman from New York, Mr. JERRY SOLOMON, a cosponsor of the bill; the gentleman from New York, Mr. BILL PAXON, a cosponsor of the bill; 100 cosponsors in the House of Representatives already on this idea.

It goes beyond that. It goes beyond that. We had an interesting conversation. Think about this range of support, from the Speaker, the gentleman from Georgia, Mr. NEWT GINGRICH to the conversation I had yesterday with a well-known American citizen, Ross Perot.

We are going to see Ross Perot tomorrow and present the rest of the details of the plan in person to him, but he is very optimistic and very supportive of the plan, because of course it does what he talked about doing for the last 5, 7, 8, 10 years, and that is balancing the budget and paying off the Federal debt. So we have a wide range of support for this.

It goes beyond that. Two hundred fifty thousand members of Capitol Watch have signed off as endorsing the plan. United Senior Citizens Association, let me see what they say about it: Since its inception, the United Senior Citizens Association has lobbied Congress to restore the stability of the Social Security trust fund. The introduction of the National Debt Repayment Act is a step toward making Social Security solvent.

The Council for Government Reform: On behalf of over 250,000 members of the Council for Government Reform, I urge you to cosponsor and support MARK NEUMANN's legislation entitled the ''National Debt Repayment Act.''

Coalitions for America: Coalitions for America supports the National Debt Repayment Act of 1997. We do so for the simple reason that your bill sheds some sadly needed light into the tremendous load of red ink America is drowning under.

Business-Industrial Council: On behalf of 1,000 member companies, the U.S. Business and Industrial Council, USBIC, I would like to extend our support for the National Debt Repayment Act of 1997.

The gentleman from Georgia, Mr. NEWT GINGRICH in a press release strongly supporting it: The Debt Repayment Act takes us in exactly the right direction to lead a national dialogue on how to best deal with the surpluses once the budget is balanced.

I can keep going on this, but the bottom line is the support for this thing and the range of support, from Republicans to Democrats, from the Speaker of the House to Ross Perot, the support for this particular idea grows because it is a commonsense, straightforward approach for this great Nation we live in.

What a dream for America. What a dream for this great country: a balanced budget, lower taxes, Medicare restored. And now the next step: We pay off the debt so our children can get this Nation debt free, we restore the Social Security trust fund so it becomes solvent again, and we continue the process of reducing the tax burden on working families in America. What a dream for this great Nation we live in.

I would like to next go to a little bit about what has been happening before 1995, what has happened from 1995 to today, and then how we can get to the point where this bill is actually put into place and actually used.

To begin this discussion, I want to start with the past. I have to say that the past is before I was actively involved in politics. Before 1990 I was never in politics. I was working very hard building a business out in Wisconsin. We built the business from the ground up. In the end we were providing about 250 job opportunities in southeastern Wisconsin and in northern Illinois.

What was going on out here in Washington is that people in Washington were making a series of promises to the American people, and they kept getting broken. That is what drove many of us out of the private sector, and with a concern for our children and future generations of this great Nation, we left the private sector to serve our country for a period of time, undo what was done in those broken promises, hopefully straighten this out, and then return back to the private sector.

Let us look at the promises. Let us think back to before 1995. This is the past. This is before the American people basically provided the impetus or the revolt, if you like, of what was going on. They did that in 1994.

Let us go back before then and talk about what was promised in the late 1980's and early 1990's. I have up here the Gramm–Rudman–Hollings Act. This blue line shows how they promised they were going to get to a balanced budget. Notice, it reaches zero in 1991. That is to say, they promised the American people they would balance the budget by 1991.

I watched this thing from its inception, only when they promised it was going to get balanced; instead what happened is this red line. That is the deficit line. That is how much they overdrew their checkbook by. I was out there working hard to run a business, make sure those 250 people got paid every week, and I was watching Washington overdraw their checkbook every week. It was very frustrating to watch.

When they made this promise and then broke it, they overdrew their checkbook by even more than they said they were going to, many Americans got very angry at this situation as they felt threatened for the future of our country. I do not care what anybody in this community says, the American people do care about this country. They care about what kind of a country we are going to pass on to our children.

So they saw they could not live up to what they had promised in 1985 and they put a new plan into place. They called it the Gramm–Rudman–Hollings Act of 1987. This one provided another blue line, another series of promises. It was supposed to be balanced in the early 1990's, but instead of following their promise, again they broke it and overdrew their checkbook by massive amounts of money.

This is what led to the 1994, if you would like, I would call it an uprising of the American people. It was not a revolt in Washington, it was the American people saying, we are sick and tired of these people making promises to us out there in Washington. We are sick and tired of those promises that were broken.

At this point I might add that the Democrats were in control of both the House of Representatives and the Senate and the Presidency. They said, we are sick and tired of those broken promises. So we got to 1993. This was going on.

In 1993, they said well, we had better get serious about this. Our checkbook is really overdrawn. The people that were in Washington in 1993 said well, the only thing we know to do to balance our checkbook is to reach into the pockets of the American people and take out more money. That was the tax increase of 1993: broken promises and higher taxes. That is before 1995. That is before the American people sent a new group to Washington to change these broken promises and higher taxes.

I would hope all of my colleagues take a moment tonight to remember the tax increases of 1993, because we need to remember what that environment was back in 1993, the broken promises and the higher taxes, to understand just how far we have come in the last 3 years.

Remember, in 1993 they raised gasoline taxes, they raised Social Security taxes, the biggest tax increase in history, and there was a huge fight out here in Washington. As a matter of fact, they passed the bill by one single, solitary vote in the House of Representatives, and not a single Republican would vote for the tax increase.

So it went over to the Senate. In the Senate they again passed it by one single, solitary vote, the biggest tax increase in American history, and it passed both houses by one single vote and was, of course, then signed into law by the President.

What was the result? The result was the American people said, I am sick and tired of these promises being broken. I am sick and tired of the people in Washington thinking that the right solution to their spending habits is to reach into the pockets of the American people and take more money out to Washington. We have had it with that.

So in 1994, they elected a new group of people and sent them on out here to Washington. Again, I would emphasize that at that point the House of Representatives was taken control of by a new party, by the Republican Party. The Senate also was taken over by the Republican Party at that point.

But it is not the party difference that is important here, it is the change in what was happening and the concept of the way to solve the problem of balancing the budget, reaching into the pockets of the people and taking more money out to Washington, or the very

different view that was brought in in 1995.

The different view went like this: Instead of reaching in the pockets of the American people and taking more money out here to Washington so we can maintain big government, instead of doing that, what we are going to do is curtail the growth of government spending. When we curtail the growth of government spending, since the government spends less, that means they will not need as much money out of the pockets of the American people. When they spend less, of course, they are going to borrow less.

Here was the theory. If the government borrowed less money out of the private sector, that would mean there would be more money available in the private sector. More money available in the private sector would keep the interest rates down, and when the interest rates stayed down, people would probably buy more houses and cars, because they could afford them. When they bought more houses and cars, people would have to go to work building those houses and cars. Of course, when they went to work they were leaving the welfare rolls and went into the work force.

I have good news. We have now moved out of the past and into the present. Our motto was put into place in 1995. The American people deserve the credit for this. The American people sent a new group to Washington. That new group sent to Washington with their ideas of curtailing the growth of government spending have laid this down, and now we are in the third year of this.

The American people have every right in the world, they should be checking us. They should now be asking the question: Is this group that we put in charge in 1995 doing anything different than what the people did before them, the broken promises of Gramm-Rudman-Hollings? Is there anything different going on?

I brought a chart along to help see just how different it really is out here. In 1995 we promised the American people a balanced budget by the year 2002. We laid out the deficit stream just like they did with Gramm-Rudman-Hollings. In the first year we promised the deficit would be below this red column, below $154 billion. The deficit in the first year was actually $107 billion. Here is what was promised. That is the red column. Here is what the deficit actually was. Please note, the deficit that actually occurred was smaller than what was promised to the American people. We not only hit the target, but we were ahead of schedule.

The second year, we said it would be under $174 billion. It is actually now well under 67. In the second year of this plan, again, the promises, the red column, and the blue column is what actually happened. Conceptually, the idea of controlling the growth of government spending worked. The idea of the government borrowing less money and leaving more available in the private sector, keeping the interest rates down so people would buy more houses and cars, providing more job opportunities, it worked.

We are now in the third year of that plan, and again, in the third year we are not only on track but ahead of schedule. That is the debate going on in Washington today. We are well ahead of schedule to be to a balanced budget by the year 2002.

Has anything changed? Mr. Speaker, I would like to point out that under the Gramm–Rudman-Hollings, they never hit the targets. Under the new group that is here since 1995, we have not only hit the targets, but we are ahead of schedule in the first year. We not only hit the target, but we are ahead of schedule in the second year. We not only hit the target, we are ahead of schedule in the third year.

The good news for the American people is that we may very well have a balanced budget by next year, we are so far ahead of schedule on our plan. Because the idea of the government borrowing less, keeping the interest rates down so people can afford to buy houses and cars and provide job opportunities, that working model of 1995 worked so well that we are probably going to have a balanced budget by the year 1998. That is great news for the American people.

A lot of people cannot figure out exactly how this happened. I brought another chart along to help show what this curtailing the growth of government spending really means. Before 1995, the average growth of spending under the old regime was 5.2 percent annually. I went back 7 years and took the average growth in spending of the 7 years before the 1995 group took over, before the American people put the Republicans in charge of the House and Senate.

Since then, spending is still going up by 3.2 percent but the growth of government spending in Washington has been slowed by 40 percent in 2 short years. This is how fast it was going up before 1995, this is how fast it is now going up after 1995.

Is spending still going up, or are we making draconian cuts that virtually every American has been told about? I have news, there are no draconian cuts. Spending in government is still going up by 3.2 percent a year. Government is still getting bigger, and a lot of us do not like that. A lot of us would prefer to see this number at zero. Government does not need to be bigger. Cut out the waste and get down to the programs that people actually need.

But the facts are, government spending is still going up by 3.2 percent a year. If we look at inflation in adjusted dollars, it is going up by about .6 percent per year. If we take a look at what is really happening to government spending, it was going up in real dollars by 1.8 percent a year. It is now still going up by about .6 percent. That is after inflation.

Government, unfortunately, is still getting bigger, so we have plenty of room to move this plan forward to the next step and stop government from growing at all. But at this point, what has been done is the growth of government spending has been slowed. It is the slowing of that growth of government spending that has led us to a point where we can actually both balance the budget, probably by 1998 or 1999, well ahead of schedule, and reduce taxes on the American people at the same time.

What a wonderful situation this is and what great news this is for America. Instead of in 1993 talking about higher taxes, we have in fact curtailed the growth of government spending to a point where we can both balance the Federal budget and at the same time provide tax relief for the American people.

It is good news for America. That is what I said when I started this evening, it is a great day in Washington. And there are not a lot of great days in Washington, believe me; but it is a great day, because we know that what has been tried in 1995, that model that was put into place, we know that model actually works, and it is very, very important.

I have one more thing here that shows just how important the work that has been done is, and credit for this should go to a lot of the different leadership in both Houses for this, but most important, to the American people, because after all it is the American people that had the common sense in 1994 to change what was happening in this community. It would not have changed without the American people.

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It cannot change without the support of the American people. What this chart shows is where the deficit was headed.

If the group that came here in 1995 played golf and basketball instead of doing their job, this line shows where the deficit was headed when we got here in 1995. The yellow line shows how much progress was made in the first 12 months under a new party in control.

My colleagues will notice that the deficit projections came down, but they still were not going to zero at that point. The green line is the 1995 plan that we put into place, and the blue line, this is the good news, the blue line shows us what is actually happening.

Again, here is what would have happened; here is how much progress was made in 12 months. Here is our plan. This is what we hope for. This is like the Gramm-Rudman-Hollings promise to the American people, and here is what is actually going on.

We are not only on track in our plan, we are ahead of schedule to the point where the budget will probably be balanced next year or the year after and we can provide a tax reduction to the American people.

I have got to pause for a moment in this presentation and say, I have been upbeat, very positive about where we are going with this country and very positive about the possibilities for what can happen. I want to pause for just 1 minute and make sure we have a dose of reality in here.

This is a topic that I think is very important for all Americans to understand, whether they are in their thirties or forties or fifties and thinking about at some point receiving Social Security, or whether they are in their fifties and sixties and are nearly ready to start receiving Social Security, or whether they are 65 or 62 and over and are receiving Social Security. This is a very important thing to understand.

When Washington says they are going to balance the budget, what they do not tell the American people is they are still taking money out of the Social Security trust fund to do it. Let me explain that. Every year the Social Security trust fund takes money in out of the paychecks of the American people. It takes in more money than what it gives back to the seniors in checks. That is to say, there is a surplus. They are collecting more money.

The reason for that is very simple. The baby boom generation is moving toward retirement, and when the baby boom generation gets there, there will not be enough money to pay Social Security. That happens in 2001. So they are collecting more money than what they are paying out right now. The idea is that money gets set aside in a savings account, and the savings account then provides the money in 2012 when the baby boom generation starts retiring and there is not enough money there to write out the Social Security checks.

The only problem in Washington, this should come as no big surprise to anyone, when Washington saw that extra money being collected out of the paychecks, instead of putting it aside in a savings account they spent the money. They put it in their big government checkbook and spent the money.

So at this point the only thing we have in that savings account is a bunch of IOU's. It is all part of the $5 trillion debt. So when Washington says they are going to balance the budget, it is important to understand that what they actually mean is they are going to use that Social Security trust fund money to actually count toward their checkbook and call that balanced.

Again I have a picture here to help make that clearer. The surplus in the Social Security trust fund for 1996 was about $107 billion. So they have got this extra money coming in, about $100 billion extra coming in. When they say balance the budget, what they mean is, I am sorry, the deficit was $107 billion in 1996. On top of that there was $65 billion in the surplus Social Security money. So there was $65 billion extra came in to Social Security more than what they paid out. The deficit had originally been reported as $107 billion; the true deficit then $172 billion.

When Washington says they are going to balance the budget, what they really mean is they are going to zero out this blue area. So even after they zero out this blue area, that is the deficit, what they call the deficit out here, they are still using the Social Security trust fund money to make their checkbook look balanced.

So in 2002, or whenever we hit a balanced budget and Washington proclaims victory, we need to understand that that victory still means they are using the money out of the Social Security trust fund. That leads us again to the National Debt Repayment Act and why it is so important.

Under the National Debt Repayment Act, of course, what we would do is, after we balanced the budget we would cap the growth of government spending at a rate 1 percent lower than the rate of revenue growth so as to create a surplus. That surplus is what we use to put the money back in the Social Security trust fund that has been taken out.

So over a period of time, then, when we get to a true balanced budget, that is, we get to a point where we are not using that Social Security money to mask the true size of the deficit or to make the budget look like it is balanced when it is really not. We get past that in our National Debt Repayment Act and we actually get to a point where all of this money that has been taken out of the Social Security Trust Fund gets put back in. If that happens, Social Security again becomes solvent through the year 2029.

I want to talk again, we talked about the past and the present, I want to go again into the future, because understanding the problems in the Social Security Trust Fund and understanding how significant this debt is on our children and what it means to them and how much interest they would have to pay or how much they do not have to pay so they can keep the money in their own home. A lot of folks are talking about our budget plan as being pie-in-the-sky; we cannot really balance the budget.

I put together a little chart that looked at the average Federal revenue growth over the last 3 years, revenue to the Federal Government; that is, if we just look at how much money is coming in to Washington, it has been growing by 7.3 percent average over the last 3 years. Over the last 5 years it went up by 7.3 percent. A 10-year average is 6.2 percent. A 17-year average is 6.8 percent.

In our budget resolution, in the budget plan that balances the budget by 2002, we only projected revenue growth of 4 percent. That is to say the plan we laid on the table was extremely conservative. The reason there are projections out there that the budget will be balanced in 1998 or 1999 is because revenue is in fact growing even faster than the 4-percent number. When it grows faster, of course, that gets us closer to a balanced budget.

I put together a little table. I asked the question: What if revenue grows at a more historical level, say 6 percent? That is what this chart shows. If we can hold the spending in line, as we have been doing, and meet the spending targets that are in the budget resolution that has just passed, and revenue grows by 6 percent instead of the 4 percent, still lower than it has been growing but faster than what was projected in the budget resolution, what happens is we do in fact balance the budget by the year 2000 and start running a surplus.

That is the real importance of passing the National Debt Repayment Act. These surpluses could start as soon as 1999 or 2000. And when those surpluses start, there is going to be a frenzy in Washington, DC, with a strong desire to spend more of the American people's money. By passing the National Debt Repayment Act, we would assure that two-thirds of this surplus goes to repaying the debt, including paying off the Social Security trust fund, and that one-third of this surplus is provided for additional tax cuts to the American people.

That is what the National Debt Repayment Act is about. It was introduced today, and I would strongly encourage my colleagues to be actively involved in supporting it. And equally important, I think, the American people need to get actively involved in this, because inside the beltway there is this strong sense that somehow the debt is irrelevant. It is almost like we do not care if we pass it on to the children. We want to give more tax cuts because that will be politically popular.

I deep down inside believe that the American people understand that the right and proper thing to do, the morally and ethically right thing to do, is to pay the bills that we ran up over the last 15 years. The National Debt Repayment Act will allow us to do just that. Before people in my age group leave the work force, we would have the debt repaid in its entirety.

For the people who want more tax cuts, I would just point out that as we pay off the Federal debt, as we implement this sort of a plan, the interest payments to the Federal Government will be reduced. And when we reduce those interest payments, of course, taxes can be correspondingly held down.

There are two important things in order to bring all of this about. There are two very important things. One of them is that we curtail the growth, we continue curtailing the growth of government spending. We do not have to have draconian cuts. We do not have to wipe out all kinds of programs that are important to people.

What we do have to do is, we have to curtail the growth of government spending. That may mean that a program gets killed on one side that was wasteful or not as productive or not as important as another program someplace else. If we were to say limit the

growth of government to the rate of inflation, some program might grow faster than inflation, such as Medicare. Some other program might have to grow slower than the rate of inflation.

I would point to one of these. Last year we sent $35 million to Russia so Russia could launch monkeys into space. I do not think we needed to send that $35 million. We took $35 million of the taxpayers' money. We sent the money to Russia for the Russians to launch monkeys into space for research.

Those things should be eliminated. The dollars spent on those sorts of programs should be redirected to programs that are more important, say Medicare, for example, and that should allow us to keep the growth of government spending at the inflation rate or even lower.

The beauty of this whole idea, the National Debt Repayment Act, is that we have one-third of the surplus going to additional tax cuts, two-thirds going to repay the debt. We get to pay off the entire debt by the year 2026 and give this Nation to our children debt free. The Social Security trust fund is restored, and we get to provide additional tax cuts to the American people.

I cannot think of much better that we could spend our time and effort on. I cannot think of a better vision for the future of this great country.

I have got a few minutes left tonight. I would like to jump over into another topic that I think is very important out here. I would like to go into a little more detail on the tax cuts that are coming for the American people.

There is a lot of debate in this community right now about whether people who are not paying any income taxes should get a tax cut or not. Many of us feel that if a person is not paying taxes, it is probably pretty hard to get a tax cut. There is a debate about whether the Social Security taxes that are withheld out of a paycheck should be applied or not. I guess that debate will go on.

But the bottom line is, when it is all over and done with, people with children, families with children with incomes below $110,000 a year, or $75,000, if they are single, they get $500 per child back in their home. If they are in a house where they have got one child headed off to college and two kids in school yet, they will get $500 for each one of those kids. On top of that, for the one that went off to college they will get an additional $1,500.

This is not like they get from Washington. This is their hard-earned money that, instead of sending it out here to Washington to let Washington decide how to spend it, they get to keep this money in their own home and spend it in the way that they think is most desirable for their own family.

I was talking to a family with three children in church the other day. They said to me, the first thing I am going to do with this money, $500-per-child, I am not going to go and spend that money. That is going into a college fund for my kids so I know when they get there, and I will have three in college at that point, I know when they get there we can pay the college bills.

What a great statement that is for America. American families care. This country is not dead and gone. The people of this country care, not only about the country, they care about their family. When the $500-per-child tax cut comes through, families are not going to go out and blow that money. They are going to use that money to provide a better life for their children. In this case they are going to put it away for a college fund. That is great news for the future of this country. That is the way it should be.

I would like to address another group of people, and this is not often discussed in the tax cut plan that is currently on the table out here. I talk with a lot of folks where their kids are grown and gone. I have a 20-year-old, an 18-year-old; the 18-year-old heads off to Carthage College next year. The 20-year-old is going to New Ulm, MN, to college. I have a 14-year-old at home that I am sure will head off to college in three or four years.

At that point my wife and I become empty nesters. An empty nester is a family where the kids have grown and they have left the house and are no longer living there. There are a lot of American people out there in their middle forties that are empty nesters. They are in this big house that they built to raise their children. They do not need that big house anymore.

The dilemma, under the Tax Code right now, is this: If they sell their house today and they are 48 years old, their kids are gone, they decide they want to go into a smaller home, lower payments, and start saving for their own retirement, if that is what they would like to do, under today's rules they sell that bigger house and move into a smaller house and the tax burden comes out and grabs lots of money from them.

Under the tax cut package that is here today, this is very significant for empty nesters, if they wish to downsize their house, the government is not going to come and take a portion of the inflated price of their old home, their bigger home.

Let me walk through this. Suppose a family has three kids and they are young kids, and when they were 35 years old they bought a house for $35,000, $40,000. They kept that home, and now they are 48 years old and their kids are all gone and they need a smaller house. The home that they bought for $35,000 is now worth $85,000, so there has been a $50,000 inflation in there.

Under the old rules, if they sold the house before age 55, they pay taxes on that $50,000. They pay a capital gains tax on it. Under the new rules, if they sell their house even before the age of 55, they do not have to pay the taxes on it. So if they want to sell their big house, move to a smaller house, lower payments and save for themselves for retirement, go ahead and do it. That is what the new tax rules are saying. It is a significant change for a lot of Americans that has not really been talked about out here.

There is another area of tax cuts that I think is very significant. Lots of people, especially my age group, 20's, 30's, on up into the 40's, we started saving in a pension plan of some sort for our own retirement, many times even outside our employer's plan. We started some other sort of a savings plan to get ready for our retirement, or if it is our place of work and they provide us with a pension plan of some sort.

In that pension plan they have been buying maybe stocks and bonds or whatever they buy in that pension fund. By the time they reach retirement, the value of those stocks is going to have increased, we hope. That is why they are buying them, so they will increase in value under the old rules.

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When we pull those stocks out of the pension fund, we pay a 28 percent tax on them. It is called a capital gains tax. Under the new rules, instead of paying 28 percent, we will only pay 20 percent. That is a very significant reduction. That is an 8 percent reduction.

If we pull money out of our pension funds, and let us say we are taking out $1,000 of this profit a month, instead of paying 28 percent, $280 in taxes out of that thousand dollars we are taking out, we are now only going to pay $200; and we get to keep an extra 80 bucks in our own home to spend as we see fit instead of sending it to Washington to spend on our behalf. Another very significant change in the tax code.

There is lots of good news out there in the tax code. A lot of times the American people get bogged down in all the bickering and fighting going on down here in Washington, but I think it is important as we are listening to that that we remember the huge difference in transition that has taken place from before 1995 to today.

Before 1995 there was no fighting about tax cuts. For goodness sakes, there was no tax cuts even being discussed. The only thing being discussed were which taxes should be increased and how far. Today, yes, there are some disagreements over which taxes should be cut and how far, but is it not a wonderful situation for the country to be in, where we are talking about which taxes to reduce on the American people and how far they should be reduced?

Let us have that debate. And the good news is that under the National Debt Repayment Act there is more tax reductions coming for the American people.

I would encourage every American to get actively involved in this debate. If for some reason somebody can find a way that they are not affected by the

tax cuts that are currently on the table, I think it is important that their representatives know about that so that in the next round of tax cuts, as the National Debt Repayment Act is put into place, and one-third of the surplus is allocated to additional tax cuts, Congressional Representatives should know exactly what it is that their constituents would like to do with those tax cuts to make sure it affects them too.

Let us make sure everybody in America that is working and paying taxes gets a reduction of some sort, because that is what this is all about. Washington does not need to take as much money from the American people as it is taking. I believe very deeply that the American people, our families out there, our singles out there, that the American people can do a much better job of spending their own money than the people out here in Washington can.

So as we go through tax cut round after tax cut round after tax cut round, think back to 1993 and just think, as we are going through some of these debates, what a wonderful thing it is that we are actually having these debates out here in Washington as opposed to the alternative which was here in 1993.

What I want to do now is just wrap up this discussion. I would like to go back to the past, the present and the future, just quickly through it.

I will start with the past and again just remind folks exactly how far we have come. I always use this chart of the Gramm-Rudman-Hollings promises because of the past.

Before 1995. A different party in control of the House of Representatives. The Democrats in control of the Senate and the presidency. What was the world like before 1995, before the American people made a change? It is not Washington that made the change. In 1994 the American people decided to make a change. Before they made that change, what was going on and what brought the American people to make that change?

Well, in the 1980's, they promised under the Gramm-Rudman-Hollings Act to get us to a balanced budget, following this blue line for deficits. But they did not meet their targets. They broke their promises to the American people. And it was more than money, it was the fact that the people in Washington had made promises to the American people. When they could not keep their promises, they said, we know what to do, let us make a whole new set of promises, and they passed Gramm-Rudman-Hollings II and made a whole new set of promises to the American people and again broke those promises to the American people.

The past, folks. Broken promises, pre-1995. Someone else in control of Congress. The past. These broken promises of a balanced budget. The past, 1993. Which taxes should we raise to get us to a balanced budget and how far should we raise those taxes? The gasoline tax, Social Security tax. Everybody's taxes went up. If one owned an automobile, they paid more taxes. The past. Broken promises, higher taxes.

The present. The American people revolted in 1994 and they put the Republicans in control of both the House and the Senate. To see how different things are, those broken promises of the past, that is not the group that is here now. The American people should evaluate this change. They should look out here now and say did the Republicans fulfill their commitments or are they like all the rest and broke their promises, too.

Well, here are the promises the Republicans made. In 1995 we laid out a plan to balance the Federal budget. We said in the first year of that plan the deficit could not be more than this red column. Well, it was the blue column. We not only hit our target but we were ahead of schedule.

Year 2. We promised not more than the red column. Blue column is what actually happened. Year 2, on track, ahead of schedule. Very different. We not only hit our targets, we were ahead of schedule in the first 2 years.

We are now in year 3. In year 3, even if we go into a rescission, which is what is currently projected, this is what was promised back in 1995, and this is where we actually are. A very different group of people with very different results.

How did we make this happen? What brought this picture about? What brought this picture about is not raising taxes, not reaching into the pockets of the American people and giving more money to Washington. What brought this chart about is curtailing the growth of Government spending. Looking at our Government, asking ourselves which programs do we not need. What can we do to do a better job? How can we curtail the growth of Government spending.

Government spending is still growing. It is still going up by 3½ percent, a little faster than the rate of inflation, but not as fast as it was before. And since it is not going up as fast as it was before, Government spending goes up slower; since we are not spending as much money, that means the Government did not borrow as much out of the private sector. When they did not borrow as much, our theory was that with more money available in the private sector, because the Government borrowed less, more money would be available in the private sector and interest rates would stay down, law of supply and demand.

With interest rates down, people could afford to buy houses and cars, which they did. And when people bought houses and cars, other people had to build them, which meant they left the welfare rolls and got a job.

That is exactly what has led to this picture up here of being not only on track but ahead of schedule. So what happened? That group that got sent here in 1995, they fulfilled their commitment and curtailed the growth of government spending. Not draconian cuts. Spending still went up, but at a much slower rate. We curtailed the growth of spending to a point where we cannot only balance the budget, but also reduce taxes on the people at the same time.

That is where we are at now today. We are actually at a balanced budget. In 1998 we will stop spending more money than we have in our checkbook. As soon as 1998. And at the same time we are providing tax relief to the American people. That is what has happened and that is a very different picture than 1993.

The past, the present, the future.

The future of this party. The future of this great Nation. Much more important than the party itself. The future of our country needs to recognize that even after we get to a balanced budget, we still have a huge debt hanging over our heads. Five trillion dollars. We need to live up to and accept the responsibilities of our generation, a generation who has spent this money.

Our generation has overdrawn its checkbook each year since 1969. The future, folks. We must do what is right for the future of this country and live up to our moral and ethical responsibilities to do something about the $5.3 trillion debt. We do not want to pass that on to our children. I think it is totally inappropriate for our generation to look the other way and pass that debt on to our children.

Our job is to do something about it, and that is the National Debt Repayment Act. We introduced it today in Congress. The National Debt Repayment Act goes like this. It says after we reach a balanced budget, that is, the same number of dollars coming in as what the government is writing out checks for, after our budget is in balance, we cap the growth of spending at a rate 1 percent lower than the rate of revenue growth.

If revenues go up faster than spending, that creates a very small surplus to begin with. The surplus grows each year. One-third of that surplus goes to providing additional tax cuts to working families; two-thirds to repay the Federal debt.

The future? The future is paying off the entire Federal debt under this plan by the year 2026, giving our Nation to our children debt-free. And, of course, as we are paying off the debt, we restore the Social Security trust fund.

The future? The future is the National Debt Repayment Act providing additional tax cuts to working families. A secure future and debt-free Nation for our children and restore the Social Security trust fund so our seniors, once again, are secure in this great Nation that we live in.

That is a very different vision than the past that we have had here. This is such good news for America. It is such good news it should be put out on every station to let all the people know just how changed this place is.

The past. Broken promises, higher taxes. The present. Third year of a 7-year plan to balance the budget. On track and ahead of schedule. Very changed place. Curtailing the growth of government spending to the point where we can both balance the budget and, at the same time, reduce taxes on our families out there. And, after all, that is what this is all about, the future.

The future is about our children and future generations of Americans. The future. The National Debt Repayment Act, where we repay the entire Federal debt by the year 2026 and give this Nation to our children debt-free. The National Debt Repayment Act, where we are paying off the debt and restoring the Social Security trust fund. The National Debt Repayment Act, where we allow additional tax cuts for working families. Additional tax cuts for working families, a restored Social Security trust fund for our seniors and a debt-free Nation for our children.

That is a vision for the future of this great Nation that we live in. That is what I sincerely hope happens out of what has started here today as we have introduced the National Debt Repayment Act, and that is my vision for the future of America.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. FORBES (at the request of Mr. ARMEY), for today, on account of illness in the family.

Mr. YOUNG of Alaska (at the request of Mr. ARMEY), until August 1, 1997, on account of medical reasons.

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. MCNULTY) to revise and extend their remarks and include extraneous material:)

Mr. ETHERIDGE, for 5 minutes, today.

Mrs. MALONEY of New York, for 5 minutes, today.

Ms. JACKSON-LEE of Texas, for 5 minutes, today.

(The following Members (at the request of Mr. DUNCAN) to revise and extend their remarks and include extraneous material:)

Mr. KINGSTON, for 5 minutes, today.

Mr. WELDON of Florida, for 5 minutes, today.

Mr. DUNCAN, for 5 minutes, today.

(The following Member (at his own request) to revise and extend his remarks and include extraneous material:)

Mr. DICKS, 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. MCNULTY) to revise and extend their remarks and include extraneous matter:)

Ms. CHRISTIAN-GREEN.

Mr. STOKES.

Mr. LANTOS.

Mr. SERRANO.

Mr. GEJDENSON.

(The following Members (at the request of Mr. DUNCAN) to revise and extend their remarks and include extraneous matter:)

Mr. GILMAN.

Mr. FORBES.

Mr. BRYANT.

Mr. GALLEGLY.

Mr. COLLINS.

(The following Members (at the request of Mr. NEUMANN) to revise and extend their remarks and include extraneous matter:)

Mr. COBLE.

Mr. PACKARD.

Ms. VELAZQUEZ.

Mr. ENGEL.

Mr. MCCOLLUM.

Mrs. CUBIN.

Mr. POMEROY.

Mr. MURTHA.

Mr. MENENDEZ.

Mr. FOGLIETTA.

Mr. KENNEDY of Massachusetts.

Mr. SOLOMON.

Mrs. MALONEY of New York.

Mr. KUCINICH.

Mr. BOB SCHAFFER of Colorado.

Mr. GEJDENSON.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 768. For the relief of Michel Christopher Meili, Giuseppina Meili, Mirjam Naomi Meili, and Davide Meili.

ADJOURNMENT

Mr. NEUMANN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 40 minutes p.m.), under its previous order, the House adjourned until Monday, July 21, 1997, at 12 noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

4228. A communication from the President of the United States, transmitting a report to Congress that suspension for 6 months beyond August 1, 1997, of the right to bring an action under title III of the Cuban Liberty and Democratic Solidarity (LIBERTAD) Act of 1996 is necessary to the national interests of the United States and will expedite a transition to democracy in Cuba, pursuant to Public Law 104—114, section 306(c)(2); (H. Doc. No. 105—107); jointly to the Committees on International Relations and the Judiciary, and ordered to be printed.

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:

Mrs. MYRICK: Committee on Rules. House Resolution 189. Resolution providing for consideration of the bill (H.R. 2169) making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1998, and for other purposes (Rept. 105–189). Referred to the House Calendar.

SUPPLEMENTAL REPORT FILED

Mr. LIVINGSTON: Committee on Appropriations. Supplemental Report on the revised subdivision of budget totals for fiscal year 1998 (Rept. 105–185 Part II). Referred to the Committee on the Whole House on the State of the Union, and ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of Rule X and clause 4 of Rule XXII, public bills and resolutions were introduced and severally referred, as follows:

By Mr. COBLE:

H.R. 2180. A bill to amend title 17, United States Code, to provide limitations on copyright liability relating to material on-line, and for other purposes; to the Committee on the Judiciary.

By Mr. MCCOLLUM (for himself, Mr. SCHUMER, Mr. BUYER, Mr. CHABOT, Mr. COBLE, Mr. BARR of Georgia, Mr. HUTCHINSON, Mr. GEKAS, Ms. JACKSON-LEE, Mr. MEEHAN, and Mr. WEXLER):

H.R. 2181. A bill to ensure the safety of witnesses and to promote notification of the interstate relocation of witnesses by States and localities engaging in that relocation, and for other purposes; to the Committee on the Judiciary.

By Mr. WEXLER (for himself, Mr. CONYERS, Mr. COBLE, Mr. FRANK of Massachusetts, Ms. JACKSON-LEE, and Ms. LOFGREN):

H.R. 2182. A bill to amend the Inspector General Act of 1978 to clarify the authority of the inspector general of the Department of Justice; to the Committee on Government Reform and Oversight.

By Mr. HUTCHINSON (for himself, Mr. BOYD, Mr. COOK, Mr. DAVIS of Florida, Mr. GIBBONS, Mr. HILL, Mr. HULSHOF, Mr. KIND of Wisconsin, Mr. LAMPSON, Mr. PASCRELL, Mrs. TAUSCHER, Mr. BERRY, Mr. BLAGOJEVICH, Mr. BLUMENAUER, Mr. BOSWELL, Mr. BRADY, Ms. DEGETTE, Mr. DELAHUNT, Mr. FORD, Mr. HINOJOSA, Ms. HOOLEY of Oregon, Mr. JOHN, Mr. JOHNSON of Wisconsin, Mrs. MCCARTHY of New York, Mr. MALONEY of Connecticut, Mr. REDMOND, Mr. SNYDER, Mr. TURNER, Mr. WAMP, Mr. WEXLER, and Mr. WEYGAND):

H.R. 2183. A bill to amend the Federal Election Campaign Act of 1971 to reform the financing of campaigns for elections for Federal office, and for other purposes; to the Committee on House Oversight.

By Mr. BRYANT:

H.R. 2184. A bill to permit reviews of criminal records of applicants for private security officer employment, and for other purposes; to the Committee on Education and the Workforce, and in addition to the Committee on the Judiciary, 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 Mrs. CLAYTON (for herself, Mr. HILLIARD, Mr. BISHOP, Mr. THOMPSON, Mr. HASTINGS of Florida, Ms. JACKSON-LEE, Ms. KILPATRICK, Mr. LEWIS of Georgia, Ms. NORTON, Mr. SCOTT, Mr. WYNN, Mr. BONIOR, Mr. DIXON, Mr. ABERCROMBIE, Mr. CLAY, Mrs. MEEK of Florida, Ms. BROWN of Florida, Mr. SERRANO, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. BROWN of Ohio, Ms. MCKINNEY, Mr. CONYERS, Mr. WATT of North Carolina, Ms. WATERS, and Mrs. MINK of Hawaii):

H.R. 2185. A bill to establish equitable service for customers and equal opportunity for employees of the United States Department of Agriculture; to the Committee on Agriculture, and in addition to the Committees on Government Reform and Oversight, 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 Mrs. CUBIN:

H.R. 2186. A bill to authorize the Secretary of the Interior to provide assistance to the National Historic Trails Interpretive Center in Casper, WY; to the Committee on Resources.

By Mr. ENGEL (for himself, Mr. NADLER, Mr. RANGEL, Ms. VELAZQUEZ, and Mrs. MALONEY of New York):

H.R. 2187. A bill to designate the U.S. Courthouse located at 40 Foley Square in New York, NY, as the ''Thurgood Marshall United States Courthouse''; to the Committee on Transportation and Infrastructure.

By Mrs. FOWLER (for herself, Mr. COX of California, Mr. GIBBONS, Mr. GILMAN, Mr. SAM JOHNSON, Mr. MCINTOSH, Mr. ROHRABACHER, Mr. SHADEGG, Mr. SMITH of New Jersey, Mr. SPENCE, Mr. SOLOMON, and Mr. ROYCE):

H.R. 2188. A bill to ensure that commercial activities of the People's Liberation Army of China or any Communist Chinese military company are not extended normal tariff treatment by the United States or treated as normal commercial intercourse with the United States; to the Committee on Ways and Means, and in addition to the Committees on International Relations, National Security, and Banking and Financial Services, 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. HYDE (for himself and Ms. WOOLSEY):

H.R. 2189. A bill to amend the Internal Revenue Code of 1986 and the Social Security Act to repeal provisions relating to the State enforcement of child support obligations and to require the Internal Revenue Service to collect child support through wage withholding and other means, and to authorize the Social Security Administration to distribute child support collections; to the Committee on Ways and Means.

By Mr. MCCOLLUM (for himself, Mr. COX of California, Mr. SOLOMON, Mr. SPENCE, Mr. GILMAN, Mr. SAM JOHNSON, Mr. ROHRABACHER, Mr. ROYCE, Mr. SMITH of New Jersey, Mr. MCINTOSH, Mr. SHADEGG, Mr. GIBBONS, and Mr. HUTCHINSON):

H.R. 2190. A bill to provide for an annual report to Congress on the intelligence activities of the People's Republic of China directed against or affecting the interests of the United States; to the Committee on Intelligence (Permanent Select).

By Mr. NEUMANN (for himself, Mr. GINGRICH, Mr. SOLOMON, Mr. LIVINGSTON, Mr. KASICH, Mr. PAXON, Mr. BALLENGER, Mr. BARTLETT of Maryland, Mr. BARTON of Texas, Mr. BASS, Mr. BLUNT, Mr. BONO, Mr. BRYANT, Mr. BURR of North Carolina, Mr. BURTON of Indiana, Mr. CAMPBELL, Mr. CHABOT, Mrs. CHENOWETH, Mr. CHRISTENSEN, Mr. COBURN, Mr. CONDIT, Mr. COOKSEY, Mr. CRAPO, Mrs. CUBIN, Mr. DICKEY, Mr. DOOLITTLE, Mr. DREIER, Mr. EHRLICH, Mr. ENGLISH of Pennsylvania, Mr. ENSIGN, Mr. EWING, Mr. FOLEY, Mr. FORBES, Mr. FOX of Pennsylvania, Mr. FRANKS of New Jersey, Mr. GOODE, Mr. GRAHAM, Ms. GRANGER, Mr. GUTKNECHT, Mr. HASTINGS of Washington, Mr. HAYWORTH, Mr. HERGER, Mr. HILL, Mr. HOBSON, Mr. HOEKSTRA, Mr. HORN, Mr. HOSTETTLER, Mr. HUNTER, Mr. ISTOOK, Mr. SAM JOHNSON, Mr. JONES, Mr. KINGSTON, Mr. KLUG, Mr. LARGENT, Mr. LATOURETTE, Mr. LEWIS of Kentucky, Mr. MCINTOSH, Mr. MCKEON, Mr. MANZULLO, Mr. METCALF, Mr. MINGE, Mrs. MYRICK, Mr. NETHERCUTT, Mr. NEY, Mr. NUSSLE, Mr. PARKER, Mr. PETERSON of Pennsylvania, Mr. PICKERING, Mr. PITTS, Mr. RADANOVICH, Mr. RAMSTAD, Mr. ROHRABACHER, Mr. ROYCE, Mr. RYUN, Mr. SALMON, Mr. SCARBOROUGH, Mr. BOB SCHAFFER, Mr. SHAYS, Mrs. LINDA SMITH of Washington, Mr. SMITH of Michigan, Mr. SNOWBARGER, Mr. SOUDER, Mr. TALENT, Mr. TAUZIN, Mr. TAYLOR of Mississippi, Mr. THORNBERRY, Mr. THUNE, Mr. TIAHRT, Mr. TRAFICANT, Mr. WAMP, Mr. WATTS of Oklahoma, Mr. WELDON of Florida, Mr. WELLER, Mr. WHITFIELD, and Mr. WICKER):

H.R. 2191. A bill to amend the Congressional Budget Act of 1974 regarding procedures for budget resolutions and to amend title 31, United States Code, to direct repayment of the public debt; to the Committee on the Budget, and in addition to the Committees on Rules, 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 Mrs. NORTHUP:

H.R. 2192. A bill to establish a National Panel on Early Reading Research and Effective Reading Instruction; to the Committee on Education and the Workforce.

By Mr. SANDLIN:

H.R. 2193. A bill to amend title 10, United States Code, to clarify the definition of depot-level maintenance and repair as the definition applies to the Department of the Army; to the Committee on National Security.

By Mr. SHERMAN (for himself, Mr. LIPINSKI, Mr. FROST, Mr. HASTINGS of Florida, Mr. WALSH, Ms. LOFGREN, Mrs. KELLY, Mr. ABERCROMBIE, Mr. LAFALCE, Ms. MILLENDER-MCDONALD, Mr. MCKEON, Mr. KLINK, Mr. DAVIS of Illinois, Mr. BURR of North Carolina, Mr. BILBRAY, Mr. FRANKS of New Jersey, Mr. TORRES, Mr. BROWN of California, Ms. HARMAN, Mr. FAZIO of California, Ms. ROS-LEHTINEN, Ms. CARSON, Mr. DIAZ-BALART, Mr. BEREUTER, Mr. ENGLISH of Pennsylvania, Mr. GALLEGLY, and Mr. SANDLIN):

H.R. 2194. A bill to provide for telephone access to the FBI database that tracks the movement and whereabouts of sexual offenders; to the Committee on the Judiciary.

By Mr. SMITH of New Jersey (for himself, Mr. COX of California, Mr. GILMAN, Mr. SPENCE, Mr. SOLOMON, Mr. SHADEGG, Mr. MCINTOSH, Mr. ROHRABACHER, Mr. GIBBONS, and Mr. SAM JOHNSON):

H.R. 2195. A bill to provide for certain measures to increase monitoring of products of the People's Republic of China that are made with forced labor; to the Committee on Ways and Means, and in addition to the Committee on International Relations, 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. SOLOMON (for himself, Mr. COX of California, Mr. GILMAN, Mr. SPENCE, Mr. ROHRABACHER, Mr. MCINTOSH, Mr. GIBBONS, and Mr. SHADEGG):

H.R. 2196. A bill to reduce the Federal funds to be provided to any international financial institution by the United States portion of any subsidy provided by the institution to the People's Republic of China; to the Committee on Banking and Financial Services.

By Mr. STEARNS (for himself, Mr. GUTIERREZ, Mr. STUMP, and Mr. EVANS):

H.R. 2197. A bill to amend title 38, United States Code, to specify the entities eligible to purchase pharmaceutical products from the Federal Supply Schedule; to the Committee on Veterans' Affairs.

By Mr. STEARNS (for himself, Mr. ARMEY, Mr. BISHOP, Mr. BROWN of Ohio, Mr. CANADY of Florida, Mr. DAVIS of Virginia, Mr. DEFAZIO, Mr. DUNCAN, Mr. FALEOMAVAEGA, Mr. FARR of California, Mr. FOLEY, Mrs. FOWLER, Mr. GEKAS, Mr. GILLMOR, Mr. GILMAN, Mr. GONZALEZ, Mr. GREEN, Mr. HERGER, Mrs. JOHNSON of Connecticut, Mr. KENNEDY of Massachusetts, Ms. LOFGREN, Mr. MCCOLLUM, Mr. MCHUGH, Ms. MCKINNEY, Mr. NADLER, Mr. OBERSTAR, Mr. OXLEY, Mr. SENSENBRENNER, Mr. SHADEGG, Mr. SMITH of New Jersey, Mr. STUMP, Mr. TAYLOR of North Carolina, Mr. TRAFICANT, Mr. UPTON, Mr. WAXMAN, Mr. WELDON of Florida, and Ms. WOOLSEY):

H.R. 2198. A bill to establish limitations with respect to the disclosure and use of genetic information in connection with group health plans and health insurance coverage, to provide for consistent standards applicable in connection with hospital care and medical services provided under title 38 of the United States Code, to prohibit employment discrimination on the basis of genetic information and genetic testing, and for other purposes; to the Committee on Commerce, and in addition to the Committees on Government Reform and Oversight, Education and the Workforce, and Veterans' Affairs, 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. TIERNEY (for himself, Ms. KAPTUR, Mr. MILLER of California, Mr. NADLER, Mr. DEFAZIO, Mr. LEWIS of Georgia, Mr. GEJDENSON, Ms. MCKINNEY, Mr. WEYGAND, Mr. KIND of Wisconsin, Mr. MEEHAN, Mr. DELAHUNT, Mr. FORD, Mr. HINCHEY, Mr. SANDERS, Mr. KUCINICH, Mr. MCDERMOTT, Mr. MARKEY, Mr. OLVER, Mr. BLUMENAUER, Mr. BARRETT of Wisconsin, Mr. BLAGOJEVICH, Mr. JACKSON, Ms. ESHOO, Ms. PELOSI, Mr. MORAN of Virginia, and Ms. DELAURO):

H.R. 2199. A bill to reform the financing of Federal elections; to the Committee on House Oversight, and in addition to the Committees on Commerce, and Government Reform and Oversight, 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. UNDERWOOD (for himself, Mr. MILLER of California, Mr. LIPINSKI, Mr. ABERCROMBIE, Ms. CHRISTIAN-GREEN, Mr. FALEOMAVAEGA, Mr. FILNER, Mr. FRANK of Massachusetts, Mr. HOLDEN, Mr. KENNEDY of Rhode Island, Mr. ORTIZ, Mr. PASTOR, Mr. ROHRABACHER, and Mr. ROMERO-BARCELO):

H.R. 2200. A bill to amend the Organic Act of Guam to provide restitution to the people of Guam who suffered atrocities such as personal injury, forced labor, forced marches, internment, and death during the occupation of Guam in World War II, and for other purposes; to the Committee on Resources.

By Ms. VELAZQUEZ (for herself, Mr. GILMAN, Mr. LAZIO of New York, Mr. TOWNS, Mrs. MALONEY of New York, Ms. MOLINARI, Mr. SERRANO, Mr. MANTON, Mr. KING of New York, Mr. SCHUMER, Mr. HINCHEY, Mr. NADLER, Mrs. LOWEY, Mr. FLAKE, Mr. ACKERMAN, Mr. MCNULTY, Mr. ENGEL, Mr. RANGEL, Ms. SLAUGHTER, Mrs. MCCARTHY of New York, Mr. LAFALCE, Mrs. KELLY, Mr. OWENS, and Mr. BOEHLERT):

H.R. 2201. A bill to establish the Lower East Side Tenement National Historic Site, and for other purposes; to the Committee on Resources.

By Mr. YOUNG of Florida (for himself, Mr. BLILEY, Mr. SAXTON, Mr. STOKES, Mr. HOYER, Mr. HALL of Ohio, Mr. MCDADE, Mr. SHAW, Mr. WATTS of Oklahoma, Mr. WAXMAN, Mr. HEFLEY, Mr. MOAKLEY, Mr. DELLUMS, Mr. HILLEARY, Mr. BORSKI, Ms. GRANGER, Mr. HORN, Mr. COBURN, Mr. HASTINGS of Florida, Mr. THOMPSON, Mr. PICKETT, Mr. MASCARA, Mr. PETERSON of Minnesota, Mr. THORNBERRY, Mr. GORDON, Mr. BLUNT, Mr. MCNULTY, Mr. PASTOR, Mr. MORAN of Virginia, Ms. ROS-LEHTINEN, Mrs. MINK of Hawaii, Ms. EDDIE BERNICE JOHNSON of Texas, Ms. DUNN of Washington, Mr. FALEOMAVAEGA, Mr. CONDIT, Mr. DUNCAN, Mr. GREENWOOD, Mr. GUTIERREZ, Mr. SHIMKUS, Mr. CLAY, Mr. BOB SCHAFFER, Mr. BOEHLERT, Mr. DEFAZIO, Mr. QUINN, Ms. NORTON, Mr. CALVERT, Mr. WISE, Ms. PELOSI, Mr. FRELINGHUYSEN, Mr. FROST, Mrs. LOWEY, Mr. BARTON of Texas, Ms. DELAURO, Mr. LATHAM, Mr. FOLEY, Mr. SPENCE, Mr. CANADY of Florida, Mr. HINCHEY, Ms. KILPATRICK, Mr. BOYD, Ms. SLAUGHTER, Mr. BONILLA, Mr. ABERCROMBIE, Mrs. THURMAN, and Mr. PORTER):

H.R. 2202. A bill to amend the Public Health Service Act to revise and extend the bone marrow donor program, and for other purposes; to the Committee on Commerce.

By Mr. METCALF (for himself, Ms. DUNN of Washington, Mr. DICKS, Mr. WHITE, Mr. NETHERCUTT, Mr. HASTINGS of Washington, Mr. MCDERMOTT, Mrs. LINDA SMITH of Washington, and Mr. ADAM SMITH of Washington):

H. Con. Res. 117. Concurrent resolution expressing the sense of the Congress regarding the interference of the European Commission in the merger of the Boeing Co. and McDonnell Douglas; to the Committee on International Relations.

By Mr. GILMAN (for himself, Mr. SOLOMON, Mr. ROHRABACHER, Mr. SMITH of New Jersey, Mr. COX of California, and Mr. MARKEY):

H. Res. 188. Resolution urging the executive branch to take action regarding the acquisition by Iran of C–802 cruise missiles; to the Committee on International Relations.

By Mr. COX of California (for himself, Mr. SAM JOHNSON, Mr. GILMAN, Mr. SPENCE, Mr. SOLOMON, Mr. SMITH of New Jersey, Mr. ROYCE, Mr. SHADEGG, Mr. GIBBONS, Mr. MCINTOSH, and Mr. ROHRABACHER):

H. Res. 190. Resolution expressing the sense of the House of Representatives that Taiwan should be admitted to the World Trade Organization without making such admission conditional on the previous or simultaneous admission of the People's Republic of China to the WTO; to the Committee on Ways and Means.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 12: Mr. MILLER of California, Mr. SHERMAN, Mr. SKAGGS, Ms. SLAUGHTER, Mr. WEXLER, and Mr. YATES.

H.R. 38: Mr. FOX of Pennsylvania.

H.R. 44: Mr. FOX of Pennsylvania and Mr. WATTS of Oklahoma.

H.R. 58: Mr. TIAHRT and Mr. SMITH of Oregon.

H.R. 66: Mr. CLAY.

H.R. 127: Mr. PASTOR and Mr. PETERSON of Minnesota.

H.R. 145: Mr. CAMPBELL and Mr. DICKS.

H.R. 234: Mr. FOX of Pennsylvania.

H.R. 305: Mr. KENNEDY of Rhode Island.

H.R. 387: Mr. OWENS, Mr. SOLOMON, Mr. EHRLICH, and Mr. STARK.

H.R. 407: Mr. ROEMER.

H.R. 600: Mr. LAMPSON.

H.R. 641: Mr. CAMP.

H.R. 695: Mr. BARRETT of Nebraska, Mr. GEPHARDT, Mr. KIM, Mrs. JOHNSON of Connecticut, Mr. LUCAS of Oklahoma, and Mr. BROWN of California.

H.R. 715: Mr. GEKAS, Mr. BONIOR, Mrs. MCCARTHY, Mr. ROMERO-BARCELO, and Mr. WEXLER.

H.R. 727: Mr. SOLOMON and Mr. COOK.

H.R. 755: Mr. GOODLING.

H.R. 805: Mr. GALLEGLY.

H.R. 866: Mr. COLLINS.

H.R. 875: Mr. DAVIS of Illinois and Mr. WICKER.

H.R. 977: Mr. MCHUGH.

H.R. 981: Mr. FAZIO of California and Ms. DELAURO.

H.R. 982: Mr. VENTO.

H.R. 983: Mr. RANGEL.

H.R. 1002: Mr. KING of New York and Mr. CUMMINGS.

H.R. 1010: Mr. HEFLEY, Ms. GRANGER, Mr. SENSENBRENNER, and Mr. WICKER.

H.R. 1015: Ms. PELOSI, Mr. BERMAN, and Mr. PASCRELL.

H.R. 1059: Mr. COOK.

H.R. 1108: Mr. MCCRERY.

H.R. 1114: Mr. CLYBURN.

H.R. 1128: Ms. MILLENDER-MCDONALD.

H.R. 1151: Mr. MENENDEZ, Mr. SHAYS, Mr. CUMMINGS, and Mr. NADLER.

H.R. 1175: Mr. SHERMAN.

H.R. 1176: Mr. CAMPBELL and Mr. DAVIS of Illinois.

H.R. 1288: Mr. OWENS.

H.R. 1437: Mr. YATES and Mr. MCHUGH.

H.R. 1500: Mr. DAVIS of Illinois.

H.R. 1504: Mr. WHITFIELD and Mr. MCGOVERN.

H.R. 1507: Mr. CLAY and Mr. NEAL of Massachusetts.

H.R. 1525: Mr. MARTINEZ.

H.R. 1531: Mr. EVANS, Mr. FOX of Pennsylvania, Ms. JACKSON-LEE, and Mr. ENGLISH of Pennsylvania.

H.R. 1550: Mr. BURTON of Indiana.

H.R. 1583: Ms. DEGETTE.

H.R. 1608: Mr. MASCARA, Mr. GREENWOOD, Mr. KING of New York, Mr. WELDON of Pennsylvania, Mr. SHIMKUS, Mr. NEY, Mr. HORN, Mr. MCHUGH, Mr. BOEHLERT, Mrs. ROUKEMA, Mr. JACKSON, and Mr. HILLIARD.

H.R. 1614: Ms. CARSON.

H.R. 1671: Ms. SANCHEZ.

H.R. 1710: Mrs. JOHNSON of Connecticut, Mr. PORTER, Mr. DOOLEY of California, Mr. COMBEST, Mr. MCINTOSH, Mrs. MYRICK, Mr. DUNCAN, Mr. GIBBONS, Mr. SHAYS, Mr. KLECZKA, Mr. FORBES, Mr. SAM JOHNSON, Mr. LUTHER, Mr. HERGER, Mr. KOLBE, Mr. SMITH of Texas, Mr. CALVERT, Mr. SENSENBRENNER, Mr. WELDON of Florida, Mr. CLYBURN, Mr. EHLERS, Mr. TALENT, Mrs. TAUSCHER, Mrs. ROUKEMA, and Mr. SPENCE.

H.R. 1711: Mr. TIAHRT, Mr. LUCAS of Oklahoma, and Mr. DOOLITTLE.

H.R. 1719: Mr. BARTON of Texas, Ms. DANNER, Mr. BARRETT of Nebraska, and Mr. BALLENGER.

H.R. 1737: Mrs. CLAYTON and Mr. SAXTON.

H.R. 1754: Mr. SOLOMON.

H.R. 1836: Mr. COX of California and Mr. BARRETT of Wisconsin.

H.R. 1839: Mr. BURR of North Carolina and Mr. RAHALL.

H.R. 1842: Mr. HOSTETTLER.

H.R. 1849: Mr. LARGENT, Mr. SNYDER, Mr. BEREUTER, and Mr. REYES.

H.R. 1859: Mr. CHRISTENSEN.

H.R. 1872: Mr. KLUG, Mr. DEUTSCH, and Mr. UPTON.

H.R. 1876: Mr. ENGLISH of Pennsylvania.

H.R. 1880: Mr. CONDIT.

H.R. 1915: Mr. BARRETT of Wisconsin, Mr. MCGOVERN, and Mr. DEFAZIO.

H.R. 1951: Mr. FARR of California, Mr. GONZALEZ, Mr. YATES, and Mr. WAXMAN.

H.R. 1955: Ms. GRANGER and Mr. PICKERING.

H.R. 1972: Mr. DAVIS of Illinois.

H.R. 1984: Mr. BALLENGER, Mr. HAYWORTH, Mr. PETERSON of Pennsylvania, Mr. THORNBERRY, Mr. PETERSON of Minnesota, Mr. HILLIARD, Mr. RUSH, Mr. SANDLIN, Mr. REGULA, Mr. COOKSEY, Mr. SMITH of Oregon, Mr. BARCIA of Michigan, Mrs. MYRICK, Mr. BARTLETT of Maryland, Mr. PICKETT, Mr. ADERHOLT, and Mr. HEFLEY.

H.R. 2003: Mr. EDWARDS, Mr. GOODE, Mr. BERRY, Mr. HOUGHTON, Mr. HAMILTON, Mr. CRAMER, Mr. DEUTSCH, Mr. MCHALE, Mr. KIND of Wisconsin, Mr. BARRETT of Wisconsin, Ms. ESHOO, Mr. HEFNER, Mr. BOSWELL, Mr. BISHOP, Mr. SISISKY, Mr. JOHNSON of Wisconsin, Mr. KLUG, Mr. BARCIA of Michigan, Mrs. KENNELLY of Connecticut, Ms. MCKINNEY, Mr. STUPAK, Mr. MCINTYRE, Mr. ENGLISH of Pennsylvania, and Mr. DAN SCHAEFER of Colorado.

H.R. 2064: Mr. BLUNT, Mr. ORTIZ, Mr. CLEMENT, and Mr. SCHUMER.

H.R. 2135: Mr. FRANK of Massachusetts, Mr. DEFAZIO, Ms. DELAURO, Mrs. LOWEY, and Mr. TIERNEY.

H.R. 2143: Mr. HINCHEY.

H.R. 2174: Ms. ESHOO, Mr. BOEHLERT, Mr. BENTSEN, Mrs. TAUSCHER, Mr. HASTINGS of Florida, Ms. JACKSON-LEE, Mr. LANTOS, and Mr. FARR of California.

H. Con. Res. 13: Mr. OWENS and Mr. MCCOLLUM.

H. Con. Res. 37: Mr. GILLMOR.

H. Con. Res. 41: Ms. BROWN of Florida, Mr. HUTCHINSON, Mr. JEFFERSON, Mr. GUTKNECHT, Mr. REYES, and Mr. OXLEY.

H. Con. Res. 45: Mr. FROST, Mr. DEFAZIO, Ms. STABENOW, and Mr. BONIOR.

H. Con. Res. 55: Mr. BROWN of Ohio, Mr. DUNCAN, Mr. THOMAS, and Mr. MEEHAN.

H. Con. Res. 80: Mr. FARR of California, Mr. WYNN, Mr. HINCHEY, and Mr. LEWIS of Kentucky.

H. Con. Res. 83: Mr. QUINN, Mr. BLUMENAUER, Mr. WHITE, Mr. KLINK, and Mr. HOLDEN.

H. Con. Res. 112: Mr. LANTOS and Mr. YATES.

H. Con. Res. 114: Mr. GUTIERREZ, Mrs. MINK of Hawaii, and Mr. BURTON of Indiana.

H. Res. 22: Mr. MENENDEZ.

H. Res. 26: Ms. ROYBAL-ALLARD, Mr. NADLER, Mr. DELLUMS, Mr. DAVIS of Illinois, Mr. MORAN of Virginia, Mrs. MEEK of Florida, Mr. RUSH, Ms. JACKSON-LEE, Mr. DEFAZIO, Mr. SANDERS, Mrs. KENNELLY of Connecticut, and Mr. PAYNE.

H. Res. 110: Mr. FARR of California, Ms. LOFGREN, Ms. SANCHEZ, and Mr. PETERSON of Pennsylvania.

H. Res. 151: Mr. SMITH of Michigan, Mr. EHLERS, and Mr. EHRLICH.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 2159

OFFERED BY: MS. JACKSON-LEE

AMENDMENT NO. 35: At the end of the bill, insert after the last section (preceding the short title) the following new section:

ASSISTANCE FOR ETHIOPIA

SEC. 572. The Department of State should closely monitor and take into account human rights progress in Ethiopia as it obligates funds appropriated or otherwise made available by this Act for Ethiopia.

H.R. 2159

OFFERED BY: MR. PAUL

AMENDMENT NO. 36: At the end of title I (page 5, after line 14), insert the following new paragraph:

REDUCTION IN AMOUNTS

Each amount otherwise provided in this title is hereby reduced to $0.

H.R. 2160

OFFERED BY: MR. NEUMANN

AMENDMENT NO. 17: Insert before the short title the following new section:

SEC. . None of the funds appropriated or otherwise made available by this Act may be used to carry out, or to pay the salaries and expenses of personnel of the Department of Agriculture who carry out, a nonrecourse loan program for the 1998 crop of quota peanuts with a national average loan rate in excess of $550 per ton.

H.R. 2160

OFFERED BY: MR. SANDERS

AMENDMENT NO. 18: Page 51, line 6, insert after the dollar amount ''(increased by $5,000,000)''.

Page 56, line 15, insert after the second dollar amount ''(reduced by $5,470,000)''.

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of America

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PROCEEDINGS AND DEBATES OF THE 105th CONGRESS, FIRST SESSION

Vol. 143 WASHINGTON, THURSDAY, JULY 17, 1997 *No. 102*

Senate

The Senate met at 9:30 a.m., and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The guest Chaplain, Rev. Michael N. Higgs, LINC Ministries, Canby, OR, offered the following prayer:

Let us pray together:

Almighty God, Creator of the universe, Sovereign and Supreme Ruler over our Nation, we thank You today for the gifts of life and liberty, and for the many blessings we and our country have received from Your hand. Along with the 22,000 students here this week for Youth For Christ's D.C. '97 Youth Evangelism Super Conference, I thank You for the privilege of interceding on behalf of those You have appointed to lead our Nation. We acknowledge Your sovereignty in the affairs of all nations, as well as Your divine appointment of all in positions of authority. We thank You for all the Senators, for the unique gifts, talents, and abilities You have given them. May they utilize them today and each day in a way that pleases You and blesses our Nation. As they confront the problems, challenges and opportunities that our country faces, give them the wisdom to make decisions with justice, mercy, and compassion. Grant them insight and inspiration as they face difficulties and obstacles; give them not only success in their endeavors, but also joy in the journey as they serve You and our country. And as they represent a generation of youth who are searching for leadership marked by moral and ethical integrity, give them the faith and courage to do what is right in Your eyes, to honor You in their speech and conduct, and to act in a manner that will attract Your blessing to our Nation and ensure a righteous legacy for our young people. We pray this in faith, in the name of Jesus and for His glory. Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The able acting majority leader is recognized.

SCHEDULE

Mr. BROWNBACK. For the information of all Members, today the Senate will resume consideration of S. 955, the foreign operations appropriations bill. Under the previous order, following the debate time on the remaining two amendments to S. 955, the Senate will begin voting on those amendments as well as final passage. Therefore, Senators can expect three consecutive rollcall votes beginning at approximately 10 a.m. this morning.

It is the intention of the majority leader for the Senate to begin consideration of the Treasury, postal appropriations bill following the disposition of the foreign operations appropriations bill. Members can anticipate additional rollcall votes today on the Treasury, postal appropriations bill.

The majority leader has also stated that the Senate will resume consideration of the nomination of Joel Klein to be an Assistant Attorney General. Senators can expect a rollcall vote on that nomination following the conclusion of the remaining 3 hours for debate.

I thank all Senators for their attention, and I yield the floor.

FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS APPROPRIATIONS ACT, 1998

The PRESIDENT pro tempore. The clerk will report the pending bill.

The assistant legislative clerk read as follows:

A bill (S. 955) making appropriations for foreign operations, export financing and related programs for the fiscal year ending September 30, 1998, and for other purposes.

The Senate resumed consideration of the bill.

Pending:

Bingaman amendment No. 896, to provide for Cuban-American family humanitarian support and compassionate travel.

Hutchinson amendment No. 890, to express the sense of the Senate that most-favored-nation trade status for China should be revoked.

The PRESIDENT pro tempore. The able Senator from New Mexico is recognized.

AMENDMENT NO. 896

Mr. BINGAMAN. Mr. President, I appreciate very much the chance to speak again about my amendment. Let me take just a few minutes to describe what this amendment does and then reserve a couple of the 5 minutes that is allotted for my side for any rebuttal I need to make.

This amendment is very modest. It tries to do three things. It is aimed at assisting the Cuban-American families that reside in our country, some of whom are citizens—some individuals are citizens, some are residents. It tries to assist in three respects.

First of all, it says with regard to family support payments, that residents of the United States shall not be prohibited from sending to their parents, their siblings, their spouses, or their children who currently reside in Cuba, small amounts of money, not to exceed $200 per month, to be used for the purchase of basic necessities, including food, clothing, household supplies, rent, medicines, and medical care.

Mr. President, I think this is self-explanatory. We had a policy until the shootdown of the plane some 2 years ago, nearly, at this point—we had a policy of permitting, I believe, $100 per month to be remitted by Cuban-Americans living in this country to their families in Cuba for these types of purposes. That is no longer permitted at any level. This amendment would say up to $200 per month could be sent by

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

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a person in this country to a family member in Cuba.

Second, compassionate travel—that is the second item in this amendment. It says essentially that U.S. citizens and permanent residents here can travel without limitation for periods not to exceed 30 days for each trip to attend either a medical emergency or a funeral of that person's parent, sibling, spouse, or child. As I understand it, the present law in this country is that you can go to Cuba for a very short time once a year, if you are a resident of this country, for this kind of purpose. It doesn't take a great deal of ingenuity to conjure up a situation where you would have a person's parent getting sick, having a medical emergency that required that person to return early in the year, and then have a funeral later that year which would require a return again to Cuba. This amendment says that you could do both of those trips. Neither could be more than 30 days in duration. It is a very limited provision. It is only applicable to people who have spouses, parents, siblings, and children in Cuba.

And the third item here, which I think is not just aimed at the Cuban-American community, it says that the United States Government shall not be prohibited from participating in humanitarian relief efforts of multilateral organizations of which the United States is a member, where such humanitarian relief efforts are made in the aftermath of a natural disaster in Cuba.

All we are saying here is that if there is a hurricane, if there is some natural catastrophe in Cuba, and multilateral organizations that we are a member of decide to take some action to assist the Cuban people, then we can participate along with the other members of that multilateral organization.

As I indicated when I started, this is a very, very modest amendment. It is trying to deal with some very specific problems I see in our current law, and I would very much appreciate it if our colleagues could agree to this amendment. I understand it is objectionable, and I will, at this point, yield the floor and reserve the remainder of my time to allow the opponents of the amendment to explain why this is going to undermine our great democracy.

I yield the floor.

The PRESIDING OFFICER (Mr. BROWNBACK). Who yields time in opposition to the amendment?

The Senator from New Jersey.

Mr. TORRICELLI. Mr. President, I yield myself 3 minutes.

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

Mr. TORRICELLI. Mr. President, on February 24, 1996, under the directions of Fidel Castro, the Cuban Air Force encountered and destroyed a civilian aircraft in the Florida straits. Murdered on that day were four innocent civilians, including Americans. At almost the same time, 100 brave Cuban citizens demonstrating in the streets of Havana were arrested for demanding democratic reforms, and they remain in jail.

In response to these actions, President Clinton, with the strong bipartisan support of this country, on that day made several changes in American policy. First, we suspended the very remittances that would be expanded by the Bingaman amendment today, and canceled flights that were encouraging tourism and travel in Cuba. It was a modest response to an egregious act. We were united then; I do not know what would divide us now.

Since the murders on that day, there has been no change in Cuban policy. Although the price of progress in American relations has always been clear—a single opposition newspaper, the scheduling of a free election, the allowing of any dissent, the opening of Cuba's jails to anyone; not all of these things, not even in their entirety, but any one of these things, to any extent, would have brought about a change in our policy.

I know people are impatient for democratic reform in Cuba and an ending of the embargo. It has been 5 years since we strengthened American law. I know patience is not always our greatest national attribute. But now—in the face of Fidel Castro, 5 years after embarking on this policy, only 18 months after the murder of these citizens, with no Cuban response, no concession and no change—to simply abandon our policy, I believe, would undermine a foreign policy objective of the United States for a free Cuba.

Mr. President, does the Senator from Florida—we have consumed 3 minutes, I believe, Mr. President?

The PRESIDING OFFICER. Two minutes remain.

Mr. TORRICELLI. Does the Senator from Florida request the 2 minutes?

Mr. GRAHAM. Yes.

The PRESIDING OFFICER. The Senator from Florida.

Mr. GRAHAM. Mr. President, I thank my colleague, Senator TORRICELLI.

I rise today to oppose the amendment offered by our colleague from New Mexico. The policy of the United States toward Cuba is too serious, it is too delicate, it has too many ramifications to be settled in debate which this morning will provide 5 minutes per side to discuss the nuances of what is entailed in this seemingly humanitarian and benign amendment. If there is to be a change in policy, it should be the result of studied consideration of all of the implications of specific proposals, not extracting three items from a complex set of relationships that involve not only Cuba but also many other nations in the world.

Second, there is no need for this amendment. One of the principal parts of this amendment is related to humanitarian aid, particularly after a natural disaster—a very appealing concept for Americans. It is so appealing that, in fact, the United States is already the largest donor of humanitarian assistance to Cuba. In the last 4 years, the U.S. Government has licensed more than $150 million of humanitarian assistance to Cuba, more than the total of all other nations combined. So the United States has not stood by in times of humanitarian need for the people of Cuba.

With reference to travel to Cuba, American citizens already can travel to Cuba once a year with virtually no restraints in order to attend to a humanitarian family need. This would open the gates beyond that to allow unlimited visits to Cuba.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. GRAHAM. Mr. President, I urge the Senate defer the debate on what should be our policy in the future toward Cuba to another day, when we can give it the attention that it requires, and defeat this amendment.

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

The PRESIDING OFFICER. The Senator from New Mexico controls 50 seconds.

Mr. BINGAMAN. Let me conclude by saying I am not trying to change United States policy toward Cuba. I am not trying to provide assistance to Fidel Castro. I am not trying to send a signal that Fidel Castro is a favorite statesman of this country. I do think it is appropriate for us to separate out the concerns of Cuban-American citizens and residents from this geopolitical issue, and say these modest efforts to assist Cuban-American citizens and residents to help their families and to visit their families are not something that a great nation like ours should resist.

Clearly, the humanitarian assistance my colleague from Florida cites that we have done is in the private sector. There is no public sector assistance at this time.

Mr. President, I urge the adoption of my amendment.

While I have the floor, I ask unanimous consent to add Senator BOB KERREY from Nebraska as a cosponsor of my amendment.

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

Mr. BINGAMAN. I also ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. By previous agreement, the vote will take place at a later time.

The PRESIDING OFFICER. All time has expired on the amendment.

AMENDMENT NO. 890

The PRESIDING OFFICER. The question recurs on the amendment of the Senator from Arkansas. The Senator from Arkansas is recognized for up to 5 minutes.

Mr. HUTCHINSON. Mr. President, I yield myself 2 minutes.

It has been years since this body voted on the most-favored-nation status for China. It has been 8 years since

the Tiananmen Square massacre, and it has been 4 years since this Nation embarked on a policy of so-called constructive engagement which delinked our China trade policy from human rights concerns.

During these years, years since we last voted on MFN, years since the Tiananmen Square massacre, and the 4 years since we embarked upon constructive engagement, this is what has happened in these years:

The struggling democracy movement in China has been thoroughly and completely squashed.

Those students at Tiananmen Square, which we watched on television all over this Nation, are all either imprisoned or executed.

All voices of freedom in China have since been silenced—all of them—according to the 1996 State Department Report on China. All voices of dissidents have been silenced.

Chinese workers have been systematically exploited.

Weapons of mass destruction have been exported around the world so that the export of those weapons from China now poses the greatest military risk in the world today.

And people of faith in China have been persecuted and driven underground.

In addition, during these years, all political dissent has been effectively oppressed, and now there is mounting evidence that, in fact, during these years when we were year after year granting most-favored-nation status, they were attempting to influence the American political process. There is mounting evidence that that was the case.

So I believe this vote is a vote of conscience. I believe it is a vote that we must have in this body. The abuses of the Chinese Government beg to be protested.

So when people ask me why this vote? I say because it is so egregious what is going on that we must vote, we must raise our voice, we must let the people of China know that there are people standing up for them in the United States.

The PRESIDING OFFICER. The Senator has used his 2 minutes.

Mr. HUTCHINSON. I reserve my 3 minutes.

The PRESIDING OFFICER. Who seeks to speak in opposition to the amendment?

Ms. COLLINS addressed the Chair.

The PRESIDING OFFICER. The Senator from Maine. How much time does the Senator seek?

Ms. COLLINS. Mr. President, I seek 90 seconds, please.

The PRESIDING OFFICER. The Senator is recognized.

Ms. COLLINS. Mr. President, I rise in support of Senator HUTCHINSON's sense-of-the-Senate resolution. I want to make clear that my support of this nonbinding resolution signifies my grave concerns about most-favored-nation status for China rather than a final decision about this important policy question.

Last month, the House of Representatives debated a resolution of disapproval that would have denied most-favored-nation status for China as proposed by President Clinton. The House rejected this measure, thereby supporting the Clinton administration's proposal to extend MFN status for China for another year.

Given this action by the House, the U.S. Senate will not have a formal debate and vote this year on the President's recommendation. Nevertheless, I recognize that this issue raises some very serious issues that need more debate and consideration than the very brief debate that the Senate has given this issue today.

Like many of my colleagues in the Senate, I am very troubled by the actions of the Chinese Government in Beijing. It has a very poor record on human rights issues. It has repeatedly violated trade agreements.

The PRESIDING OFFICER. The Senator has spoken for 90 seconds. Does she seek additional time?

Ms. COLLINS. I ask unanimous consent that I be permitted to proceed for 1 additional minute.

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

Ms. COLLINS. It has a very poor record on human rights issues. It has repeatedly violated trade agreements. It engages in unacceptable weapons proliferation activities. It denies the religious freedom of its citizens. It maintains an antidemocratic posture toward Taiwan and Tibet. And, finally, our Senate investigation into campaign finance abuses has revealed a plan by China to funnel illegal political contributions into American campaigns.

Given all of the ramifications, I believe that at an appropriate time and place, the Senate should engage in a full-fledged debate that gives these matters the attention that they truly deserve.

In conclusion, I am withholding final judgment on the question of most-favored-nation status for China, but in the meantime, I am expressing my very serious concerns and reservations by supporting the nonbinding sense-of-the-Senate resolution offered by the Senator from Arkansas.

I yield the floor.

Mr. HUTCHINSON addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. HUTCHINSON. Might I inquire as to how much time my side has remaining?

The PRESIDING OFFICER. One minute 10 seconds. All time remains in opposition.

Mr. HUTCHINSON. It is my understanding Senator ASHCROFT from Missouri is on the way to the floor to speak in favor of my amendment. I reserve the final 1 minute and yield the floor to the opponents of the amendment.

The PRESIDING OFFICER. Who seeks recognition to speak in opposition to the amendment?

Mr. BINGAMAN. Mr. President, I ask permission to speak for up to 2 minutes in opposition to the amendment.

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

Mr. BINGAMAN. Mr. President, let me just say this whole issue of most-favored-nation status is not what the name implies. We have normal trading relations with well over 100 countries in the world, and as to each of those countries, we have so-called most-favored-nation trading status with them.

What we need to maintain with China is a normalized trading situation which then allows us to deal with the specific problems that the proponents of this resolution have identified. I agree that there are major problems in the trade imbalance that we have with China, that there are human rights abuses in China that are of concern, that there is missile proliferation that is of concern, and clearly the issue that is being raised about possible involvement by the Chinese Government in our elections is of concern. But those are specific issues that should be dealt with by a rifle-shot approach. We should not try to cut off our trade activities with a very large economy, such as China, and hamper the economic opportunities of our own private sector and the job creation that comes from that in this country through this kind of device.

So I very much oppose the notion that we should deny most-favored-nation status to China. I think we should get that issue behind us and get on to dealing with the more specific issues that do require attention in regard to our relations with China. I hope in future years we can do that. It seems like we are caught in a time war. We get to where we have an annual debate about most-favored-nation status and that is all we seem to be able to have when it comes to talking about China, and that is, unfortunately, what is happening again this year.

The PRESIDING OFFICER. Who yields time in opposition to the amendment?

Mr. MCCONNELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. MCCONNELL. Mr. President, with regard to the amendment of my good friend from Arkansas, Senator HUTCHINSON, I, along with a number of other Senators, were in Hong Kong 10 days ago to watch the turnover of Hong Kong to the Chinese. I mention Hong Kong because Hong Kong is really the best indicator of what China is likely to become in the coming years.

Some people suggest that the People's Republic of China will ruin Hong Kong. Others suggest that Hong Kong will be the engine that changes China. I think clearly the latter is most likely to be the case. Even though the amendment of the Senator from Arkansas

deals with MFN for China and not MFN for Hong Kong, I think it is worthy of note that no one in Hong Kong, no one, not the democracy activists, the businessmen, no one, you can't find anybody in Hong Kong who thinks terminating MFN for China is a good idea.

I cite, for example, Martin Lee, the person who most of us are familiar with who is the prodemocracy activist in Hong Kong and the one the Chinese tend to fear the most and the one who says the greatest number of things that tend to irritate the regime in Beijing. Martin Lee is not in favor of terminating MFN for China, because he believes that the economic engine that is roaring in mainland China is pulling it inevitably in the direction of democracy and human rights.

So, Mr. President, I hope that the Hutchinson amendment will not be approved. I think it sends the wrong signal.

Having said that, let me say that nobody that I know is entirely happy with the internal government in the People's Republic of China. I might say the same thing about some of the countries that are still receiving foreign assistance from us. We are not entirely happy with what is going on in Russia these days. I, for one, am not happy with a number of things that have happened in Egypt recently, and these are countries that are foreign aid recipients of the United States.

We are not talking about foreign aid for China; we are talking about MFN for China. It seems to me it makes no sense, in terms of our growing relationship with China, to send this kind of message by terminating the trade status which benefits American business and benefits reformers in China who, in my judgment, will ultimately bring about the kind of changes in China that we would all like to see.

Mr. President, how much time remains? We are set for three votes at 10 o'clock, are we not?

The PRESIDING OFFICER. The Senator controls 2 minutes remaining in opposition. We are set for two rollcall votes at 10 o'clock.

Who seeks time? Two minutes remain for those who desire to speak in opposition; 1 minute remains for those who seek to speak in support of the amendment. Who yields time?

Mr. GRASSLEY. Mr. President, I rise to voice my opposition to the sense-of-the-Senate offered by the Senator from Arkansas. I support the President's decision to extend most-favored-nation status, or normal trading relations, to China.

The problems with China on trade, security, and human rights are well documented. And I won't take the time to repeat them here. But I'll just say that we are all concerned with China's poor record of promoting democracy, free enterprise and human rights. I'm especially concerned with the persecution of Christians in China.

But I think the question comes down to what is the best way to influence policy within China. Is it more effective to have a policy of isolationism, where we have virtually no trading relationship with China? This is what would happen if normal trading relations is revoked.

Or is it more effective to build a closer relationship with China through our trade policy? Trade serves to promote free enterprise and raise the standard of living of the Chinese people. It allows us to export our principles of liberty and democracy. I believe that the United States, and the Chinese people, are clearly better off by strengthening our relationship through trade.

Integrating China into the world community has already paid dividends. Recognizing that China still has many problems, most people would agree that significant progress has been made just in the last 10 to 20 years. I believe our economic and diplomatic relations with China have helped push this progress along.

This is not to say that we shouldn't be tough with China. Retaliatory measures can be very effective in encouraging further reforms in China. But retaliation should be targeted and specific.

I recall that last year at this time, USTR announced $2 billion in sanctions against China for breaching its commitment on intellectual property rights. Now I'm told by the administration that China has taken significant strides in cracking down on the pirating of intellectual property. Firm sanctions targeted at specific behavior can force change in China.

Revoking our normal trading relations is a blunt, ineffective tool. It would also hurt American workers, businesses, and consumers. Our $12 billion in annual exports to China would be put at risk, jeopardizing over 200,000 American jobs. And the increase in tariffs on China's exports into this county amounts to a stiff tax on American consumers.

The costs of revoking normal trading relations with China—to American workers and consumers and in terms of our inability to effectuate change in China—clearly outweigh any perceived benefits. I find it hard to believe that Beijing will suddenly promote democracy and human rights because the United States ends its trading relationship with China.

Engagement is the right policy for encouraging change in China.

Some opponents of MFN are concerned, not with these other important issues, but with the trading relationship itself. They point to the United States' expanding trade deficit with China, which last year amounted to just under $40 billion.

The current negotiations with China on its accession to the World Trade Organization is an opportunity to address the trade imbalance. We must get meaningful market access concessions from the Chinese before they are allowed into the WTO. American products deserve the same access to the Chinese market as their products enjoy in the United States.

The stakes are very high. In the agriculture sector, these negotiations will determine whether China becomes our largest export market or our biggest competitor. We cannot afford to make the same mistakes made when Japan entered the GATT in 1945. The United States is still shut out of the market in many respects. We need a tough, fair agreement with China.

It's time to move forward in our trading relationship with China. Let's get beyond this annual debate over trading status and focus on how we can best improve access to China's market for American workers and businesses, while improving the lives of the Chinese people by promoting human rights and serving as an example of democracy.

Mr. GORTON. Mr. President, my colleague from Arkansas, Mr. HUTCHINSON, has offered a sense-of-the-Senate amendment today regarding the President's decision to extend most-favored-nation trading status to the People's Republic of China for another year. Mr. HUTCHINSON believes the President's decision was wrong and would like to see MFN for China withdrawn. While I share my colleagues concerns about MFN for China, I will not support his amendment today.

As many of my colleagues know, I have grave reservations about the United States' policy of engagement with China. The President's decision to continue to provide China free and open access to the United States market and the House vote to approve that decision were, in my opinion, wrong. But, that is water under the bridge. Instead of arguing against a decision that has already been made, we should be looking forward to the MFN debate next year.

My State of Washington is on the cutting edge of trade with China. We do more business with China than virtually any other State in the Nation and rely on that business for thousands of well-paying jobs. Despite our successes, the Chinese continue to impose protectionist trade barriers against Washington State products and play politics with our exports. My State is not alone in this dilemma.

I firmly believe that the administration's policy of engagement is failing businesses throughout the United States. The United States trade deficit with China has now grown to $40 billion and is increasing every day. This is unacceptable, Mr. President. I challenge my colleagues to take a closer look at our policy of engagement with China and urge them to join me in fighting for a tougher trade policy next year. If we condition MFN on significant trade concessions from China next year, I am convinced that China will back down.

Unless we stand firm against Chinese protectionism and condition MFN and access to the United States market on trade concessions from China, we will never reap the potential benefits of truly free trade with the world's largest emerging economy.

So, Mr. President, I will vote against this amendment today, but look forward to working closely with my colleagues next year to change the way the United States does business with China.

Mr. ABRAHAM. Mr. President, I rise to express my opposition to the sense of the Senate resolution opposing most favored nation [MFN] status to the People's Republic of China.

Mr. President, I hope everyone in this Chamber recognizes that terrible things continue to go on inside China. Religious persecution, political repression, and coercive family planning are only the most visible Chinese Government policies that violate universal standards of human decency.

In response to these serious problems, some of my colleagues have called for an end to China's most-favored-nation trading status with the United States.

But I believe that that is the wrong approach. I support a 1-year extension of MFN for China. Why? First, because it is the best policy for American consumers. Those consumers will have a wider choice of affordable goods with MFN than without it. To revoke MFN would be to increase tariffs on goods purchased by the American people. It would amount to a tax hike, and I am not in favor of tax hikes, particularly those imposed on the basis of another government's behavior.

Second, I am convinced that revoking MFN would target the wrong parties for punishment. We should keep in mind that it is not the people of China with whom we have a quarrel; it is their Government. Trade and United States investment in China have a positive effect in providing more opportunities for average Chinese citizens. According to Heritage Foundation China expert Stephen J. Yates, in China, ''employees at U.S. firms earn higher wages and are free to choose where to live, what to eat, and how to educate and care for their children. This real and measurable expansion of freedom does not require waiting for middle-class civil society to emerge in China; it is taking place now and should be encouraged.''

Third, I am convinced that terminating MFN would be damaging to the people of Hong Kong, recently returned to Chinese rule.

All of us in Congress are concerned that China may violate the 1984 Sino-British Joint Declaration and squash freedom, both economic and political. However, in formulating United States policy with regard to Hong Kong, we must remember that repealing MFN for China will hit Hong Kong hard. Former Hong Kong Governor Chris Patten has said that rescinding MFN would devastate Hong Kong's economy.

Mr. President, I have another important reason for supporting a 1-year extension of MFN: American jobs. Using the Commerce Department's rules of thumb, United States exports to China account for roughly 200,000 American jobs. Should we stop doing business with China, I have no doubt but that other nations will step in to take our place, and to take jobs now occupied by Americans both here and in China.

Thus, by revoking MFN, we would not significantly punish the Chinese Government, but we would visit hardship on our own workers.

This is not to say that I believe we must stand idly by while human rights abuses continue in the People's Republic of China. But, rather than eliminate jobs and stifle growth through increased tariffs, in my view it would be better to take actions showing our displeasure directly with the Chinese Government.

That is why I have introduced S. 810, the China Sanctions and Human Rights Advancement Act.''

This legislation would show our disapproval of Chinese Government actions, while at the same time encouraging worthwhile economic and cultural exchanges; exchanges that can lead to positive change in China.

It would:

Prohibit issuance of United States visas to Chinese Government officials who implement and enforce Chinese laws and directives that persecute religious groups.

Prohibit direct and indirect United States-taxpayer financed foreign aid for China.

Require the United States Government to publish a list of Chinese companies backed by the People's Liberation Army and operating in the United States. This would allow informed consumers and other purchasers to choose whether they wish to do business with such companies.

Prohibit Polytechnologies Inc., known as POLY, and NORINCO, the China North Industries Group—two Chinese companies whose officials have been indicted for attempting to smuggle arms into the United States—from exporting to the United States, or maintaining a physical presence here for 1 year.

In my judgment, the combination of these sanctions and a 1-year extension of MFN offers the best approach to change the behavior of the Chinese Government. These measures will direct punishment where it belongs, with the Chinese Government, not the Chinese people.

I understand my colleague from Arkansas' frustration with current Chinese Government policies. I commend his desire to effect those policies in a positive way. But it is my firm belief that we serve the cause of liberty best when we serve it most consistently. By maintaining free trade, while showing our disapproval of tyrannical practices, we stay true to our principles. We make it possible for liberty to spread while maintaining our own economic freedom intact.

I urge my colleagues to vote against the sense of the Senate resolution, to support a 1-year extension of MFN, and also to join me in pursuing more positive ways by which to influence Chinese Government policy.

Mr. KEMPTHORNE. Mr. President, I oppose the amendment offered by Senator HUTCHINSON. The sense-of-the-Senate resolution now before the Senate, even if it passed, will not end China's most-favored-trading status with the United States. The House of Representatives has voted to retain MFN status for China. Our current trading status with China will continue and based on all of the evidence I have seen, I believe this is the correct policy.

We must not mistake the decision to maintain normal trading status with China with acceptance or approval of China's abysmal policies regarding respect for human rights, religious freedom, nuclear proliferation, or respect for intellectual property rights.

I believe that by staying engaged in China, which the extension of MFN provides, is the best way to promote respect for human right, free enterprise, and democracy in the most populous country in the world. American businesses in China are advocates of human rights on a daily basis. By staying engaged in China, we can hear the cries for freedom of the Chinese people. If we as Americans cut ourselves off from China, who will hear these pleas for reform and progress and who else will be able to press China to respect human rights?

It is important to note that leading advocates of reform in China, such as Martin Lee in Hong Kong, are strong advocates for the extension of MFN to China. We must continue to bombard the Chinese with capitalism. But if we isolate China, as has been suggested, and cut off ties to the free world, that's when you condemn the persecuted and their cries are not heard. Tiananmen Square was a prodemocracy movement by young Chinese because of their exposure to free enterprise and capitalism. Exposure to democracy, not isolation from it, will allow change to come from within.

I have seen first hand the value of talking with Chinese leaders about human rights. Last year I traveled to China and I raised the issue of human rights violations with many of the officials I spoke with, including President Jiang Zemin. Pursuing trade with China is important so we can expose the Chinese people to the free enterprise system, capitalism, and other important concepts of our free and democratic society. Just like I did with my meetings with Chinese leaders, each sale, each meeting, each phone call is an opportunity to make our case for respecting human rights. Engaging the Chinese, not isolating them, is a faster way to achieve the reforms we all want.

I understand that many well-meaning groups oppose the extension of MFN to China because of China policies which suppress religious freedoms. Many Idahoans have raised this issue with me but I would like to quote the words of Rev. Nelson E. Graham, the

son of Dr. Billy Graham, regarding his work in China, ''In the years we have been traveling to China, we have seen a definite improvement in the area of religious freedom for China's Protestant believers, and I believe it is a mistake to focus on the negatives and not reinforce the positive strides China has made in this area.''

I also know many folks are concerned about the findings coming out of the hearings by the Governmental Affairs Committee regarding China's efforts to influence elections in the United States. The timing of this vote coincides with hearings by the Senate Government Affairs Committee where both Democrats and Republicans conclude that China has participated in efforts to directly and indirectly influence elections in the United States.

This is of enormous concern to me because of its threat to free and fair elections in our country without foreign influence. This should be thoroughly investigated by Congress and by Federal law enforcement agencies. Americans who may have assisted in espionage by China should be prosecuted to the fullest extent of the law. If the hearings and investigations prove the Government of China did in fact attempt to influence elections, this issue must be immediately and directly confronted by diplomatic and international sanctions so that perpetrators are brought to justice and that it never, ever happens again.

But a vote on MFN for China is not a vote on the issue of Chinese espionage. A vote on MFN for China is a vote about what is best for the interests of the United States and its citizens.

Regarding the benefits of extending MFN to China, Governor Batt of Idaho states, ''There are valid concerns about China's human rights record; however, I think that to severely curtail trade with the U.S. would move us backward on this issue, not forward.'' Likewise, a recent editorial in the Idaho Statesman endorsing the extension of MFN for China states, ''The surest, long-term policy for ensuring a better life for people here and abroad is to promote free markets and friendly trading policies.''

I believe we must do what is best for ourselves and what is most likely to promote progress toward freedom and democracy for the people of China and I therefore support the extension of most-favored-nation trading status for China.

Mr. DURBIN. Mr. President, I rise in opposition to the amendment. I have serious concerns about our current trade relations with China. Last year, our merchandise trade deficit with China grew to $39.5 billion, which is an increase of more than 213 percent over the past 5 years. This year, our trade deficit with China is expected to reach $50 billion.

It is clear that, in many cases, goods from the United States are locked out of China's markets, while goods from China are allowed to enter United States markets at nondiscriminatory tariff rates. Last year, the United States imported $51.5 billion in goods from China, while China imported only $12 billion in goods from the United States. More than one-third of China's exports are sold to the United States, while only 2 percent of total United States exports are sold to China.

The piracy of intellectual property rights in China cost the United States economy $2.3 billion last year. It is estimated that as much as 97 percent of the entertainment software sold in China is counterfeit, and pirated goods produced in China have been found in Asia, the Middle East, Europe, and North and South America.

At the same time, the Government of China continues to sell weapons of mass destruction, and abuse the human rights of its citizens. China has sold missiles, missile technology, and chemical and biological weapons to countries such as Iran, Libya, Syria, and Iraq. These weapons threaten U.S. military personnel overseas, and our allies and friends around the world. And the State Department report on human rights in China describes widespread human rights abuses which violate internationally accepted standards. The report states that all public dissent against the Communist party and the Government of China has been silenced by intimidation, exile, prison terms, and other forms of detention.

The legislation which the Senate is considering today is not the appropriate vehicle for this amendment. The Trade Act of 1974 already provides a thorough mechanism for the consideration of MFN renewal for nonmarket economies such as China. This amendment is being offered without consideration by any committee of the Senate, and with limited opportunity for debate on the Senate floor.

In addition, this amendment would have no legal effect. The decision to renew MFN for China has already been made for this year. The President renewed MFN for China in May, and the House of Representatives rejected a joint resolution of disapproval. This amendment would have no impact on that decision.

Mr. President, the Government of China should not expect the United States to continue to provide nondiscriminatory tariff rates to goods from China, if China continues to restrict the access of United States products to markets in China. If the renewal of MFN for China is considered by the Senate next year under the Trade Act, I may be compelled to continue to oppose MFN for China unless there is a substantial improvement in China's trade practices, proliferation policies, and respect for human rights.

Mr. MCCONNELL. I suggest the absence of a quorum, with the time to be equally charged to both sides.

Mr. HUTCHINSON addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. HUTCHINSON. Mr. President, it is my understanding that Senator ASHCROFT is on his way to speak in favor of the amendment.

Mr. MCCONNELL. I withdraw my request.

The PRESIDING OFFICER. Who yields time?

Mr. HUTCHINSON. Mr. President, it is my understanding I have 1 minute 10 seconds. I yield the remaining time to the distinguished Senator from Missouri.

The PRESIDING OFFICER. The Senator from Missouri is recognized for the remaining time.

Mr. ASHCROFT. Mr. President, I thank you very much, and I thank the Senator from Arkansas, not only for his courtesy in this matter, but for his leadership in this matter.

It is apparent, the House of Representatives having voted in favor of most-favored-nation status for China, that anything we do by expressing ourselves in the Senate won't have a real impact in terms of denying that standing to China. But it is essential that we register the displeasure and dissatisfaction of this body with the conduct of China in three basic categories that I believe are an appropriate standard by which we would measure our relationship with a variety of nations.

The first of those categories is gross trade inequities that China and the United States have. Some have said that most-favored-nation status is just general trading status. As it applies to China, it is most-favored status. We have a wide variety of other countries whose trading relationships with the United States are nearly on a parallel basis of balance. Not so with China.

Second is that the military buildup in China threatens peace and stability, not only in the Pacific rim but around the world.

And the third is that human rights abuses in China should be something we mention very clearly and we should express with deep conviction.

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

Mr. ASHCROFT. I thank the Chair.

The PRESIDING OFFICER. Is there anybody who wishes to speak in opposition?

Mr. MCCONNELL. Mr. President, I ask unanimous consent that there be 2 minutes of debate equally divided prior to each vote in the series following the first vote, which I gather will be momentarily.

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

Does anybody desire to speak in opposition to the amendment?

Mr. BINGAMAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. BINGAMAN. Mr. President, let me say one more word about the amendment with regard to most-favored-nation status for China.

My own strong impression is that with regard to Russia and most of the other major nations we deal with, we

have a series of concerns that we deal with on a concern-by-concern basis, a case-by-case basis. And that is exactly what we should do.

In the case of China, unfortunately, our debate has gotten to where it is sort of all or nothing, we are either going to have most-favored-nation status or we are not. And that is a very blunt instrument with which to try to deal with a very important and complex relationship. I believe it would be a great mistake for us to deny most-favored-nation status to China.

I hope very much the amendment is rejected.

The PRESIDING OFFICER (Mr. SMITH of Oregon). All time has expired.

VOTE ON AMENDMENT NO. 896

The PRESIDING OFFICER. The question is on agreeing to amendment No. 896 offered by the Senator from New Mexico, Senator BINGAMAN. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Montana [Mr. BURNS] is necessarily absent.

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

The result was announced—yeas 38, nays 61, as follows:

[Rollcall Vote No. 183 Leg.]

YEAS—38

Akaka	Dodd	Lautenberg
Baucus	Dorgan	Leahy
Biden	Durbin	Levin
Bingaman	Feingold	Lugar
Bond	Feinstein	Moseley-Braun
Boxer	Harkin	Moynihan
Breaux	Inouye	Murray
Bumpers	Jeffords	Reed
Byrd	Johnson	Roberts
Chafee	Kennedy	Sarbanes
Cleland	Kerrey	Wellstone
Conrad	Kerry	Wyden
Daschle	Landrieu	

NAYS—61

Abraham	Graham	Murkowski
Allard	Gramm	Nickles
Ashcroft	Grams	Reid
Bennett	Grassley	Robb
Brownback	Gregg	Rockefeller
Bryan	Hagel	Roth
Campbell	Hatch	Santorum
Coats	Helms	Sessions
Cochran	Hollings	Shelby
Collins	Hutchinson	Smith (NH)
Coverdell	Hutchison	Smith (OR)
Craig	Inhofe	Snowe
D'Amato	Kempthorne	Specter
DeWine	Kohl	Stevens
Domenici	Kyl	Thomas
Enzi	Lieberman	Thompson
Faircloth	Lott	Thurmond
Ford	Mack	Torricelli
Frist	McCain	Warner
Glenn	McConnell	
Gorton	Mikulski	

NOT VOTING—1

Burns

The amendment (No. 896) was rejected.

Mr. MCCONNELL. Mr. President, I move to reconsider the vote.

Mr. LEAHY. I move to reconsider the vote.

The motion to lay on the table was agreed to.

Mr. MCCONNELL. I ask unanimous consent that the next two votes be limited to 10 minutes in length each.

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

Mr. MCCONNELL. I ask unanimous consent at 11:30 the Senate proceed to consideration of Calendar 112, S. 1023, the Treasury, Postal appropriations bill.

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

AMENDMENT NO. 890

The PRESIDING OFFICER. There are 2 minutes of debate equally divided on the amendment of the Senator from Arkansas.

The Senator from Arkansas.

Mr. HUTCHINSON. I ask unanimous consent Senator FEINGOLD be added as a cosponsor to my bill

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

Mr. HUTCHINSON. Mr. President, Members can see the beautiful tie I am wearing today. It was manufactured in Little Rock, AR. It is a family business. The owner of the family business that manufactured this tie told me that the greatest threat to his economic viability is the unfair trade practices of Communist China.

I ask you to vote for this sense-of-the-Senate resolution. Suffering is not a term of economics. You cannot add it up, you cannot deduct it, you cannot redeem it in dollars.

Arguments for MFN always come down to dollars and cents. But to the average Chinese person, you can't build a wall, you can't separate the economics from the human rights violations that are going on. A product of slave labor is inexorably tied and linked to the shackled hands that made it.

I ask my colleagues, think about the enslaved, think about the oppressed, think about the imprisoned today, think about that voice of freedom that has been silenced, think about that voice of freedom in prison today, and speak for that one who cannot speak for himself. Please vote for this amendment.

Mr. MURKOWSKI. Mr. President, I urge my colleagues to vote against the pending sense-of-the-Senate resolution that China's most-favored-nation trading status should be revoked. This is the worst of all possible alternatives. Mr. President, you will recall that Teddy Roosevelt said speak softly and carry a big stick, well this resolution is just the opposite—it is speaking loudly, and carrying no stick. The traditional resolution of disapproval for MFN has already been defeated in the House of Representatives. So this vote has no force. In my view, that is the worst possible way to send a message to China.

Much has been written that this year the debate over MFN is different, that the issues have changed, but I do not think the fundamental choice has changed: Do we choose engagement—striving to bring China into the international community on terms we support—or isolation—allowing China to enter the international arena on terms beyond our control. I think the answer is obvious.

MFN should be renewed unconditionally not because it is a reward to the Government of China, but because revocation of MFN hurts the very people we want to help. We have many grave concerns with China ranging from the treatment of dissidents and Christians to weapons proliferation. But severing economic ties is not the right tool to address these issues. Revoking MFN only succeeds in hurting Americans, hurting reformers, and hurting the people of Hong Kong and Taiwan.

But what I have to say about linking MFN to Hong Kong's future is far less important than what the people of Hong Kong themselves have told lawmakers. Martin Lee, Hong Kong's leading democrat described revoking MFN as punishing Hong Kong. Miss Denise Yue, Hong Kong's Secretary for Trade and Industry, best described the threat of MFN revocation as double jeopardy, ''[K]nowing that if China takes away their freedoms, the United States will respond by taking away their jobs . . .'' Similarly, Hong Kong's Chief Executive designee Tung Chee Hwa has stressed that unconditional renewal of MFN is in the best interests of Hong Kong.

So I think we should listen very carefully to what those who live and work in Hong Kong have said, rather than pretending we know better.

This also applies to the Chinese on the other side of the strait—the people of Taiwan. This year, as in past years, the Government of Taiwan is quietly supporting the renewal of normal trading ties. One has only to look at investment in Southern China to understand that cutting economic ties between the United States and the People's Republic of China will have a significant and negative economic impact on Taiwan. Taiwan companies and individuals have invested more than $30 billion in over 30,000 enterprises.

My colleagues should also take note that the board of the United States-Republic of China (Taiwan) Business Council, a collection of American companies doing business in Taiwan, unanimously adopted a resolution supporting renewal of MFN. The council noted that ''renewing MFN for China is good for the United States in its business with China, with Taiwan, and with Hong Kong.''

Supporters of Taiwan, and I put myself firmly in that category, should also look at the history of the United States relationship with Taiwan, before rejecting the claim that economic liberalization leads to political liberalization.

This United States commitment to the people of Taiwan was indispensable to the development of the economic and democratic miracle that is Taiwan today. This was not always the case. Martial law lasted from 1950 to 1987. During that period, individual rights and freedoms were stifled and political opposition was silenced. Yet, today, once imprisoned opposition leaders such as Peng Ming-min have been released. In fact, Peng was the DPP's

Presidential candidate in last year's March election.

During this less than free and open period, the United States stood by Taiwan, maintained normal trading relations, and gave the Republic of China economic aid. Most historians agree that United States aid and investment served to enhance market-oriented economic reforms that contributed to rising living standards and expanded economic freedoms, and injected a liberalizing influence into Taiwanese society. But the transition to an open, democratic society took 50 years on an island of 20 million, and was the first democracy in 5,000 years of Chinese history.

Of course, Taiwan's success also depended on a leadership decision to reform the political structure. We certainly cannot predict what direction the People's Republic of China leadership will take the 1.2 billion mainland Chinese, but we can follow the formula that has worked before.

Hong Kong's and Taiwan's freedom and power as a model for China's future evolution rests on continued economic vibrancy. U.S. policy should strive to maintain confidence, not destroy it.

I hope that next year we can have a more constructive debate over whether this annual exercise should be scrapped in favor of a deal to grant permanent MFN status for China if they make the necessary commercial concessions to enter the World Trade Organization.

The yearly exercise of public handwringing over MFN renewal has proven a liability to a coherent China policy. MFN was never intended to serve as a weapon of punishment for every problem we have with nonmarket economies. Its original purpose of guaranteeing freedom of emigration from the former Soviet Union has been grossly distorted, and I would say without achieving any positive results. But there is a time for everything, and unfortunately now is not the time to push permanent MFN.

Integrating China into the international community poses great risks and equally great opportunities. If we continue down the road of inconsistency and fail to deal honestly with the Chinese, in concert with our allies, and based on a clear understanding of the United States national interest, we will have failed the sacred trust of the Nation.

The United States-China relationship is pivotal to the continued security and prosperity of Asia and America. We must ground that relationship in the solid foundation of the U.S. national interest—ensuring stability and security in Asia to limit the potential for conflict and tension and to provide fertile soil for democracy and economic prosperity. We must also work together with our Asian allies to design and raise its frame; their future is as much at stake as our own.

Mr. MCCONNELL. Mr. President, let me say that no one in Hong Kong is in favor of terminating MFN to China—not the democrats, not the reformers, no one. I don't think there is any chance that China will change without continued economic engagement.

Therefore, Mr. President, I hope that the Hutchinson amendment will not be approved.

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

The PRESIDING OFFICER. Does the Senator from Kentucky yield time?

Mr. MCCONNELL. I yield for a question.

Mr. SARBANES. My understanding is that amendment does not terminate MFN.

Mr. MCCONNELL. It is a sense-of-the-Senate amendment.

Mr. SARBANES. It's virtual reality. I might vote for an amendment on substance, but this doesn't do that; is that correct?

Mr. MCCONNELL. That is correct, I say to the Senator from Maryland.

Mr. BAUCUS. Mr. President, I rise in opposition to the Hutchinson amendment, which is a sense-of-the-Senate resolution stating that we should revoke China's most-favored-nation status.

MFN status should not be a political issue. It is nothing more than the normal trade status we give virtually all our trade partners. But if we are to consider MFN a political issue, a look at the facts shows that MFN for China is legally right; it is morally right; and it is right for our American national interest.

Why? First, and most simply, renewal of MFN status is right under our law.

The Jackson-Vanik law has governed renewal of MFN status for non-market economies since 1974. It conditions MFN on two things—the existence of a bilateral commercial agreement and freedom of emigration. And under the law, the President's choice is clear. We have a bilateral trade agreement signed with China in 1980. And China allows free emigration. Therefore, as a legal matter, the President was right to renew MFN and we should back him up.

Second, renewing MFN status is morally right.

At times people in Washington are tempted to see a vote to revoke MFN as something which might promote human rights in China. That is a fine sentiment. Senator HUTCHINSON's remarks indicate that human rights is the central reason he wants to revoke MFN status. But while those who advocate revoking MFN status to promote human rights are well-intentioned, if we actually went ahead and revoked MFN status we would see the opposite of what they intend.

To revoke MFN status, very simply, is to raise tariffs from Uruguay round to Smoot-Hawley levels. To take one example, that means raising tariffs on toys and stuffed animals from zero to 70 percent overnight. That hits one of China's major exports to the United States, at about $6 billion worth last year. And who makes them? On the whole, young Chinese working people trying to improve their lives.

What will happen if we revoke MFN status? The result should be obvious. Millions of innocent Chinese workers in toy factories and other walks of life would lose their jobs. The Chinese Government would certainly be hurt, but the lives of these workers would be ruined.

So, far from improving human rights, revoking China's MFN status would cause immense human suffering. And as the Senator said, we would be sending the Chinese people a message with his resolution. But it would not be a message of support—it would be a threat to put them out of work.

And of course, that would discredit our human rights efforts with the Chinese public. No rational person can expect anyone in China to thank us for harming their economy and inflicting misery on them, their families, or their fellow citizens.

By contrast, if human rights is our motivation, MFN is an irreplaceable part of any effective policy. As the Democracy Wall activist Wang Xizhe—until recently a political prisoner—says:

> * * * the goal of exerting effective, long-term influence over China can only be achieved by maintaining the broadest possible contacts with China, on the foundation of MFN, thus causing China to enter further into the global family and to accept globally practiced standards of behavior.

A long-term policy may emotionally be hard to accept. There are real human rights problems in China. About 3,000 political prisoners remain in jail.

Strict limits on freedom of assembly. Very severe policies in Tibet. The Senator from Arkansas is right to be concerned about these issues. We would like to solve them all in a day. But the fact is, that won't happen. This resolution will not help us solve these problems. Only by staying involved, through trade and human exchange as well as diplomacy, can we hope to make a difference.

Finally, we are Americans first and we are responsible to the American public on our policy decisions. And renewing MFN status is right for our own national interest.

And let me give perhaps the most important example. I visited Seoul, South Korea, and Pyongyang, North Korea, during the last Memorial Day recess. And I can say from firsthand experience that we have a very complex, very dangerous situation at hand in the Korean Peninsula.

North Korea is a politically isolated government, with very severe food and economic problems, and a large and well-armed military machine. We just considered an amendment addressing the most recent provocation by North Korea. We have a commitment to joint defense of South Korea, and 37,000 men and women permanently on the line just a few miles south of the DMZ.

I spoke with their Supreme Commander, General Tilelli. I met with

some of the enlisted men. I got a threat briefing from a young Army major from Wolf Point, MT.

If you go there, you know how seriously these men and women take the responsibility we have given them. You see it in their faces. It is a very dangerous place. And we here in the Senate owe it to them to pursue a very serious, responsible policy that can keep the peace, and ensure a swift victory if, God forbid, there is any conflict.

Chinese cooperation is absolutely essential to that. China is the largest country, with the most powerful army, in the region. It is probably the only country that can help make sure the North Korean Government understands the realities on the peninsula. It has played a critically important role in restraining North Korean military aggression and in preventing nuclear proliferation. And deliberately antagonizing the Chinese Government and armed services by continually threatening to revoke MFN will not help at all.

You can go on from there to many other issues. Take trade. We need a more fair, more reciprocal, better trade relationship with China. We have an opportunity to do that this year by bringing China into the World Trade Organization on a commercially acceptable basis. Cutting off MFN status would put us on the opposite track—it would balance trade at close to zero, cutting off jobs and prosperity here as well as in China.

And as we look into the next century, we must work to slow global warming, ocean pollution, and loss of biodiversity. To take just one statistic, in the next 20 years, world greenhouse emissions will grow from 6 to 9 trillion tons a year. Fully 1 trillion of the additional 3 trillion tons will come from China.

We have a chance now to moderate that trend. And a political crisis caused by revoking MFN would make that mutually beneficial effort very difficult.

Our own common sense should tell us China is a key player on all these issues. Wantonly picking a fight with the world's largest country by revoking MFN status, when only six countries in the world lack MFN status and we give 151 countries and territories tariff rates better than MFN, would be foolish.

And our allies tell us the same thing. During my trip last May, I met top national security officials in the South Korean Government. I spoke with senior officers of the Japanese Self-Defense Forces. And I met with Chinese dissidents and democratic political leaders in Hong Kong.

These are our friends. Our strategic allies. People we work with every day. People who wish us well. Not a single one of them supported revoking MFN status. Not a single one.

The right course to take is very clear. We should reject the Hutchinson amendment.

Thank you, Mr. President.

The PRESIDING OFFICER. All time has expired on the amendment.

The question is on agreeing to the amendment of the Senator from Arkansas.

The yeas and nays have been ordered.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Montana [Mr. BURNS] is necessarily absent.

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

The result was announced—yeas 22, nays 77, as follows:

[Rollcall Vote No. 184 Leg.]

YEAS—22

Ashcroft	Helms	Sessions
Campbell	Hollings	Smith (NH)
Coats	Hutchinson	Snowe
Collins	Inhofe	Thompson
D'Amato	Kyl	Torricelli
DeWine	Leahy	Wellstone
Faircloth	Levin	
Feingold	Mack	

NAYS—77

Abraham	Feinstein	Lugar
Akaka	Ford	McCain
Allard	Frist	McConnell
Baucus	Glenn	Mikulski
Bennett	Gorton	Moseley-Braun
Biden	Graham	Moynihan
Bingaman	Gramm	Murkowski
Bond	Grams	Murray
Boxer	Grassley	Nickles
Breaux	Gregg	Reed
Brownback	Hagel	Reid
Bryan	Harkin	Robb
Bumpers	Hatch	Roberts
Byrd	Hutchison	Rockefeller
Chafee	Inouye	Roth
Cleland	Jeffords	Santorum
Cochran	Johnson	Sarbanes
Conrad	Kempthorne	Shelby
Coverdell	Kennedy	Smith (OR)
Craig	Kerrey	Specter
Daschle	Kerry	Stevens
Dodd	Kohl	Thomas
Domenici	Landrieu	Thurmond
Dorgan	Lautenberg	Warner
Durbin	Lieberman	Wyden
Enzi	Lott	

NOT VOTING—1

Burns

So the amendment (No. 890) was rejected.

INDONESIA PROVISIONS

Mr. FEINGOLD. Mr. President, as someone gravely concerned with the human rights situation in East Timor, I am pleased to see strong language regarding military sales to Indonesia included in the foreign operations appropriations. I would like to commend the managers of the bill, the Senator from Kentucky [Mr. MCCONNELL] and the Senator from Vermont [Mr. LEAHY], for including this provision.

The bill states that any agreement to sell, license for export, or transfer lethal military equipment or helicopters to Indonesia must include a statement that these items will not be used in East Timor.

I am pleased with this language because it is important to remind Indonesia that Congress is still very concerned about the situation in East Timor. The May 29 Indonesian elections spurred new violence in East Timor. In the weeks surrounding the voting, fighting between Indonesian troops and East Timorese rebels resulted in dozens of casualties on both sides. These deaths were only the latest in the troubled region, which has been occupied by Indonesia since 1975. Human rights monitors estimate that as many as 200,000 East Timorese have died since the occupation.

Mr. President, as we all know, the Indonesian Government announced last month that it was no longer interested in participating in IMET or purchasing F–16 fighters. Congress should not relax our scrutiny of Indonesia's human rights practices and policies in East Timor just because these high-profile deals have been canceled.

Human rights organizations have expressed concerns that helicopters may be used against civilians in East Timor. Thus it is important to ensure that any such hardware provided by the United States is not used for internal repression. Certainly the answer to the East Timor problem does not lie in further arming the Indonesian military and police forces. Thus I am also pleased that the administration has reaffirmed its existing policy of precluding the sale to Indonesia of small arms, riot control equipment, and armored personnel carriers.

The bill's provision strengthens this policy, reflecting Congress' continued concerns.

LIBYA

Ms. MIKULSKI. Mr. President, I am proud to cosponsor the Lautenberg amendment to cut foreign aid to any country that violates U.N. sanctions against Libya. You cannot seek to undermine important policies of the United States and expect to receive economic assistance.

The international community imposed sanctions on Libya because of their failure to extradite their intelligence agents who were indicted for the bombing of Pan Am 103 over Lockerbie, Scotland. This one act of terrorism cost the lives of 270 people.

Libya provides sanctuary to their murderers. Yet Egypt—which receives billions of dollars of United States aid—has allowed Libyan airlines to land on their soil. They also attempted to weaken U.N. sanctions and even to build a free trade zone with Libya.

The families of those murdered on Pan Am 103 need no reminder of why we have sanctions on Libya. They live with this tragedy every day of their lives. Seven people from Maryland died in this tragedy. They were Michael Bernstein, Jay Kingham, Karen Noonan, Ann Lindsey Otenasek, Lousie Rogers, Miriam Wolf, and Jordy Williams.

They were so young. They were college students, a young Army lieutenant, a businessman and a lawyer. They were sons, daughters, and fathers. We swore that we would never forget them. We would improve airline safety, we would fight terrorism—and most importantly, we would seek justice.

One of the victims, Michael Bernstein, was a renowned Nazi hunter

working for the Justice Department. Throughout his life, he sought justice for the victims of the Holocaust. How tragic that his family has not yet had justice.

His wife continues to seek justice. I ask unanimous consent that Stephenie Bernstein's letter to the Egyptian Ambassador be printed in the RECORD.

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

BETHESDA, MD,
July 16, 1997.

Ambassador AHMED MAHER EL-SAYED,
Embassy of Egypt,
Washington, DC.

DEAR MR. AMBASSADOR: During the last few years I have expressed my views to you, both in writing and in a meeting with you at the embassy, about Egypt's position on the Lockerbie bombing. I am writing now to express my concern to you about the disturbing events which took place last week at the United Nations Security Council during the discussions on renewing the sanctions imposed on Libya for its refusal to turn over the suspects wanted in the bombing. As you may remember, my husband, Michael S. Bernstein, was one of the 270 people murdered.

To learn that Egypt, an ally of the United States, requested measures leading to removal of the sanctions against Libya is appalling. The request made by Egypt to convene a special meeting of the Security Council to consider outlandish proposals such as trying the suspects in a neutral country, trying them before Scottish judges in The Hague, or establishing a special court to try the cases is not the behavior of a country which is a friend of the United States, 189 of whose citizens were murdered in the Lockerbie disaster.

The suspects wanted in this heinous crime of mass murder have been indicted by the United States and Scotland. The only acceptable locations for their trial are in the countries which brought the indictments against them. Over the years your country, a leader in the Arab world, has repeatedly promoted what Ambassador Nabil Elaraby called last week ''alternative venues'' for a trial. He referred to the suffering of ''the innocent people of Libya, the innocent people of neighboring countries.'' Pointedly, the Ambassador ignored the continuous suffering of those whose loved ones were so brutally murdered. The way to end the inconvenience posed by the sanctions for Libya and its neighbors is for the suspects to be turned over for trial in either the United States or Scotland.

Egypt's misguided efforts last week and in the years after the murders have unfortunately undermined the quest for justice, and given hope to the Libyans and others who sponsor terrorism that their murderous acts will go unpunished. When Libya's U.N. ambassador can say, as he did during last week's debate that ''we can from now on behave as if these sanctions were not there,'' he has been given hope by Egypt that something short of full compliance with basic principles of law and decency will extricate his country from the troubles which its leader has brought upon his people.

I am appalled that my government continues to give billions of dollars to a country which has so openly sought to undermine international law. Please be assured that other family members of those murdered in the Lockerbie bombing and I will work tirelessly to see that U.S. aid to Egypt does not continue at the present level.

On August 18, 1994, you wrote me that Egypt's position on the Lockerbie bombing is based on ''The total respect and adherence to the U.N. resolutions concerning Libya.'' The actions taken by Egypt last week demonstrated a complete lack of regard for the U.N. resolutions, for the family members of those murdered, and lastly for the United States.

Sincerely,

STEPHANIE L. BERNSTEIN.

Ms. MIKULSKI. Mr. President, the Senate chose to reinstate the earmark for aid to Egypt. They cannot assume that we will continue to do this unless they become partners in the fight against terrorism.

CHINA MFN RENEWAL AND PROLIFERATION VIOLATIONS

Mr. BIDEN. Mr. President, I want to explain why I voted against the amendment offered by the Senator from Arkansas, [Mr. HUTCHINSON] calling for a revocation of China's most-favored-nation trading status. Revoking China's nondiscriminatory trading status is not a silver bullet we can fire to address our many legitimate concerns with China. MFN is ill-suited to carry single-handedly the burdens of our complex and multifaceted relationship.

Yet, simply extending China's most-favored-nation status does little to advance our interests with China. Moreover, it does nothing to address those areas where China's conduct is inconsistent with international norms or in violation of their bilateral commitments.

In short Mr. President, engagement with China is not a policy, it is just a means to an end. It is the content of the engagement that matters.

In the area of nonproliferation, for all of our engagement, China's conduct clearly remains unacceptable.

Just last May, the State Department belatedly imposed sanctions on two key Chinese chemical firms—Nanjing Chemical Industries Group and Jiangsu Yongli Chemical Engineering and Technology Import Export Corp.—that knowingly and materially contributed to Iran's chemical weapons program.

If this case were the lone exception, it would still be troubling. Unfortunately, it appears to be the norm.

China has knowingly aided the development of weapons of mass destruction, and the means to deliver them, in irresponsible states or in countries located in unstable regions of the world. China has provided nuclear technology, cruise missiles, and ballistic missile technology to Iran. China has also exported M–11 missiles—which can be equipped with nuclear warheads—and missile production know-how to Pakistan.

These exports appear to be part of a deliberate government policy that traces its roots to the ancient Chinese strategy of balancing one barbarian off against another, and we may be one of the barbarians Beijing has in mind.

A critical objective of our relationship with China must be to convince Beijing not only to sign up to international nonproliferation regimes, but to follow through on its commitments.

In general, we should: stick to incentives and penalties we are prepared to deliver; act multilaterally, where possible, to avoid having our initiatives undercut; and replace our once-a-year debate on MFN with a sustained, high-level commitment to improving our overall relationship.

I hope that diplomatic pressure, international suasion, and targeted sanctions will change Beijing's attitude toward nonproliferation. Chinese compliance with international regimes appears to improve when they are convinced that officials at the highest levels of the U.S. Government are scrutinizing their behavior.

But my patience is not limitless.

My vote today should not be interpreted as an expression of my satisfaction with China's behavior or the administration's policy of engagement. Moreover, it should not be viewed as an indication of how I might vote when MFN comes up for renewal next year.

If China fails to clean up its act, it may leave me no choice but to vote to revoke MFN. Sending a strong message—knowing full well that it won't miraculously bring about positive changes in China—may prove preferable to doing nothing while China makes the world a more dangerous place.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. MCCONNELL. Mr. President, I ask unanimous consent that Senators MCCAIN and MURRAY be added as cosponsors to amendment No. 892.

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

Mr. MCCONNELL. I also ask unanimous consent that Senator BROWNBACK be added as a cosponsor to Senator SMITH's amendment numbered 889.

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

Mr. MCCONNELL. Also I believe we do not have the yeas and nays on final passage.

The PRESIDING OFFICER. The yeas and nays have not been ordered.

AMENDMENT NO. 915, AS MODIFIED

Mr. LEAHY. Mr. President, I ask consent to modify amendment 915. I send the corrections to the desk.

The PRESIDING OFFICER. The amendment is so modified.

The amendment (No. 915), as modified, is as follows:

On page 43, line 3 after the word ''(IAEA),'' insert the following new section:

SEC. . AUTHORIZATION REQUIREMENT FOR INTERNATIONAL FINANCIAL INSTITUTIONS.

(a) The Secretary of the Treasury may, to fulfill commitments of the United States, (1) effect the United States participation in the first general capital increase of the European Bank for Rconstruction and Development, subscribe to and make payment for 100,000 additional shares of the capital stock of the Bank on behalf of the United States; and (2) contribute on behalf of the United States to the eleventh replenishment of the resources of the International Development Association, to the sixth replenishment of the resources of the Asian Development Fund, a special fund of the Asian Development Bank. The following amounts are authorized to be appropriated without fiscal

year limitation for payment by the Secretary of the Treasury: (1) $285,772,500 for paid-in capital, and $984,327,500 for callable capital of the European Bank for Reconstruction and Development; (2) $1,600,000,000 for the International Development Association; (3) $400,000,000 for the Asian Development Fund; and (4) $76,832,001 for paid-in capital, and $4,511,156,729 for callable capital of the Inter-American Development Bank in connection with the eighth general increase in the resources of that Bank. Each such subscription or contribution shall be subject to obtaining the necessary appropriations.

(b) The authorizations under this section are subject to the Senate Foreign Relations Committee reporting out an authorizations bill.

Strike subsection (b) of amendment #915, and insert in lieu thereof the following:

On page 38, line 17, strike ''$950,000,000'' and insert in lieu thereof ''$1,034,500,000''.

On page 38, line 18, strike ''$150,000,000'' and insert in lieu thereof ''$234,500,000''.

On page 40, line 14, strike ''$140,000,000'' and insert in lieu thereof ''$150,000,000''.

On page 40, line 14, strike ''$40,000,000'' and insert in lieu thereof ''$50,000,000''.

AFRICA CRISIS RESPONSE INITIATIVE

Mr. FEINGOLD. Mr. President, I would like to ask the Senator from Kentucky about committee report language directing that no peacekeeping funds be made available for the Africa crisis response initiative [ACRI]. I understand the House version of this bill and the accompanying report contain no such restrictions.

I understand further that the Committee on Appropriations has raised several concerns about this initiative which are currently being resolved by the administration.

Therefore, I wonder if the distinguished chairman of the Subcommittee on Foreign Operations will be looking to support the House mark in the peacekeeping account and to revise the report language in conference to reflect this change, along with continuing concerns.

Mr. MCCONNELL. The Senator from Wisconsin is correct. I have had some strong reservations about the potential duplication of this initiative with respect to other military assistance programs of the United States and of other countries, as well as about the role of the United Nations in the initiative. Both the Departments of Defense and of State have been cooperative in addressing these potential problems.

Mr. FEINGOLD. I thank the Senator from Kentucky for his cooperation on this matter. I want to take a few moments to express my views on the ACRI.

Mr. President, I was disappointed to read in the report on this bill that the Committee on Appropriations directed ''that no funds be made available for the Africa Crisis Response Force,'' an earlier title of what the administration now refers to as the Africa Crisis Response Initiative [ACRI]. This language would prohibit the administration's flexibility to use up to $15 million of the peacekeeping account for this initiative.

The ACRI, in my view, is an inventive proposal on the part of the administration. It seeks to expand the capacity of qualified African militaries to respond to peacekeeping needs in Africa by merging the resources of the United States and several of our European partners to provide peacekeeping training. The ACRI would help create effective, rapidly deployable peacekeeping units that would be able to operate together. Such an initiative could ultimately reduce the burden on U.S. resources in the event of a major humanitarian or other crisis in the region.

Let me elaborate on what we are talking about. The Africa Crisis Response Initiative would provide training to selected African militaries to raise their capabilities to a common peacekeeping standard derived from United States, British, Nordic, and United Nations doctrine. In most cases, this will involve intensive training over a 2-month period in any single country, and will include important train-the-trainer activities so that additional instruction may take place after the international representatives have departed.

Troops will be trained in tasks common to peacekeeping operations and on how to utilize common communications equipment. Equally as important, they will also receive instruction in civil-military relations and respect for human rights. U.S. trainers intend to use nongovernmental and private voluntary organizations in the training where possible. Any equipment that is provided to the participating countries would be nonlethal in nature and could include items to support mine detection, water purification, or night vision.

Already several African countries have told United States officials they would like to participate in the ACRI, including Ethiopia, Uganda, Ghana, Mali, Senegal, and Malawi. Senegal and Uganda will begin training at the end of this month. It is also important that the Secretaries General of the United Nations and the Organization for African Unity have indicated their support. I should also note that this proposal is strongly supported by the U.S. Joint Staff and by our military command in Europe—the United States European Command [EUCOM].

The ACRI proposal appeals to me because it provides a mechanism through which the United States can both contribute to the resolution of crises in the region, while at the same time, help ensure that the United States will not bear the total burden of doing so. By having ready, trained troops on the ground in Africa, the ACRI would decrease the time it takes to respond to local crises. But most importantly, if the proposal is implemented as intended, it would decrease the amount of outside support the Africans would require and preclude the need to send American combat troops to the region when there is a crisis. The ACRI is a means to provide appropriate African governments with a capacity they have said they want—the capability to respond to regional crises.

This is a concept that I have been pondering for several years. A 1994 trip to Liberia later heightened my interest. At the time, many observers were convinced that the only way to solve the crisis in Liberia, a country wracked with civil war since 1989, was to deploy a large force of American soldiers to stop the fighting and then maintain the peace.

Like many other Americans, I opposed the deployment of American troops for this purpose. But I became intrigued with an alternative that had been employed in Liberia since 1990—an all African peacekeeping force. This force, the West African peacekeeping force known by its French acronym ECOMOG, has not—by any definition—been a perfect mission, and has certainly had its share of problems. But after many fits and starts, ECOMOG troops have succeeded in establishing security in the country such that Liberians will have the opportunity to safely go to the polls this weekend to participate in an important national election. The United States has made important contributions to this effort in the form of airlift and other logistical support to ECOMOG.

While I do not want to put too much reliance in the ECOMOG experience itself, since its record has been mixed, I think we can draw at least two important lessons. First, African governments do want to contribute to maintaining peace in neighboring countries. Second, the United States can support those efforts by sharing our strengths in areas such as technical assistance, logistics, and communications, for example. Our European partners would make similar contributions.

That is what this proposal is all about. It is a cooperative effort to which all participants contribute.

Despite my enthusiasm for this initiative, Mr. President, I would also caution the administration on the tough choices it may soon have to make with respect to which countries can and should be invited to participate in the ACRI. When the administration first explored this proposal, it presented its preliminary ideas to 10 governments. These countries were understood to have excellent relations with the United States, as well as relatively disciplined militaries and democratic governments. It is my view that such qualities should represent the minimum standards for the United States to engage in the high-level military contact envisioned by the ACRI proposal.

As beneficial as the ACRI will be for the United States, it is also beneficial for the African countries involved. Congress will look harshly at any decisions that might be made to work with a government that has come to power through military action or that abuses

the rights of its citizens. I have concerns in particular about the possibility of including the Government of Nigeria in this initiative. While I recognize the strength of Nigeria's military and the important contribution it has made to the peacekeeping effort in Liberia, the Government's continued disdain for the needs of its people and continued human rights abuses I believe should preclude it from participation in the ACRI.

Mr. President, in the long term, the administration anticipates that the trained and ready forces that have benefited from the ACRI will be able to respond quickly to crises in the region with African troops led by Africans. Although I can foresee that the international community might still be called upon to provide logistics assistance in certain cases, I believe strongly that technical assistance of that nature is an appropriate response for the United States.

With the rising number of conflicts in the post-cold-war era, American troops are being called on more than ever to participate in peacekeeping operations that just are not tenable. The ACRI provides a creative way to respond to these demands while decreasing the need to deploy our own men and women.

Mr. President, I hope the conferees will agree on funding and language that will allow the administration to continue to pursue this creative approach to crisis intervention in Africa. The ACRI strengthens regional abilities to respond in a rapid and effective manner, rather than calling for direct United States or European intervention.

INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT

Mr. DORGAN. Mr. President, I rise to ask whether the distinguished ranking member, Senator LEAHY, would be willing to engage in a colloquy with me about the International Fund for Agricultural Development, or IFAD.

Mr. LEAHY. Mr. President, I would be happy to engage in a colloquy with the Senator about the good work that IFAD does.

Mr. DORGAN. Mr. President, I thank the ranking member.

As my colleague knows, IFAD is a specialized agency of the United Nations that has the mission of fighting hunger and poverty throughout the world. Since 1977 IFAD has helped rural poor to increase their nutrition, their food production and their income. It has reached about 160 million people through 429 different projects, mostly in Africa and Asia, the regions where most of the world's poor live. In its lending work, IFAD has an overhead of less than 10 percent, and it has achieved loan repayments of 97 percent in countries as diverse as Bangladesh, Benin, and Dominica.

More importantly, IFAD has been an innovator in providing microcredit to vulnerable groups that are often difficult to reach, such as small farmers, the landless poor and rural women.

Mr. President, that is why I was interested to read language related to IFAD in the report of the House Appropriations Committee on the House's version of the foreign operations bill. I was pleased to read, on page 18 of the House report, that the House Appropriations Committee ''requests that AID [the Agency for International Development] examine the possibility of using the International Fund for Agricultural Development as an implementing agency in providing microenterprise assistance.''

This is in the context of the House's $10 million increase over the administration's request for the AID microenterprise account. As my colleague knows, the Senate Appropriations Committee has increased the same account by $15 million.

Mr. President, I wonder whether my distinguished colleague could tell me whether he would support the House position in conference, that the Agency for International Development should consider using IFAD as one of the implementing agencies in providing microenterprise assistance.

Mr. LEAHY. Mr. President, I concur with the Senator from North Dakota on this matter. The International Fund for Agricultural Development has supplied nearly 300 microfinance projects with almost $1 billion of funding. I am particularly pleased that 40 percent of these projects have been in sub-Saharan Africa, where the need for this type of assistance is greatest.

It seems to me that the Agency for International Development should certainly consider using IFAD's capabilities. I therefore will likely support the House position on this matter and urge the conferees to include appropriate language in the statement of managers accompanying the conference report.

Mr. DORGAN. I greatly appreciate the support of the Senator from Vermont in this matter. I look forward to working with him to ensure that the conference report provides appropriate guidance to the Agency for International Development with respect to IFAD. I thank the distinguished ranking member for his assistance, and I yield the floor.

The PRESIDING OFFICER. The question is on third reading of the bill.

The bill was ordered to be engrossed for a third reading, and was read the third time.

Mr. MCCONNELL. 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. Do Senators yield back their time prior to the vote?

Mr. MCCONNELL. I yield any time.

Mr. LEAHY. I yield any time.

The PRESIDING OFFICER. The question is, Shall the bill, as amended, pass? On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The bill clerk called the roll.

Mr. NICKLES. I announce that the Senator from Montana [Mr. BURNS] is necessarily absent.

I further announce that, if present and voting, the Senator from Montana [Mr. BURNS] would vote ''yea.''

The PRESIDING OFFICER (Mr. SANTORUM). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 91, nays 8, as follows:

[Rollcall Vote No. 185 Leg.]

YEAS—91

Abraham	Ford	McCain
Akaka	Frist	McConnell
Allard	Glenn	Mikulski
Baucus	Gorton	Moseley-Braun
Bennett	Graham	Moynihan
Biden	Gramm	Murkowski
Bingaman	Grams	Murray
Bond	Grassley	Nickles
Boxer	Gregg	Reed
Breaux	Hagel	Reid
Brownback	Harkin	Robb
Bryan	Hatch	Roberts
Bumpers	Hutchinson	Rockefeller
Campbell	Hutchison	Roth
Chafee	Inhofe	Santorum
Cleland	Inouye	Sarbanes
Coats	Jeffords	Sessions
Cochran	Johnson	Shelby
Collins	Kennedy	Smith (OR)
Conrad	Kerrey	Snowe
Coverdell	Kerry	Specter
D'Amato	Kohl	Stevens
Daschle	Kyl	Thomas
DeWine	Landrieu	Thompson
Dodd	Lautenberg	Thurmond
Domenici	Leahy	Torricelli
Dorgan	Levin	Warner
Durbin	Lieberman	Wellstone
Enzi	Lott	Wyden
Feingold	Lugar	
Feinstein	Mack	

NAYS—8

Ashcroft	Faircloth	Kempthorne
Byrd	Helms	Smith (NH)
Craig	Hollings	

NOT VOTING—1

Burns

The bill (S. 955), as amended, was passed, as follows:

S. 955

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending September 30, 1998, and for other purposes, namely:

TITLE I—EXPORT AND INVESTMENT ASSISTANCE

EXPORT-IMPORT BANK OF THE UNITED STATES

The Export-Import Bank of the United States is authorized to make such expenditures within the limits of funds and borrowing authority available to such corporation, and in accordance with law, and to make such contracts and commitments without regard to fiscal year limitations, as provided by section 104 of the Government Corporation Control Act, as may be necessary in carrying out the program for the current fiscal year for such corporation: *Provided,* That none of the funds available during the current fiscal year may be used to make expenditures, contracts, or commitments for the export of nuclear equipment, fuel, or technology to any country other than a nuclear-weapon State as defined in Article IX of the Treaty on the Non-Proliferation of Nuclear Weapons eligible to receive economic or military assistance under this Act that has detonated a nuclear explosive after the date of enactment of this Act.

SUBSIDY APPROPRIATION

For the cost of direct loans, loan guarantees, insurance, and tied-aid grants as authorized by section 10 of the Export-Import Bank Act of 1945, as amended, $700,000,000 to remain available until September 30, 1999: *Provided,* That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: *Provided further,* That such sums shall remain available until 2013 for the disbursement of direct loans, loan guarantees, insurance and tied-aid grants obligated in fiscal years 1998 and 1999: *Provided further,* That up to $50,000,000 of funds appropriated by this paragraph shall remain available until expended and may be used for tied-aid grant purposes: *Provided further,* That none of the funds appropriated by this Act or any prior Act appropriating funds for foreign operations, export financing, or related programs for tied-aid credits or grants may be used for any other purpose except through the regular notification procedures of the Committees on Appropriations.

ADMINISTRATIVE EXPENSES

For administrative expenses to carry out the direct and guaranteed loan and insurance programs (to be computed on an accrual basis), including hire of passenger motor vehicles and services as authorized by 5 U.S.C. 3109, and not to exceed $20,000 for official reception and representation expenses for members of the Board of Directors, $46,614,000: *Provided,* That necessary expenses (including special services performed on a contract or fee basis, but not including other personal services) in connection with the collection of moneys owed the Export-Import Bank, repossession or sale of pledged collateral or other assets acquired by the Export-Import Bank in satisfaction of moneys owed the Export-Import Bank, or the investigation or appraisal of any property, or the evaluation of the legal or technical aspects of any transaction for which an application for a loan, guarantee or insurance commitment has been made, shall be considered nonadministrative expenses for the purposes of this heading: *Provided further,* That, notwithstanding subsection (b) of section 117 of the Export Enhancement Act of 1992, subsection (a) thereof shall remain in effect until October 1, 1998.

OVERSEAS PRIVATE INVESTMENT CORPORATION

NONCREDIT ACCOUNT

The Overseas Private Investment Corporation is authorized to make, without regard to fiscal year limitations, as provided by 31 U.S.C. 9104, such expenditures and commitments within the limits of funds available to it and in accordance with law as may be necessary: *Provided,* That the amount available for administrative expenses to carry out the credit and insurance programs (including an amount for official reception and representation expenses which shall not exceed $35,000) shall not exceed $32,000,000: *Provided further,* That project-specific transaction costs, including direct and indirect costs incurred in claims settlements, and other direct costs associated with services provided to specific investors or potential investors pursuant to section 234 of the Foreign Assistance Act of 1961, shall not be considered administrative expenses for the purposes of this heading.

PROGRAM ACCOUNT

For the cost of direct and guaranteed loans, $60,000,000, as authorized by section 234 of the Foreign Assistance Act of 1961 to be derived by transfer from the Overseas Private Investment Corporation noncredit account: *Provided,* That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: *Provided further,* That such sums shall be available for direct loan obligations and loan guaranty commitments incurred or made during fiscal years 1998 and 1999: *Provided further,* That such sums shall remain available through fiscal year 2006 for the disbursement of direct and guaranteed loans obligated in fiscal year 1998, and through fiscal year 2007 for the disbursement of direct and guaranteed loans obligated in fiscal year 1999: *Provided further,* That in addition, such sums as may be necessary for administrative expenses to carry out the credit program may be derived from amounts available for administrative expenses to carry out the credit and insurance programs in the Overseas Private Investment Corporation Noncredit Account and merged with said account.

FUNDS APPROPRIATED TO THE PRESIDENT

TRADE AND DEVELOPMENT AGENCY

For necessary expenses to carry out the provisions of section 661 of the Foreign Assistance Act of 1961, $43,000,000, to remain available until September 30, 1999: *Provided,* That the Trade and Development Agency may receive reimbursements from corporations and other entities for the costs of grants for feasibility studies and other project planning services, to be deposited as an offsetting collection to this account and to be available for obligation until September 30, 1999, for necessary expenses under this paragraph: *Provided further,* That such reimbursements shall not cover, or be allocated against, direct or indirect administrative costs of the agency.

TITLE II—BILATERAL ECONOMIC ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

For expenses necessary to enable the President to carry out the provisions of the Foreign Assistance Act of 1961, and for other purposes, to remain available until September 30, 1998, unless otherwise specified herein, as follows:

AGENCY FOR INTERNATIONAL DEVELOPMENT

DEVELOPMENT ASSISTANCE

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses to carry out the provisions of sections 103 through 106 and chapter 10 of part I of the Foreign Assistance Act of 1961, title V of the International Security and Development Cooperation Act of 1980 (Public Law 96–533) and the provisions of section 401 of the Foreign Assistance Act of 1969, $1,358,093,020, to remain available until September 30, 1999: *Provided,* That of the amount appropriated under this heading, up to $18,000,000 may be made available for the Inter-American Foundation and shall be apportioned directly to that Agency: *Provided further,* That of the amount appropriated under this heading, up to $10,500,000 may be made available for the African Development Foundation and shall be apportioned directly to that agency: *Provided further,* That of the funds appropriated under title II of this Act that are administered by the Agency for International Development and made available for family planning assistance, not less than 65 per centum shall be made available directly to the agency's central Office of Population and shall be programmed by that office for family planning activities: *Provided further,* That of the funds made available under this heading, not less than $30,000,000, above the amount of funds made available to combat infectious diseases in the fiscal year 1997, shall be made available to strengthen global surveillance and control of infectious diseases: *Provided further,* That such funds shall be subject to the regular notification procedures of the Committees on Appropriations: *Provided further,* That none of the funds made available in this Act nor any unobligated balances from prior appropriations may be made available to any organization or program which, as determined by the President of the United States, supports or participates in the management of a program of coercive abortion or involuntary sterilization: *Provided further,* That none of the funds made available under this heading may be used to pay for the performance of abortion as a method of family planning or to motivate or coerce any person to practice abortions; and that in order to reduce reliance on abortion in developing nations, funds shall be available only to voluntary family planning projects which offer, either directly or through referral to, or information about access to, a broad range of family planning methods and services: *Provided further,* That in awarding grants for natural family planning under section 104 of the Foreign Assistance Act of 1961 no applicant shall be discriminated against because of such applicant's religious or conscientious commitment to offer only natural family planning; and, additionally, all such applicants shall comply with the requirements of the previous proviso: *Provided further,* That for purposes of this or any other Act authorizing or appropriating funds for foreign operations, export financing, and related programs, the term ''motivate'', as it relates to family planning assistance, shall not be construed to prohibit the provision, consistent with local law, of information or counseling about all pregnancy options: *Provided further,* That nothing in this paragraph shall be construed to alter any existing statutory prohibitions against abortion under section 104 of the Foreign Assistance Act of 1961: *Provided further,* That, notwithstanding section 109 of the Foreign Assistance Act of 1961, of the funds appropriated under this heading in this Act, and of the unobligated balances of funds previously appropriated under this heading, $2,500,000 shall be transferred to ''International Organizations and Programs'' for a contribution to the International Fund for Agricultural Development (IFAD), and that any such transfer of funds shall be subject to the regular notification procedures of the Committees on Appropriations: *Provided further,* That of the funds appropriated under this heading that are made available for assistance programs for displaced and orphaned children and victims of war, not to exceed $25,000, in addition to funds otherwise available for such purposes, may be used to monitor and provide oversight of such programs: *Provided further,* That of the funds appropriated under this heading, not less than $15,000,000 shall be available for the American Schools and Hospitals Abroad Program: *Provided further,* That not less than $500,000 of the funds appropriated under this heading shall be made available only for support of the United States Telecommunications Training Institute: *Provided further,* That of the funds made available under this heading for Haiti, up to $250,000 may be made available to support a program to assist Haitian children in orphanages.

POPULATION, DEVELOPMENT ASSISTANCE

For necessary expenses to carry out the provisions of section 104(b) of the Foreign Assistance Act of 1961, $435,000,000, to remain available until September 30, 1999.

CYPRUS

Of the funds appropriated under the headings ''Development Assistance'' and ''Economic Support Fund'', not less than $15,000,000 shall be made available for Cyprus to be used only for scholarships, administrative support of the scholarship program, bicommunal projects, and measures aimed at reunification of the island and designed to reduce tensions and promote peace and cooperation between the two communities on Cyprus.

BURMA

Of the funds appropriated under the heading ''Development Assistance'', not less than $5,000,000 shall be made available to support activities in Burma, along the Burma-Thailand border, and for activities of Burmese student groups and other organizations located outside Burma: *Provided,* That $3,000,000 of these funds shall be made available for the purposes of fostering democracy, including not less than $200,000 to be made available for newspapers, media, and publications promoting democracy for Burma: *Provided further,* That $2,000,000 of these funds shall be made available to support the provision of medical supplies and services and other humanitarian assistance to Burmese located in Burma or displaced Burmese along the borders: *Provided further,* That funds made available for Burma related activities under this heading may be made available notwithstanding any other provision of law: *Provided further,* That provision of such funds shall be made available subject to the regular notification procedures of the Committees on Appropriations.

CAMBODIA

None of the funds appropriated by this Act may be made available for activities or programs in Cambodia until the Secretary of State determines and reports to the Committees on Appropriations that the Government of Cambodia has (1) not been established in office by the use of force or a coup d'etat; (2) discontinued all political violence and intimidation of journalists and members of opposition parties; (3) established an independent election commission; (4) protected the rights of voters, candidates, and election observers and participants by establishing laws and procedures guaranteeing freedom of speech and assembly; (5) eliminated corruption and collaboration with narcotics smugglers; and (6) been elected in a free and fair democratic election: *Provided,* That restrictions on funds made available under this heading shall not apply to humanitarian programs or other activities administered by nongovernmental organizations: *Provided further,* That 30 days after enactment of this Act, the Secretary of State, in consultation with the Director of the Federal Bureau of Investigation, shall report to the Committees on Appropriations on the results of the FBI investigation into the bombing attack in Phnom Penh on March 30, 1997.

GUATEMALA CLARIFICATION COMMISSION

Of the funds made available under the headings ''Development Assistance''and ''Economic Support Fund'', not less than $1,000,000 shall be made available to support the Guatemala Clarification Commission.

INTERNATIONAL DISASTER ASSISTANCE

For necessary expenses for international disaster relief, rehabilitation, and reconstruction assistance pursuant to section 491 of the Foreign Assistance Act of 1961, as amended, $195,000,000, to remain available until expended.

DEBT RESTRUCTURING

For the cost, as defined in section 502 of the Congressional Budget Act of 1974, of modifying direct loans and loan guarantees, as the President may determine, for which funds have been appropriated or otherwise made available for programs within the International Affairs Budget Function 150, including the cost of selling, reducing, or canceling amounts, through debt buybacks and swaps, owed to the United States as a result of concessional loans made to eligible Latin American and Caribbean countries, pursuant to part IV of the Foreign Assistance Act of 1961, and of modifying concessional loans authorized under title I of the Agricultural Trade Development and Assistance Act of 1954, as amended, as authorized under subsection (a) under the heading ''Debt Reduction for Jordan'' in title VI of Public Law 103–306 and (b) direct loans extended to least developed countries, as authorized under section 411 of the Agriculture Trade and Assistance Act of 1954 as amended; $34,000,000, to remain available until expended: *Provided,* That none of the funds appropriated under this heading shall be obligated except as provided through the regular notification procedures of the Committees on Appropriations.

MICRO AND SMALL ENTERPRISE DEVELOPMENT PROGRAM ACCOUNT

For the cost of direct loans and loan guarantees, $1,500,000, as authorized by section 108 of the Foreign Assistance Act of 1961, as amended: *Provided,* That such costs shall be as defined in section 502 of the Congressional Budget Act of 1974: *Provided further,* That guarantees of loans made under this heading in support of microenterprise activities may guarantee up to 70 per centum of the principal amount of any such loans notwithstanding section 108 of the Foreign Assistance Act of 1961. In addition, for administrative expenses to carry out programs under this heading, $500,000, all of which may be transferred to and merged with the appropriation for Operating Expenses of the Agency for International Development: *Provided further,* That funds made available under this heading shall remain available until September 30, 1999.

URBAN AND ENVIRONMENTAL CREDIT PROGRAM ACCOUNT

For the cost, as defined in section 502 of the Congressional Budget Act of 1974, of guaranteed loans authorized by sections 221 and 222 of the Foreign Assistance Act of 1961, $3,000,000, to remain available until September 30, 1999: *Provided,* That these funds are available to subsidize loan principal, 100 per centum of which shall be guaranteed, pursuant to the authority of such sections. In addition, for administrative expenses to carry out guaranteed loan programs, $6,000,000, all of which may be transferred to and merged with the appropriation for Operating Expenses of the Agency for International Development: *Provided further,* That commitments to guarantee loans under this heading may be entered into notwithstanding the second and third sentences of section 222(a) and, with regard to programs for Central and Eastern Europe and programs for the benefit of South Africans disadvantaged by apartheid, section 223(j) of the Foreign Assistance Act of 1961.

PRIVATE AND VOLUNTARY ORGANIZATIONS

None of the funds appropriated or otherwise made available by this Act for development assistance may be made available to any United States private and voluntary organization, except any cooperative development organization, which obtains less than 20 per centum of its total annual funding for international activities from sources other than the United States Government: *Provided,* That the requirements of the provisions of section 123(g) of the Foreign Assistance Act of 1961 and the provisions on private and voluntary organizations in title II of the ''Foreign Assistance and Related Programs Appropriations Act, 1985'' (as enacted in Public Law 98–473) shall be superseded by the provisions of this section, except that the authority contained in the last sentence of section 123(g) may be exercised by the Administrator with regard to the requirements of this paragraph.

Funds appropriated or otherwise made available under title II of this Act should be made available to private and voluntary organizations at a level which is at least equivalent to the level provided in fiscal year 1995. Such private and voluntary organizations shall include those which operate on a not-for-profit basis, receive contributions from private sources, receive voluntary support from the public and are deemed to be among the most cost-effective and successful providers of development assistance.

PAYMENT TO THE FOREIGN SERVICE RETIREMENT AND DISABILITY FUND

For payment to the ''Foreign Service Retirement and Disability Fund'', as authorized by the Foreign Service Act of 1980, $44,208,000.

OPERATING EXPENSES OF THE AGENCY FOR INTERNATIONAL DEVELOPMENT

For necessary expenses to carry out the provisions of section 667, $473,000,000, to remain available until September 30, 1999: *Provided,* That none of the funds appropriated by this Act for programs administered by the Agency for International Development may be used to finance printing costs of any report or study (except feasibility, design, or evaluation reports or studies) in excess of $25,000 without the approval of the Administrator of the Agency or the Administrator's designee.

OPERATING EXPENSES OF THE AGENCY FOR INTERNATIONAL DEVELOPMENT OFFICE OF INSPECTOR GENERAL

For necessary expenses to carry out the provisions of section 667, $29,047,000, to remain available until September 30, 1999, which sum shall be available for the Office of the Inspector General of the Agency for International Development.

OTHER BILATERAL ECONOMIC ASSISTANCE

ECONOMIC SUPPORT FUND

For necessary expenses to carry out the provisions of chapter 4 of part II, $2,541,150,000, to remain available until September 30, 1999: *Provided,* That of the funds appropriated under this heading, not less than $1,200,000,000 shall be available only for Israel, which sum shall be available on a grant basis as a cash transfer and shall be disbursed within thirty days of enactment of this Act or by October 31, 1997, whichever is later: *Provided further,* That not less than $815,000,000 shall be available only for Egypt, which sum shall be provided on a grant basis, and of which sum cash transfer assistance may be provided, with the understanding that Egypt will undertake significant economic reforms which are additional to those which were undertaken in previous fiscal years: *Provided further,* That in exercising the authority to provide cash transfer assistance for Israel, the President shall ensure that the level of such assistance does not cause an adverse impact on the total level of nonmilitary exports from the United States to such country: *Provided further,* That of the funds appropriated under this heading, not less than $150,000,000 shall be made available for Jordan: *Provided further,* That of the amount appropriated under this heading, not less than $500,000 shall be available only for the Special Investigative Unit (SIU) of the Haitian National Police.

ASSISTANCE FOR EASTERN EUROPE AND THE BALTIC STATES

(a) For necessary expenses to carry out the provisions of the Foreign Assistance Act of 1961 and the Support for East European Democracy (SEED) Act of 1989, $485,000,000, to remain available until September 30, 1999, which shall be available, notwithstanding any other provision of law, for economic assistance and for related programs for Eastern Europe and the Baltic States.

(b) Funds appropriated under this heading or in prior appropriations Acts that are or

have been made available for an Enterprise Fund may be deposited by such Fund in interest-bearing accounts prior to the Fund's disbursement of such funds for program purposes. The Fund may retain for such program purposes any interest earned on such deposits without returning such interest to the Treasury of the United States and without further appropriation by the Congress. Funds made available for Enterprise Funds shall be expended at the minimum rate necessary to make timely payment for projects and activities.

(c) Funds appropriated under this heading shall be considered to be economic assistance under the Foreign Assistance Act of 1961 for purposes of making available the administrative authorities contained in that Act for the use of economic assistance.

(d) With regard to funds appropriated or otherwise made available under this heading for the economic revitalization program in Bosnia and Herzegovina, and local currencies generated by such funds (including the conversion of funds appropriated under this heading into currency used by Bosnia and Herzegovina as local currency and local currency returned or repaid under such program)—

(1) the Administrator of the Agency for International Development shall provide written approval for grants and loans prior to the obligation and expenditure of funds for such purposes, and prior to the use of funds that have been returned or repaid to any lending facility or grantee; and

(2) the provisions of section 533 of this Act shall apply.

(e) Funds appropriated under this heading may not be made available for economic revitalization programs in Bosnia and Herzegovina, if the President determines and certifies to the Committees on Appropriations that the Federation of Bosnia and Herzegovina has not complied with article III of annex 1–A of the General Framework Agreement for Peace in Bosnia and Herzegovina concerning the withdrawal of foreign forces, and that intelligence cooperation on training, investigations, and related activities between Iranian officials and Bosnian officials has not been terminated.

ASSISTANCE FOR THE NEW INDEPENDENT STATES OF THE FORMER SOVIET UNION

(a) For necessary expenses to carry out the provisions of chapter 11 of part I of the Foreign Assistance Act of 1961 and the FREEDOM Support Act, for assistance for the New Independent States of the former Soviet Union and for related programs, $800,000,000, to remain available until September 30, 1999: *Provided,* That the provisions of such chapter shall apply to funds appropriated by this paragraph: *Provided further,* That up to $22,000,000 made available under this heading may be transferred to the Export Import Bank of the United States, and up to $8,000,000 of the funds made available under this heading may be transferred to the Micro and Small Enterprise Development Program, to be used for the cost of direct loans and loan guarantees for the furtherance of programs under this heading: *Provided further,* That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974.

(b) None of the funds appropriated under this heading shall be made available to a Government of the New Independent States of the former Soviet Union—

(1) unless that Government is making progress in implementing comprehensive economic reforms based on market principles, private ownership, negotiating repayment of commercial debt, respect for commercial contracts, and equitable treatment of foreign private investment; and

(2) if that Government applies or transfers United States assistance to any entity for the purpose of expropriating or seizing ownership or control of assets, investments, or ventures.

(3) Funds may be furnished without regard to this subsection if the President determines that to do so is in the national interest.

(c) None of the funds appropriated under this heading shall be made available to any government of the New Independent States of the former Soviet Union if that government directs any action in violation of the territorial integrity or national sovereignty of any other new independent state, such as those violations included in the Helsinki Final Act: *Provided,* That such funds may be made available without regard to the restriction in this subsection if the President determines that to do so is in the national security interest of the United States: *Provided further,* That the restriction of this subsection shall not apply to the use of such funds for the provision of assistance for purposes of humanitarian and refugee relief.

(d) None of the funds appropriated under this heading for the New Independent States of the former Soviet Union shall be made available for any state to enhance its military capability: *Provided,* That this restriction does not apply to demilitarization or nonproliferation programs.

(e) Funds appropriated under this heading shall be subject to the regular notification procedures of the Committees on Appropriations.

(f) Funds made available in this Act for assistance to the New Independent States of the former Soviet Union shall be subject to the provisions of section 117 (relating to environment and natural resources) of the Foreign Assistance Act of 1961.

(g) Of the funds appropriated under title II of this Act, including funds appropriated under this heading, not less than $12,000,000 shall be available only for assistance for Mongolia: *Provided,* That funds made available for assistance for Mongolia may be made available in accordance with the purposes and utilizing the authorities provided in chapter 11 of part I of the Foreign Assistance Act of 1961.

(h) Funds made available in this Act for assistance to the New Independent States of the former Soviet Union shall be provided to the maximum extent feasible through the private sector, including small- and medium-size businesses, entrepreneurs, and others with indigenous private enterprises in the region, intermediary development organizations committed to private enterprise, and private voluntary organizations: *Provided,* That grantees and contractors should, to the maximum extent possible, place in key staff positions specialists with prior on the ground expertise in the region of activity and fluency in one of the local languages.

(i) In issuing new task orders, entering into contracts, or making grants, with funds appropriated under this heading or in prior appropriations Acts, for projects or activities that have as one of their primary purposes the fostering of private sector development, the Coordinator for United States Assistance to the New Independent States and the implementing agency shall encourage the participation of and give significant weight to contractors and grantees who propose investing a significant amount of their own resources (including volunteer services and in-kind contributions) in such projects and activities.

(j) Of the funds appropriated under this heading, not less than $225,000,000 shall be made available for Ukraine: *Provided,* That of the funds made available for Ukraine under this subsection, not less than $25,000,000 shall be available only for comprehensive legal restructuring necessary to support a decentralized market-oriented economic system, including the enactment of all necessary substantive commercial law and procedures, the implementation of reforms necessary to establish an independent judiciary and bar, the education of judges, attorneys, and law students in the comprehensive commercial law reforms, and public education designed to promote understanding of commercial law necessary to Ukraine's economic independence: *Provided further,* That of this amount not less than $8,000,000 shall be made available to support law enforcement institutions and training, not less than $25,000,000 shall be made available for nuclear reactor safety programs, and not less than $5,000,000 shall be made available for political party and related institutional development: *Provided further,* That 50 per centum of the amount made available for Ukraine by this subsection, exclusive of funds made available in the previous proviso, shall be withheld from obligation and expenditure until the Secretary of State determines and certifies that the Government of Ukraine has taken meaningful steps: (1) to enforce the April 10, 1997 Anti-Corruption Presidential decree; (2) to privatize state owned agricultural storage, distribution, equipment and supply monopolies; and (3) to resolve cases involving U.S. business complaints and establish a permanent legal mechanism for commercial dispute resolution: *Provided further,* That the Secretary shall submit such determination and certification prior to March 31, 1998.

(k) Of the funds appropriated under this heading, not less than $100,000,000 shall be made available for Georgia, of which not less than $10,000,000 shall be made available to support energy development and privatization initiatives: *Provided,* That not less than $15,000,000 shall be made available for development of border security telecommunications infrastructure: *Provided further,* That not less than $7,000,000 shall be available for judicial reform and law enforcement training: *Provided further,* That not less than $5,000,000 shall be made available to support training for border and customs control: *Provided further,* That not less than $3,000,000 shall be made available to support political party and related institutional development: *Provided further,* That not less than $5,000,000 shall be available for Supsa urban and commercial development: *Provided further,* That up to $7,000,000 may be made available for business and education exchanges and related activities.

(l) Of the funds made available under this heading, not less than $95,000,000 shall be made available for Armenia.

(m) Funds appropriated under this heading or in prior appropriations Acts that are or have been made available for an Enterprise Fund may be deposited by such Fund in interest-bearing accounts prior to the disbursement of such funds by the Fund for program purposes. The Fund may retain for such program purposes any interest earned on such deposits without returning such interest to the Treasury of the United States and without further appropriation by the Congress. Funds made available for Enterprise Funds shall be expended at the minimum rate necessary to make timely payment for projects and activities.

(n) None of the funds appropriated under this heading may be made available for Russia unless the President determines and certifies in writing to the Committees on Appropriations that the Government of Russia

has terminated implementation of arrangements to provide Iran with technical expertise, training, technology, or equipment necessary to develop a nuclear reactor or ballistic missiles or related nuclear research facilities or programs.

(o) Of the funds appropriated under this heading, not less than $10,000,000 shall be made available for a United States contribution to the Trans-Caucasus Enterprise Fund: *Provided,* That to further the development of the private sector in the Trans-Caucasus, such amount may be invested in a Trans-Caucasus Enterprise Fund or invested in other funds established by public or private organizations, or transferred to the Overseas Private Investment Corporation to be available, subject to the requirements of the Federal Credit Reform Act, to subsidize the costs of direct and guaranteed loans.

(p) Funds made available under this Act or any other Act may not be provided for assistance to the Government of Azerbaijan until the President determines, and so reports to the Congress, that the Government of Azerbaijan is taking demonstrable steps to cease all blockades and other offensive uses of force against Armenia and Nagorno-Karabakh: *Provided,* That the restriction of this subsection and section 907 of the FREEDOM Support Act shall not apply to—

(1) activities to support electoral and political reforms or assistance under title V of the FREEDOM Support Act and section 1424 of the ''National Defense Authorization Act for Fiscal Year 1997'';

(2) any insurance, reinsurance, guarantee, or other assistance provided by the Overseas Private Investment Corporation under title IV of chapter 2 of part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2191 et seq.);

(3) any assistance provided by the Trade and Development Agency under section 661 of the Foreign Assistance Act of 1961 (22 U.S.C. 2421);

(4) any financing provided under the Export-Import Bank Act of 1945 (12 U.S.C. 635 et seq.); or

(5) any activity carried out by a member of the Foreign Commercial Service while acting within his or her official capacity.

(q) None of the funds appropriated under this heading or in prior appropriations legislation may be made available to establish a joint public-private entity or organization engaged in the management of activities or projects supported by the Defense Enterprise Fund.

(r) 60 days after the date of enactment of this Act, the Administrator of AID shall report to the Committees on Appropriations on the rate of obligation and risk and anticipated returns associated with commitments made by the United States-Russia Investment Fund. The report shall include a recommendation on the continued relevance and advisability of the initial planned life of project commitment.

INDEPENDENT AGENCY

PEACE CORPS

For expenses necessary to carry out the provisions of the Peace Corps Act (75 Stat. 612), $206,000,000, including the purchase of not to exceed five passenger motor vehicles for administrative purposes for use outside of the United States: *Provided,* That none of the funds appropriated under this heading shall be used to pay for abortions: *Provided further,* That funds appropriated under this heading shall remain available until September 30, 1999.

DEPARTMENT OF STATE

INTERNATIONAL NARCOTICS CONTROL

For necessary expenses to carry out section 481 of the Foreign Assistance Act of 1961, $216,200,000: *Provided,* That of these funds not less than $10,000,000 shall be made available for Law Enforcement Training and Demand Reduction: *Provided further,* That not less than $22,000,000 shall be made available for anti-crime programs: *Provided further,* That none of the funds appropriated under this heading that are made available for counter-narcotics activities may be obligated or expended until the Secretary of State submits a report to the Committees on Appropriations containing: (1) a list of all countries in which the United States carries out international counter-narcotics activities; (2) the number, mission and agency affiliation of U.S. personnel assigned to each such country; and (3) all costs and expenses obligated for each program, project or activity by each U.S. agency in each country: *Provided further,* That of this amount not to exceed $5,000,000 shall be allocated to operate the Western Hemisphere International Law Enforcement Academy under the auspices of the Organization of American States with full oversight by the Department of State: *Provided further,* That funds appropriated under this heading shall be provided subject to the regular notification procedures of the Committees on Appropriations.

MIGRATION AND REFUGEE ASSISTANCE

For expenses, not otherwise provided for, necessary to enable the Secretary of State to provide, as authorized by law, a contribution to the International Committee of the Red Cross, assistance to refugees, including contributions to the International Organization for Migration and the United Nations High Commissioner for Refugees, and other activities to meet refugee and migration needs; salaries and expenses of personnel and dependents as authorized by the Foreign Service Act of 1980; allowances as authorized by sections 5921 through 5925 of title 5, United States Code; purchase and hire of passenger motor vehicles; and services as authorized by section 3109 of title 5, United States Code, $650,000,000: *Provided,* That not more than $12,000,000 shall be available for administrative expenses: *Provided further,* That not less than $80,000,000 shall be made available for refugees from the former Soviet Union and Eastern Europe and other refugees resettling in Israel.

UNITED STATES EMERGENCY REFUGEE AND MIGRATION ASSISTANCE FUND

For necessary expenses to carry out the provisions of section 2(c) of the Migration and Refugee Assistance Act of 1962, as amended (22 U.S.C. 260(c)), $50,000,000, to remain available until expended: *Provided,* That the funds made available under this heading are appropriated notwithstanding the provisions contained in section 2(c)(2) of the Migration and Refugee Assistance Act of 1962 which would limit the amount of funds which could be appropriated for this purpose.

NONPROLIFERATION, ANTI-TERRORISM, DEMINING AND RELATED PROGRAMS

For necessary expenses for nonproliferation, anti-terrorism and related programs and activities, $129,000,000, to carry out the provisions of chapter 8 of part II of the Foreign Assistance Act of 1961 for anti-terrorism assistance, section 504 of the FREEDOM Support Act for the Nonproliferation and Disarmament Fund, section 23 of the Arms Export Control Act or the Foreign Assistance Act of 1961 for demining activities, notwithstanding any other provision of law, including activities implemented through nongovernmental and international organizations, section 301 of the Foreign Assistance Act of 1961 for a voluntary contribution to the International Atomic Energy Agency (IAEA) and a voluntary contribution to the Korean Peninsula Energy Development Organization (KEDO): *Provided,* That of this amount not to exceed $15,000,000, to remain available until expended, may be made available for the Nonproliferation and Disarmament Fund, notwithstanding any other provision of law, to promote bilateral and multilateral activities relating to nonproliferation and disarmament: *Provided further,* That such funds may also be used for such countries other than the New Independent States of the former Soviet Union and international organizations when it is in the national security interest of the United States to do so: *Provided further,* That such funds shall be subject to the regular notification procedures of the Committees on Appropriations: *Provided further,* That funds appropriated under this heading may be made available for the International Atomic Energy Agency only if the Secretary of State determines (and so reports to the Congress) that Israel is not being denied its right to participate in the activities of that Agency: *Provided further,* That not to exceed $30,000,000 may be made available to the Korean Peninsula Energy Development Organization (KEDO) only for the administrative expenses and heavy fuel oil costs associated with the Agreed Framework: *Provided further,* That such funds may be obligated to KEDO only if, thirty days prior to such obligation of funds, the President certifies and so reports to Congress that: (1)(A) the parties to the Agreed Framework are taking steps to assure that progress is made on the implementation of the January 1, 1992, Joint Declaration on the Denuclearization of the Korean Peninsula and the implementation of the North-South dialogue, and (B) North Korea is complying with the other provisions of the Agreed Framework between North Korea and the United States and with the Confidential Minute; (2) North Korea is cooperating fully in the canning and safe storage of all spent fuel from its graphite-moderated nuclear reactors and that such canning and safe storage is scheduled to be completed by the end of fiscal year 1997; and (3) North Korea has not significantly diverted assistance provided by the United States for purposes for which it was not intended: *Provided further,* That the President may waive the certification requirements of the preceding proviso if the President determines that it is vital to the national security interests of the United States: *Provided further,* That no funds may be obligated for KEDO until 30 days after submission to Congress of the waiver permitted under the preceding proviso: *Provided further,* That the obligation of any funds for KEDO shall be subject to the regular notification procedures of the Committees on Appropriations: *Provided further,* That the Secretary of State shall submit to the appropriate congressional committees an annual report (to be submitted with the annual presentation for appropriations) providing a full and detailed accounting of the fiscal year request for the United States contribution to KEDO, the expected operating budget of the Korean Peninsula Energy Development Organization, to include unpaid debt, proposed annual costs associated with heavy fuel oil purchases, and the amount of funds pledged by other donor nations and organizations to support KEDO activities on a per country basis, and other related activities: *Provided further,* That of the funds made available under this heading, up to $14,000,000 may be made available to the Korean Peninsula Economic Development Organization (KEDO), in addition to funds otherwise made available under this heading for KEDO, if the Secretary of State certifies and reports to the Committees on Appropriations that, except for the funds made available under this proviso, funds sufficient to cover all outstanding debts owed by KEDO for heavy fuel oil have been provided to KEDO: *Provided further,* That the additional $14,000,000 made

available to KEDO under this heading may not be obligated or expended until the Secretary of State certifies and reports to Congress that North Korea has not violated the Military Armistice Agreement of 1953 during the preceding nine months.

TITLE III—MILITARY ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

INTERNATIONAL MILITARY EDUCATION AND TRAINING

For necessary expenses to carry out the provisions of section 541 of the Foreign Assistance Act of 1961, $47,000,000: *Provided,* That none of the funds appropriated under this heading shall be available for Guatemala: *Provided further,* That the civilian personnel for whom military education and training may be provided under this heading may include civilians who are not members of a government whose participation would contribute to improved civil-military relations, civilian control of the military, or respect for human rights.

FOREIGN MILITARY FINANCING PROGRAM

For expenses necessary for grants to enable the President to carry out the provisions of section 23 of the Arms Export Control Act, $3,308,950,000: *Provided,* That of the funds appropriated under this heading, not less than $1,800,000,000 shall be available for grants only for Israel, and not less than $1,300,000,000 shall be made available for grants only for Egypt: *Provided further,* That the funds appropriated by this paragraph for Israel shall be disbursed within thirty days of enactment of this Act or by October 31, 1997, whichever is later: *Provided further,* That to the extent that the Government of Israel requests that funds be used for such purposes, grants made available for Israel by this paragraph may, as agreed by Israel and the United States, be available for advanced weapons systems, of which not less than $475,000,000 shall be available for the procurement in Israel of defense articles and defense services, including research and development: *Provided further,* That of the funds appropriated by this paragraph, not less than $100,000,000 shall be available for assistance for Jordan: *Provided further,* That of the funds appropriated by this paragraph, a total of $12,000,000 shall be available for assistance for Estonia, Latvia, and Lithuania: *Provided further,* That funds appropriated by this paragraph shall be nonrepayable notwithstanding any requirement in section 23 of the Arms Export Control Act: *Provided further,* That funds made available under this paragraph shall be obligated upon apportionment in accordance with paragraph (5)(C) of title 31, United States Code, section 1501(a): *Provided further,* That $60,000,000 of the funds appropriated or otherwise made available under this heading shall be made available for the purpose of facilitating the integration of Poland, Hungary, and the Czech Republic into the North Atlantic Treaty Organization: *Provided further,* That, to carry out funding the previous proviso, all or part of the $60,000,000 may be derived by transfer, notwithstanding any other provision of law, from titles I, II, III, and IV of this Act.

For the cost, as defined in section 502 of the Congressional Budget Act of 1974, of direct loans authorized by section 23 of the Arms Export Control Act as follows: cost of direct loans, $74,000,000: *Provided,* That these funds are available to subsidize gross obligations for the principal amount of direct loans of not to exceed $759,500,000: *Provided further,* That the rate of interest charged on such loans shall be not less than the current average market yield on outstanding marketable obligations of the United States of comparable maturities: *Provided further,* That of the funds appropriated under this paragraph, a total of $8,000,000 shall be available for assistance to Estonia, Latvia, and Lithuania: *Provided further,* That funds appropriated under this paragraph shall be made available for Greece and Turkey only on a loan basis, and the principal amount of direct loans for each country shall not exceed the following: $122,500,000 only for Greece and $175,000,000 only for Turkey.

None of the funds made available under this heading shall be available to finance the procurement of defense articles, defense services, or design and construction services that are not sold by the United States Government under the Arms Export Control Act unless the foreign country proposing to make such procurements has first signed an agreement with the United States Government specifying the conditions under which such procurements may be financed with such funds: *Provided,* That all country and funding level increases in allocations shall be submitted through the regular notification procedures of section 515 of this Act: *Provided further,* That none of the funds appropriated under this heading shall be available for Sudan, Liberia, and Guatemala: *Provided further,* That funds made available under this heading may be used, notwithstanding any other provision of law, for activities related to the clearance of landmines and unexploded ordnance, and may include activities implemented through nongovernmental and international organizations: *Provided further,* That only those countries for which assistance was justified for the ''Foreign Military Sales Financing Program'' in the fiscal year 1989 congressional presentation for security assistance programs may utilize funds made available under this heading for procurement of defense articles, defense services or design and construction services that are not sold by the United States Government under the Arms Export Control Act: *Provided further,* That, subject to the regular notification procedures of the Committees on Appropriations, funds made available under this heading for the cost of direct loans may also be used to supplement the funds available under this heading for grants, and funds made available under this heading for grants may also be used to supplement the funds available under this heading for the cost of direct loans: *Provided further,* That funds appropriated under this heading shall be expended at the minimum rate necessary to make timely payment for defense articles and services: *Provided further,* That not more than $23,250,000 of the funds appropriated under this heading may be obligated for necessary expenses, including the purchase of passenger motor vehicles for replacement only for use outside of the United States, for the general costs of administering military assistance and sales: *Provided further,* That not more than $355,000,000 of funds realized pursuant to section 21(e)(1)(A) of the Arms Export Control Act may be obligated for expenses incurred by the Department of Defense during fiscal year 1998 pursuant to section 43(b) of the Arms Export Control Act, except that this limitation may be exceeded only through the regular notification procedures of the Committees on Appropriations.

PEACEKEEPING OPERATIONS

For necessary expenses to carry out the provisions of section 551 of the Foreign Assistance Act of 1961, $75,000,000: *Provided,* That none of the funds appropriated under this heading shall be obligated or expended except as provided through the regular notification procedures of the Committees on Appropriations: *Provided further,* That none of the funds made available under this heading for the Multilateral Force and Observers until the Secretary of State submits a report to the Committees on Appropriations on the status of efforts to retain a new Director General of that organization.

TITLE IV—MULTILATERAL ECONOMIC ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

INTERNATIONAL FINANCIAL INSTITUTIONS

CONTRIBUTION TO THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

For payment to the International Bank for Reconstruction and Development by the Secretary of the Treasury, for the United States contribution to the Global Environment Facility (GEF), $60,000,000, to remain available until September 30, 1999.

CONTRIBUTION TO THE INTERNATIONAL DEVELOPMENT ASSOCIATION

For payment to the International Development Association by the Secretary of the Treasury, $1,034,500,000, to remain available until expended, of which $234,500,000 shall be available to pay for the tenth replenishment: *Provided,* That none of the funds may be obligated or made available until the Secretary of the Treasury certifies to the Committees on Appropriations that all procurement restrictions imposed by the Interim Trust Fund have been lifted and that the balance available for open competition in such Fund approximates $1,000,000,000.

CONTRIBUTION TO THE INTER-AMERICAN DEVELOPMENT BANK

For payment to the Inter-American Development Bank by the Secretary of the Treasury, for the United States share of the paid-in share portion of the increase in capital stock, $25,610,667, and for the United States share of the increase in the resources of the Fund for Special Operations, $20,835,000, to remain available until expended.

LIMITATION ON CALLABLE CAPITAL SUBSCRIPTIONS

The United States Governor of the Inter-American Development Bank may subscribe without fiscal year limitation to the callable capital portion of the United States share of such capital stock in an amount not to exceed $1,503,718,910.

CONTRIBUTION TO THE ENTERPRISE FOR THE AMERICAS MULTILATERAL INVESTMENT FUND

For payment to the Enterprise for the Americas Multilateral Investment Fund by the Secretary of the Treasury, for the United States contribution to the Fund to be administered by the Inter-American Development Bank, $30,000,000 to remain available until expended, which shall be available for contributions previously due.

CONTRIBUTION TO THE ASIAN DEVELOPMENT BANK

For payment to the Asian Development Bank by the Secretary of the Treasury for the United States share of the paid-in portion of the increase in capital stock, $13,221,596, to remain available until expended.

LIMITATION ON CALLABLE CAPITAL SUBSCRIPTIONS

The United States Governor of the Asian Development Bank may subscribe without fiscal year limitation to the callable capital portion of the United States share of such capital stock in an amount not to exceed $647,858,204.

CONTRIBUTION TO THE ASIAN DEVELOPMENT FUND

For the United States contribution by the Secretary of the Treasury to the increases in resources of the Asian Development Fund, as authorized by the Asian Development Bank Act, as amended (Public Law 89–369), $150,000,000, of which $50,000,000 shall be available for contributions previously due, to remain available until expended.

CONTRIBUTION TO THE EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT

For payment to the European Bank for Reconstruction and Development by the Secretary of the Treasury, $35,778,717, for the United States share of the paid-in portion of the increase in capital stock, to remain available until expended.

LIMITATION ON CALLABLE CAPITAL SUBSCRIPTIONS

The United States Governor of the European Bank for Reconstruction and Development may subscribe without fiscal year limitation to the callable capital portion of the United States share of such capital stock in an amount not to exceed $123,237,803.

NORTH AMERICAN DEVELOPMENT BANK

For payment to the North American Development Bank by the Secretary of the Treasury, for the United States share of the paid-in portion of the capital stock, $56,500,000, to remain available until expended: *Provided,* That none of the funds appropriated under this heading that are made available for the Community Adjustment and Investment Program shall be used for purposes other than those set out in the binational agreement establishing the Bank.

LIMITATION ON CALLABLE CAPITAL SUBSCRIPTIONS

The United States Governor of the North American Development Bank may subscribe without fiscal year limitation to the callable capital portion of the United States share of the capital stock of the North American Development Bank in an amount not to exceed $318,750,000.

INTERNATIONAL MONETARY PROGRAMS

LOANS TO INTERNATIONAL MONETARY FUND

For loans to the International Monetary Fund under the New Arrangements to Borrow, the dollar equivalent of 2,462,000,000 Special Drawing Rights, to remain available until expended; in addition, up to the dollar equivalent of 4,250,000,000 Special Drawing Rights previously appropriated by the Act of November 30, 1983 (Public Law 98–181), and the Act of October 23, 1962 (Public Law 87–872), for the General Arrangements to Borrow, may also be used for the New Arrangements to Borrow. Notwithstanding any other provision of law, none of the funds appropriated under this heading may be made available until the relevant Committees of Congress have reviewed the new arrangements for borrowing by the International Monetary Fund provided for under this heading and authorizing legislation for such borrowing has been enacted.

INTERNATIONAL ORGANIZATIONS AND PROGRAMS

For necessary expenses to carry out the provisions of section 301 of the Foreign Assistance Act of 1961, and of section 2 of the United Nations Environment Program Participation Act of 1973, $277,000,000: *Provided,* That none of the funds appropriated under this heading shall be made available for the United Nations Fund for Science and Technology: *Provided further,* That not less than $5,000,000 shall be made available to the World Food Program: *Provided further,* That none of the funds appropriated under this heading that are made available to the United Nations Population Fund (UNFPA) shall be made available for activities in the People's Republic of China: *Provided further,* That not more than $25,000,000 of the funds appropriated under this heading may be made available to the UNFPA: *Provided further,* That with respect to any funds appropriated under this heading that are made available to UNFPA, UNFPA shall be required to maintain such funds in a separate account and not commingle them with any other funds: *Provided further,* That none of the funds appropriated under this heading may be made available to the Korean Peninsula Energy Development Organization (KEDO) or the International Atomic Energy Agency (IAEA).

AUTHORIZATION REQUIREMENT FOR INTERNATIONAL FINANCIAL INSTITUTIONS

(a) The Secretary of the Treasury may, to fulfill commitments of the United States: (1) effect the United States participation in the first general capital increase of the European Bank for Reconstruction and Development, subscribe to and make payment for 100,000 additional shares of the capital stock of the Bank on behalf of the United States; and (2) contribute on behalf of the United States to the eleventh replenishment of the resources of the International Development Association, to the sixth replenishment of the resources of the Asian Development Fund, a special fund of the Asian Development Bank. The following amounts are authorized to be appropriated without fiscal year limitation for payment by the Secretary of the Treasury: (1) $285,772,500 for paid-in capital, and $984,327,500 for callable capital of the European Bank for Reconstruction and Development; (2) $1,600,000,000 for the International Development Association; (3) $400,000,000 for the Asian Development Fund; and (4) $76,832,001 for paid-in capital, and $4,511,156,729 for callable capital of the Inter-American Development Bank in connection with the eighth general increase in the resources of that Bank. Each such subscription or contribution shall be subject to obtaining the necessary appropriations.

(b) The authorizations under this section are subject to the Senate Foreign Relations Committee reporting out an authorization bill.

TITLE V—GENERAL PROVISIONS

ENTERPRISE FUND RESTRICTIONS

SEC. 501. Section 201(l) of the Support for East European Democracy Act (22 U.S.C. 5421(l)) is amended to read as follows:

''(l) LIMITATION ON PAYMENTS TO ENTERPRISE FUND PERSONNEL.—

''(1) No part of the funds of an Enterprise Fund shall inure to the benefit of any board member, officer, or employee of such Enterprise Fund, except as salary or reasonable compensation for services subject to paragraph (2).

''(2) An Enterprise Fund shall not pay compensation for services to—

''(A) any board member of the Enterprise Fund, except for services as a board member; or

''(B) any firm, association, or entity in which a board member of the Enterprise Fund serves as partner, director, officer, or employee.

''(3) Nothing in paragraph (2) shall preclude payment for services performed before the date of enactment of this subsection.''.

PROHIBITION OF BILATERAL FUNDING FOR INTERNATIONAL FINANCIAL INSTITUTIONS

SEC. 502. None of the funds contained in title II of this Act may be used to carry out the provisions of section 209(d) of the Foreign Assistance Act of 1961.

LIMITATION ON RESIDENCE EXPENSES

SEC. 503. Of the funds appropriated or made available pursuant to this Act, not to exceed $126,500 shall be for official residence expenses of the Agency for International Development during the current fiscal year: *Provided,* That appropriate steps shall be taken to assure that, to the maximum extent possible, United States-owned foreign currencies are utilized in lieu of dollars.

LIMITATION ON EXPENSES

SEC. 504. Of the funds appropriated or made available pursuant to this Act, not to exceed $5,000 shall be for entertainment expenses of the Agency for International Development during the current fiscal year.

LIMITATION ON REPRESENTATIONAL ALLOWANCES

SEC. 505. Of the funds appropriated or made available pursuant to this Act, not to exceed $95,000 shall be available for representation allowances for the Agency for International Development during the current fiscal year: *Provided,* That appropriate steps shall be taken to assure that, to the maximum extent possible, United States-owned foreign currencies are utilized in lieu of dollars: *Provided further,* That of the funds made available by this Act for general costs of administering military assistance and sales under the heading ''Foreign Military Financing Program'', not to exceed $2,000 shall be available for entertainment expenses and not to exceed $50,000 shall be available for representation allowances: *Provided further,* That of the funds made available by this Act under the heading ''International Military Education and Training'', not to exceed $50,000 shall be available for entertainment allowances: *Provided further,* That of the funds made available by this Act for the Inter-American Foundation, not to exceed $2,000 shall be available for entertainment and representation allowances: *Provided further,* That of the funds made available by this Act for the Peace Corps, not to exceed a total of $4,000 shall be available for entertainment expenses: *Provided further,* That of the funds made available by this Act under the heading ''Trade and Development Agency'', not to exceed $2,000 shall be available for representation and entertainment allowances.

PROHIBITION ON FINANCING NUCLEAR GOODS

SEC. 506. None of the funds appropriated or made available (other than funds for ''Nonproliferation, Antiterrorism, Demining and Related Programs'') pursuant to this Act, for carrying out the Foreign Assistance Act of 1961, may be used, except for purposes of nuclear safety, to finance the export of nuclear equipment, fuel, or technology.

PROHIBITION AGAINST DIRECT FUNDING FOR CERTAIN COUNTRIES

SEC. 507. None of the funds appropriated or otherwise made available pursuant to this Act shall be obligated or expended to finance directly any assistance or reparations to Cuba, Iraq, Libya, North Korea, Iran, Sudan, or Syria: *Provided,* That for purposes of this section, the prohibition on obligations or expenditures shall include direct loans, credits, insurance and guarantees of the Export-Import Bank or its agents.

MILITARY COUPS

SEC. 508. None of the funds appropriated or otherwise made available pursuant to this Act shall be obligated or expended to finance directly any assistance to any country whose duly elected Head of Government is deposed by military coup or decree: *Provided,* That assistance may be resumed to such country if the President determines and reports to the Committees on Appropriations that subsequent to the termination of assistance a democratically elected government has taken office.

TRANSFERS BETWEEN ACCOUNTS

SEC. 509. None of the funds made available by this Act may be obligated under an appropriation account to which they were not appropriated, except for transfers specifically provided for in this Act, unless the President, prior to the exercise of any authority contained in the Foreign Assistance Act of 1961 to transfer funds, consults with and provides a written policy justification to the Committees on Appropriations of the House of Representatives and the Senate.

DEOBLIGATION/REOBLIGATION AUTHORITY

SEC. 510. (a) Amounts certified pursuant to section 1311 of the Supplemental Appropriations Act, 1955, as having been obligated against appropriations heretofore made under the authority of the Foreign Assistance Act of 1961 for the same general purpose as any of the headings under title II of this Act are, if deobligated, hereby continued available for the same period as the respective appropriations under such headings or until September 30, 1998, whichever is later, and for the same general purpose, and for countries within the same region as originally obligated: *Provided,* That the Appropriations Committees of both Houses of the Congress are notified fifteen days in advance of the reobligation of such funds in accordance with regular notification procedures of the Committees on Appropriations.

(b) Obligated balances of funds appropriated to carry out section 23 of the Arms Export Control Act as of the end of the fiscal year immediately preceding the current fiscal year are, if deobligated, hereby continued available during the current fiscal year for the same purpose under any authority applicable to such appropriations under this Act: *Provided,* That the authority of this subsection may not be used in fiscal year 1998.

AVAILABILITY OF FUNDS

SEC. 511. No part of any appropriation contained in this Act shall remain available for obligation after the expiration of the current fiscal year unless expressly so provided in this Act: *Provided,* That funds appropriated for the purposes of chapters 1, 8, and 11 of part I, section 667, and chapter 4 of part II of the Foreign Assistance Act of 1961, as amended, and funds provided under the heading ''Assistance for Eastern Europe and the Baltic States'', shall remain available until expended if such funds are initially obligated before the expiration of their respective periods of availability contained in this Act: *Provided further,* That, notwithstanding any other provision of this Act, any funds made available for the purposes of chapter 1 of part I and chapter 4 of part II of the Foreign Assistance Act of 1961 which are allocated or obligated for cash disbursements in order to address balance of payments or economic policy reform objectives, shall remain available until expended: *Provided further,* That the report required by section 653(a) of the Foreign Assistance Act of 1961 shall designate for each country, to the extent known at the time of submission of such report, those funds allocated for cash disbursement for balance of payment and economic policy reform purposes.

LIMITATION ON ASSISTANCE TO COUNTRIES IN DEFAULT

SEC. 512. No part of any appropriation contained in this Act shall be used to furnish assistance to any country which is in default during a period in excess of one calendar year in payment to the United States of principal or interest on any loan made to such country by the United States pursuant to a program for which funds are appropriated under this Act: *Provided,* That this section and section 620(q) of the Foreign Assistance Act of 1961 shall not apply to funds made available in this Act or during the current fiscal year for Nicaragua, and for any narcotics-related assistance for Colombia, Bolivia, and Peru authorized by the Foreign Assistance Act of 1961 or the Arms Export Control Act.

COMMERCE AND TRADE

SEC. 513. (a) None of the funds appropriated or made available pursuant to this Act for direct assistance and none of the funds otherwise made available pursuant to this Act to the Export-Import Bank and the Overseas Private Investment Corporation shall be obligated or expended to finance any loan, any assistance or any other financial commitments for establishing or expanding production of any commodity for export by any country other than the United States, if the commodity is likely to be in surplus on world markets at the time the resulting productive capacity is expected to become operative and if the assistance will cause substantial injury to United States producers of the same, similar, or competing commodity.

(b) None of the funds appropriated by this or any other Act to carry out chapter 1 of part I of the Foreign Assistance Act of 1961 shall be available for any testing or breeding feasibility study, variety improvement or introduction, consultancy, publication, conference, or training in connection with the growth or production in a foreign country of an agricultural commodity for export which would compete with a similar commodity grown or produced in the United States: *Provided,* That this subsection shall not prohibit—

(1) activities designed to increase food security in developing countries where such activities will not have a significant impact in the export of agricultural commodities of the United States; or

(2) research activities intended primarily to benefit American producers.

SURPLUS COMMODITIES

SEC. 514. The Secretary of the Treasury shall instruct the United States Executive Directors of the International Bank for Reconstruction and Development, the International Development Association, the International Finance Corporation, the Inter-American Development Bank, the International Monetary Fund, the Asian Development Bank, the Inter-American Investment Corporation, the North American Development Bank, the European Bank for Reconstruction and Development, the African Development Bank, and the African Development Fund to use the voice and vote of the United States to oppose any assistance by these institutions, using funds appropriated or made available pursuant to this Act, for the production or extraction of any commodity or mineral for export, if it is in surplus on world markets and if the assistance will cause substantial injury to United States producers of the same, similar, or competing commodity.

NOTIFICATION REQUIREMENTS

SEC. 515. For the purpose of providing the Executive Branch with the necessary administrative flexibility, none of the funds made available under this Act for ''Development Assistance'', ''Debt restructuring'', ''International organizations and programs'', ''Trade and Development Agency'', ''International narcotics control'', ''Assistance for Eastern Europe and the Baltic States'', ''Assistance for the New Independent States of the Former Soviet Union'', ''Economic Support Fund'', ''Peacekeeping operations'', ''Operating expenses of the Agency for International Development'', ''Operating expenses of the Agency for International Development Office of Inspector General'', ''Nonproliferation, anti-terrorism, demining and related programs'', ''Foreign Military Financing Program'', ''International military education and training'', ''Inter-American Foundation'', ''African Development Foundation'', ''Peace Corps'', ''Migration and refugee assistance'', shall be available for obligation for activities, programs, projects, type of materiel assistance, countries, or other operations not justified or in excess of the amount justified to the Appropriations Committees for obligation under any of these specific headings unless the Appropriations Committees of both Houses of Congress are previously notified fifteen days in advance: *Provided,* That the President shall not enter into any commitment of funds appropriated for the purposes of section 23 of the Arms Export Control Act for the provision of major defense equipment, other than conventional ammunition, or other major defense items defined to be aircraft, ships, missiles, or combat vehicles, not previously justified to Congress or 20 per centum in excess of the quantities justified to Congress unless the Committees on Appropriations are notified fifteen days in advance of such commitment: *Provided further,* That this section shall not apply to any reprogramming for an activity, program, or project under chapter 1 of part I of the Foreign Assistance Act of 1961 of less than 10 per centum of the amount previously justified to the Congress for obligation for such activity, program, or project for the current fiscal year: *Provided further,* That the requirements of this section or any similar provision of this Act or any other Act, including any prior Act requiring notification in accordance with the regular notification procedures of the Committees on Appropriations, may be waived if failure to do so would pose a substantial risk to human health or welfare: *Provided further,* That in case of any such waiver, notification to the Congress, or the appropriate congressional committees, shall be provided as early as practicable, but in no event later than three days after taking the action to which such notification requirement was applicable, in the context of the circumstances necessitating such waiver: *Provided further,* That any notification provided pursuant to such a waiver shall contain an explanation of the emergency circumstances.

Drawdowns made pursuant to section 506(a)(2) of the Foreign Assistance Act of 1961 shall be subject to the regular notification procedures of the Committees on Appropriations.

LIMITATION ON AVAILABILITY OF FUNDS FOR INTERNATIONAL ORGANIZATIONS AND PROGRAMS

SEC. 516. Notwithstanding any other provision of law or of this Act, none of the funds provided for ''International Organizations and Programs'' shall be available for the United States proportionate share, in accordance with section 307(c) of the Foreign Assistance Act of 1961, for any programs identified in section 307, or for Libya, Iran, or, at the discretion of the President, Communist countries listed in section 620(f) of the Foreign Assistance Act of 1961, as amended: *Provided,* That, subject to the regular notification procedures of the Committees on Appropriations, funds appropriated under this Act or any previously enacted Act making appropriations for foreign operations, export financing, and related programs, which are returned or not made available for organizations and programs because of the implementation of this section or any similar provision of law, shall remain available for obligation through September 30, 1999.

ECONOMIC SUPPORT FUND ASSISTANCE FOR ISRAEL

SEC. 517. The Congress finds that progress on the peace process in the Middle East is vitally important to United States security interests in the region. The Congress recognizes that, in fulfilling its obligations, Israel has incurred severe economic burdens. Furthermore, the Congress recognizes that an economically and militarily secure Israel serves the security interests of the United States, for a secure Israel is an Israel which has the incentive and confidence to continue pursuing the peace process. Therefore, the Congress declares that, subject to the availability of appropriations, it is the policy and the intention of the United States that the

funds provided in annual appropriations for the Economic Support Fund which are allocated to Israel shall not be less than the annual debt repayment (interest and principal) from Israel to the United States Government in recognition that such a principle serves United States interests in the region.

PROHIBITION ON FUNDING FOR ABORTIONS AND INVOLUNTARY STERILIZATION

SEC. 518. None of the funds made available to carry out part I of the Foreign Assistance Act of 1961, as amended, may be used to pay for the performance of abortions as a method of family planning or to motivate or coerce any person to practice abortions. None of the funds made available to carry out part I of the Foreign Assistance Act of 1961, as amended, may be used to pay for the performance of involuntary sterilization as a method of family planning or to coerce or provide any financial incentive to any person to undergo sterilizations. None of the funds made available to carry out part I of the Foreign Assistance Act of 1961, as amended, may be used to pay for any biomedical research which relates in whole or in part, to methods of, or the performance of, abortions or involuntary sterilization as a means of family planning. None of the funds made available to carry out part I of the Foreign Assistance Act of 1961, as amended, may be obligated or expended for any country or organization if the President certifies that the use of these funds by any such country or organization would violate any of the above provisions related to abortions and involuntary sterilizations: *Provided,* That none of the funds made available under this Act may be used to lobby for or against abortion.

LIMITATIONS ON FUNDING FOR INTERNATIONAL FAMILY PLANNING

SEC. 519. In determining eligibility for assistance from funds appropriated to carry out section 104 of the Foreign Assistance Act of 1961, nongovernmental and multilateral organizations shall not be subjected to requirements more restrictive than the requirements applicable to foreign governments for such assistance.

REPORTING REQUIREMENT

SEC. 520. Section 25 of the Arms Export Control Act is amended—

(1) in subsection (a), by striking ''Congress'' and inserting in lieu thereof ''appropriate congressional committees'';

(2) in subsection (b), by striking ''the Committee on Foreign Relations of the Senate or the Committee on Foreign Affairs of the House of Representatives'' and inserting in lieu thereof ''any of the congressional committees described in subsection (e)''; and

(3) by adding the following subsection:

''(e) As used in this section, the term 'appropriate congressional committees' means the Committee on Foreign Relations and the Committee on Appropriations of the Senate and the Committee on International Relations and the Committee on Appropriations of the House of Representatives.''.

SPECIAL NOTIFICATION REQUIREMENTS

SEC. 521. None of the funds appropriated in this Act shall be obligated or expended for Colombia, Guatemala (except that this provision shall not apply to development assistance for Guatemala), Dominican Republic, Haiti, Liberia, Pakistan, Peru, Serbia, Sudan, or the Democratic Republic of Congo except as provided through the regular notification procedures of the Committee on Appropriations.

DEFINITION OF PROGRAM, PROJECT, AND ACTIVITY

SEC. 522. For the purpose of this Act, ''program, project, and activity'' shall be defined at the Appropriations Act account level and shall include all Appropriations and Authorizations Acts earmarks, ceilings, and limitations with the exception that for the following accounts: Economic Support Fund and Foreign Military Financing Program, ''program, project, and activity'' shall also be considered to include country, regional, and central program level funding within each such account; for the development assistance accounts of the Agency for International Development ''program, project, and activity'' shall also be considered to include central program level funding, either as (1) justified to the Congress, or (2) allocated by the executive branch in accordance with a report, to be provided to the Committees on Appropriations within thirty days of enactment of this Act, as required by section 653(a) of the Foreign Assistance Act of 1961.

CHILD SURVIVAL, AIDS, AND OTHER ACTIVITIES

SEC. 523. Up to $10,000,000 of the funds made available by this Act for assistance for family planning, health, child survival, basic education and AIDS, may be used to reimburse United States Government agencies, agencies of State governments, institutions of higher learning, and private and voluntary organizations for the full cost of individuals (including for the personal services of such individuals) detailed or assigned to, or contracted by, as the case may be, the Agency for International Development for the purpose of carrying out family planning activities, child survival, and basic education activities, and activities relating to research on, and the treatment and control of acquired immune deficiency syndrome in developing countries: *Provided,* That funds appropriated by this Act that are made available for child survival activities or activities relating to research on, and the treatment and control of, acquired immune deficiency syndrome may be made available notwithstanding any provision of law that restricts assistance to foreign countries: *Provided further,* That funds appropriated by this Act that are made available for family planning activities may be made available notwithstanding section 512 of this Act and section 620(q) of the Foreign Assistance Act of 1961.

PROHIBITION AGAINST INDIRECT FUNDING TO CERTAIN COUNTRIES

SEC. 524. None of the funds appropriated or otherwise made available pursuant to this Act shall be obligated to finance indirectly any assistance or reparations to Cuba, Iraq, Libya, Iran, Syria, North Korea, or the People's Republic of China, unless the President of the United States certifies that the withholding of these funds is contrary to the national interest of the United States.

RECIPROCAL LEASING

SEC. 525. Section 61(a) of the Arms Export Control Act is amended by striking out ''1997'' and inserting in lieu thereof ''1998''.

NOTIFICATION ON EXCESS DEFENSE EQUIPMENT

SEC. 526. Prior to providing excess Department of Defense articles in accordance with section 516(a) of the Foreign Assistance Act of 1961, the Department of Defense shall notify the Committees on Appropriations to the same extent and under the same conditions as are other committees pursuant to subsection (c) of that section: *Provided,* That before issuing a letter of offer to sell excess defense articles under the Arms Export Control Act, the Department of Defense shall notify the Committees on Appropriations in accordance with the regular notification procedures of such Committees: *Provided further,* That such Committees shall also be informed of the original acquisition cost of such defense articles.

AUTHORIZATION REQUIREMENT

SEC. 527. Funds appropriated by this Act may be obligated and expended notwithstanding section 10 of Public Law 91–672 and section 15 of the State Department Basic Authorities Act of 1956.

PROHIBITION ON BILATERAL ASSISTANCE TO TERRORIST COUNTRIES

SEC. 528. (a) Notwithstanding any other provision of law, funds appropriated for bilateral assistance under any heading of this Act and funds appropriated under any such heading in a provision of law enacted prior to enactment of this Act, shall not be made available to any country which the President determines—

(1) grants sanctuary from prosecution to any individual or group which has committed an act of international terrorism, or

(2) otherwise supports international terrorism.

(b) The President may waive the application of subsection (a) to a country if the President determines that national security or humanitarian reasons justify such waiver. The President shall publish each waiver in the Federal Register and, at least fifteen days before the waiver takes effect, shall notify the Committees on Appropriations of the waiver (including the justification for the waiver) in accordance with the regular notification procedures of the Committees on Appropriations.

COMMERCIAL LEASING OF DEFENSE ARTICLES

SEC. 529. Notwithstanding any other provision of law, and subject to the regular notification procedures of the Committees on Appropriations, the authority of section 23(a) of the Arms Export Control Act may be used to provide financing to Israel, Egypt and NATO and major non-NATO allies for the procurement by leasing (including leasing with an option to purchase) of defense articles from United States commercial suppliers, not including Major Defense Equipment (other than helicopters and other types of aircraft having possible civilian application), if the President determines that there are compelling foreign policy or national security reasons for those defense articles being provided by commercial lease rather than by government-to-government sale under such Act.

COMPETITIVE INSURANCE

SEC. 530. All Agency for International Development contracts and solicitations, and subcontracts entered into under such contracts, shall include a clause requiring that United States insurance companies have a fair opportunity to bid for insurance when such insurance is necessary or appropriate.

STINGERS IN THE PERSIAN GULF REGION

SEC. 531. Except as provided in section 581 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1990, the United States may not sell or otherwise make available any Stingers to any country bordering the Persian Gulf under the Arms Export Control Act or chapter 2 of part II of the Foreign Assistance Act of 1961.

DEBT-FOR-DEVELOPMENT

SEC. 532. In order to enhance the continued participation of nongovernmental organizations in economic assistance activities under the Foreign Assistance Act of 1961, including endowments, debt-for-development and debt-for-nature exchanges, a nongovernmental organization which is a grantee or contractor of the Agency for International Development may place in interest bearing accounts funds made available under this Act or prior Acts or local currencies which accrue to that organization as a result of economic assistance provided under title II of this Act and any interest earned on such investment shall be used for the purpose for which the assistance was provided to that organization.

SEPARATE ACCOUNTS

SEC. 533. (a) SEPARATE ACCOUNTS FOR LOCAL CURRENCIES.—(1) If assistance is furnished to the government of a foreign country under chapters 1 and 10 of part I or chapter 4 of part II of the Foreign Assistance Act of 1961 under agreements which result in the generation of local currencies of that country, the Administrator of the Agency for International Development shall—

(A) require that local currencies be deposited in a separate account established by that government;

(B) enter into an agreement with that government which sets forth—

(i) the amount of the local currencies to be generated, and

(ii) the terms and conditions under which the currencies so deposited may be utilized, consistent with this section; and

(C) establish by agreement with that government the responsibilities of the Agency for International Development and that government to monitor and account for deposits into and disbursements from the separate account.

(2) USES OF LOCAL CURRENCIES.—As may be agreed upon with the foreign government, local currencies deposited in a separate account pursuant to subsection (a), or an equivalent amount of local currencies, shall be used only—

(A) to carry out chapters 1 or 10 of part I or chapter 4 of part II (as the case may be), for such purposes as—

(i) project and sector assistance activities, or

(ii) debt and deficit financing, or

(B) for the administrative requirements of the United States Government.

(3) PROGRAMMING ACCOUNTABILITY.—The Agency for International Development shall take all necessary steps to ensure that the equivalent of the local currencies disbursed pursuant to subsection (a)(2)(A) from the separate account established pursuant to subsection (a)(1) are used for the purposes agreed upon pursuant to subsection (a)(2).

(4) TERMINATION OF ASSISTANCE PROGRAMS.—Upon termination of assistance to a country under chapters 1 or 10 of part I or chapter 4 of part II (as the case may be), any unencumbered balances of funds which remain in a separate account established pursuant to subsection (a) shall be disposed of for such purposes as may be agreed to by the government of that country and the United States Government.

(5) CONFORMING AMENDMENTS.—The provisions of this subsection shall supersede the tenth and eleventh provisos contained under the heading ''Sub-Saharan Africa, Development Assistance'' as included in the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1989 and sections 531(d) and 609 of the Foreign Assistance Act of 1961.

(6) REPORTING REQUIREMENT.—The Administrator of the Agency for International Development shall report on an annual basis as part of the justification documents submitted to the Committees on Appropriations on the use of local currencies for the administrative requirements of the United States Government as authorized in subsection (a)(2)(B), and such report shall include the amount of local currency (and United States dollar equivalent) used and/or to be used for such purpose in each applicable country.

(b) SEPARATE ACCOUNTS FOR CASH TRANSFERS.—(1) If assistance is made available to the government of a foreign country, under chapters 1 or 10 of part I or chapter 4 of part II of the Foreign Assistance Act of 1961, as cash transfer assistance or as nonproject sector assistance, that country shall be required to maintain such funds in a separate account and not commingle them with any other funds.

(2) APPLICABILITY OF OTHER PROVISIONS OF LAW.—Such funds may be obligated and expended notwithstanding provisions of law which are inconsistent with the nature of this assistance including provisions which are referenced in the Joint Explanatory Statement of the Committee of Conference accompanying House Joint Resolution 648 (H. Report No. 98–1159).

(3) NOTIFICATION.—At least fifteen days prior to obligating any such cash transfer or nonproject sector assistance, the President shall submit a notification through the regular notification procedures of the Committees on Appropriations, which shall include a detailed description of how the funds proposed to be made available will be used, with a discussion of the United States interests that will be served by the assistance (including, as appropriate, a description of the economic policy reforms that will be promoted by such assistance).

(4) EXEMPTION.—Nonproject sector assistance funds may be exempt from the requirements of subsection (b)(1) only through the notification procedures of the Committees on Appropriations.

COMPENSATION FOR UNITED STATES EXECUTIVE DIRECTORS TO INTERNATIONAL FINANCIAL INSTITUTIONS

SEC. 534. (a) No funds appropriated by this Act may be made as payment to any international financial institution while the United States Executive Director to such institution is compensated by the institution at a rate which, together with whatever compensation such Director receives from the United States, is in excess of the rate provided for an individual occupying a position at level IV of the Executive Schedule under section 5315 of title 5, United States Code, or while any alternate United States Director to such institution is compensated by the institution at a rate in excess of the rate provided for an individual occupying a position at level V of the Executive Schedule under section 5316 of title 5, United States Code.

(b) For purposes of this section, ''international financial institutions'' are: the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, the Asian Development Fund, the African Development Bank, the African Development Fund, the International Monetary Fund, the North American Development Bank, and the European Bank for Reconstruction and Development.

COMPLIANCE WITH UNITED NATIONS SANCTIONS AGAINST IRAQ

SEC. 535. None of the funds appropriated or otherwise made available pursuant to this Act to carry out the Foreign Assistance Act of 1961 (including title IV of chapter 2 of part I, relating to the Overseas Private Investment Corporation) or the Arms Export Control Act may be used to provide assistance to any country that is not in compliance with the United Nations Security Council sanctions against Iraq unless the President determines and so certifies to the Congress that—

(1) such assistance is in the national interest of the United States;

(2) such assistance will directly benefit the needy people in that country; or

(3) the assistance to be provided will be humanitarian assistance for foreign nationals who have fled Iraq and Kuwait.

COMPETITIVE PRICING FOR SALES OF DEFENSE ARTICLES

SEC. 536. Direct costs associated with meeting a foreign customer's additional or unique requirements will continue to be allowable under contracts under section 22(d) of the Arms Export Control Act. Loadings applicable to such direct costs shall be permitted at the same rates applicable to procurement of like items purchased by the Department of Defense for its own use.

AUTHORITIES FOR THE PEACE CORPS

SEC. 537. Unless expressly provided to the contrary, provisions of this or any other Act, including provisions contained in prior Acts authorizing or making appropriations for foreign operations, export financing, and related programs, shall not be construed to prohibit activities authorized by or conducted under the Peace Corps Act. The agency shall promptly report to the Committees on Appropriations whenever it is conducting activities or is proposing to conduct activities in a country for which assistance is prohibited.

IMPACT ON JOBS IN THE UNITED STATES

SEC. 538. None of the funds appropriated by this Act may be obligated or expended to provide—

(a) any financial incentive to a business enterprise currently located in the United States for the purpose of inducing such an enterprise to relocate outside the United States if such incentive or inducement is likely to reduce the number of employees of such business enterprise in the United States because United States production is being replaced by such enterprise outside the United States;

(b) assistance for the purpose of establishing or developing in a foreign country any export processing zone or designated area in which the tax, tariff, labor, environment, and safety laws of that country do not apply, in part or in whole, to activities carried out within that zone or area, unless the President determines and certifies that such assistance is not likely to cause a loss of jobs within the United States; or

(c) assistance for any project or activity that contributes to the violation of internationally recognized workers rights, as defined in section 502(a)(4) of the Trade Act of 1974, of workers in the recipient country, including any designated zone or area in that country: *Provided,* That in recognition that the application of this subsection should be commensurate with the level of development of the recipient country and sector, the provisions of this subsection shall not preclude assistance for the informal sector in such country, micro and small-scale enterprise, and smallholder agriculture.

RESTRICTIONS ON THE TERMINATION OF SANCTIONS AGAINST SERBIA AND MONTENEGRO

SEC. 539. (a) RESTRICTIONS.—Notwithstanding any other provision of law, no sanction, prohibition, or requirement described in section 1511 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160), with respect to Serbia or Montenegro, may cease to be effective, unless—

(1) the President first submits to the Congress a certification described in subsection (b); and

(2) the requirements of section 1511 of that Act are met.

(b) CERTIFICATION.—A certification described in this subsection is a certification that—

(1) there is substantial progress toward—

(A) the realization of a separate identity for Kosova and the right of the people of Kosova to govern themselves; or

(B) the creation of an international protectorate for Kosova;

(2) there is substantial improvement in the human rights situation in Kosova;

(3) international human rights observers are allowed to return to Kosova; and

(4) the elected government of Kosova is permitted to meet and carry out its legitimate mandate as elected representatives of the people of Kosova.

(c) WAIVER AUTHORITY.—The President may waive the application in whole or in part, of subsection (a) if the President certifies to the Congress that the President has determined that the waiver is necessary to meet emergency humanitarian needs or to achieve a negotiated settlement of the conflict in Bosnia and Herzegovina that is acceptable to the parties.

SPECIAL AUTHORITIES

SEC. 540. (a) Funds appropriated in title II of this Act that are made available for Afghanistan, Lebanon, and for victims of war, displaced children, displaced Burmese, humanitarian assistance for Romania, and humanitarian assistance for the peoples of Kosova, may be made available notwithstanding any other provision of law: *Provided*, That any such funds that are made available for Cambodia shall be subject to the provisions of section 531(e) of the Foreign Assistance Act of 1961 and section 906 of the International Security and Development Cooperation Act of 1985.

(b) Funds appropriated by this Act to carry out the provisions of sections 103 through 106 of the Foreign Assistance Act of 1961 may be used, notwithstanding any other provision of law, for the purpose of supporting tropical forestry and energy programs aimed at reducing emissions of greenhouse gases, and for the purpose of supporting biodiversity conservation activities: *Provided*, That such assistance shall be subject to sections 116, 502B, and 620A of the Foreign Assistance Act of 1961.

(c) During fiscal year 1998, the President may use up to $40,000,000 under the authority of section 451 of the Foreign Assistance Act of 1961, notwithstanding the funding ceiling contained in subsection (a) of that section.

(d) The Agency for International Development may employ personal services contractors, notwithstanding any other provision of law, for the purpose of administering programs for the West Bank and Gaza.

POLICY ON TERMINATING THE ARAB LEAGUE BOYCOTT OF ISRAEL

SEC. 541. It is the sense of the Congress that—

(1) the Arab League countries should immediately and publicly renounce the primary boycott of Israel and the secondary and tertiary boycott of American firms that have commercial ties with Israel; and

(2) the President should—

(A) take more concrete steps to encourage vigorously Arab League countries to renounce publicly the primary boycotts of Israel and the secondary and tertiary boycotts of American firms that have commercial relations with Israel as a confidence-building measure;

(B) take into consideration the participation of any recipient country in the primary boycott of Israel and the secondary and tertiary boycotts of American firms that have commercial relations with Israel when determining whether to sell weapons to said county;

(C) report to Congress on the specific steps being taken by the President to bring about a public renunciation of the Arab primary boycott of Israel and the secondary and tertiary boycotts of American firms that have commercial relations with Israel; and

(D) encourage the allies and trading partners of the United States to enact laws prohibiting businesses from complying with the boycott and penalizing businesses that do comply.

ANTI-NARCOTICS ACTIVITIES

SEC. 542. (a) Of the funds appropriated or otherwise made available by this Act for ''Economic Support Fund'', assistance may be provided to strengthen the administration of justice in countries in Latin America and the Caribbean and in other regions consistent with the provisions of section 534(b) of the Foreign Assistance Act of 1961, except that programs to enhance protection of participants in judicial cases may be conducted notwithstanding section 660 of that Act.

(b) Funds made available pursuant to this section may be made available notwithstanding section 534(c) and the second and third sentences of section 534(e) of the Foreign Assistance Act of 1961. Funds made available pursuant to subsection (a) for Bolivia, Colombia and Peru may be made available notwithstanding section 534(c) and the second sentence of section 534(e) of the Foreign Assistance Act of 1961.

ELIGIBILITY FOR ASSISTANCE

SEC. 543. (a) ASSISTANCE THROUGH NONGOVERNMENTAL ORGANIZATIONS.—Restrictions contained in this or any other Act with respect to assistance for a country shall not be construed to restrict assistance in support of programs of nongovernmental organizations from funds appropriated by this Act to carry out the provisions of chapters 1, 10, and 11 of part I and chapter 4 of part II of the Foreign Assistance Act of 1961, and from funds appropriated under the heading ''Assistance for Eastern Europe and the Baltic States'': *Provided*, That the President shall take into consideration, in any case in which a restriction on assistance would be applicable but for this subsection, whether assistance in support of programs of nongovernmental organizations is in the national interest of the United States: *Provided further*, That before using the authority of this subsection to furnish assistance in support of programs of nongovernmental organizations, the President shall notify the Committees on Appropriations under the regular notification procedures of those committees, including a description of the program to be assisted, the assistance to be provided, and the reasons for furnishing such assistance: *Provided further*, That nothing in this subsection shall be construed to alter any existing statutory prohibitions against abortion or involuntary sterilizations contained in this or any other Act.

(b) PUBLIC LAW 480.—During fiscal year 1998, restrictions contained in this or any other Act with respect to assistance for a country shall not be construed to restrict assistance under the Agricultural Trade Development and Assistance Act of 1954: *Provided*, That none of the funds appropriated to carry out title I of such Act and made available pursuant to this subsection may be obligated or expended except as provided through the regular notification procedures of the Committees on Appropriations.

(c) EXCEPTION.—This section shall not apply—

(1) with respect to section 620A of the Foreign Assistance Act or any comparable provision of law prohibiting assistance to countries that support international terrorism; or

(2) with respect to section 116 of the Foreign Assistance Act of 1961 or any comparable provision of law prohibiting assistance to countries that violate internationally recognized human rights.

EARMARKS

SEC. 544. (a) Funds appropriated by this Act which are earmarked may be reprogrammed for other programs within the same account notwithstanding the earmark if compliance with the earmark is made impossible by operation of any provision of this or any other Act or, with respect to a country with which the United States has an agreement providing the United States with base rights or base access in that country, if the President determines that the recipient for which funds are earmarked has significantly reduced its military or economic cooperation with the United States since enactment of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1991; however, before exercising the authority of this subsection with regard to a base rights or base access country which has significantly reduced its military or economic cooperation with the United States, the President shall consult with, and shall provide a written policy justification to the Committees on Appropriations: *Provided*, That any such reprogramming shall be subject to the regular notification procedures of the Committees on Appropriations: *Provided further*, That assistance that is reprogrammed pursuant to this subsection shall be made available under the same terms and conditions as originally provided.

(b) In addition to the authority contained in subsection (a), the original period of availability of funds appropriated by this Act and administered by the Agency for International Development that are earmarked for particular programs or activities by this or any other Act shall be extended for an additional fiscal year if the Administrator of such agency determines and reports promptly to the Committees on Appropriations that the termination of assistance to a country or a significant change in circumstances makes it unlikely that such earmarked funds can be obligated during the original period of availability: *Provided*, That such earmarked funds that are continued available for an additional fiscal year shall be obligated only for the purpose of such earmark.

CEILINGS AND EARMARKS

SEC. 545. Ceilings and earmarks contained in this Act shall not be applicable to funds or authorities appropriated or otherwise made available by any subsequent Act unless such Act specifically so directs.

PROHIBITION ON PUBLICITY OR PROPAGANDA

SEC. 546. No part of any appropriation contained in this Act shall be used for publicity or propaganda purposes within the United States not authorized before the date of enactment of this Act by the Congress.

PROHIBITION OF PAYMENTS TO UNITED NATIONS MEMBERS

SEC. 547. None of the funds appropriated or made available pursuant to this Act for carrying out the Foreign Assistance Act of 1961, may be used to pay in whole or in part any assessments, arrearages, or dues of any member of the United Nations.

CONSULTING SERVICES

SEC. 548. The expenditure of any appropriation under this Act for any consulting service through procurement contract, pursuant to section 3109 of title 5, United States Code, shall be limited to those contracts where such expenditures are a matter of public record and available for public inspection, except where otherwise provided under existing law, or under existing Executive order pursuant to existing law.

PRIVATE VOLUNTARY ORGANIZATIONS—DOCUMENTATION

SEC. 549. None of the funds appropriated or made available pursuant to this Act shall be available to a private voluntary organization which fails to provide upon timely request any document, file, or record necessary to the auditing requirements of the Agency for International Development.

PROHIBITION ON ASSISTANCE TO FOREIGN GOVERNMENTS THAT EXPORT LETHAL MILITARY EQUIPMENT TO COUNTRIES SUPPORTING INTERNATIONAL TERRORISM

SEC. 550. (a) None of the funds appropriated or otherwise made available by this Act may

be available to any foreign government which provides lethal military equipment to a country the government of which the Secretary of State has determined is a terrorist government for purposes of section 40(d) of the Arms Export Control Act. The prohibition under this section with respect to a foreign government shall terminate 12 months after that government ceases to provide such military equipment. This section applies with respect to lethal military equipment provided under a contract entered into after the date of enactment of this Act.

(b) Assistance restricted by subsection (a) or any other similar provision of law, may be furnished if the President determines that furnishing such assistance is important to the national interests of the United States.

(c) Whenever the waiver of subsection (b) is exercised, the President shall submit to the appropriate congressional committees a report with respect to the furnishing of such assistance. Any such report shall include a detailed explanation of the assistance to be provided, including the estimated dollar amount of such assistance, and an explanation of how the assistance furthers United States national interests.

WITHHOLDING OF ASSISTANCE FOR PARKING FINES OWED BY FOREIGN COUNTRIES

SEC. 551. (a) IN GENERAL.—Of the funds made available for a foreign country under part I of the Foreign Assistance Act of 1961, an amount equivalent to 110 per centum of the total unpaid fully adjudicated parking fines and penalties owed to the District of Columbia by such country as of the date of enactment of this Act shall be withheld from obligation for such country until the Secretary of State certifies and reports in writing to the appropriate congressional committees that such fines and penalties are fully paid to the government of the District of Columbia.

(b) DEFINITION.—For purposes of this section, the term ''appropriate congressional committees'' means the Committee on Foreign Relations and the Committee on Appropriations of the Senate and the Committee on International Relations and the Committee on Appropriations of the House of Representatives.

LIMITATION ON ASSISTANCE FOR THE PLO FOR THE WEST BANK AND GAZA

SEC. 552. None of the funds appropriated by this Act may be obligated for assistance for the Palestine Liberation Organization for the West Bank and Gaza unless the President has exercised the authority under section 604(a) of the Middle East Peace Facilitation Act of 1995 (title VI of Public Law 104–107) or any other legislation to suspend or make inapplicable section 307 of the Foreign Assistance Act of 1961 and that suspension is still in effect: *Provided,* That if the President fails to make the certification under section 604(b)(2) of the Middle East Peace Facilitation Act of 1995 or to suspend the prohibition under other legislation, funds appropriated by this Act may not be obligated for assistance for the Palestine Liberation Organization for the West Bank and Gaza.

EXPORT FINANCING TRANSFER AUTHORITIES

SEC. 553. Not to exceed 5 per centum of any appropriation other than for administrative expenses made available for fiscal year 1998 for programs under title I of this Act may be transferred between such appropriations for use for any of the purposes, programs and activities for which the funds in such receiving account may be used, but no such appropriation, except as otherwise specifically provided, shall be increased by more than 25 per centum by any such transfer: *Provided,* That the exercise of such authority shall be subject to the regular notification procedures of the Committees on Appropriations.

WAR CRIMES TRIBUNALS DRAWDOWN

SEC. 554. If the President determines that doing so will contribute to a just resolution of charges regarding genocide or other violations of international humanitarian law, the President may direct a drawdown pursuant to section 552(c) of the Foreign Assistance Act of 1961, as amended, of up to $25,000,000 of commodities and services for the United Nations War Crimes Tribunal established with regard to the former Yugoslavia by the United Nations Security Council or such other tribunals or commissions as the Council may establish to deal with such violations, without regard to the ceiling limitation contained in paragraph (2) thereof: *Provided,* That the determination required under this section shall be in lieu of any determinations otherwise required under section 552(c): *Provided further,* That sixty days after the date of enactment of this Act, and every one hundred eighty days thereafter, the Secretary of State shall submit a report to the Committees on Appropriations describing the steps the United States Government is taking to collect information regarding allegations of genocide or other violations of international law in the former Yugoslavia and to furnish that information to the United Nations War Crimes Tribunal for the former Yugoslavia.

LANDMINES

SEC. 555. Notwithstanding any other provision of law, demining equipment available to the Agency for International Development and the Department of State and used in support of the clearing of landmines and unexploded ordnance for humanitarian purposes may be disposed of on a grant basis in foreign countries, subject to such terms and conditions as the President may prescribe.

RESTRICTIONS CONCERNING THE PALESTINIAN AUTHORITY

SEC. 556. None of the funds appropriated by this Act may be obligated or expended to create in any part of Jerusalem a new office of any department or agency of the United States Government for the purpose of conducting official United States Government business with the Palestinian Authority over Gaza and Jericho or any successor Palestinian governing entity provided for in the Israel-PLO Declaration of Principles: *Provided,* That this restriction shall not apply to the acquisition of additional space for the existing Consulate General in Jerusalem: *Provided further,* That meetings between officers and employees of the United States and officials of the Palestinian Authority, or any successor Palestinian governing entity provided for in the Israel-PLO Declaration of Principles, for the purpose of conducting official United States Government business with such authority should continue to take place in locations other than Jerusalem. As has been true in the past, officers and employees of the United States Government may continue to meet in Jerusalem on other subjects with Palestinians (including those who now occupy positions in the Palestinian Authority), have social contacts, and have incidental discussions.

PROHIBITION OF PAYMENT OF CERTAIN EXPENSES

SEC. 557. None of the funds appropriated or otherwise made available by this Act under the heading ''International military education and training'' or ''Foreign military financing program'' for Informational Program activities may be obligated or expended to pay for—

(1) alcoholic beverages;

(2) food (other than food provided at a military installation) not provided in conjunction with Informational Program trips where students do not stay at a military installation; or

(3) entertainment expenses for activities that are substantially of a recreational character, including entrance fees at sporting events and amusement parks.

PURCHASE OF AMERICAN-MADE EQUIPMENT AND PRODUCTS

SEC. 558. (a) To the greatest extent practicable, assistance provided or used for purchases should use American equipment, services, commodities, and products.

(b) NOTICE REQUIREMENT.—In providing financial assistance to, or entering into any contract with, any entity using funds made available in 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.

SPECIAL DEBT RELIEF FOR THE POOREST

SEC. 559. (a) AUTHORITY TO REDUCE DEBT.—The President may reduce amounts owed to the United States (or any agency of the United States) by an eligible country as a result of—

(1) guarantees issued under sections 221 and 222 of the Foreign Assistance Act of 1961; or

(2) credits extended or guarantees issued under the Arms Export Control Act.

(b) LIMITATIONS.—

(1) The authority provided by subsection (a) may be exercised only to implement multilateral official debt relief and referendum agreements, commonly referred to as ''Paris Club Agreed Minutes''.

(2) The authority provided by subsection (a) may be exercised only in such amounts or to such extent as is provided in advance by appropriations Acts.

(3) The authority provided by subsection (a) may be exercised only with respect to countries with heavy debt burdens that are eligible to borrow from the International Development Association, but not from the International Bank for Reconstruction and Development, commonly referred to as ''IDA-only'' countries.

(c) CONDITIONS.—The authority provided by subsection (a) may be exercised only with respect to a country whose government—

(1) does not have an excessive level of military expenditures;

(2) has not repeatedly provided support for acts of international terrorism;

(3) is not failing to cooperate on international narcotics control matters;

(4) (including its military or other security forces) does not engage in a consistent pattern of gross violations of internationally recognized human rights; and

(5) is not ineligible for assistance because of the application of section 527 of the Foreign Relations Authorization Act, fiscal years 1994 and 1995.

(d) AVAILABILITY OF FUNDS.—The authority provided by subsection (a) may be used only with regard to funds appropriated by this Act under the heading ''Debt restructuring''.

(e) CERTAIN PROHIBITIONS INAPPLICABLE.—A reduction of debt pursuant to subsection (a) shall not be considered assistance for purposes of any provision of law limiting assistance to a country. The authority provided by subsection (a) may be exercised notwithstanding section 620(r) of the Foreign Assistance Act of 1961.

AUTHORITY TO ENGAGE IN DEBT BUYBACKS OR SALES

SEC. 560. (a) LOANS ELIGIBLE FOR SALE, REDUCTION, OR CANCELLATION.—

(1) AUTHORITY TO SELL, REDUCE, OR CANCEL CERTAIN LOANS.—Notwithstanding any other provision of law, the President may, in accordance with this section, sell to any eligible purchaser any concessional loan or portion thereof made before January 1, 1995,

pursuant to the Foreign Assistance Act of 1961, to the government of any eligible country as defined in section 702(6) of that Act or on receipt of payment from an eligible purchaser, reduce or cancel such loan or portion thereof, only for the purpose of facilitating—

(A) debt-for-equity swaps, debt-for-development swaps, or debt-for-nature swaps; or

(B) a debt buyback by an eligible country of its own qualified debt, only if the eligible country uses an additional amount of the local currency of the eligible country, equal to not less than 40 per centum of the price paid for such debt by such eligible country, or the difference between the price paid for such debt and the face value of such debt, to support activities that link conservation and sustainable use of natural resources with local community development, and child survival and other child development, in a manner consistent with sections 707 through 710 of the Foreign Assistance Act of 1961, if the sale, reduction, or cancellation would not contravene any term or condition of any prior agreement relating to such loan.

(2) TERMS AND CONDITIONS.—Notwithstanding any other provision of law, the President shall, in accordance with this section, establish the terms and conditions under which loans may be sold, reduced, or canceled pursuant to this section.

(3) ADMINISTRATION.—The Facility, as defined in section 702(8) of the Foreign Assistance Act of 1961, shall notify the administrator of the agency primarily responsible for administering part I of the Foreign Assistance Act of 1961 of purchasers that the President has determined to be eligible, and shall direct such agency to carry out the sale, reduction, or cancellation of a loan pursuant to this section. Such agency shall make an adjustment in its accounts to reflect the sale, reduction, or cancellation.

(4) LIMITATION.—The authorities of this subsection shall be available only to the extent that appropriations for the cost of the modification, as defined in section 502 of the Congressional Budget Act of 1974, are made in advance.

(b) DEPOSIT OF PROCEEDS.—The proceeds from the sale, reduction, or cancellation of any loan sold, reduced, or canceled pursuant to this section shall be deposited in the United States Government account or accounts established for the repayment of such loan.

(c) ELIGIBLE PURCHASERS.—A loan may be sold pursuant to subsection (a)(1)(A) only to a purchaser who presents plans satisfactory to the President for using the loan for the purpose of engaging in debt-for-equity swaps, debt-for-development swaps, or debt-for-nature swaps.

(d) DEBTOR CONSULTATIONS.—Before the sale to any eligible purchaser, or any reduction or cancellation pursuant to this section, of any loan made to an eligible country, the President should consult with the country concerning the amount of loans to be sold, reduced, or canceled and their uses for debt-for-equity swaps, debt-for-development swaps, or debt-for-nature swaps.

(e) AVAILABILITY OF FUNDS.—The authority provided by subsection (a) may be used only with regard to funds appropriated by this Act under the heading ''Debt restructuring''.

LIBERIA

SEC. 561. Funds appropriated by this Act may be made available for assistance for Liberia notwithstanding section 620(q) of the Foreign Assistance Act of 1961 and section 512 of this Act.

GUATEMALA

SEC. 562. (a) Funds provided in this Act may be made available for the Guatemalan military forces, and the restrictions on Guatemala under the headings ''International Military Education and Training'' and ''Foreign Military Financing Program'' shall not apply, only if the President determines and certifies to the Congress that the Guatemalan military is cooperating fully with efforts to resolve human rights abuses which elements of the Guatemalan military forces are alleged to have committed, ordered or attempted to thwart the investigation of, and with efforts to implement a peace settlement.

(b) The prohibition contained in subsection (a) shall not apply to funds made available to implement a ceasefire or peace agreement.

(c) Any funds made available pursuant to subsections (a) and (b) for international military education and training may only be for expanded international military education and training.

SANCTIONS AGAINST COUNTRIES HARBORING WAR CRIMINALS

SEC. 563. (a) BILATERAL ASSISTANCE.—The President shall withhold funds appropriated by this Act under the Foreign Assistance Act of 1961 or the Arms Export Control Act for any country described in subsection (c).

(b) MULTILATERAL ASSISTANCE.—The Secretary of the Treasury shall instruct the United States executive directors of the international financial institutions to work in opposition to, and vote against, any extension by such institutions of financing or financial or technical assistance to any country described in subsection (c).

(c) SANCTIONED COUNTRIES.—A country described in this subsection is a country the government of which knowingly grants sanctuary to persons in its territory, or territory within its control, for the purpose of evading prosecution, where such persons have been indicted by the International Criminal Tribunal for Rwanda.

LIMITATION ON ASSISTANCE FOR HAITI

SEC. 564. (a) LIMITATION.—None of the funds appropriated or otherwise made available by this Act may be provided to the Government of Haiti unless the President reports to Congress that the Government of Haiti—

(1) is conducting thorough investigations of extrajudicial and political killings;

(2) is cooperating with United States authorities in the investigations of political and extrajudicial killings;

(3) has made demonstrable progress in privatizing major governmental parastatals, including demonstrable progress toward the material and legal transfer of ownership of such parastatals; and

(4) has taken action to remove from the Haitian National Police, national palace and residential guard, ministerial guard, and any other public security entity of Haiti those individuals who are credibly alleged to have engaged in or conspired to conceal gross violations of internationally recognized human rights.

(b) EXCEPTIONS.—The limitation in subsection (a) does not apply to the provision of humanitarian, electoral, counter narcotics, or development assistance.

(c) WAIVER.—The President may waive the requirements of this section on a semiannual basis if the President determines and certifies to the appropriate committees of Congress that such waiver is in the national interest of the United States.

(d) PARASTATALS DEFINED.—As used in this section, the term ''parastatal'' means a government-owned enterprise.

REQUIREMENT FOR DISCLOSURE OF FOREIGN AID IN REPORT OF SECRETARY OF STATE

SEC. 565. (a) FOREIGN AID REPORTING REQUIREMENT.—In addition to the voting practices of a foreign country, the report required to be submitted to Congress under section 406(a) of the Foreign Relations Authorization Act fiscal years 1990 and 1991 (22 U.S.C. 2414a), shall include a side-by-side comparison of individual countries' overall support for the United States at the United Nations and the amount of United States assistance provided to such country in fiscal year 1996.

(b) UNITED STATES ASSISTANCE.—For purposes of this section, the term ''United States assistance'' has the meaning given the term in section 481(e)(4) of the Foreign Assistance Act of 1961 (22 U.S.C. 2291(e)(4)).

BURMA LABOR REPORT

SEC. 566. Not later than one hundred twenty days after enactment of this Act, the Secretary of Labor shall provide to the Committees on Appropriations a report addressing labor practices in Burma: *Provided*, That the report shall provide comprehensive details on child labor practices, worker's rights, force relocation of laborers, forced labor performed to support the tourism industry, and forced labor performed in conjunction with, and in support of, the Yadonna gas pipeline: *Provided further*, That the report should discuss whether the State Law and Order Restoration Council (SLORC) is in compliance with international labor standards: *Provided further*, That the report should provide considerable detail regarding the U.S. government's efforts to address the issue of forced labor in Burma.

HAITI

SEC. 567. The Government of Haiti shall be eligible to purchase defense articles and services under the Arms Export Control Act (22 U.S.C. 2751 et seq.), for the civilian-led Haitian National Police and Coast Guard: *Provided*, That the authority provided by this section shall be subject to the regular notification procedures of the Committees on Appropriations.

INTERNATIONAL FINANCIAL INSTITUTION POLICIES

SEC. 568. The Secretary of the Treasury shall instruct the United States Executive Directors of the International Bank for Reconstruction and Development and the International Development Association to use the voice and vote of the United States to strongly encourage their respective institutions to—

(1) provide timely public information on procurement opportunities available to United States suppliers, with a special emphasis on small business; and

(2) systematically consult with local communities on the potential impact of loans as part of the normal lending process, and expand the participation of affected peoples and nongovernmental organizations in decisions on the selection, design and implementation of policies and projects.

LIMITATION ON ASSISTANCE TO SECURITY FORCES

SEC. 569. None of the funds made available by this Act may be provided to any unit of the security forces of a foreign country if the Secretary of State has credible evidence to believe such unit has committed gross violations of human rights, unless the Secretary determines and reports to the Committees on Appropriations that the government of such country is taking steps to bring the responsible members of the security forces unit to justice.

CAMBODIA

SEC. 570. The Secretary of the Treasury shall instruct the United States Executive Directors of the international financial institutions to use the voice and vote of the United States to oppose loans to the Government of Cambodia, except loans to support basic human needs, unless the Government of Cambodia has: (1) not been established in office by the use of force or a coup d'etat; (2)

discontinued all political violence and intimidation of journalists and members of opposition parties; (3) established an independent election commission; (4) protected the rights of voters, candidates, and election observers and participants by establishing laws and procedures guaranteeing freedom of speech and assembly; (5) eliminated corruption and collaboration with narcotics smugglers; and (6) been elected in a free and fair election.

LIMITATIONS ON TRANSFER OF MILITARY EQUIPMENT TO EAST TIMOR

SEC. 571. In any agreement for the sale, transfer, or licensing of any lethal equipment or helicopter for Indonesia entered into by the United States pursuant to the authority of this Act or any other Act, the agreement shall state that such items will not be used in East Timor.

TRANSPARENCY OF BUDGETS

SEC. 572. Section 576(a)(1) of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1997, as contained in Public Law 104–208, is amended to read as follows:

''(1) does not have in place a functioning system for reporting to civilian authorities audits of receipts and expenditures that fund activities of the armed forces and security forces;''.

Section 576(a)(2) of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1997, as contained in Public Law 104–208, is amended to read as follows:

''(2) has not provided to the institution information about the audit process requested by the institution.''.

RESTRICTIONS ON FUNDING TO COUNTRIES PROVIDING SANCTUARY TO INDICTED WAR CRIMINALS

SEC. 573. (a) BILATERAL ASSISTANCE.—None of the funds made available by this or any prior Act making appropriations for foreign operations, export promotion and related programs, may be provided for any country described in subsection (d).

(b) MULTILATERAL ASSISTANCE.—The Secretary of the Treasury shall instruct the United States executive directors of the international financial institutions to work in opposition to, and vote against, any extension by such institutions of any financial or technical assistance or grants of any kind to any country described in subsection (d).

(c) EXCEPTIONS.—

(1) IN GENERAL.—Subject to paragraph (2), subsections (a) and (b) shall not apply to the provision of—

(A) humanitarian assistance;

(B) democratization assistance; or

(C) assistance for physical infrastructure projects involving activities in both a sanctioned country and a nonsanctioned contiguous country, if the nonsanctioned country is the primary beneficiary.

(2) FURTHER LIMITATIONS.—Notwithstanding paragraph (1)—

(A) no assistance may be made available by this Act, or any other Act making appropriations for foreign operations, export promotion and related programs, for a program, project, or activity in any country described in subsection (d) in which an indicted war criminal has any financial or material interest or through any organization in which the indicted individual is affiliated; and

(B) no assistance (other than emergency foods or medical assistance or demining assistance) may be made available by this Act, or any other Act making appropriations for foreign operations, export promotion and related programs to any program, project, or activity in any area of any country described in subsection (d) in which local authorities are not complying with the provisions of Article IX and Annex 4, Article II of the Dayton Agreement relating to war crimes and the Tribunal, or with the provisions of Annex 7 of the Dayton Agreement relating to the rights of refugees and displaced persons to return to their homes of origin.

(d) SANCTIONED COUNTRIES.—A country described in this section is a country the authorities of which fail to apprehend and transfer to the Tribunal all persons in territory that is under their effective control who have been indicted by the Tribunal.

(e) WAIVER.—

(1) AUTHORITY.—The President may waive the application of subsection (a) or subsection (b) with respect to a country if the President determines and certifies to the appropriate committees of Congress within six months after the date of enactment of this Act that a majority of the indicted persons who are within territory that is under the effective control of the country have been arrested and transferred to the Tribunal.

(2) PERIOD OF EFFECTIVENESS.—Any waiver made pursuant to this subsection shall be effective for a period of six months.

(f) TERMINATION OF SANCTIONS.—The sanctions imposed pursuant to subsection (a) or subsection (b) with respect to a country shall cease to apply only if the President determines and certifies to Congress that the authorities of that country have apprehended and transferred to the Tribunal all persons in territory that is under their effective control who have been indicted by the Tribunal.

(g) DEFINITIONS.—As used in this section—

(1) COUNTRY.—The term ''country'' shall not include Bosnia and Herzegovina, and the provisions of this Act shall be applied separately to its constituent entities of Republika Srpska and the Federation of Bosnia and Herzegovina.

(2) DAYTON AGREEMENT.—The term ''Dayton Agreement'' means the General Framework Agreement for Peace in Bosnia and Herzegovina, together with annexes relating thereto, done at Dayton, November 10 through 16, 1995.

(3) DEMOCRATIZATION ASSISTANCE.—The term ''democratization assistance'' includes electoral assistance and assistance used in establishing the institutions of a democratic and civil society.

(4) HUMANITARIAN ASSISTANCE.—The term ''humanitarian assistance'' includes assistance for food, demining, refugees, housing, education, health care, and other social services.

(5) TRIBUNAL.—The term ''Tribunal'' means the International Criminal Tribunal for the Former Yugoslavia.

EXTENSION OF CERTAIN ADJUDICATION PROVISIONS

SEC. 574. The Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1990 (Public Law 101–167) is amended—

(1) in section 599D (8 U.S.C. 1157 note)—

(A) in subsection (b)(3), by striking ''and 1997'' and inserting ''1997, and 1998''; and

(B) in subsection (e), by striking ''October 1, 1997'' each place it appears and inserting ''October 1, 1998''; and

(2) in section 599E (8 U.S.C. 1255 note) in subsection (b)(2), by striking ''September 30, 1997'' and inserting ''September 30, 1998''.

DEVELOPMENT CREDIT AUTHORITY

SEC. 575. For the cost, as defined in section 502 of the Congressional Budget Act of 1974, of direct loans and loan guarantees in support of the development objectives of the Foreign Assistance Act of 1961 (FAA), up to $10,000,000, which amount may be derived by transfer from funds appropriated by this Act to carry out part I of the Foreign Assistance Act of 1961 and funds appropriated by this Act under the heading ''Assistance for Eastern Europe and the Baltic States'', to remain available until expended: *Provided*, That of this amount, up to $1,500,000 for administrative expenses to carry out such programs may be transferred to and merged with ''Operating Expenses of the Agency for International Development'': *Provided further*, That the provisions of section 107A(d) (relating to general provisions applicable to development credit authority) of the Foreign Assistance Act of 1961, as added by section 306 of H.R. 1486 as reported by the House Committee on International Relations on May 9, 1997, shall be applicable to direct loans and loan guarantees provided under this paragraph: *Provided further*, That direct loans or loan guarantees under this paragraph may not be provided until the Director of the Office of Management and Budget has certified to the Committees on Appropriations that the Agency for International Development has established a credit management system capable of effectively managing the credit programs funded under this heading, including that such system (1) can provide accurate and timely provision of loan and loan guarantee data, (2) contains information control systems for loan and loan guarantee data, (3) is adequately staffed, and (4) contains appropriate review and monitoring procedures.

EXCESS DEFENSE ARTICLES FOR CERTAIN EUROPEAN COUNTRIES

SEC. 576. Section 105 of Public Law 104–164 (110 Stat. 1427) is amended by striking ''1996 and 1997'' and inserting ''1998 and 1999''.

ADDITIONAL REQUIREMENTS RELATING TO STOCKPILING OF DEFENSE ARTICLES FOR FOREIGN COUNTRIES

SEC. 577. (a) VALUE OF ADDITIONS TO STOCKPILES.—Section 514(b)(2)(A) of the Foreign Assistance Act of 1961 (22 U.S.C. 2321h(b)(2)(A)) is amended by inserting before the period at the end the following: ''and $60,000,000 for fiscal year 1998''.

(b) REQUIREMENTS RELATING TO THE REPUBLIC OF KOREA AND THAILAND.—Section 514(b)(2)(B) of such Act (22 U.S.C. 2321h(b)(2)(B)) is amended by adding at the end the following: ''Of the amount specified in subparagraph (A) for fiscal year 1998, not more than $40,000,000 may be made available for stockpiles in the Republic of Korea and not more than $20,000,000 may be made available for stockpiles in Thailand.''.

DELIVERY OF DRAWDOWN BY COMMERCIAL TRANSPORTATION SERVICES

SEC. 578. Section 506 of the Foreign Assistance Act of 1961 (22 U.S.C. 2318) is amended—

(1) in subsection (b)(2), by striking the period and inserting the following: '', including providing the Congress with a report detailing all defense articles, defense services, and military education and training delivered to the recipient country or international organization upon delivery of such articles or upon completion of such services or education and training. Such report shall also include whether any savings were realized by utilizing commercial transport services rather than acquiring those services from United States Government transport assets.'';

(2) by redesignating subsection (c) as subsection (d); and

(3) by inserting after subsection (b) the following:

''(c) For the purposes of any provision of law that authorizes the drawdown of defense or other articles or commodities, or defense or other services from an agency of the United States Government, such drawdown may include the supply of commercial transportation and related services that are acquired by contract for the purposes of the drawdown in question if the cost to acquire such commercial transportation and related services

is less than the cost to the United States Government of providing such services from existing agency assets.''.

SENSE OF THE SENATE REGARDING ESTONIA, LATVIA, AND LITHUANIA.

SEC. 579. It is the sense of the Senate that Estonia, Latvia, and Lithuania—

(1) are to be commended for their progress toward political and economic reform and meeting the guidelines for prospective NATO members;

(2) would make an outstanding contribution to furthering the goals of NATO and enhancing stability, freedom, and peace in Europe should they become NATO members; and

(3) upon complete satisfaction of all relevant criteria should be invited to become full NATO members at the earliest possible date.

TO PROHIBIT FOREIGN ASSISTANCE TO THE GOVERNMENT OF RUSSIA SHOULD IT ENACT LAWS WHICH WOULD DISCRIMINATE AGAINST MINORITY RELIGIOUS FAITHS IN THE RUSSIAN FEDERATION

SEC. 580. (a) None of the funds appropriated under this Act may be made available for the Government of Russian Federation unless the President determines and certifies in writing to the Committee on Appropriations and the Committee on Foreign Relations of the Senate that the Government of the Russian Federation has enacted no statute or promulgated no executive order that would discriminate, or would have as its principal effect discrimination, against religious minorities in the Russian Federation in violation of accepted international agreements on human rights and religious freedoms to which the Russian Federation is a signatory, including the European Convention and the 1989 Vienna Concluding Document of the Conference on Security and Cooperation in Europe.

(b) This section shall become effective one day after the enactment of this Act.

SENSE OF THE SENATE REGARDING SUPPORT FOR COUNTRIES OF THE SOUTH CAUCASUS AND CENTRAL ASIA

SEC. 581. (a) FINDINGS.—Congress makes the following findings:

(1) The ancient Silk Road, once the economic lifeline of Central Asia and the South Caucasus, traversed much of the territory now within the countries of Armenia, Azerbaijan, Georgia, Kazakstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan.

(2) Economic interdependence spurred mutual cooperation among the peoples along the Silk Road and restoration of the historic relationships and economic ties between those peoples is an important element of ensuring their sovereignty as well as the success of democratic and market reforms.

(3) The development of strong political and economic ties between countries of the South Caucasus and Central Asia and the West will foster stability in the region.

(4) The development of open market economies and open democratic systems in the countries of the South Caucasus and Central Asis will provide positive incentives for international private investment, increased trade, and other forms of commercial interactions with the rest of the world.

(5) The Caspian Sea Basin, overlapping the territory of the countries of the South Caucasus and Central Asia, contains proven oil and gas reserves that may exceed $4,000,000,000,000 in value.

(6) The region of the South Caucasus and Central Asia will produce oil and gas in sufficient quantities to reduce the dependence of the United States on energy from the volatile Persian Gulf region.

(7) United States foreign policy and international assistance should be narrowly targeted to support the economic and political independence of the countries of the South Caucasus and Central Asia.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the policy of the United States in the countries of the South Caucasus and Central Asia should be—

(1) to promote sovereignty and independence with democratic government;

(2) to assist actively in the resolution of regional conflicts;

(3) to promote friendly relations and economic cooperation; and

(4) to help promote market-oriented principles and practices;

(5) to assist in the development of infrastructure necessary for communications, transportation, and energy and trade on an East-West axis in order to build strong international relations and commerce between those countries and the stable, democratic, and market-oriented countries of the Euro-Atlantic Community; and

(6) to support United States business interests and investments in the region.

(c) DEFINITION.—In this section, the term ''countries of the South Caucasus and Central Asia'' means Armenia, Azerbaijan, Georgia, Kazakstan, Kyrgystan, Tajikistan, Turkmenistan, and Uzbekistan.

PROMOTION OF RELIGIOUS FREEDOM AND HUMAN RIGHTS

SEC. 582. (a) REPORTS.—Not later than March 30, 1998, and each subsequent year thereafter, the Secretary of State shall submit to the International Relations Committee of the House of Representatives and the Foreign Relations Committee of the Senate an annual report on religious persecution on a country-by-country basis. Reports shall include a list of individuals who have been materially involved in the commission of acts of persecution that are motivated by a person's religion.

(b) PRISONER INFORMATION REGISTRY.—The Secretary of State shall establish a Prisoner Information Registry which shall provide information on all political prisoners, prisoners of conscience, and prisoners of faith on a country-by-country basis. Such information shall include the charges, judicial processes, administrative actions, use of forced labor, incidences of torture, length of imprisonment, physical and health conditions, and other matters related to the incarceration of such prisoners. The Secretary of State is authorized to make funds available to nongovernmental organizations presently engaged in monitoring activities regarding such prisoners to assist in the creation and maintenance of the registry.

(c) SENSE OF CONGRESS CONCERNING ESTABLISHMENT OF A COMMISSION ON SECURITY AND COOPERATION IN ASIA.—It is the sense of the Congress that Congress, the President, and the Secretary of State should work with the governments of the People's Republic of China and other countries to establish a Commission on Security and Cooperation in Asia which would be modeled after the Commission on Security and Cooperation in Europe.

UNITED STATES INTELLIGENCE ACTIVITIES RELATED TO MONITORING HUMAN RIGHTS ABUSES AND RELIGIOUS PERSECUTION

SEC. 583. (a) IN GENERAL.—The President shall devote additional personnel and resources to gathering intelligence information regarding human rights abuses and acts of religious persecution.

(b) REPORT.—Not later than March 30, 1998, the President shall submit to the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate a report on the number of personnel and resources that are being devoted to gathering intelligence information regarding human rights abuses and acts of religious persecution.

WILDLIFE CONSERVATION

SEC. 584. Of the funds appropriated by this Act, not more than $2,900,000 may be made available for the Communal Areas Management Programme for Indigenous Resources (CAMPFIRE) in Zimbabwe: *Provided,* That none of the funds appropriated by this Act may be used to directly finance the trophy hunting of elephants or other endangered species as defined in the Convention on International Trade in Endangered Species of Flora and Fauna (CITES) or the Endangered Species Act: *Provided further,* That the funds appropriated by this Act that are provided under the CAMPFIRE program may not be used for activities with the express intent to lobby or otherwise influence international conventions or treaties, or United States Government decision makers: *Provided further,* That funds appropriated by this Act that are made available for the CAMPFIRE program may be used only in Zimbabwe for the purpose of maximizing benefits to rural people while strengthening natural resources management institutions: *Provided further,* That not later than March 1, 1998, the Administrator of the Agency for International Development shall submit a report to the appropriate congressional committees describing the steps taken to implement the CAMPFIRE program, the impact of the program on the people and wildlife of CAMPFIRE districts, alternatives to trophy hunting as a means of generating income for CAMPFIRE districts, and a description of how funds made available for CAMPFIRE in fiscal year 1998 are to be used.

DEMOCRACY-BUILDING ACTIVITY IN PAKISTAN

SEC. 585. (a) OPIC.—Section 239(f) of the Foreign Assistance Act of 1961 (22 U.S.C. 2199(f)) is amended by inserting '', or Pakistan'' after ''China''.

(b) TRAINING ACTIVITY.—Section 638(b) of the Foreign Assistance Act of 1961 (22 U.S.C. 2398(b)) is amended—

(1) by inserting ''or any activity to promote the development of democratic institutions'' after ''activity''; and

(2) by inserting '', Pakistan,'' after ''Brazil''.

(c) TRADE AND DEVELOPMENT.—It is the sense of Congress that the Director of the Trade and Development Agency should use funds made available to carry out the provisions of section 661 of the Foreign Assistance Act of 1961 (22 U.S.C. 2421) to promote United States exports to Pakistan.

SENSE OF THE SENATE ON THE EUROPEAN COMMISSION'S HANDLING OF THE BOEING AND MCDONNELL DOUGLAS MERGER

SEC. 586. (a) FINDINGS.—(1) The Boeing Company and McDonnell Douglas have announced their merger; and

(2) the Department of Defense has approved that merger as consistent with the national security of the United States; and

(3) the Federal Trade Commission has found that merger not to violate the antitrust laws of the United States; and

(4) the European Commission has consistently criticized and threatened the merger before, during and after its consideration of the facts; and

(5) the sole true reason for the European Commission's criticism and imminent disapproval of the merger is to gain an unfair competitive advantage for Airbus, a government owned aircraft manufacturer.

(b) SENSE OF SENATE.—Now therefore, it is the sense of the Senate that—

(1) any such disapproval on the part of the European Commission would constitute an unwarranted and unprecedented interference

in a United States business transaction that would threaten thousands of American aerospace jobs; and

(2) the Senate suggests that the President take such actions as he deems appropriate to protect United States interests in connection therewith.

RESTRICTION ON ASSISTANCE MADE TO THE PALESTINIAN AUTHORITY

SEC. 587. None of the funds appropriated or otherwise made available by this Act may be obligated or expended with respect to providing funds to the Palestinian Authority, unless the President certifies to Congress that—

(1) the Palestinian Authority is using its maximum efforts to combat terrorism, and, in accordance with the Oslo Accords, has ceased the use of violence, threat of violence, or incitement to violence as a tool of the Palestinian Authority's policy toward Israel;

(2) after a full investigation by the Department of Justice, the Executive branch of Government concludes that Chairman Arafat had no prior knowledge of the World Trade Center bombing; and

(3) after a full inquiry by the Department of State, the Executive branch of Government concludes that Chairman Arafat did not authorize and did not fail to use his authority to prevent the Tel Aviv cafe bombing of March 21, 1997.

USE OF FUNDS FOR THE UNITED STATES-ASIA ENVIRONMENTAL PARTNERSHIP

SEC. 588. Notwithstanding any other provision of law that restricts assistance to foreign countries, funds appropriated by this or any other Act making appropriations pursuant to part I of the Foreign Assistance Act of 1961 that are made available for the United States-Asia Environmental Partnership may be made available for activities for the People's Republic of China.

REQUIREMENTS FOR THE REPORTING TO CONGRESS OF THE COSTS TO THE FEDERAL GOVERNMENT ASSOCIATED WITH THE PROPOSED AGREEMENT TO REDUCE GREENHOUSE GAS EMISSIONS

SEC. 589. The President shall provide to the Congress a detailed account of all Federal agency obligations and expenditures for climate change programs and activities, domestic and international, for fiscal year 1997, planned obligations for such activities in fiscal year 1998, and any plan for programs thereafter in the context of negotiations to amend the Framework Convention on Climate Change (FCCC) to be provided to the appropriate congressional committees no later than October 15, 1997.

AUTHORITY TO ISSUE INSURANCE AND EXTEND FINANCING

SEC. 590. (a) IN GENERAL.—Section 235(a) of the Foreign Assistance Act of 1961 (22 U.S.C. 2195(a)) is amended—

(1) by striking paragraphs (1) and (2)(A) and inserting the following:

''(1) INSURANCE AND FINANCING.—(A) The maximum contingent liability outstanding at any one time pursuant to insurance issued under section 234(a), and the amount of financing issued under sections 234 (b) and (c), shall not exceed in the aggregate $29,000,000,000.'';

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

(3) by amending paragraph (2) (as so redesignated) by striking ''1997'' and inserting ''1999''.

(b) CONFORMING AMENDMENT.—Paragraph (2) of section 235(a) of that Act (22 U.S.C. 2195(a)), as redesignated by subsection (a), is further amended by striking ''(a) and (b)'' and inserting ''(a), (b), and (c)''.

WITHHOLDING ASSISTANCE TO COUNTRIES VIOLATING UNITED NATIONS SANCTIONS AGAINST LIBYA

SEC. 591. (a) WITHHOLDING OF ASSISTANCE.—Except as provided in subsection (b), whenever the President determines and certifies to Congress that the government of any country is violating any sanction against Libya imposed pursuant to United Nations Security Council Resolution 731, 748, or 883, then not less than 5 percent of the funds allocated for the country under section 653(a) of the Foreign Assistance Act of 1961 out of appropriations in this Act shall be withheld from obligation and expenditure for that country.

(b) EXCEPTION.—The requirement to withhold funds under subsection (a) shall not apply to funds appropriated in this Act for allocation under section 653(a) of the Foreign Assistance Act of 1961 for development assistance or for humanitarian assistance.

WAR CRIMES PROSECUTION

SEC. 592. Section 2401 of title 18, United States Code (Public Law 104–192; the War Crimes Act of 1996) is amended as follows—

(1) in subsection (a), by striking ''commits a grave breach of the Geneva Conventions'' and inserting in lieu thereof ''commits a war crime'';

(2) in subsection (b)—

(A) by striking ''the person committing such breach or the victim of such breach'' and inserting in lieu thereof ''the person committing such crime or the victim of such crime''; and

(B) by inserting before the period at the end of the subsection ''or that the person committing such crime is later found in the United States after such crime is committed'';

(3) in subsection (c)—

(A) by striking ''the term 'grave breach of the Geneva Conventions' means conduct defined as'' and inserting in lieu thereof ''the term 'war crime' means conduct (1) defined as''; and

(B) by inserting the following before the period at the end—

''; (2) prohibited by Articles 23, 25, 27, or 28 of the Annex to the Hague Convention IV, Respecting the Laws and Customs of War on Land, signed on October, 1907; (3) which constitutes a violation of common Article 3 of the international conventions signed at Geneva on August 1949; or (4) of a person who, in relation to an armed conflict and contrary to the provisions of the Protocol on Prohibitions or Restrictions on the Use of Mines, Booby-traps and Other Devices as amended at Geneva on 3 May 1996 (Protocol II as amended on 3 May 1996), when the United States is a party to such Protocol, willfully kills or causes serious injury to civilians'';

(4) by adding a new subsection (d) to read as follows:

''(d) NOTIFICATION.—No prosecution of any crime prohibited in this section shall be undertaken by the United States except upon the written notification to the Congress by the Attorney General or his designee that in his judgment a prosecution by the United States is in the national interest and necessary to secure substantial justice.''.

REFORM AND REVIEW OF UNITED STATES SPONSORED TRAINING PROGRAMS

SEC. 593. (a) FINDINGS.—Congress makes the following findings:

(1) United States training of members of Latin American military and security forces that occurred primarily at the Army School of the Americas between 1982 and 1991 has been severely criticized for promoting practices that have contributed to the violation of human rights and have otherwise been inconsistent with the appropriate role of the Armed Forces in a democratic society.

(2) Numerous members of Latin American military and security forces who have participated in United States sponsored training programs, have subsequently been identified as having masterminded, participated in, or sought to cover up some of the most heinous human rights abuses in the region.

(3) United States interests in Latin America would be better served if Latin American military personnel were exposed to training programs designed to promote—

(A) proper management of scarce national defense resources,

(B) improvements in national systems of justice in accordance with internationally recognized principles of human rights, and

(C) greater respect and understanding of the principle of civilian control of the military.

(4) In 1989, Congress mandated that the Department of Defense institute new training programs (commonly referred to as expanded IMET) with funds made available for international military and education programs in order to promote the interests described in paragraph (3). Congress also expanded the definition of eligibility for such training to include non-defense government personnel from countries in Latin America.

(5) Despite congressionally mandated emphasis on expanded IMET training programs, only 4 of the more than 50 courses offered annually at the United States Army School of the Americas qualify as expanded IMET.

(b) LIMITATION ON USE OF FUNDS.—Notwithstanding any other provision of law, none of the funds appropriated in this Act under the heading relating to international military education and training may be made available for training members of any Latin American military or security force until—

(1) the Secretary of Defense has advised the Secretary of State in writing that 30 percent of IMET funds appropriated for fiscal year 1998 for the cost of Latin American participants in IMET programs will be disbursed only for the purpose of supporting enrollment of such participants in expanded IMET courses; and

(2) the Secretary of State has identified sufficient numbers of qualified, non-military personnel from countries in Latin America to participate in IMET programs during fiscal year 1998 in consultation with the Secretary of Defense, and has instructed United States embassies in the hemisphere to approve their participation in such programs so that not less than 25 percent of the individuals from Latin American countries attending United States supported IMET programs are civilians.

(c) REPORT.—Not later than 1 year after the date of enactment of this Act, the Secretary of State shall report in writing to the appropriate committees of Congress on the progress made to improve military training of Latin American participants in the areas of human rights and civilian control of the military. The Secretary shall include in the report plans for implementing additional expanded IMET programs for Latin America during the next 3 fiscal years.

LIBERATION TIGERS OF TAMIL EELAM

SEC. 594. SENSE OF SENATE.—It is the sense of the Senate that the Department of State should list the Liberation Tigers of Tamil Eelam as a terrorist organization.

LIMITATION ON INTERNATIONAL MILITARY EDUCATION AND TRAINING ASSISTANCE FOR PERU

SEC. 595. None of the funds appropriated or otherwise made available by this Act may be provided to the Government of Peru for international military education and training under chapter 5 of part II of the Foreign Assistance Act of 1961, unless the President certifies to Congress that the Government of Peru is taking all necessary steps to ensure

that United States citizens held in prisons in Peru are accorded timely, open, and fair legal proceedings in civilian courts.

LIMIT AID TO THE GOVERNMENT OF CONGO UNTIL PRESIDENTIAL CERTIFICATION

SEC. 596. None of the funds appropriated or otherwise made available by this Act may be provided to the Government of Congo until such time as the President reports in writing to the Congress that the Government of Congo is cooperating fully with investigators from the United Nations or any other international relief organizations in accounting for human rights violations or atrocities committed in Congo or adjacent countries.

Titles I through V of this Act may be cited as the ''Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1998''.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. MCCONNELL. Mr. President, I see the chairman of the Appropriations Committee in the Chamber. I just want to make the point that I think we must have achieved some kind of record here in light of, in 3 days, having passed four bills. I congratulate him on his leadership, which has pushed us in that direction very skillfully.

Mr. STEVENS. Mr. President, if the Senator will yield, I congratulate the two managers of this bill, Senator MCCONNELL and Senator LEAHY, for accomplishing almost the impossible— to have the foreign assistance bill passed in this manner.

We had a meeting at the beginning of this year when I became chairman and talked about trying to have a program of crisis avoidance, and this is a good example of it. These two Senators have worked with all Members who had amendments and tried to accommodate them, at least dealt with most of them, and the result is on the floor being able to pass this bill, and it is a great bill. What was the final vote?

Mr. MCCONNELL. It was 91 to 8.

Mr. STEVENS. I can remember the days when this bill was filibustered for days and days and days. It is really a tribute to the two managers for having accomplished this, and I congratulate them very much.

Mr. LEAHY. Mr. President, if the Senator from Alaska will yield, I say for my colleagues one of the joys of the Appropriations Committee is that there are a lot of senior Members on both sides of the aisle who are used to working with each other to build the kind of personal relationships that are necessary. I cherish my own friendship with the Senator from Alaska and the Senator from Kentucky. We have worked together on a lot of different pieces of legislation, not just this one but a lot of others, and I think we understand there are certain things that can be done and certain things that cannot be done, and we go for the possible.

I note that this is a record, and I commend the Senator from Kentucky for getting it through so rapidly. But it is a case, again, I would say to the chairman of the Appropriations Committee, who sat down with us and tried to give us leeway, a realistic schedule, of the ability to work out many things even before they got to the floor.

I have been both a manager and the ranking member of a lot of pieces of legislation. What has been happening with the appropriations bills is a model of the way it should be done—move them, move them quickly. People have an issue; vote on it and move on to the next thing. The Senate is better served. The country is better served.

I commend my two colleagues for their help.

Mr. MCCONNELL. Mr. President, I, too, thank my good friend, PAT LEAHY, for his marvelous cooperation and also extend my thanks to Steve Cortese, director of the full committee, who has been a joy to work with, and Tim Rieser of Senator LEAHY's staff and, of course, long-time foreign policy adviser, now staff director of the subcommittee, Robin Cleveland, and Billy Piper and Will Smith, who have done yeoman service and outstanding work on this. I thank them.

I yield the floor.

Mr. LEAHY. Mr. President, I also want to compliment Robin Cleveland and Will Smith of the committee staff and Billy Piper of Senator MCCONNELL's staff, and, of course, as he has already mentioned, Tim Rieser of my staff, who has done so much on this, Emily East from the appropriations staff; Lesley Carson, who is a Javits scholar with the appropriations subcommittee; Dick D'Amato, a long-time member of the appropriations staff, and John Rosenwasser from the Budget Committee. There is an awful lot that goes on among staff to make this possible. We do not have the expertise of the staff. We cannot move a bill this quickly no matter how hard we Senators may try, and I commend the staff on both sides of the aisle in this case.

The PRESIDING OFFICER. The Senator from Connecticut.

COMMENDATION OF GEN. BARRY MCCAFFREY

Mr. DODD. Mr. President, during the consideration of the foreign operations appropriations bill yesterday, I offered an amendment along with Senator MCCAIN on the drug certification issue. During the course of that debate, some references were made to Gen. Barry McCaffrey that I thought were unfortunate and incorrect.

JOHN MCCAIN, our colleague from Arizona, rightly stood up and pointed out that Barry McCaffrey, whatever one's views may have been on the certification issue, enjoys, I think, without any question, the tremendous confidence of the Members of this body. We may disagree on various policy issues. I wanted to associate myself with Senator MCCAIN's remarks and express my gratitude to General McCaffrey for taking on this job, one of the most difficult jobs in Government, that is, to be the drug czar.

Mr. President, I wanted to express my confidence, and I am confident the confidence of my colleagues, in Barry McCaffrey. This is a very difficult job he has taken on. It is tremendously complex. It is obviously a source of great, great disturbance in this country to watch the ever-increasing proliferation of illegal drugs, and obviously there is a domestic feature to this and there is an international feature to it. His job is not an easy one and he has to deal with people all over the globe. I think he does so with a great deal of integrity, seriousness, and forthrightness. He has been tremendously responsive to those of us up here on Capitol Hill who care about this issue.

I thank Senator MCCAIN for his remarks yesterday and associate myself, as I said, with those remarks, and once again express my high degree of confidence in the General and my appreciation as well for the work he has done.

Mr. President, I yield the floor.

Mr. WELLSTONE addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

PRIVILEGE OF THE FLOOR

Mr. WELLSTONE. Mr. President, I know my colleague from Iowa wants to speak and my colleague from Arkansas. Could I just for a moment ask unanimous consent that an intern, Mara Davis, be allowed to be in the Chamber today.

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

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. BUMPERS. Mr. President, what is the parliamentary situation?

The PRESIDING OFFICER. The Senate has an order to go to a bill at 11:30.

Mr. BUMPERS. Mr. President, I ask unanimous consent that I be permitted—I know the Senator from Ohio wants to introduce a bill, and I do not want to delay that—but I ask unanimous consent that I be permitted to proceed for 5 minutes in morning business.

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

DETERIORATION OF U.S. NATIONAL PARKS

Mr. BUMPERS. Mr. President, one of the truly great ideas that somebody came up with back in 1872 was to establish the first national park. Ulysses Grant was President. Unhappily, that same year Ulysses Grant signed a bill called the mining law of 1872. But back to the point. President Grant established the first national park in this Nation. It has been a source of pride and usage and a great deal of euphoria for America's people ever since. We in the Senate and in the House profess our undying commitment to a National Park System second to none while we have routinely starved the park system to death.

Now, US News and World Report, on top of report after report that has been issued over the past 10 to 15 years, in the current July 21 edition, has an article which I recommend to every Member of the Senate called ''Parks in Peril''. ''The national parks have been called the best America had. But their wild beauty and historical treasures are rapidly deteriorating''—repeat, rapidly deteriorating—''from lack of funds, pollution, encroaching development, overcrowding and congressional indifference.''

Mr. President, these parks are being encroached on by development; they are being stifled by pollution. On any given day in the winter, the pollution at Yellowstone National Park from snowmobiles alone is equal to the smog in Washington, DC. And the infrastructure is falling down. Buildings are rotting, buildings are decaying, and some of the treasures such as Chaco Canyon in New Mexico, some of those ancient ruins, are falling down for lack of money to restore them.

All this time, Mr. President, we allow the mining companies, the biggest mining companies in the world, to buy Federal lands for $2.50 an acre, take billions of dollars of gold off those lands and not pay the taxpayers of America one red cent. That is money that alone could reverse the deterioration of our National Park Service. We have grazing laws in this country which are just short of scandalous, in which we allow some of the biggest corporations in America to lease grazing lands from BLM for a song. And one of the worst tragedies of all is that we have a concessions policy where we allow the concession stands at national parks to be handed down from generation to generation. You cannot take one away from a concessionaire under existing law.

Mr. President, the return now to the Park Service on concessions is about 6 percent. About the only park we have in our system with a concession, which was let 3 years ago on a competitive basis, is Yosemite, and last year Yosemite, the only park that has a concession policy that was competitively let, produced 37 percent. That one park produced 37 percent of all the return the Park Service got for all its concessions.

We had a bill here that I sponsored that passed the Senate 99 to zip, went over to the House and died. If you were to pass another one today 99 to zip, it would probably go to the House and die, because this suits the policy of too many Members of Congress while our Park System deteriorates.

I strongly recommend everybody read this. The polls consistently show that the people of this country are upset because we tolerate some of the kinds of corporate welfare I just described—rich people, the biggest corporations in the world, not paying their way. And oftentimes, because of the way we finance campaigns in this country, we can't stop it or do anything about it. Our priorities are terribly skewed when we allow some of these things to continue while the national parks, the greatest treasury we possess in this country, decline. We just passed a defense bill, $268 billion, and not an enemy in sight. There is not an enemy in sight; $268 billion, and we had one rollcall vote. I can remember when that bill would take 2 weeks to pass.

So, Mr. President, I speak with a great deal of passion this morning because I chaired the National Parks Subcommittee for many years, and I did everything I could to reverse the policy that was so patently obvious to me back then, years ago, that we were neglecting our national parks and we were going to pay a price for it. One thing we have done is, while we added a lot of parks, we have never added any funding. We are either going to have to fish or cut bait. We either have to get rid of parks, which I don't think anybody in this body favors, or we are going to have to fund them. And finally, the last alternative is watch them fall apart before our eyes to the chagrin, dismay, disappointment, and outright animosity of the American people for our indifference and negligence to our National Park System.

I yield the floor.

Mr. STEVENS. Will the Senator yield? I was hoping to have a little discussion with the Senator. What is the time situation, Mr. President?

The PRESIDING OFFICER. At this time there is no limitation on debate.

Mr. STEVENS. Mr. President, I know there is a Senator waiting here, but I would just like to ask my friend about the national parks, if he would respond. I can remember so well, I helped, worked with, President Eisenhower for what we called Mission 66, a 10-year period to improve the parks. I think, if the Senator would look at that period, at the end of 1966 the parks were in the best condition they have been since the turn of the century. Since that time, the vision of the Park Service has been to add acreage to the parks. Today we see the parks in the worst condition they have been in in my lifetime. Maintenance of the parks, the accumulated maintenance that has been deferred, is just overwhelming. I think it would take the total annual appropriation of the Park Service to catch up just on deferred maintenance at the historic park sites, Yosemite, Yellowstone, and all of those that are in the south 48.

But my question to the Senator is, we have now almost 80 percent of the land that is in the Park Service in my State and we have about 1 percent of the Park Service money. I don't think anyone has looked at what has happened to the parks, in terms of this rush to add acreage to the parks instead of maintaining discrete park areas that are absolutely beautiful and need to be preserved.

One of my predecessors, Senator Gruening, introduced a bill to establish parks in the State of Alaska. I did, too. Those parks that we sought were ignored and, instead, we have vast areas of parks that are out there. All they have in them is Park Service employees, accommodation for Park Service employees, no roads into them, no airports in them, but they are listed as national parks.

I ask you, if there is to be a rational park system in the country, don't you think we ought to have accessibility to areas that are set aside as national parks? Don't you think we ought to be concentrating now on maintaining the parks that are there so visitors can use them?

The answer now to people who are in charge of the parks is to close the parks, to limit the number of people that go into the parks because the maintenance is so bad that they think the people coming in the parks will now destroy them. I agree, maintenance is very bad. But parks are for people, I thought.

I would like to have the Senator speak up. I do hope one of these days we can have a long discussion about the National Park System and how it has changed. It has changed to people who want to control land from people who want to preserve the very best and most beautiful portions of our country, and that disturbs me greatly.

Mr. BUMPERS. Let me say, I could not agree with the Senator more, and I also say some of the damage that is occurring in the National Park System is not just to the infrastructure; that is, the buildings, which can be replaced and repaired. Some of the irreversible damage is being done to the natural beauty of the national parks, which cannot be undone. I could not agree more with the Senator that we have added a lot of land. I am not saying we did it wrongly. I am not saying we were in error when we did it. I am saying we can do both. We can have an expanded park system and we can fund it. If the American people understand anything, in my opinion, it is our skewed priorities here, what we spend money for.

If you were to take a poll—not ask for an extemporaneous response, but say, ''Which of the following do you consider the most important?'' I daresay the National Park System and the maintenance of it for the enjoyment of all the American people would rank very near the top. We simply have not made a commitment.

You recall under President George Bush we did a very extensive study on the National Park System, and they came back and said it would take—that has been 8 years ago, a little over, about 8 years ago—they said it would take $2 billion just to start doing the infrastructure. That had nothing to do with adding lands or anything else. They said, in order to bring our parks up to par right now—that was 8 years ago with 8 years of inflation added to it now—it would take $2 billion.

As I say, everybody loves the parks. Everybody in the Senate, everybody in

the House, would profess their undying love for the National Park System, but we simply are not putting the money where our mouth is.

That is the only point I want to make this morning, and that is the point this article makes in U.S. News & World Report. I see the distinguished Senator who is now the chairman of the same committee I mentioned I chaired for many years. I will be happy to yield to him.

Mr. THOMAS. Mr. President, I ask the Senator if he is aware that the subcommittee is now in the process of seeking to put together a plan, a long-term plan? All of us who understand that parks and their resources are one of the most valuable resources that we have, that there are troublesome things happening and frankly there is no plan in place and we need to have one—we need to talk about finances. There needs to be some additional resources for finances in addition to the appropriations. We need to talk about how we do some bonding, how we do some private investment, how we do some other kinds of things. In addition, we need to talk about the concessionaires. We need to get that straightened out so it moves. We need to talk, frankly, about the management of the parks so we have a plan that has measurable results so the plans that are set for the Nation will also be applied in the parks. And we have invited the administration to participate.

Fortunately, this morning we have a nominee for the Park Service. We have not had a Park Service Director. So I want to assure the Senator that there is underway an effort to basically reform and move forward and, also, I forgot to say, to have something that defines more clearly what kind of a park is appropriate to be part of the National System so we are not taking in what is more appropriately local recreation areas to be managed by the National Park Service.

So I couldn't share more the concerns that people have, but I wanted to tell my colleague that we are moving forward with that and intend to have a plan before this Congress by the end of the year.

Mr. BUMPERS. I thank the Senator very much. I do not want to take any more time of the Senator.

Mr. WELLSTONE. Mr. President, I wonder if I could ask, colleagues have been involved in an important discussion. I think they probably would want to go on more, but I know Senator DEWINE and I want to introduce a bill. We thought we might have a little more time. I ask unanimous consent that morning business be extended for an additional 15 minutes?

The PRESIDING OFFICER. Is there objection?

Mr. STEVENS. Would the Senator repeat his request?

The PRESIDING OFFICER. The Senator from Alaska.

Mr. WELLSTONE. I asked unanimous consent that morning business—we were hoping we would be able to introduce a bill and talk about it a little while. Given the important discussion that took place, I asked whether or not we could extend 10 minutes beyond what we had originally planned for morning business.

Mr. DEWINE. That would be 11:40.

Mr. STEVENS. May I inquire, how many Senators are involved?

Mr. WELLSTONE. Senator DEWINE and I wanted to introduce a bill. This would give us altogether maybe 15 minutes between two people.

Mr. STEVENS. I will not object if it's just 10 minutes past the half-hour.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from Ohio.

Mr. DEWINE. I thank the Chair.

(The remarks of Mr. DEWINE and Mr. WELLSTONE pertaining to the introduction of S. 1029 are located in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

Mr. WELLSTONE. Mr. President, I yield the floor.

Mr. STEVENS. Does the Senator yield back any time he might have?

Mr. WELLSTONE. I do.

Mr. STEVENS. Mr. President, I ask that we proceed with the regular order.

TREASURY AND GENERAL GOVERNMENT APPROPRIATIONS ACT, 1998

The PRESIDING OFFICER. Under the previous order, the clerk will report S. 1023.

The assistant legislative clerk read as follows:

A bill (S. 1023) making appropriations for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain Independent Agencies, for the fiscal year ending September 30, 1998, and for other purposes.

The Senate proceeded to consider the bill.

Mr. CAMPBELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. CAMPBELL. Mr. President, my colleague, Senator KOHL, and I are bringing before the Senate today the Senate Appropriations Committee recommendation for the fiscal year 1998 appropriations for the Department of the Treasury, U.S. Postal Service, the Executive Office of the President, and certain independent agencies. The bill we are presenting today contains a total funding of $25,206,539,000. This is $1,104,116,000 more than the fiscal year 1997 level, and $455,866,000 less than the President's request. We are recommending a total of $12,321,339,000 in discretionary spending and $12,885,100,000 for mandatory programs over which this subcommittee has no control.

Reaching this level has not been an easy task, and I certainly thank Senator KOHL, who has yet to arrive on the floor, for his hard work and continuing support and advice as we put this bill together.

Mr. President, this bill includes $11,315,801,000 for the Department of the Treasury. As my colleagues are aware, the Department of the Treasury has a wide range of responsibilities directed not only at the revenues and expenditures of the Government, but law enforcement functions as well.

The Treasury Department is responsible for 40 percent of all Federal law enforcement, and adequate funding for this function has been a priority for both Senator KOHL and myself. The subcommittee has done what we can to ensure that law enforcement agencies funded in this bill have the resources to do the job that we asked them to do in the so-called war against crime. In addition, we have provided a total of $131 million in the violent crime reduction trust fund. This is $12.7 million more than requested by the President and $34 million more than provided in fiscal year 1997.

This bill includes $121,124,000 for payments to the U.S. Postal Service to reimburse them for providing free mail for the blind and for overseas voters and for payment to the Department of Labor for disability costs incurred by the old Post Office Department.

The Executive Office of the President and funds appropriated to the President total $485,225,000. This includes the Office of Drug Control Policy.

As many of our colleagues know, the bill includes the administration's proposal for a 1-year moratorium on new construction projects through the General Services Administration Federal Buildings Fund. It is unfortunate, when we need so many renovations on courthouses, that the GSA calculation of rent income to the Federal building fund has been so inaccurate in the past years that we are at a point where there is just barely enough money to continue ongoing projects.

There is also $12.7 billion in mandatory payments through the Office of Personnel Management for annuitants' life and health insurance, as well as retirement benefits.

There has been considerable discussion over the past couple of years about the funding level for the Internal Revenue Service. Many of us are very disturbed that significant amounts of money, over $4 billion, was wasted on the tax modernization system. As a result, we have very carefully reviewed the budget request from the IRS. We believe that the IRS should have sufficient resources to maintain and even increase customer service levels, and there must be enough to continue efforts to collect taxes due. As a result, we have proposed appropriations at the level requested by the President for the three permanent accounts. However, we did not agree to the President's request for an advance appropriation of $500 million to set up an account for future computer modernization efforts.

Although the IRS has developed and circulated a modernization blueprint, that is only a first good step. It was the judgment of the subcommittee that

there must be more detailed information before we agree to additional funds for future computer modernization.

The most critical problem facing IRS is a century date change project. As a result, we have set aside $325 million for this effort, in addition to funds already appropriated in fiscal year 1997 and requested for fiscal year 1998.

Mr. President, this bill is the result of long, hard hours of work on the part of the members and staff of this subcommittee. I want to thank them for all of their efforts. I believe we have put together a very worthwhile bill and hope we will have the support of the Senate.

I now yield to our ranking member, my good friend, Senator KOHL.

The PRESIDING OFFICER. The Senator from Wisconsin is recognized.

Mr. KOHL. Mr. President, I thank the Senator.

As the distinguished Senator from Colorado has just indicated, we are bringing to the floor recommendations on the fiscal year 1998 appropriations level for the Treasury, general Government agencies.

First, I thank Senator CAMPBELL for his dedicated work on this bill. He has worked long and hard on the difficult issues that he has just outlined for our colleagues. As a result of his efforts, I believe the committee has developed a balanced approach for dealing with the many programs and activities under the jurisdiction of the subcommittee, while staying within the budget allocation.

Since this budget allocation was $489 million below the administration's request, we have been required to make some substantial reductions. However, the subcommittee actions have resulted in a bill that is both fiscally responsible and I also believe very reasonable.

Senator CAMPBELL has discussed the major funding highlights, and rather than repeating those highlights, I will limit my comments to a few areas that I would like to emphasize.

First, the funding provided for IRS activities. Tax processing, tax law enforcement and information systems is at the President's request. Additionally, $325 million has been provided for an information technology fund. While we continue to have concerns over the IRS modernization efforts, we believe that it is important to provide the IRS with the tools necessary to collect taxes owed. By providing full funding, we can be assured that the critical century date change and data center consolidation occur in a timely manner and allow the IRS to continue smooth operations into the year 2000.

Second, the national media campaign proposed by the Office of National Drug Control Policy is not fully funded. I fully support, of course, the efforts to combat the drug problem in this country, and I support the efforts in leadership of Gen. Barry McCaffrey, but I am reluctant to provide billions of dollars for an untried and untested media program. So I supported funding at a smaller pilot program level, which would provide the administration and Congress with the evidence of the success that is necessary when we are committing such huge taxpayer dollars.

However, Senator CAMPBELL and I have come to a compromise position: funding the national media program for 1 year at $110 million, after which the program will be evaluated.

We are also providing over $35 million for community-oriented drug prevention programs, such as a drug-free prison zone program and the initiation of the Drug Free Communities Act grants.

Finally, I want to highlight that no funds are provided for the General Services Administration's Construction and Acquisition Program. The Federal buildings fund is experiencing a shortfall in revenue resulting from GSA miscalculating rent income and miscalculating construction completion dates. While I am concerned over the financial situation generating this shortfall, I believe it provides a good opportunity to review the principles applied to the Courthouse Construction Program. As a result, the report accompanying the bill contains criteria that the General Services Administration and the Administrative Office of the Courts must apply to future courthouse construction projects.

According to these criteria, projects included in future requests must:

One, meet the design guide standards for construction;

Two, reflect the priorities of the Judicial Conference of the United States;

Three, be included in the approved 5-year construction plan;

And four, must be accompanied by a standardized courtroom utilization study.

It is hoped that the application of these criteria will result in a well-justified Courthouse Construction Program in the future.

Mr. President, that concludes my highlights of the bill's funding levels. We believe we have provided the best funding levels possible under the funding restrictions.

Before I yield the floor, I also want to acknowledge the fine work done by the staff on this bill:

Pat Raymond, Tammy Perrin, Lula Edwards, Frank Larkin, and Barbara Retzlaff, and others. I thank them for all their hard work in helping to bring this bill before the Senate.

I yield the floor.

Mr. CAMPBELL addressed the Chair.

The PRESIDING OFFICER (Mr. THOMAS). The Senator from Colorado.

PRIVILEGE OF THE FLOOR

Mr. CAMPBELL. Mr. President, I ask unanimous consent that the following individuals be granted privilege of the floor for the duration of the consideration of S. 1023, the Treasury and General Government Appropriations Act of 1998: Patricia Raymond, Tammy Perrin, Lula Edwards, Barbara Retzlaff, Frank Larkin and Jay Kimmitt.

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

AMENDMENT NO. 921

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

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Colorado [Mr. CAMPBELL] proposes an amendment numbered 921.

Mr. CAMPBELL. 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. . REGULATIONS CONCERNING THE IMPORTATION OF CERTAIN FISH.

(a) IMPORT COMPLIANCE.—Section 6(c) of the Atlantic Tuna Convention Act of 1975 (16 U.S.C. 971d(c)) is amended by adding at the end the following:

''(8)(A)(i) Not later than January 1, 1998, the Secretary, in consultation with the Secretary of the Treasury and the Secretary of State, shall promulgate regulations to ensure that fish in any form that are—

''(I) subject to regulation pursuant to a recommendation of the Commission; and

''(II) presented for entry into the United States;

have been taken and retained in a manner and under circumstances that are consistent with the recommendations of the Commission described in clause (ii).

''(ii) The recommendations described in this clause are recommendations of the Commission that are—

''(I) made pursuant to article VIII of the Convention; and

''(II) adopted by the Secretary in the regulations promulgated pursuant to this section.

''(B)(i) The regulations promulgated under this paragraph shall include, at a minimum, a requirement that the fish described in subparagraph (A)(i) are accompanied by a valid certificate of origin that attests that the fish have been taken and retained in a manner and under circumstances that are consistent with the recommendations described in subparagraph (A)(ii).

''(ii) A certificate described in clause (i) may be issued only by the government of the nation that has jurisdiction over—

''(I) the vessel from which the fish that is the subject of the certificate was harvested; or

''(II) any other means by which the fish that is the subject of the certificate was harvested.

''(C) The regulations promulgated under this paragraph may limit the entry into the United States of fish in any form if that limitation is necessary to carry out the purpose of this paragraph.

''(D) Beginning on February 1, 1998, the Secretary of the Treasury shall prohibit the entry into the United States of fish in any form that does not comply with the regulations promulgated pursuant to this paragraph.''.

(b) REPORTS.—Section 11 of the Atlantic Tuna Convention Act of 1975 (16 U.S.C. 971j) is amended—

(1) by redesignating paragraphs (3) and (4) as paragraphs (4) and (5), respectively; and

(2) by inserting after paragraph (2) the following:

''(3) lists each fishing nation from which fish in any form was prohibited entry into the United States pursuant to section 6(c)(8);''.

Mr. CAMPBELL. Mr. President, I yield to the Senator from Kansas, Mr. BROWNBACK, for the purpose of offering a second-degree amendment.

The PRESIDING OFFICER. The Senator from Kansas.

AMENDMENT NO. 922 TO AMENDMENT NO. 921

(Purpose: To provide that Members of Congress shall not receive a cost of living adjustment in pay during fiscal year 1998)

Mr. BROWNBACK. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Kansas [Mr. BROWNBACK] proposes an amendment numbered 922 to amendment No. 921.

Mr. BROWNBACK. 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 in the amendment, insert the following new section:

SEC. . Notwithstanding any other provision of law, no adjustment shall be made under section 601(a) of the Legislative Reorganization Act of 1946 (2 U.S.C. 31) (relating to cost of living adjustments for Members of Congress) during fiscal year 1998.

Mr. BROWNBACK. Mr. President, I have put forth this amendment in working with the manager of the bill, the author of the first-degree amendment. I believe he has agreed to it being a second-degree amendment. And I ask for its adoption.

The PRESIDING OFFICER. Is there further debate?

Mr. CAMPBELL. Mr. President, to my knowledge, there is no opposition on the majority side. We are prepared to accept this by a voice vote.

Mr. KOHL. Likewise.

The PRESIDING OFFICER. If there is no further debate, the question is on agreeing to the amendment No. 922.

The amendment (No. 922) was agreed to.

Mr. CAMPBELL. Does the Senator have further comments?

The PRESIDING OFFICER. Is there debate now on the first-degree amendment, as amended?

Mr. CAMPBELL. 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. BROWNBACK. 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. BROWNBACK. Mr. President, I would like to speak for 2 minutes on the amendment, my amendment that was just agreed to.

The PRESIDING OFFICER. The Senator is recognized.

Mr. BROWNBACK. Thank you, Mr. President.

I would like to say that the amendment that was just agreed to was to eliminate the cost-of-living adjustment for the Members of Congress.

I think it is important that at this time when we are seeking to balance the budget, we not be seen as giving ourselves a pay raise, to be able to establish this as an important issue. I do not say that Members are overpaid, because I do not believe they are. But I do think we are moving forward to balance this budget, and we need to show leadership by not receiving this COLA. And that is why I put this amendment forward. I am very appreciative that the author of the first-degree amendment, the manager of the bill, has agreed to it and that it has been accepted.

I yield the floor.

Mr. CAMPBELL. 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. CAMPBELL. 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. CAMPBELL. I also ask unanimous consent to have Senator WELLSTONE and myself added as cosponsors to the Brownback amendment.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. CAMPBELL. Mr. President, several Senators have said they wish to speak on this issue. Senator BYRD has indicated he would like to. He is in a meeting and will not be here for a short period of time. But those Senators who would like to make comments on that, we will do that. And we will take something else up if he does not get here in a reasonable time.

I would like to point out to my colleague from Kansas that this issue of so-called pay raises has always interested me. As I looked up some of the figures, I am sure that most of my colleagues are aware that they do not have to take the cost-of-living increase allowance. They can turn it back to the Treasury if they do not want it. They can give it to charities. There are all kinds of things they can do with it.

But to put it in some perspective, since it seems to get an awful lot of discussion, particularly in election years, about Congress people and Senators getting an increase in salaries, I thought I would contact the Congressional Research Service and find out just how much taxpayers' money goes into salaries for Congressmen and Senators.

They tell me that one-tenth of one penny—one-tenth of one penny—is the average amount a taxpayer pays to congressional salaries.

I know some people think we are not even worth that much, so we probably did a good thing by passing this amendment on a voice vote. But I would like to point out a couple of things that might put it in perspective.

For example, in Senator D'AMATO's and Senator MOYNIHAN's State, the great State of New York, the mayor of New York City earns $31,400 more than they do, the Senators of that State.

In Dade County, FL, Senator MACK's and Senator GRAHAM's State, the superintendent of the county gets $51,400 more than the Senators of that State or the Congressmen.

The sheriff of Los Angeles County receives $88,400 more than anybody in the congressional delegation from California.

I guess my message to the average voter would be, if you are really concerned about elected officials, you ought to look at all of them, top to bottom, and not just because Congress gets so much media attention whenever they deal with this COLA or so-called pay raise.

Many of the other areas of the country—I do not have the numbers right in front of me—but if you track the increases from 1970 to 1998, in fact, the amount that congressional salaries have increased has been less than postal workers, Social Security recipients, military wages, private-sector employees, Federal employees, most civilian employees, and literally everybody else. But I would like to put that in context.

I yield the floor.

Mr. WELLSTONE addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. We will have some discussion on this issue, I gather. And I wanted to say to my colleagues, that several days ago I sent a letter out to every colleague saying that I was going to have an amendment out here opposing the cost-of-living adjustment for members of Congress—and you are quite right, I say to my colleague from Colorado, this is not a pay increase. This was just a cost-of-living adjustment. I would like to explain a little bit about why I did this.

Senator BROWNBACK has now come out with the same amendment, so we will work together. And it does not matter to me who does the amendment. What matters is the effect of it all. But I think that I may have somewhat of a different framework than my colleague from Kansas, and so I want to spell out my reasons why I support this amendment. And I am not going to spend a lot of time on it.

First of all, when I sent this letter out, I sent it only to my colleagues. I was not interested in this becoming a major public issue, although when we work this out on the floor, I suppose it is a public issue. The reason for addressing my colleagues is that I really think that if this amendment becomes a bashing of public service—and I know

some colleagues will interpret it that way—then it is a big mistake. If that is what the net effect of this amendment is, I made a big mistake.

I think there are people here—Republicans and Democrats; Democrats and Republicans—who have a highly developed sense of public service. If this amendment, which is likely to be accepted, contributes to an across-the-board denigration of public service and all people in public service, then sending this letter out to my colleagues and saying that I would introduce this amendment would have been a mistake. But I now join in sponsoring this amendment.

This amendment will not make some people feel better about it. The reason I introduced it, and I wish to make this very clear—is because this past year, in our deficit-reduction plans, as the Center on Budget Alternatives and Priorities points out, 93 percent of the cuts we made in discretionary spending affect low-income people and some of the most vulnerable citizens in our country.

In the welfare bill that we passed, $55 billion of cuts disproportionately hurt legal immigrants—not illegal—many of them elderly, many of them living alone, many of them with a combined income of $525 a month—all their Federal assistance was eliminated. Only part of it was restored.

And the other major area that suffered was in food nutrition programs—the vast majority of the cuts in the welfare reform bill passed last Congress were in the Food Stamp Program. Most of the beneficiaries hurt were working poor people, many of them children.

So it just seems to me that if we are going to be making, in the name of deficit reduction, cuts in programs, and the disproportionate share of those cuts affect the most vulnerable people in our country, many of them children, many of them poor, I just cannot see how we can give ourselves a cost-of-living increase.

I do not even know what we make—I guess around $130,000 a year. I put high value on the work we do here. But I just want to point out that a colleague asked me yesterday, after I sent this letter out, ''Well, come on, PAUL. Would there be a time where you would vote for this? Isn't this just what you do every year?'' Well, I do not offer this amendment every year. So I said, ''Absolutely, yes, but not in the context of what we have done as a Senate and a House.''

I am sure some people believe we have done the right things here in Congress. No one has a corner on political truth. Maybe people felt the votes we have made, for deficit reduction and for cuts in different programs, were the right thing to do and had to be done. But it does seem to me that it is just not right, if we are going to call on many citizens to sacrifice for deficit reduction, and in particular, call on low- and moderate-income families to sacrifice all in the name of deficit reduction, and if we are going to make cuts in the most effective child nutrition safety program that we have ever had, then I just do not think this is a time for us to be giving ourselves a cost-of-living increase.

In some context, I can see how the argument over this cost-of-living increase can be said to be about apples and oranges. I really can. But the way I see it as a Senator, in the context of still calling for people to make sacrifices in our country, that there ought to be shared sacrifice. And I think, given the fact that we all do well financially in Congress, that it is a mistake to go forward with the cost-of-living increase. That is why I sent the letter to my colleagues 2 days ago and why I announced my intention to introduce an amendment.

Senator BROWNBACK has now come out with an amendment. We will join together on this. The Senator can speak for himself, but I wanted to make my framework clear on why I am against a cost-of-living increase.

If there is further debate on this, I have a more complete statement, but I have stated what I believe and there is no reason to speak at any greater length now.

I thank my colleagues.

Mr. STEVENS addressed the Chair.

The PRESIDING OFFICER (Mr. ROBERTS). The Senator from Alaska.

Mr. STEVENS. Mr. President, I understand the temper of the times, but I think some of us who have been through this time and again have the duty to come forth and warn the Senate what it is doing.

Since 1970 to this year, 27 years, in 17 of those years the Senate has denied itself the cost-of-living adjustment. The net result is that while Social Security recipients' pay, whatever you want to call it, their checks have gone up by 421.3 percent in that period, the pay for Members of Congress have gone up 214.4 percent.

I will mention a lot of statistics here, Mr. President, so I ask unanimous consent the two documents I have, one entitled ''Increases, 1970–1997,'' and the other, ''Percent Changes 1970–97,'' be printed in the RECORD after my remarks.

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

(See exhibit 1.)

Mr. STEVENS. Mr. President, the last time congressional salaries were given a cost-of-living adjustment—and this is not a pay raise—was in 1993. The pay raise for Federal employees that year was 3.7 percent, the COLA's for Congress were 3.2 percent. In 1992, the cost-of-living adjustment for Federal employees was 4.2 percent, and for Members of Congress it was 3.5 percent.

We are now in a situation where, in my judgment, if we don't take this cost-of-living adjustment for this year, I am sure we will not take it next year being an election year. That means we will not take it until 1999. Since that is the year before a Presidential election year, we will not take it then either. We will not take it in the year 2000, which is a Presidential election year. I suggest we are going into the next century with this maladjustment, as far as congressional salaries.

It does not make any difference to me. It does not make any difference to any of us. We are here. We made our commitment. What about those out there who should come and serve their country by being part of the legislative branch of this Federal Government? We have raised the salaries of the people who are Federal civilians downtown. We have raised the salaries of the Federal employees. We have raised the payments made to Federal retirees. We have raised Social Security recipients. We have not raised for Members of Congress, and I predict we will not do it unless we face up to the problem now.

The problem is not ours. The problem is what is going to be the judgment of the people who want to serve in the Congress when they start looking at the income levels here in Congress compared to their own income levels.

Now, Mr. President, in 1970—and I was here then—my wife and I had just bought a home here in Washington the year before for $65,000. At the time, our pay was $42,500. That house has now sold—we sold it some time ago—but I know that it sold for $450,000. Our pay here is roughly—not quite, but roughly—three times the salary we had then.

What I am trying to make people in the Senate think about is, what will be the decision made by young people who are thinking about coming here when they look at the cost of living in Washington, DC, which is the highest now in our Nation—the cost of property here, the cost of renting a home or a condominium. I am talking about family people. When we came down here, we came down here with five children and had to have a home that five children could live in. There is no way a person can come here now at the salary level we have now and buy a home for that, where five children can live with their mother and father, unless they are extremely wealthy.

What the Senate is doing, in my judgment, is setting the course to assure that the people serving in this body will either be multimillionaires or they will be the people who are not capable of earning over $100,000 anyway. Now, maybe I am being too tough about this, but I think it is time to get tough about this issue and have people understand that the cost-of-living adjustment is less than the Consumer Price Index increase—less. In other words, it means for people living here now, we are adjusting their salaries now with a cost-of-living adjustment, for the cost increase, really, for the period starting 18 months ago until 6 months ago, and we are trying to adjust it now for what the costs were back then. It is not a salary increase. This is for the cost of living in this area.

Now, people talk to me, well, you can live in Minnesota or maybe you can live in Kansas, maybe you can live somewhere else for a lot less money. It happens to be, in my case, my cost of living in Alaska is just slightly higher than this. But as a practical matter, the judgments made by future generations will be: We, as a family member, cannot take that job.

Now, we get a lot of demagogic type of letters—they come in from my constituents, too—''You are not worth that money; why don't you come home?'' The real question is, what would they do if the people were here that they believe should be here? The people would either work for nothing, because they are so rich they can, or the people that could not make the money that they would make here would come for the pay. Now, Mr. President, we have to make up our mind what kind of a body we want in the Congress. From my point of view, we want people with capabilities who can perform jobs that are needed to be performed.

Take my colleague from Wyoming, Senator ENZI, the only accountant in this body—the only accountant in the Senate. What are we dealing with now? Massive, complex tax issues, complex problems of accounting. The people that are going to come here are going to be motivated by trying to do a job. The ones who cannot come here, despite that motivation, will be the ones who cannot afford to live a family life in this town at that salary.

Keep in mind something else. We don't come here permanently. As a matter of fact, most people who would vote for this do not want us to come for more than two terms anyway. But as a practical matter, we all maintain a home in our home States. We have expenses there and we have expenses here. There is no one in the employment scene today that has that situation other than Members of Congress.

Now, I voted—it was a voice vote—but I voted against it and I would vote against it on a recorded vote because we were taking an action to deny Members of Congress, for the fifth time, a cost of living, which is a structural change. What it will mean is, downstream someone will have to have the courage to make the adjustment. Incidentally, we have had three times when that happened. In 1977, the Congress made a 28.9-percent change. That was a salary increase, but it was to make up for the fact that in 6 of the previous 7 years Congress had not taken the cost-of-living adjustment. Again, in 1982, we took a 15-percent change. It was because in 3 of the previous 4 years Congress had not taken a cost-of-living adjustment. In 1987, we again took a change. It was because, again, we had in 2 of the previous 4 years not taken the cost-of-living adjustment. Again, in 1991, we had a 27.1-percent increase.

What I am saying is, you kid yourself as much as you want, the time will come when Congress will have to recognize that this structural change in the salary, vis-a-vis the salaries of comparable jobs in the economy, that the salary increase must come. So instead of recognizing this as a cost-of-living adjustment and treating it as such and providing that we take a minimum amount—and by the way, in most instances we have taken less than was available. For instance, in 1979, the Federal employees got a 7-percent increase, Federal retirees got 11.1, Congress gave itself 5.5. We kept the cost of living down each time. But when we did it, we did not have the total structural impact of denying it altogether.

Now, the structural situation will be, if I am right, that we will not have a cost-of-living increase next year or the next 2 years. We will go into the 21st century with a salary level of 1993. In that year, again, we had a 3.2-percent COLA and Federal employees had 3.7 percent. If you look at my charts that are included in the RECORD, using the CPI in this period of 27 years, which has been 315.7 percent, we have taken a 214.4-percent total cost-of-living change. Social Security recipients had 421.3 percent; postal workers, 370 percent; the military, 360 percent; Federal retirees, 328 percent; private-sector employees, 265 percent; Federal civilians, 334 percent. We are at least 100 percent structurally below the comparable salary base in this 27-year phase.

What does that say to young people about serving in the Congress? Even if it is on a two-term basis limit, to be here for 12 years and take a structural level of 15 years to start with and serve with people who will not take the cost-of-living adjustment while you are here anyway, I think this is destroying the system that we have today of citizens who commit themselves to be part of a great democracy. We have not done this to the people who work downtown for the President. Presidential salaries have changed and so have the salaries of the executives on a Presidential appointment level.

We have, by the way, impacted the Judiciary, and I think that is something other people will talk about and I will talk about later, too, because the Federal Judiciary, while it does have a better system in the sense there is no contribution for a Federal judge for his or her retirement, as we contribute, it is lifetime pay. When they retire, they get the full amount of their salary, not a percent as we do based on the number of years we have been here. But as a practical matter, with the three branches of Government, the only part, through self-flagellation, that destroys the future of the body is the Congress itself. It is a great mistake. It is a great mistake. I think we all make sacrifices to come to this job, anyway.

I can tell the Senate that when I came to the Senate, I was making more than three times my salary as a private lawyer in Alaska. Many people come here and take a reduction in income. There are others who come here and it makes no difference, because of either their great wealth or their inability to earn the same amount of money before they got here. Many people take a sizable decrease in income to come here. But what we are telling the younger people now—and we are trying to attract younger people. When I came here, the average age was almost 70; today, I think it is down to almost 50. We are still trying to attract younger people. This is a dynamic society and we should do that. But can you do that, Mr. President? Can you look a young man or woman in the eye and say: You can move to Washington, you can afford to live there and serve for 2 years in the House or 6 years in the Senate, or maybe two terms. You can keep your family there, and you can keep your house at home, and you can be able to return to your life when you finish the service, without having lost your future as far as your career is concerned.

This is not right. It is not right. I have made this speech before and it doesn't seem to make any difference to anybody. But I am compelled to do it again because I have served here longer than any Member of our side of the aisle on the committee that has jurisdiction on this subject. I cannot believe we would continue to make this error. I believe that Members have left this body—and there are some leaving it now —not because they have served too long, or they don't like the job, or they haven't done a good enough job, but they cannot plan for their future. At one time, I had five children in college. At that time, thank God, there were jobs they could get during the summer, and we were able to help them and they all got through. But, today, a Senator with five children, with the cost of housing, and five going to college, why, that person would have to vote from the poor house, Mr. President.

This job ought to pay what it is worth to society. This is the job of the continuity of the American system. We serve for 6 years. We volunteer for that job and we are the institutional memory of the American democracy. I am alarmed that there are not enough people on this floor that realize that. I am truly alarmed at the number of people that, for political reasons, or other reasons, or campaign promises, would harm the future of the Senate, would harm the democracy by telling the American people that you will either turn the Senate over to the very, very wealthy or those who could not earn as much anywhere else.

Now, the time will come when we will face up to this. It will probably be in 2001. As I add it up, roughly, the percentage of pay increase then to recover the structural balance will be in the vicinity of 35 percent. How many people are going to want to do that in their first term? How many people are going to want to do that, who are just up for election? I have just mentioned two-thirds of the body then.

So I say the demise of the American democracy is here. That is why the

Constitutional Convention argued about who should determine what Members are paid. They were talking about citizen legislators then, not people who came here and stayed 7, 8 months a year. They are talking about people who could go home, people who lived within the original 13 States. My home is closer to Beijing than it is to Washington, DC, and this is a 50–State Union now. My colleague from Hawaii lives almost as far away. If anyone wants to look at costs, they ought to look at the cost of representing those two States. But the main thing is, we think about the structural salary level for the future. I am not going to be around here that long—maybe longer than some people think. But, Mr. President, we will witness the decline in the value of the Congress and the American society if we don't have the guts to stand up to the demagogs and tell them that pay for the Congress ought to be sufficient to attract the most capable people in our society. The capability is what counts.

I am disturbed that, once again, we will deny the economic cycle that causes an adjustment being necessary, and we will say, as soon as we balance the budget in 2002, if I am hearing right, it may be 2003 before it is changed. That would be 10 years. How many people will decide not to come because of that, Mr. President? How many brilliant minds will be denied the American Congress because of that? I think it is wrong.

I am going to speak at length when the time comes, and I am going to show what has happened to other countries when they followed and pursued this course and how they have deteriorated. The deterioration of America is something that we should worry about in terms of democracy. My predecessors used to go take the train across the country and then take a steamship up to Seward in our State and a railroad up to Fairbanks and go home once a year. I go home 15 to 30 or 35 times a year. It is a different society.

I am telling the Senate, unless we are willing to recognize this different society and the dynamic society that needs people who are family people, who must make sacrifices to start with, but should not have to make this kind of sacrifice, to accept a structurally imbalanced salary caused by the inability of each successive Congress to face up to reality.

EXHIBIT 1

INCREASES, 1970–97

[In percent]

Year	Members of Congress	Federal employees	Federal retirees [1]	Social Security [3]
1970 (Jan.)	0	6.0	5.6	15.0
1971 (Jan.)	0	6.0	4.5	10.0
1972 (Sept.)	0	10.9	4.8	20.0
1973	0	4.8	6.1	.....
1974 (June)	0	5.5	12.1	11.0
1975 (June)	5.0	5.0	12.8	8.0
1976 (June)	0	4.8	5.4	6.4
1977 (June)	28.9	7.1	9.3	5.9
1978 (June)	0	5.5	7.4	6.5
1979 (June)	5.5	7.0	11.1	9.9

INCREASES, 1970–97—Continued

[In percent]

Year	Members of Congress	Federal employees	Federal retirees [1]	Social Security [3]
1980 (June)	0	9.1	14.2	14.3
1981 (June)	0	4.8	4.4	11.2
1982 (June)	15.0	4.0	8.7	7.4
1983 (Dec.)	0	0	3.9	3.5
1984 (Dec.)	4.0	4.0	0	3.5
1985 (Dec.)	3.5	3.5	3.5	3.1
1986 (Dec.)	0	0	0	1.3
1987 (Dec.)	18.6	3.0	1.3	4.2
1988 (Dec.)	0	2.0	4.0	4.0
1989 (Dec.)	0	4.1	4.0	4.7
1990 (Dec.)	[5] 7.9 [6] 9.9	3.6	4.7	5.4
1991 (Dec.)	[5] 29.5 [6] 27.1	4.1	5.4	3.7
1992 (Dec.)	3.5	4.2	3.7	3.0
1993 (Dec.)	3.2	3.7	3.0	2.6
1994 (Dec.)	0	[2] 4.23	2.6	1.8
1995 (Dec.)	0	[2] 3.22	2.8	2.6
1996 (Dec.)	0	[2] 2.54	2.6	2.9
1997 (Dec.)	0	[2] 3.33	2.9	.....
Totals [4]	214.4	334.3	328.2	421.3

[1] Reflects COLAs paid to CSRS retirees.
[2] Reflects Washington, D.C. pay adjustment.
[3] Benefit increases are actually paid in checks issued the first of the following month.
[4] Totals reflect compounding, hence they sum to more than the annual increases.
[5] Representative. [6] Senator.

Percent Changes 1970–97 in—	
Indexes for:	*Percent*
CPI (projected)	315.7
ECI (projected)	311.4
Wages or pensions for:	
Postal workers, wages	370.6
Social Security recipients	421.3
Military, wages (excl, fringe benefits)	360.3
Private sector employees, wages	265.1
Federal retirees	328.2
Federal civilians (GS), wages	334.3
Members of Congress, wages	214.4

Amounts Congressional Salary would be if Adjusted by Percentage Change in Above Categories:—	
	Amount
CPI (projected)	$176,700
ECI (projected)	174.800
Postal workers, wages	200,000
Social Security recipients	221,500
Military, wages (excl. fringe benefits)	195,600
Private sector employees, wages	155,200
Federal retirees [1]	182.000
Federal civilians (GS), wages [2]	184,600
Actual 1997 Congressional salary	133,600

[1] Reflects COLAs paid to CSRS retirees.
[2] Reflects Washington, D.C. pay adjustment.

Mr. WELLSTONE addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

Mr. WELLSTONE. Mr. President, as I said earlier, I sent a letter out to my colleagues a couple of days ago and now this amendment has been introduced. I spoke earlier about it, and I will again. I want to respond to some comments—if the word ''demagog'' is going to be used, I want to respond.

I said earlier that if the net effect of this amendment is to encourage the denigration of public service and people in public service, then I am mistaken in offering this amendment—the Wellstone-Brownback amendment. Several days ago, I felt that I needed to get started on this and announced I would do it when this bill came to the floor. I then went on to say that in the context of what we have been doing here in the Congress, and the sacrifices that we have asked of all Americans, especially low- and moderate-income people that I believe it is wrong for the Members of Congress to receive a cost-of-living increase. We have made a lot of cuts in programs. Again, in the 104th Congress, more than 90 percent of the budget reductions in entitlement programs came from programs affecting low-income people. If we are going to argue that that has to be a part of the sacrifice, I don't see how we can then go forward with a cost-of-living increase. We will still be making more than $133,000 next year without the increase.

But, Mr. President, my colleague from Alaska has come to the floor and has made several arguments that I have to address. First of all, Mr. President, my colleague suggests that if young people know they can only make $133,000 a year, why would they want to serve in the Senate or House? He goes on to suggest that the only people are going to come here are either millionaires or people who could not make $100,000 a year.

I was a teacher. I didn't make anywhere near $100,000. By my colleague's standard, 95 percent of the people of the United States of America are the people who can't make $100,000 a year, because they clearly don't. Let's not assume that because someone was a teacher or a wage earner, and didn't make $100,000 a year, that somehow they don't have that much value. What in the world does that comment mean? You know, with all due respect, I think most people in the country would think $133,000 a year is a darn good salary, because 95 percent of the people in this country don't even make $100,000 a year. Maybe we just need to get a little bit more real about this for a moment.

I didn't want to get into this argument, but if that's the kind of argument that is going to be made, I would like to make it clear that, having been one of those individuals that falls into my colleague's category of not being able to make $100,000 a year, I think that this is an argument that is way out of whack with reality.

I doubt whether, if you took a poll, most of the people in the country would believe that a salary of $133,000 a year is a disincentive for somebody wanting to take this job. I don't believe that. I don't believe that most young people in this country would not run for the U.S. Senate because they are only going to be able to make $133,000 a year. I don't believe that for a moment. When some of my colleagues say that this would be a reduction in salary, the vast majority of the people in the country would not view it that way. That argument just doesn't make sense to me. As I said, I didn't want to get into these arguments, but if the word ''demagog'' is going to be used, then I do want to respond.

Second of all, Mr. President, if we are going to start talking about the financial pressures that we as Senators feel

with our income, for those of us who aren't independently wealthy, and talking about our need for two homes or to send children to college, that's a valid point. A lot of people feel that pressure. The median income in our country is around $36,000 a year. There are a lot of people with two or three children. There are a lot of people trying to figure out how to afford to send their kids to college. There are a lot of people who are trying to get affordable child care or to figure out how to buy a home or pay rent. And by the way, when we talk about trying to pay rent, I note that we have also been cutting low-income housing assistance. So when I hear this argument that the only people that are going to come here are millionaires or people who can't make $100,000 a year, there is an implication that these aren't the people you want to have come here. I think it would be good if we have lots of those people here. I sure didn't feel like I was not of value to this body because I didn't make anywhere close to $100,000 a year before I came here.

When I hear the argument made that people would not want to serve, that young people would not want to serve, and people don't want to run for office because they would only be able to make $133,000 a year without this cost-of-living increase, I frankly think it is not a credible argument. I think 99.999 percent of the people in the country think they could get along on our salaries. The third point, Mr. President, that I want to make is that if we are going to talk about the squeeze that we feel at $133,000 a year, then how come in some of the decisions that we have made about sacrifice, cuts in health care programs, nutrition programs, housing programs—which basically affect and end up lessening opportunities for low- and moderate-income families—how come we then don't have the same concern for those families?

If we are worried about how, on $133,000 a year, we can send our kids to college or afford housing, why aren't we as worried about middle-income and working families? I think this is a slippery-slope argument. We had better get to work thinking about the couple who work, in their early thirties and who make, combined, $35,000 a year. We had better start thinking about them because if all of a sudden we are going to be talking about how we just can't make it on $133,000 a year, then surely we must understand how people—middle-income and working families with incomes of $35,000 to $38,000 a year—feel a terrible squeeze. It is just an inconsistent argument for us to make.

Mr. President, if I am wrong about why we should not have a cost-of-living increase, I have made a big mistake and apologize. But if not having a cost-of-living increase this year and staying at $133,000 is the reason why people are not going to run for office, which my colleague from Alaska thinks is the case, he is right, and I am wrong. But I don't think that is the major reason why people aren't running.

I think that one of the major reasons people are not running for office is it costs so much money to run for office. If we really want more women and men from all sorts of different social and economic backgrounds to run for office in our country, it doesn't have much to do with whether or not we make $133,000 or $134,000 a year. Most people think that is a fine salary. It has much more to do with the fact that people know that they have to raise millions and millions of dollars. Either they themselves are millionaires and they have the money—and we have some people in this Senate who are independently wealthy, who are some of the best Senators. That is a fact. I don't think that is the issue. The issue is all of this money that people have to raise.

Give me a break. Don't tell me that the reason people do not run for office and young people aren't interested in public life is because they are now finding out they are only going to make $133,000 a year. I think that is ridiculous.

I think the reason many people don't run for office is twofold: First, it costs so much money. It is obscene, and a lot of people do not have the stomach for it. They don't want to do it. And I don't blame them. I think they wonder how we have the stomach for it. I think they think that maybe we are a little off. Or second, and just as important—and I could sure draw from some examples, but I will not because I might be violating Senate etiquette if I do—is why in the world when we have this search-and-destroy, slash-and-burn politics, where people do anything to win—that anybody wonders why people do not want to run for office? Does anybody here, Democrat or Republican alike, really believe that the reason younger people, and not such young people, do not run for office is because they can only make $133,000 a year? Don't you think it might have something to do with our failure to clean up this mess, to come together and pass some kind of good campaign finance reform bill? And don't you think it has a lot to do, Republicans and Democrats alike, with the way in which we have let all of these handlers move in and run our campaigns, putting attack ads on television which try to destroy candidates? Don't you think this is what makes most people in the country just a little bit skeptical about whether or not they would want to run for office and serve? I would just suggest to my colleagues that this situation is far more the issue than a cost-of-living increase.

Finally, I will just go back to the first point I made today. I was just responding to what was said by my friend from Alaska—and to the concern about demagoguery on this issue. I admire people who come out here and say, ''I disagree.'' I am quite often on the side of something that is not popular. But I do believe that the arguments so far that have been given in opposition to this amendment don't make any sense. They really do not make any sense.

I believe that it is important that people be able to make a decent income. We should vote, at the right time, for a cost-of-living increase, and not try to do this through the back door. People believe this is the right way to do an increase. But I don't see how we can do it in the context of the decisions that we have made and the sacrifice that we have called for from the people in this country that have been most affected by the decisions. I don't see how, if we are going to make the argument that people feel an economic squeeze at $133,000 a year, while most of the cuts we make in discretionary programs hurt low- and moderate-income families and their children in the name of sacrifice and in the name of deficit reduction, that this is the right time for us to go forward with a cost-of-living increase.

That is the purpose of what I called the Wellstone-Brownback amendment, or whatever we wish to call it—it's name doesn't matter.

Obviously, this amendment is going to be accepted. Is my understanding correct that this amendment is going to be accepted?

Mr. CAMPBELL. Yes.

Mr. WELLSTONE. I will just say before I yield the floor that I thought it would be done in a short period of time. Are other colleagues going to come out and speak—I understand they are. Is that correct?

Mr. CAMPBELL. Senator BYRD has said he wishes to speak on it. He is in a meeting now, however.

Mr. WELLSTONE. Mr. President, I will yield the floor for now. If other colleagues are going to speak, I will want to come back—I think they may want to take part in this discussion—only because I want to be clear why I am doing this and why I think it is the right thing for Congress. Other people may have very different arguments to make, and if anyone else is going to use the word ''demagogue'' then I am certainly going to come back out here to debate on this amendment.

With that, Mr. President, I yield the floor.

Mr. CAMPBELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. CAMPBELL. Mr. President, I thank my colleague, Senator WELLSTONE, for his comments.

Just to clarify where we are, the Brownback-Wellstone-Campbell amendment has been accepted by a voice vote.

I ask unanimous consent, if there are no further comments right now, that the pending amendment be set aside to offer two technical amendments.

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

AMENDMENT NO. 923

(Purpose: To move a section to a new location in the bill)

Mr. CAMPBELL. 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 Colorado [Mr. CAMPBELL] proposes an amendment numbered 923.

On page 71, lines 13 to 18, move Sec. 514 to page 93 and insert after the period on line 3.

Mr. CAMPBELL. Mr. President, this amendment has been cleared by the minority.

I ask for its immediate adoption.

The PRESIDING OFFICER. Is there further debate on the amendment?

If not, the question is on agreeing to the amendment of the Senator from Colorado.

The amendment (No. 923) was agreed to.

Mr. CAMPBELL. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 924

Mr. CAMPBELL. 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 Colorado [Mr. CAMPBELL] proposes an amendment numbered 924.

Page 49, strike all on lines 11–13, and on line 14, strike the words ''the private sector for'' and insert in lieu thereof the words ''the General Accounting Office shall conduct''.

Mr. CAMPBELL. Mr. President, this amendment has also been cleared by the minority, and I ask for its immediate acceptance.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment of the Senator from Colorado.

The amendment (No. 924) was agreed to.

Mr. CAMPBELL. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

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

The motion to lay on the table was agreed to.

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

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

The Senator from Vermont is recognized.

Mr. JEFFORDS. Mr. President, I ask unanimous consent I be allowed to speak as if in morning business for a period not to exceed 5 minutes.

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

FLOODING IN VERMONT

Mr. JEFFORDS. Mr. President, 3 days ago, the heavens opened over northern Vermont. Torrential rains sent floodwaters ripping through communities and over farmland, tearing bridges from their foundations, shredding roads and stranding hundreds of people. The floods that swept through sections of northern Vermont were the worst in over 70 years. Up to 6 inches of rain fell overnight. Flash floods turned quiet rivers and streams into raging waterways in the early morning darkness, disrupting the peaceful existence of thousands of Vermonters.

Yesterday, I spoke with several town officials and residents who were hit the hardest. They gave me firsthand accounts of the damage to their communities. In some towns, bridges were swept away, roads were washed out, pavements were ripped up, cars and trucks were overturned, perhaps were destroyed, trees were uprooted, homes were lifted from their foundations and filled with water.

Monday night's torrential rains were followed by a day of heroism—neighbors, rescue workers, families and friends came together in Vermont's close communities. In Eden, 300 Cub Scouts were evacuated after the bridge into their camp was washed away. In Cambridge, rescue workers saved a 14-year-old girl and her dog who were stranded on a washed out roadway. In Montgomery, 11 people were pulled from a mobile home roof and carried to safety in a bucket loader moments before the trailer was swept away. Volunteers made 1,000 sandwiches for rescue workers, and neighbors opened their homes to those who were driven from their own.

There are many courageous stories and events that took place during the crisis, and knowing Vermonters like I do, I know there were many more heroic stories long after the rivers had receded and the officials had left town.

Mr. President, I am proud of and commend the Vermonters who united during this time of disaster to save lives and communities. The damage has been substantial and much work still needs to be done. I stand ready in every way to assist, if possible, the people of Vermont to help rebuild their communities and lives. I know our Governor has surveyed the situation and he has made recommendations to the President for Federal help. I know the congressional delegation from Vermont is doing all it can to make sure the lives that have been disrupted are put back as close to normal as possible as soon as possible.

Mr. President, I thank you for this time. I yield the floor and make a point of order that a quorum is not present.

The PRESIDING OFFICER (Mr. HUTCHINSON]. The clerk will call the roll.

The bill 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.

TREASURY AND GENERAL GOVERNMENT APPROPRIATIONS ACT, 1998

The Senate continued with the consideration of the bill.

Mr. MCCAIN. Mr. President, I recognize and appreciate the hard work of the Appropriations Committee staff in putting together this detailed legislation. Members' attention to detail is easily apparent in the thoroughness with which they have presented the committee's recommendations.

There are many good provisions in this bill, particularly the language which would continue the limitations on courthouse construction that are designed to ensure lower costs and standard designs. However, there are many aspects of this bill which cause me serious concern.

First, this bill increases the funding for these agencies by $1.1 billion over last year's level. Frankly, I believe it is ill-advised for the Senate to increase spending for these Federal agencies at a time when we are struggling to reach agreement on tax relief and spending bills and balancing the budget.

I am sorry to say that this bill and report contain numerous earmarks of new funds for particular States, as well as language designed to ensure the continued flow of Federal funds into certain States.

Let me just mention a few of those projects.

The earmark of an additional $3 million for Rocky Mountain High Intensity Drug Trafficking Assessment Center.

The earmark of $2.5 million for Globe Trade and Research Program at the Montana World Trade Center, which is described in the report as a one-time appropriation to support the center's research and information dissemination activities on ''issues designed to explore, define, and measure contributions to economic globalization.''

Mr. President, let me run that by you again. That is $2.5 million—2.5 million taxpayer dollars—to support the Montana World Trade Center's research and information dissemination activities on issues designed to explore, define, and measure contributions to economic globalization.

A prohibition on IRS field support reorganization in Aberdeen, SD, until the IRS toll-free help line reaches an 80 percent service level.

A prohibition on reducing the number of IRS criminal investigators in Wisconsin below the 1996 level.

A requirement to establish the port of Kodiak, AK, as a port of entry and requiring U.S. Customs Service personnel in Anchorage to serve the Kodiak port of entry.

The earmark of $4 million for repairs and restoration of the Truman Library in Independence, MO, and $3 million earmarked for repairs to the Lyndon Baines Johnson Presidential Library in Austin, TX, and, very disturbing, various protectionist Buy-America provisions, which are in sections 509, 510 and 511.

In the report language, Mr. President, there is $750,000 earmarked for additional part-time and temporary positions in the Honolulu, HI, Customs District.

There is language stating that the committee expects Customs to work with other agencies to successfully implement a dedicated commuter lane at the Stanton Street Bridge in El Paso, TX.

There is language directing the Office of National Drug Control Policy to conduct pilot programs in Colorado and Wisconsin—Colorado and Wisconsin—to control methamphetamine trafficking.

I note with interest that that directs the National Drug Control Policy to conduct those programs in Colorado and Wisconsin. It might be of some interest that it is a huge problem in the State of Arizona, larger than it is certainly in Wisconsin and I believe larger than Colorado. That is the view of the experts.

There is language recommending that the National Archives consider providing $50,000 to their Alaska Region to prepare an interpretive exhibition on their Alaska Gold Rush collections for the 1998 centennial celebration and a similar recommendation that the National Historical Publications and Records Commission consider a grant of $100,000 for the Alaska Gold Rush Centennial projects.

Mr. President, I ask unanimous consent that the entire list of earmarks and protective language be printed in the RECORD.

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

OBJECTIONABLE PROVISIONS IN S. 1023 FISCAL YEAR 1998 TREASURY/POSTAL APPROPRIATIONS BILL

Overall funding is $1.1 billion higher than last year's levels.

BILL LANGUAGE

Earmark of additional $3 million for Rocky Mountain High Intensity Drug Trafficking Assessment Center.

Earmark of $2.5 million for Globe Trade and Research Program at the Montana World Trade Center, which is described in the report as a one-time appropriation to support the center's research and information dissemination activities on ''issues designed to explore, define, and measure contributions to economic globalization.''

Prohibition on IRS field support reorganization in Aberdeen, South Dakota, until the IRS toll-free help line reaches an 80 percent service level.

Prohibition on reducing the number of IRS criminal investigators in Wisconsin below the 1996 level.

Requirement to establish the port of Kodiak, Alaska, as a port of entry and requiring U.S. Customs Service personnel in Anchorage to serve the Kodiak port of entry.

Earmark of $4 million for repairs and restoration of Truman Library in Independence, Missouri, and $3 million earmarked for repairs to Lyndon Baines Johnson Presidential Library in Austin, Texas.

Various protectionist ''Buy America'' provisions (Sections 509, 510, and 511).

REPORT LANGUAGE

Earmark of $4 million to allow Bureau of Alcohol, Tobacco, and Firearms to comply with requests from states and local law enforcement entities for technology under the CEASEFIRE/IBIS program; states specifically singled out for assistance are: West Virginia, North Carolina, Kentucky, Pennsylvania, Mississippi, Nevada, Georgia, Alabama, and Illinois.

Language urging BATF to maintain staffing levels in rural areas and small and medium-sized states, particularly Wisconsin.

Reiterates that funding in bill for Achilles Task Force Program will continue operations at existing levels in Albuquerque and Houston.

Language stating that Committee expects Customs Service to maintain current staffing and service levels at the Charleston, West Virginia Customs office.

$750,000 earmarked for additional part-time and temporary positions in the Honolulu, Hawaii Customs District.

Language stating that Committee expects Customs to assign sufficient staff to operate the Santa Teresa, New Mexico border facility.

Language stating that Customs should give high priority to funding inspection personnel at ports of entry in Florida.

Language urging Customs to review and reconsider staffing allocations in smaller states, particularly Montana and Vermont.

Language stating that Committee expects Customs to work with other agencies to successfully implement a dedicated commuter lane at the Stanton Street Bridge in El Paso, Texas.

$500,000 earmarked for a feasibility study and implementation plan to create an international freight processing center in Kansas City.

Language urging IRS to take steps to fill five vacant positions at the Newport, Vermont office.

Language stating the Committee believes IRS should maintain certain specific tax assistance positions in both Alaska and Hawaii.

Language directing the Postal Service to work to ensure plant and animal pests and diseases are not introduced into Hawaii.

Language directing Office of National Drug Control Policy to conduct pilot programs in Colorado and Wisconsin to control methamphetamine trafficking.

Language directing the General Services Administration to expeditiously move to consolidate the Food and Drug Administration offices at the White Oak Naval Surface Warfare Center in Maryland.

Language urging GSA to give priority consideration to construction of new Centers for Disease Control laboratory in Atlanta, Georgia.

Language urging GSA to work with CDC to develop a plan to replace or upgrade the Division of Vector-Borne Infectious Diseases laboratory in Fort Collins, Colorado.

Language urging GSA to give priority consideration to two Pennsylvania projects: $12.5 million in repairs at Byrne-Greene Federal complex in Philadelphia, and $3.6 million in repairs at the Pittsburgh Post Office and Courthouse.

Language directing GSA to give priority consideration to security problems at the former Bureau of Mines property in Avondale, Maryland.

Language urging GSA to give priority consideration to the request of the U.S. Olympic Committee to obtain title to the Federal Building in Colorado Springs, Colorado, if the Air Force Space Command vacates the building.

Language recommending that the National Archives consider providing $50,000 to their Alaska Region to prepare an interpretive exhibition on their Alaska Gold Rush collections for the 1998 centennial celebration; similar recommendation that the National Historical Publications and Records Commission consider a grant of $100,000 for Alaska Gold Rush Centennial projects.

Language stating that Committee expects Office of Personnel Management to continue to use the expertise of the University of Hawaii to support a $300,000 program to ensure that federal employees and their families have ready access to health promotion and disease prevention activities.

Mr. MCCAIN. Mr. President, in just a few bills we have now managed to put in 5 billion dollars worth of earmarks and add-ons to the five appropriations bills that have come before the Senate. We have eight more appropriations still to be considered.

The $5 billion is quite a bit of money, even here in Washington. And I urge my colleagues to recognize that the American people do not approve of these practices. Every time I ask any of them about it, they resoundingly reject these practices.

I hope we can stop them. I do not know if we will or not, but I really am concerned about the continued practice of earmarking funds without any meritorious screening, without any requirements or any authorization process in many cases.

Mr. President, I yield the floor.

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. CAMPBELL. I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. SESSIONS). Without objection, it is so ordered.

AMENDMENT NO. 926

Mr. CAMPBELL. I send an amendment to the desk on behalf of Senator MIKULSKI and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Colorado [Mr. CAMPBELL], for Ms. MIKULSKI, proposes an amendment numbered 926:

On page 71, line 16, strike ''or night differential''.

On page 71, line 18, strike ''or differential''.

Mr. CAMPBELL. Mr. President, this amendment has been cleared by the majority. I urge its adoption.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 926) was agreed to.

Mr. CAMPBELL. I move to reconsider the vote.

Mr. KOHL. I move to lay it on the table.

The motion to lay on the table was agreed to.

Mr. CAMPBELL. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call.

Mr. CAMPBELL. 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. CAMPBELL. Mr. President, I say to my colleagues time is running on. We have been here over 3 hours. We have about three or four amendments filed. Senators have not come to the floor to offer them. On behalf of Senator KOHL and myself, I urge Members to come down to the floor with their amendments so we can finish this bill. If we do not want to be here in the middle of the night working on this, we ought to move ahead.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call.

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

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

Mrs. FEINSTEIN. Mr. President, I ask unanimous consent that the pending amendment be set aside.

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

AMENDMENT NO. 927

(Purpose: To allow postal patrons to contribute to funding for breast cancer research through the voluntary purchase of certain specially issued United States Postage stamps)

Mrs. FEINSTEIN. 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 California [Mrs. FEINSTEIN], for herself, Mr. CONRAD, Mr. HARKIN, Mr. INOUYE, Mr. FAIRCLOTH, Mr. FEINGOLD, Mr. JOHNSON, Mr. KERRY, Mr. MACK, Mr. REID, Mr. THURMOND, and Mr. TORRICELLI, proposes an amendment numbered 927.

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

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

The amendment is as follows:

At the appropriate place, insert the following:

SEC. . (a) SPECIAL POSTAGE STAMPS.—In order to afford the public a convenient way to contribute to funding for breast-cancer research, the United States Postal Service shall establish a special rate of postage for first-class mail under this section.

(b) HIGHER RATE.—The rate of postage established under this section—

(1) shall be 1 cent higher than the rate that would otherwise apply;

(2) may be established without regard to any procedures under chapter 36 of title 39, United States Code, and notwithstanding any other provision of law; and

(3) shall be offered as an alternative to the rate that would otherwise apply.

The use of the rate of postage established under this section shall be voluntary on the part of postal patrons.

(c) USE OF FUNDS.—

(1) IN GENERAL.—

(A) PAYMENTS.—The amounts attributable to the 1-cent differential established under this section shall be paid by the United States Postal Service to the Department of Health and Human Services.

(B) USE.—Amounts paid under subparagraph (A) shall be used for breast-cancer research and related activities to carry out the purposes of this section.

(C) FREQUENCY OF PAYMENTS.—Payments under subparagraph (A) shall be paid to the Department of Health and Human Services no less than twice in each calendar year.

(2) AMOUNTS ATTRIBUTABLE TO THE 1-CENT DIFFERENTIAL.—For purposes of this subsection, the term ''amounts attributable to the 1-cent differential established under this section'' means, as determined by the United States Postal Service under regulations that it shall prescribe—

(A) the total amount of revenues received by the United States Postal Service that it would not have received but for the enactment of this section, reduced by

(B) an amount sufficient to cover reasonable administrative and other costs of the United States Postal Service attributable to carrying out this section.

(d) SPECIAL POSTAGE STAMPS.—The United States Postal Service may provide for the design and sale of special postage stamps to carry out this section.

(e) SENSE OF CONGRESS.—It is the sense of the Congress that—

(1) nothing in this section should directly or indirectly cause a net decrease in total funds received by the Department of Health and Human Services or any other agency or instrumentality of the Government (or any component or other aspect thereof) below the level that would otherwise have been anticipated absent this section; and

(2) nothing in this section should affect regular first-class rates or any other regular rate of postage.

(f) ANNUAL REPORTS.—The Postmaster General shall include in each annual report rendered under section 2402 of title 39, United States Code, information concerning the operation of this section.

Mrs. FEINSTEIN. Mr. President, I am prepared to yield to the Senator from Colorado for a unanimous-consent request, and I would appreciate regaining the floor.

Mr. CAMPBELL. Mr. President, I ask unanimous consent that there be 1 hour of debate regarding the Feinstein amendment regarding breast cancer stamps, equally divided in the usual fashion, without any second-degree amendments.

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

The Senator from California is recognized.

Mrs. FEINSTEIN. Mr. President, I thank the Senator from Colorado. I'm delighted to see the Senator from New York on the floor. I am hopeful that Senator FAIRCLOTH will join us here, since the Senator moved this as an amendment to the appropriations bill in committee. I very much appreciate that and have enjoyed working with him on this matter.

Mr. President, I want to talk for a moment about breast cancer. I think every Member of this body was aware that we unanimously passed a sense-of-the-Senate not too long ago urging that more money be devoted to research for cancer. Also, in the women's community, and, really, I think still the majority population of this country, there is rising and enormous concern about breast cancer.

The amendment I am making today on behalf of myself and a number of others. I want to mention that just before the recess, in this very Chamber, 51 Senators said they would cosponsor the breast cancer research stamp bill (S. 726) which creates a breast cancer research stamp with 1 cent above the rate of first-class postage. Members thought it was a good idea. Well, I need to move this because I very much fear it will not happen if I don't take the opportunity that we have today to bring this matter forward.

Let me begin by saying that this is a wellspring from the breast cancer community. This measure is supported by the American Cancer Society, the American Medical Association, the American Hospital Association, Association of Operating Room Nurses, California Health Collaborative, the YWCA, and I could go on and on.

Representative FAZIO in the House has introduced the same legislation with 100 cosponsors in January of this year. It is my understanding that Representative MOLINARI talked to the Speaker and is putting it on a calendar which will move it rapidly in the House.

The idea for this legislation came from a physician in Sacramento, CA, an oncologist; and Representative FAZIO brought it to the attention of the House as the original sponsor. This oncologist has treated some 1,000 women for breast cancer. And he, like physicians all over this country in the health community, has seen a really startling rise in breast cancer. In the 1950's, 1 in 20 women developed breast cancer. Today, the incidence is one in eight, and growing. It kills 46,000 women a year. Every 12 minutes an American woman dies of breast cancer. It is the leading cause of cancer death for women between the ages of 35 and 52, and it is the second leading cause of death in all women.

So, today, 1.8 million women in America are diagnosed with breast cancer, and 1 million women, in addition to that, don't know they have breast cancer. This year, 184,300 new breast cancer cases will be diagnosed, and 17,100 of those in California.

One of the interesting things is that the breast cancer rates differ throughout the United States. The San Francisco Bay Area has one of the highest breast cancer rates in the world. Rates in the Northeastern United States are substantially higher than in the South. Some believe in the medical community that environmental factors may contribute as much as 90 percent to breast cancer. The rates vary among countries. Women in Japan have about five times less breast cancer than women in the United States. And when people migrate they tend to acquire the cancer rates closer to those of the newly adopted countries within a generation. So within a generation, we find that reduced tendency for cancer increases.

We have invested as a country, about $2 million in breast cancer research. The funding has quadrupled since 1990. There is still no cure. The national commitment to cancer research has been stagnant since 1980. Today, NIH can fund only 23 percent of their applications. The NIH budget is less than 1 percent of the Federal budget. And I believe the latest polls show that 80 percent of the people of this country believe that cancer research and medical research is an appropriate cause of action for the Federal Government.

The National Cancer Institute in 1996 could fund 26 percent of their applications. That is a drop from 32 percent in 1992.

So the idea came from Sacramento, from the oncologist who treated 1,000 women with breast cancer. What if we had a unique trial project, an optional stamp of 1 cent above whatever the first class rate was, where breast cancer groups and women all across this Nation who care have the option to buy that stamp, and 1 cent would go for breast cancer research? The administration costs incurred by the post office would be absorbed by that additional 1 cent.

I have had an occasion to discuss this with the Postmaster General. He is not in favor of it. He is not in favor of it because it has not been done before. And it has not been done because there are those that say, ''If we do it for this, why don't we do it for that? If we do it for women, we should to it for men.''

Well, we are in an era of diminishing resources. We all know that. Everybody has looked at cuts. This is not a cut. This is a unique thing. It is a trial project. If it works, we learn something from it. If it doesn't work, no money is lost from the Federal Treasury, or from the post office.

One of the things I believe every Member of this body has seen, whether it is in ''The Race for the Cure'' or the women that come into our offices, is a very unusual resilience in the breast cancer survivor community. They are climbing mountains, they are showing they can survive. They have banded together in support groups. It is a wonderfully unusual thing. They would like this to be done. They are in these Halls lobbying for it. They are in my office. I know they are in Senator FAIRCLOTH's office, and they have been in other offices saying, ''Give us a chance. We will use this as fundraisers. We will go out and buy first-class stamps for a cent above the rate. We will sell them to our members. We will get our members to do this.''

I think it is a worthy trial. It is a worthy project. Whether it works, I don't know. They tell me that if 10 percent of the first-class stamps were bought through this option it would produce $60 million. I don't know whether it will or not. I know that there is an enthused, energized community out there. You may see them wearing one design for a breast cancer stamp on their lapels, walking around the Capitol. I know that they care and care very deeply.

When I first introduced the bill earlier this year, I had some sponsors on the bill. They came to me, and said, ''You know, you haven't been working very hard. You only have 6 or 7 cosponsors.'' So because we were on the floor for 3 hours before the Fourth of July break, I went around to each member, and 51 Senators said, ''Yes.'' They would vote for it. ''Put my name down.'' And I did. They are on this piece of paper in front of me.

This is an opportunity to cast that vote. This is an opportunity to try something new.

People will come before us and say, ''Oh, my goodness. If we do this for breast cancer, we should do it for prostate cancer.'' Well, maybe we should. I don't know. But the proposal out there is this one, and it is all throughout the United States now.

People will say, ''Oh. Why don't we do it for AIDS?'' Well, the breast cancer community has made this proposal. They are united about it. They want to try it.

I have agreed to sponsor it in the Senate. Senator FAIRCLOTH has agreed to be a cosponsor, along with Senator D'AMATO, Senator KENT CONRAD, Senator TOM HARKIN, Senator FEINGOLD, Senator JOHNSON, Senator KERRY, Senator MACK, Senator REID, Senator THURMOND, and Senator TORRICELLI. I can't put all of the 51 names on this because I didn't specifically say it would be an amendment. I said, a bill.

So I am told I should call everybody again. But I believe there is the opportunity. I think the case has been made, if you see what happens to women afflicted with breast cancer. And you see this amazing surviver community and what they are willing to do. In a way, this stamp is a tribute to that kind of resolute spirit that can conquer what for many has been a mortal disease.

So I am hopeful, Mr. President, despite those who I know on the Appropriations Committee that do not want to see this happen. They don't want to do it on this bill. But if it doesn't happen here, perhaps it won't, and we will send out a message to the breast cancer survival community that we will not try anything new.

If you have a disease, you will try anything to get rid of it. I think this body should try one new thing, and let's see if it works, and let's see if we can produce 60, 70, 80, or 90 million new dollars for breast cancer research.

I thank the Chair. I yield the floor.

Mr. CAMPBELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. CAMPBELL. Mr. President, before the Senator leaves for her next appointment, I would like to make a couple of comments and ask her some questions.

First of all, as I am sure she knows, I have always been a big supporter of increased money going into breast cancer research, as she has. And I commend her for the leadership she has taken on this issue. In fact, many of our colleagues have not only supported additional research money but have participated on our own time on Saturdays and Sundays in raising private funds for breast cancer research. The most common that we are aware of is the Susan Komen Foundation and The Run for the Cure, which is done all over the United States.

Just a few weeks ago here in Washington, DC, we had something like 45,000 or 50,000 people that contributed money to run through the streets of Washington to help raise money for that very, very badly needed program.

But I am a little concerned. She mentioned a few of the concerns already. But I am told that the chairman of the authorizing subcommittee, Senator COCHRAN, has some concerns about this proposal, as does Senator STEVENS who will be here in about 25 minutes to make some comments on it, too.

First, one of my concerns is certainly the administrative costs to the Postal Service. I think they would be significant, as I understand it.

I would like to ask the Senator. Is there a provision that allows them to recoup their costs? Or does the whole profit of this additional cost of stamps just go to the program, and do they have to absorb the administrative costs for doing it?

Mrs. FEINSTEIN. Yes. The administrative costs are absorbed under the one additional cent.

Mr. CAMPBELL. A portion of 1 cent will go back to recover the cost.

Mrs. FEINSTEIN. The cost of collecting the money is absorbed in that 1 cent. Yes.

Mr. CAMPBELL. Mr. President, I might also just comment that, as I understand it, if this 1-cent increase had been for the single best-selling stamp of all time—which was the Elvis Presley stamp that went on sale a couple of years ago, that stamp sold $500 million individual stamps—but if this 1-cent additional had been on that stamp, it would have raised only $5 million. Certainly that is an important amount but not as much as we need. As I also understand, only about 1.6 million breast cancer stamps have been sold so far.

So the amount, I would tell my friend from California, that she would hope to realize from what I have heard and seen is probably going to be quite a bit less than she would hope to get into this account.

The Senator already mentioned that there are some concerns by some of the Members that there are many, many programs that are equally important—muscular dystrophy, prostate cancer is important, Alzheimer's disease, heart disease—many things that we need to address some more. And I think, as some of my colleagues think, that we may be opening an avenue for all kinds of new groups to ask for the same kind of consideration.

If that happens, then I think, No. 1, we are going to confuse the public and

we will probably dilute the amount of money needed for any one of them.

But I am not opposed to this amendment. I just wanted to make sure that my colleague understands that I am very supportive of her efforts. But I do have these concerns.

I thank her, and I thank the Chair.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. CAMPBELL. Mr. President, there is one Member seeking time. If the Senator from California is finished, I will suggest the absence of a quorum until Senator STEVENS gets here.

Mrs. FEINSTEIN. I thank the Senator. Yes. At this time, if I may be afforded a reaction and comment.

The PRESIDING OFFICER. The Senator from California.

Mrs. FEINSTEIN. I thank the Chair.

As we know, with anything done the first time you never really quite know what it is going to do. I have had estimates. The group supporting this has done some research. I know what they have told me. I cannot make any guarantee to this body that it will produce a lot of money. I do know that it is worth a try, in my opinion. It is important to people. There is a movement behind it.

The breast cancer stamp now exists as of now and it has no fundraising connected to it. It is simply a first-class stamp. This has the ability, for people that want to do so, to buy for the reason of raising an additional cent. I think every one of us know people immediately close to us that are suffering from breast cancer. I happen to believe the women of America are going to respond to this. I think young women are going to respond to it. I think you are going to see interesting ways that people are going to sell first-class stamps. I think that is good for the post office. It is good for the mail, and hopefully it will be good for breast cancer.

I know I didn't buy an Elvis Presley stamp. What was the other stamp? I didn't buy the other breast cancer stamp. I will buy these. I think there are many others like me. I don't know how many. But I think it is worth a try.

I thank the Senator for his comments.

I yield the floor.

Mr. COCHRAN. Mr. President, as Chairman of the Governmental Affairs Subcommittee on International Security, Proliferation, and Federal Services, which has jurisdiction over postal matters, I must point out that the Feinstein amendment would require the U.S. Postal Service to issue a special postage stamp.

Such a special stamp—generally referred to as a semipostal—would sell for 1 cent above the basic first-class letter rate, with most of the differential going to fund breast cancer research. Though this is a well-intentioned amendment, and breast cancer research is a highly worthwhile cause, the idea of using the Postal Service as a fund-raising tool is not a good one. The list of diseases that should be given added research funds is endless. Requiring the Postal Service to issue a semipostal stamp for breast cancer would place the Postal Service and Congress in the very difficult position of determining which worthy organizations or research programs should receive fundraising assistance from the Postal authorities and which should not.

The concept of semipostals has been around for years. Some nations issue them, but most do not. The European experience with this kind of stamp has shown that they are rarely as beneficial to the designated organization as expected. Consider the example of Canada. In 1975, the Canadian Postal Corporation issued a series of semipostal stamps to provide supplementary revenue for the Canadian Olympic Committee. It was reported that while the program received exceptionally good promotional and advertising support, it fell short of its intended revenue objective. Demand for the semipostals throughout Canada was reportedly insubstantial. The program—viewed as a failure—concluded in 1976. More recently, the Canada Post issued a semipostal to support literacy. With a surcharge of 5 cents per stamp, it raised only $252,000. After raising only a modest amount of money, combined with a tremendous administrative expense, Canada Post says they will not issue another semipostal.

There is a strong U.S. tradition of private fund-raising for charities. Such a stamp would effectively use the United States Postal Service as a fundraiser, a role it never has had. The Postal Service's job—and expertise—is mail delivery. Congress should be mindful that the postage stamp pays strictly for postal operations. It is not a fee for anything but delivering the mail and paying the cost of running the service. In fact, section 3622 of the Postal Reorganization Act of 1970 precludes charging rates in excess of those required to offset the Postal Service's costs of providing a particular service. In other words, the Postal Service does not have the authority to put a surcharge on a postage rate that is cost and overhead driven. There is simply no legitimate connection between the desire to raise money for a cause, and maintenance of the postal service's mission of providing universal service at a universal rate.

This is an effort to bypass the legislative process with an amendment on an appropriation bill and even though the Feinstein amendment's goals are laudatory, it should be rejected.

Mr. CAMPBELL. I suggest the absence of a quorum, Mr. President.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CAMPBELL. 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. CAMPBELL. I would also ask unanimous consent that the remaining time be equally charged to both the proponents and the opponents of the Feinstein amendment.

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

Mr. CAMPBELL. With that, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Ms. MOSELEY-BRAUN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Ms. MOSELEY-BRAUN. Mr. President, I ask unanimous consent to be allowed to speak as if in morning business for a period of 10 minutes.

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

RACE RELATIONS IN AMERICA

Ms. MOSELEY-BRAUN. Mr. President, on Monday, the President's Advisory Commission on Race met for the first time. Amid the wide-ranging discussion on a variety of issues relating specifically to race, Chairman John Hope Franklin, the renowned doctor of history, discussed the centrality of education and in particular the physical condition of our schools and the centrality of that issue to the future of race relations in our country.

Dr. Franklin noted that in his home of North Carolina, there are schools that are closed part of the time because it is too hot, and there are schools that are closed part of the time because it is too cold, and there are some that are closed part of the time because, when it rains, it rains inside the school as well as outside the school.

Dr. Franklin went on to note that the problem of crumbling schools is not particular to race but rather it is a problem that transcends race. It is a problem that is essential, however, to any discussion of race because it speaks to the character of our Nation as a whole. I want to quote him because I think it is important. ''It is a remarkable testimony,'' Dr. Franklin noted, ''to the profligacy of this country, that it will not provide decent educational facilities and opportunities for all of our children.''

I believe Dr. Franklin is absolutely correct. According to the U.S. General Accounting Office, every day some 14 million children attend schools that are in such poor physical condition that they need major repairs or should be replaced outright. Some 12 million children attend schools with leaky roofs; 42 percent of schools with more than 51 percent minority enrollment have at least one inadequate building, and 29 percent of schools with less than 6 percent minority enrollment—less

than 6 percent—have at least one inadequate building.

In urban, rural, and suburban areas alike, schools are crumbling down around our children. According to the U.S. General Accounting Office, it will cost at least $112 billion just to bring them up to code. That price tag does not include the cost of upgrading schools so they can incorporate modern technologies in the classroom. The FCC, the Federal Communications Commission, recently finalized an initiative that will give the schools and libraries deep discounts on telecommunications services, which should provide millions of children access to modern technology that they would not have otherwise enjoyed. Too many of our children, however, will be unable to take advantage of this opportunity because their schools lack even the basic infrastructure necessary to allow a teacher to plug a computer into the classroom wall. Nearly half of the schools lack the basic electrical wiring needed to fully integrate computers in the classrooms.

So the crumbling schools problem has ramifications even beyond leaky roofs. It cuts off the ability of our youngsters to take advantage of technologies that will help them grapple with the educational challenges that they face in their time.

Schools are overcrowded, also. I have seen schools where the study halls are literally in the hallways, where computer labs are on the stairwell landings, and where they have erected cardboard partitions at the end of corridors in order to create makeshift classrooms.

These dilapidated, overcrowded schools do not provide our children with the kinds of opportunities they will need to compete in the 21st century global economy. Nor do these aging and crumbling schools provide our children with the educational opportunities all of our children will need if we ever expect to move beyond the problems of race relations which have existed, like a sore on our Nation, since its earliest days.

While Dr. Franklin was meeting with the President's Advisory Board on Race Relations, many of my colleagues over here were meeting to work out the final details of the tax bill. President Clinton's tax proposal includes an innovative proposal to address the conditions of crumbling schools. I hope my colleagues on the conference committee will see fit to adopt his proposal.

The President has called for the distribution of allocable tax credits to the States, which would then offer those tax credits to developers and builders in exchange for their performing below-market-rate school construction or improvement projects. States and school districts need our help to address the problem of crumbling schools. We have to rebuild these schools for the 21st century to give our young people the educational opportunities that they need and they deserve. Doing so will help prepare our children for the 21st century economy and will help build a climate of tolerance among the people of our country.

I would like to take a moment to read a letter to my colleagues that I recently received from a superintendent of a rural school district in southern Illinois. I remind my colleagues, Illinois—we used to have an expression, ''Just outside Chicago there is a place called Illinois.'' My State is largely rural once you leave the region around Chicago. I would like to read his letter, the whole letter, because I think it is important. Superintendent Lawrence Naeger wrote to me. He said:

I am the Superintendent of Century Community Unit Number 100 School District near Ullin, Illinois in the county of Pulaski. I am writing to you in the name of the many citizens of my school district that support your efforts to put dollars back in the federal budget for school construction.

From the earliest days of our school district, the school house has been a focal point of great community pride—a brick and mortar representation of the commitment which citizens of this school district have made to their children's education. Sadly, economic changes over the years have made our community's commitment more difficult. The alarming number of construction concerns that now exist point to a crisis waiting to happen.

As time goes by, it becomes evident that small repairs and quality maintenance is not enough. Thankfully, there have been no major health or safety disasters directly related to the structures. However, it is apparent that the leaking roofs, rusted plumbing, overworked heating systems, and crumbling plaster are fast approaching a crisis point. Less visible, but also of great concern, are infrastructure problems related to overcrowding and/or the inadequacy of school facilities for education as we move toward the 21st Century. Classes held daily on a stage in a gymnasium in the elementary school, and electrical systems which are inadequate for today's learning technologies, stand in the way of quality education for our children.

The Century Board of Education, trying to address these concerns, have been caught between competing demands for local dollars and increasingly restrictive laws regarding access to revenue. As anti-tax sentiment has grown, so too has the recognition that the state and federal governments must become partners in resolving school infrastructure concerns.

The Century School district is clearly at a critical juncture with respect to the infrastructure of its schools. Decisions are being made on how school infrastructure needs can be adequately met, with a very limited budget. Money spent on infrastructure generally comes from local taxes. While the Century Board of Education is authorized to levy taxes to support its building needs, there are restrictions which severely limit the ability of the board to respond to the emerging infrastructure problems.

It is important to note, in the not-too-distant future, infrastructure problems which currently exist will likely be compounded as our schools built in the 1950's and 1960's begin to wear out. Though age does not necessarily make a building dangerous or obsolete, construction at that time was typically rapid and cheap . . .

Beyond the most urgent health and safety issues, there is increasing concern about the need for . . . infrastructure that can support educational reform and desired innovations, infrastructure conditions that can accommodate the integration of technology, infrastructure that can be accessed by all students regardless of disability, schools that can be used primarily for education but for other community purposes as well, and schools that can serve as safe havens protected from society's violence.

In summary, the Century Board of Education is standing tall, providing the best opportunities for the children of the district to attend school in an environment that is physically safe and conducive to learning. We are being held accountable and are willing to take responsibility to address the deterioration of our school buildings. As well as the growing need for new construction. However, we need your help to fight on for federal dollars to continue the process.

Please fight for our district, our community, our children, the hopes and dreams of all. Please continue to fight for all the children who attend inequitable and inadequate infrastructures, exacerbated by government red tape and broken promises.

Sincerely,

LAWRENCE NAEGER,
Superintendent.

Mr. President, I just want to point out as my time runs out here, the time really has come for all of us in government at all levels, at the local, State, and the Federal Government, to cooperate, to stop pointing fingers at each other, stop pointing fingers at the local school officials or the State education officials or the township supervisors and, instead, form a partnership among all levels of government to address this critical problem.

I urge my colleagues to take a look at the conditions of schools in their own States and to consider the implications of crumbling schools for our children, for our country, for our future, and for the character of our Nation. That was the point that Dr. Franklin made on Monday. That is the point that I wanted to bring to the Senate's attention this afternoon.

I am hopeful that, as we go through the rest of this legislative session, we can come up with innovative approaches to help States and local communities and local governments, such as represented by the letter I read, respond to their concern and need and interest in providing quality educational opportunities for all of America's children.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from North Carolina.

TREASURY AND GENERAL GOVERNMENT APPROPRIATIONS ACT, 1998

The Senate continued with the consideration of the bill.

AMENDMENT NO. 927

Mr. FAIRCLOTH. Mr. President, I ask unanimous consent for 5 minutes of time in favor of Mrs. FEINSTEIN's amendment.

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

Mr. FAIRCLOTH. Mr. President, I rise in strong support of Senator FEINSTEIN's amendment. I am pleased to be an original cosponsor of this amendment.

In May of this year, Senator FEINSTEIN introduced this bill, S. 726. The bill creates a new stamp that costs 1 cent more than whatever the regular price stamp might be. The additional revenue is to be used to directly fund research efforts for breast cancer.

As I am sure we all know, breast cancer is the leading cause of death for women between the ages of 15 and 54. There are 2.6 million women today in America with breast cancer and an estimated 1 million are yet to be diagnosed. If only 10 percent of the first-class stamps use the option for an additional penny—currently it would be a 33-cent stamp, but that might change—but, if only 10 percent use the option of an additional penny above, $60 million would be raised for breast cancer annually. This would represent a 10 percent increase in the research funds available for this disease that is devastating so much of our population.

I frankly believe the idea will be popular and will generate even greater funding than we anticipate. It is used pretty much around the world, except in Britain and the United States, this method of raising money for worthwhile causes.

In my opinion, the new stamp provides a great opportunity to increase the research, and the proceeds come directly from the American people on a voluntary basis, not from tax money. Some have questioned what kind of precedent we are setting. I think the answer is that it is none. It is going to require an act of Congress and the support of the American people. If the program is successful, I suppose there will be people attempting to emulate it, but that is a decision for Congress to make at the time and on the issue involved. As I said, it is not a novel approach; it has been used around the world before this.

Further, I think the people who do not think this will be popular are absolutely wrong. This measure, I think, will be extremely popular. It will raise a lot of money. I have discussed it with numerous people, and all have told me that they felt it was a worthwhile idea and would be worthwhile. I thank Senator FEINSTEIN for introducing the amendment.

I think the Senate needs to go on record in favor of this and let the American people decide if it is going to succeed or not. If it does, we know we will have been right. If it does not succeed, we will not have set a precedent for other stamps. But first and foremost, it is an idea well worth trying, and I think we need to give it an opportunity.

I am aware that the post office has concerns. But every day I read the post office wants to expand its line of business. Every day, they are going into new business, new things, and to these I do not object. But I just noticed the other day they were selling neckties in the post office. I don't see why, with the vast new interest and new things they are going into, they could possibly have a problem with printing this new stamp. The cost of the stamp for distribution will be taken out before any money becomes available for research. This idea is merely a logical extension of selling stamps. I strongly urge Members to support it and urge you to vote for the Feinstein amendment.

I thank the Chair and I yield the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. STEVENS. Mr. President, I ask that I be yielded about 7 minutes.

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

Mr. STEVENS. Mr. President, this is not an easy task to appear in opposition to this amendment. It is not easy for me personally, because I am a survivor of prostate cancer. I come from a family where my oldest brother, my father and my grandfather and my mother all died prematurely of cancer, and I thankfully just received word today that my younger brother has now survived prostate cancer.

The question before the Senate is not cancer. The question before the Senate is how to raise money for cancer research. I have strongly urged that this amendment not come before the Senate, because we reformed the postal system and made it an independent entity. It has evolved from the old Post Office Department, where a member of the Postal Service, the Postmaster General, was a member of the President's Cabinet, to one that is run, basically, by a board of governors with a Postmaster General that is appointed by that board of governors, and we have not issued a stamp in Congress since 1978.

There is no power in the Congress to do what this amendment asks. The power under existing law was given to the Board of Governors, the Postal Service, and the Postal Rate Commission. As a matter of fact, the Postal Service does not have the authority to issue a stamp and charge more than that established by law by the Postal Rate Commission.

I refer the Senate to section 3622 of title 39 which specifically says that the cost for the stamps must be established through the postal rate procedure.

This comes at a time when all I can say is this is plainly wrong, and I have urged the sponsors to remember what they are doing. If we have this stamp—and it looked nice. I saw it beside the Senator from California on C-SPAN. But we have AIDS problems, we have prostate cancer problems, we have problems raising money for the Boy Scouts and the Girl Scouts and the community programs to raise money for all sorts of problems.

They have real trouble raising money, but, Mr. President, I started the concept of putting up defense money for cancer research for breast cancer at $25 million from the defense funds, and I have just urged the Senate to pass a bill from the subcommittee I chair, Defense Appropriations. It has in it $175 million for breast cancer research, specifically earmarked for breast cancer research.

This stamp, if it is issued, if it sold as many as the famous stamp—I think it was the Elvis stamp was the one that sold more than any stamp in history, a penny from each one of the Elvis stamps would bring in $1 million. So what we are seeing is a public relations campaign by people who want credit for being for cancer research, but it is really not an effective fundraising mechanism.

I urge them to use a process like we did for selling savings bonds, to have the Postal Service sell cancer stamps that would go into booklets. You can have one for breast cancer, one for prostate cancer, one for just the general National Institute of Cancer. But you buy the book, put them in a booklet, and when you get $25 worth, you get a $25 bond. If you do that, you would make $1 out of every $20 that came in. If this stamp becomes approved, they get 1 out of every 35 cents. In other words, $1 out of every $35, but the cost of raising this is horrendous for the Postal Service. A person who wants to buy one of these stamps will go to a window and say, ''We want 100 breast cancer stamps.''

''We don't have that. We have one that shows Jimmy Doolittle or one that shows World War II stamps, but we are out of those.'' This is not an effective way to sell stamps is what I am saying.

It is true that there are stamp collectors, and on a one-time basis, as the Elvis stamp showed, a lot of people buy them just for collection, but I have to tell you, that is a one-time thing, but it is not a one-time thing for the Postal Service. It is plainly wrong, because its job is to deliver the mail. It is paid for by the ratepayers. The taxpayers do not support the Postal Service any longer.

The Board of Governors is on record against this. The Postal Service is against it. We have seen that this has been done.

The PRESIDING OFFICER (Mr. KEMPTHORNE). The Senator has used 7 minutes.

Mr. STEVENS. I will take 2 more minutes, if I may, and then I will quiet down.

Canada issued a semipostal, that is what they call this, a semipostal stamp, to support literacy. It was a surcharge of 5 cent per stamp, and it raised $252,000 net. This is not an effective way to raise money for breast cancer. We have shown these people how to raise more money for breast cancer, how to improve breast cancer research. I want to work with them, but I tell the Senate that this is not the way to do it.

I ask unanimous consent to have printed in the RECORD a letter that I received today from the Postal Service, from the Postmaster General, where he states that the Postal Service strongly

opposes this amendment and states that it would be inappropriate for the Postal Service to raise revenue for purposes other than maintenance of the delivery system.

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

U.S. POSTAL SERVICE,
Washington, DC, July 17, 1997.

Hon. TED STEVENS,
U.S. Senate, Washington, DC.

DEAR SENATOR STEVENS: I am writing to express concern about an amendment that was offered and then withdrawn at the full Committee markup of the Treasury, Postal, and General Government appropriations bill on July 15. The amendment would require the Postal Service to issue a special postage stamp to help fund breast cancer research. This hybrid stamp, called a semipostal, would sell for one-cent above the Basic First-Class letter rate, with most of the one-cent differential going to breast cancer research.

The Postal Service strongly opposes this amendment. Our basic function today remains the same as it has been for over 200 years—universal mail service throughout the nation. We believe it would be inappropriate for the Postal Service to raise revenue for purposes other than the maintenance of a national mail delivery system.

This proposed amendment would set a precedent which would open the floodgates for all worthy social causes. In very short order, the Postal Service would find itself devoting considerable time and expense as a fund raiser. That is not our role, and we do not think it should be.

We understand this semipostal amendment will again be offered on the Senate floor today, and would appreciate your support in rejecting the idea.

Best regards,

MARVIN RUNYON,
Postmaster General, CEO.

Mr. STEVENS. Mr. President, I say the same thing, you cannot limit this process to one concept of a breast-cancer concept. It will lead to Congress getting back into the micromanagement of the Postal Service. It is plainly wrong, and it should not become law. I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. THOMAS addressed the Chair.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. THOMAS. Mr. President, I ask unanimous consent that the pending amendment be laid aside.

The PRESIDING OFFICER. Is there objection?

Mr. STEVENS. What happens to the time limits?

The PRESIDING OFFICER. The time will be suspended.

Mr. STEVENS. I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator may proceed.

AMENDMENT NO. 929

(Purpose: To limit the use of funds to provide for Federal agencies to furnish commercially available property or services to other Federal agencies)

Mr. THOMAS. Mr. President, I call up amendment No. 929 and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Wyoming [Mr. THOMAS], for himself, Mr. ENZI and Mr. BROWNBACK, proposes an amendment numbered 929.

Mr. THOMAS. 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 in the bill, insert the following new section and renumber any following sections accordingly:

SEC. . LIMITATION ON THE USE OF FUNDS TO PROVIDE FOR FEDERAL AGENCIES TO FURNISH COMMERCIALLY AVAILABLE PROPERTY OR SERVICES TO OTHER FEDERAL AGENCIES.

(a) Except as provided in subsection (b), none of the funds appropriated by this or any other Act may be used by the Office of Management and Budget, or any other agency, to publish, promulgate, or enforce any policy, regulation, or circular, or any rule or authority in any other form, that would permit any Federal agency to provide a commercially available property or service to any other department or agency of government unless the policy, regulation, circular, or other rule or authority meets the requirements prescribed under subsection (b).

(b)(1) Not later than 120 days after the date of the enactment of this Act, the Director of the Office of Management and Budget shall prescribe regulations applicable to any policy regulation, circular, or other rule or authority referred to in subsection (a).

(2) The requirements prescribed under paragraph (1) shall include the following:

(A) a requirement for a comparison between the cost of providing the property or service concerned through the agency concerned and the cost of providing such property or service through the private sector;

(B) a requirement for cost and performance benchmarks relating to the property or service provided relative to comparable services provided by other government agencies and contractors in order to permit effective oversight of the cost and provision of such property or service by the agency concerned or the Office of Management and Budget; and

(C) the regulation would not apply to contingency operations associated with national security or a national emergency.

Mr. THOMAS. Mr. President, I also ask unanimous consent that Senator ENZI and Senator BROWNBACK be added as cosponsors.

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

Mr. THOMAS. Mr. President, I bring to the floor and to this bill an amendment which was offered last year and adopted by a bipartisan vote of 59 to 39 but was trimmed out of the omnibus appropriations bill. It has to do with the question of the Federal Government competing unfairly with private firms; agencies performing commercial, rather than inherently governmental, activities for other agencies. My amendment requires Federal agencies to demonstrate that they can perform more efficiently and effectively than the private sector before providing commercially available goods and services to other agencies.

It has been the Federal Government's policy for over 40 years that it should not compete with the private sector. In fact, the Government should rely on the private sector to supply commercially available goods and services. However, this policy is too often ignored.

For example, the Defense Science Board calculates that out of 850,000 full-time positions needed to provide commercial services for the military, 640,000 are held by Federal employees instead of private sector contractors.

The Clinton administration has taken this situation one step further. Last year, OMB came out with a policy that grandfathers existing interservice support agreements from cost-comparison requirements. This change permits one Federal agency to provide goods and services to another agency regardless of cost or performance. This new policy gives Federal agencies until October 1997 to go out and recruit business from other agencies without performing a cost comparison and cost analysis. The administration implicitly argues that this entrepreneurial approach to Government will save the taxpayers money.

However, if they don't do a cost comparison, how do they know it saves money? Some examples of existing interservice support agreements are aerial photography, mapping services, laboratory services, printing services, all of which are often provided more efficiently and more cost-effectively in the private sector.

For example, in Jacksonville, FL, the Navy Public Works Division recently completed a state-of-the-art environmental lab to provide routine hazardous waste characterizations. These services are already available in the private sector, and the Navy intends to offer their services to other agencies.

In Alaska last year, the State struggled to contain a large wildfire. The CIA provided needed mapping and satellite imagery. A private company was available to do the work, but they were never asked.

These are just a few of the examples of direct Government competition with the private sector without a cost comparison.

I want to emphasize that I am not insisting that the Federal Government use the private sector. It simply needs to compare public and private sector production to ensure the American taxpayer gets the best value goods and services, the most bang for their buck.

Encouraging the Federal Government to compete with the private sector is philosophically wrong. Almost all of us stand up here day after day and talk about let's have less Government, reduce the size of Government, reduce the cost of Government, strengthen the private sector and, yet, continually allow this to go on. It is philosophically wrong. It hurts small business.

In fact, the three White House Conferences on Small Business rate this as a top concern, the ability to compete for public contracts.

Unfair Government competition with the private sector costs the taxpayers money. Numerous studies have shown that outsourcing can save the Government up to $30 billion annually. It also

circumvents the appropriations process. If an agency can do work for another agency, it is likely that its resources and employees are larger than it needs to be and needs to be cut back. On the other hand, if an agency's appropriation is cut, it recruits business. That also circumvents the appropriations' process and the idea of focusing on priorities.

Most of all, the policy is contrary to current law. This policy is merely a rule from the OMB supplemental handbook A–76. But it violates the Economy Act, which specifically states that one agency can provide goods and services to another agency only when a commercial enterprise cannot provide the goods and services as conveniently or as cheaply. In other words, you do have to do a cost comparison.

I think this is an unbelievable policy for a President that has said, ''The era of big Government is over,'' and then to turn around and implement a policy of this kind, which does not even provide for a cost comparison. This policy is another example of the administration expanding Government, not reinventing it.

I recently introduced a bill, S. 314, which is called the Freedom From Government Competition Act, which addresses Government competition with the private sector. It encourages outsourcing and utilizing private sector capability. It provides exemptions for national security, inherently governmental functions, situations where the Government can provide better value goods and services, and when private sector capability is inadequate. I want to stress that this amendment addresses functions that are commercial activities within the Government. We need to take some action now to implement the rules and the policy that has been in place for 40 years but have not been followed.

My amendment is exactly the same as that which the Senate passed last year. It merely reaffirms existing law and prohibits one agency providing commercial goods and services for another unless a comparison is done. More oversight of this problem is needed.

This amendment will create private sector jobs, help small business, save taxpayer dollars, make the Government smaller and more efficient. That is a great idea.

My bottom line is, I want the Government to cost less and be more effective. Most people here do. My amendment will ensure that. I urge my colleagues to join me in supporting this commonsense, good-Government, protaxpayer reform.

Mr. President, I ask now for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is not a sufficient second.

Mr. THOMAS. I will come back later and ask for the yeas and nays.

I yield the floor.

The PRESIDING OFFICER. Is there further debate on amendment No. 929 offered by the Senator from Wyoming?

Mr. THOMAS. Mr. President, 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 PRESIDING OFFICER. Is there further debate?

Mr. THOMAS. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

VOTE ON AMENDMENT NO. 927

Mr. CAMPBELL. Mr. President, I ask for the regular order concerning the Feinstein amendment. We yield back all remaining time and ask for the yeas and nays.

Mr. KOHL. On behalf of the minority and Senator FEINSTEIN, we yield back our remaining time also.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. All time is yielded back. The question now occurs on agreeing to amendment No. 927. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

The result was announced—yeas 83, nays 17, as follows:

[Rollcall Vote No. 186 Leg.]

YEAS—83

Abraham	Enzi	Lott
Akaka	Faircloth	Lugar
Ashcroft	Feingold	Mack
Baucus	Feinstein	McCain
Bennett	Ford	McConnell
Biden	Frist	Mikulski
Bond	Graham	Moseley-Braun
Boxer	Gramm	Moynihan
Breaux	Grams	Murkowski
Brownback	Grassley	Murray
Bryan	Gregg	Reed
Burns	Harkin	Reid
Byrd	Hatch	Robb
Campbell	Helms	Roberts
Chafee	Hutchinson	Rockefeller
Cleland	Hutchison	Roth
Coats	Jeffords	Santorum
Collins	Johnson	Sarbanes
Conrad	Kempthorne	Smith (OR)
Coverdell	Kennedy	Snowe
Craig	Kerrey	Specter
D'Amato	Kerry	Thomas
Daschle	Kohl	Thurmond
DeWine	Kyl	Torricelli
Dodd	Landrieu	Warner
Domenici	Lautenberg	Wellstone
Dorgan	Leahy	Wyden
Durbin	Lieberman	

NAYS—17

Allard	Hagel	Sessions
Bingaman	Hollings	Shelby
Bumpers	Inhofe	Smith (NH)
Cochran	Inouye	Stevens
Glenn	Levin	Thompson
Gorton	Nickles	

The amendment (No. 927) was agreed to.

The PRESIDING OFFICER (Mr. HAGEL). The question now occurs on amendment No. 929 offered by the Senator from Wyoming.

The yeas and nays have been ordered. Is there further debate?

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

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

PRIVILEGE OF THE FLOOR

Mr. KOHL. Mr. President, I ask unanimous consent that my detailee from the Justice Department, Joel Christie, have floor privileges during the debate on the nomination later today of Joel Klein, and for any other Judiciary Committee matter on the floor this Congress.

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

Mr. KOHL. I suggest the absence of a quorum.

The legislative clerk proceeded to call the roll.

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

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

PRIVILEGE OF THE FLOOR

Mr. KOHL. Mr. President, I ask unanimous consent that Bob Simon and Dan Alpert, legislative fellows in the office of Senator BINGAMAN, be granted floor privileges during the pendency of this bill.

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

UNANIMOUS-CONSENT REQUEST

Mr. CAMPBELL. Mr. President, we have been here 5 hours now, and we have encouraged our colleagues to get their amendments filed and come down to the floor. A number of Senators have.

After consultations with the majority leader and minority leader and Senator KOHL, I ask unanimous consent that the following amendments be in order and that no others be accepted after these that I will read:

Senator COLLINS, on Treasury inspector general; Senator GRASSLEY, on P–3 hangar; Senator CHAFEE, on a relevant amendment on health benefits; Senator HUTCHINSON, on Federal Acquisition Streamlining Act; Senator COVERDELL, on a relevant amendment; Senator HUTCHISON, on NAFTA; Senator THOMAS, on Federal procurement; Senator DASCHLE, on IRS; Senator HATCH, on judges' pay; Senator FAIRCLOTH, on computer games; Senator GRAHAM on HIDTAS; Senator KOHL on fire arms traffic initiatives; Senator CLELAND, on National drug campaign; and the managers amendment itself.

The PRESIDING OFFICER. Is there objection?

Mr. KOHL. Mr. President, I request—temporarily, I hope —of Senator CAMPBELL that we don't act on this at this time.

Mr. HATCH. Reserving the right to object, Mr. President, will the distinguished Senator from Colorado be willing to add a Hatch amendment on national media campaign?

Mr. CAMPBELL. National media campaign?

Mr. HATCH. Yes, in addition to the judges' compensation.

Mr. CAMPBELL. We will add that. But at the present time, the minority leader has informed me there are two or three others that are just right on the verge of offering their amendments. So I withhold my unanimous-consent request at the present time.

The PRESIDING OFFICER. Who seeks recognition?

Mr. CAMPBELL. 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. HATCH. 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. 930

(Purpose: To establish the procedure for adjusting future compensation of justices and judges of the United States)

Mr. HATCH. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. Without objection, the pending amendment numbered 929 will be set aside, and the clerk will report.

The legislative clerk read as follows:

The Senator from Utah [Mr. HATCH] for himself, Mr. LEAHY, Mr. DURBIN, and Mr. KOHL, proposes an amendment numbered 930.

Mr. HATCH. 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. . JUDICIAL SALARIES.

(a) JUDICIAL COST-OF-LIVING ADJUSTMENTS.—Section 461(a) of title 28, United States Code, is amended to read as follows:

''(a) Effective on the same date that the rates of basic pay under the General Schedule are adjusted pursuant to section 5303 of title 5, each salary rate which is subject to adjustment under this section shall be adjusted by the same percentage amount as provided for under section 5303 of title 5, rounded to the nearest multiple of $100 (or if midway between multiples of $100, to the next higher multiple of $100).''.

(b) AUTOMATIC ADJUSTMENTS WITHOUT CONGRESSIONAL ACTION.—Section 140 of the resolution entitled ''A Joint Resolution making further continuing appropriations for the fiscal year 1982, and for other purposes.'', approved December 15, 1981 (Public Law 97–92; 95 Stat. 1200; 28 U.S.C. 461 note) is repealed.

Mr. HATCH. Mr. President, my amendment delinks judges' salaries from our salary problem, because it is unbelievable how terrible it is in many parts of this country that judges do not have an annual COLA. That is what this will grant them.

Mr. President, I am offering an amendment to establish a procedure for future cost-of-living increases in judicial compensation. This legislation is a portion of a legislative proposal prepared by the Administrative Office of the U.S. Courts, and which I introduced by request as S. 394 earlier this Congress.

Under current law, salaries for Federal judges are currently linked to congressional and Executive Schedule salaries, so that Federal judges cannot receive cost-of-living adjustments [COLA's] unless Members of Congress and employees on the Executive Schedule receive the same COLA. As a consequence, Federal judges have not received a cost-of-living salary adjustment since January 1994. This amendment would amend section 461 of title 28 to end the current linkage between the judicial, congressional and Executive Schedule compensation. Instead, judicial salaries would be adjusted automatically on an annual basis, in the same percentage amount as the rate of pay of Federal employees under the General Schedule. In addition, the amendment would repeal section 140 of Public Law No. 97–92, thereby removing the current requirement that Congress affirmatively vote for cost-of-living increases for Federal judges.

Not included in my amendment is language, originally proposed by the Administrative Office and introduced as part of S. 394 earlier this Congress, which would give a one-time salary increase to Federal judges. I do believe this separate, one-time salary increase warrants serious consideration by this body, although not necessarily as part of the second degree amendment I am presently offering.

If we are to attract and retain the most capable lawyers to serve as Federal judges, it is vitally important that we ensure that those responsible for the effective functioning of the judicial branch receive fair compensation, including reasonable adjustments which allow judicial salaries to keep pace with increases in the cost of living. As Chief Justice Rehnquist stated in his ''1996 Year-End Report on the Federal Judiciary,'' ''We must insure that judges, who make a lifetime commitment to public service are able to plan their financial futures based on reasonable expectations.'' This amendment, which I am offering at the request of the Judicial Conference, proposes changes viewed by the Judicial Conference as advancing this objective—an objective with which I believe most Senators would agree.

Mr. President, I urge adoption of the amendment.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment of the Senator from Utah.

The amendment (No. 930) was agreed to.

Mr. HATCH. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

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

The motion to lay on the table was agreed to.

Mr. HATCH. 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. THOMAS. 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. 929, AS MODIFIED

Mr. THOMAS. Mr. President, I send to the desk a modification to amendment 929.

The PRESIDING OFFICER. The amendment is so modified.

The amendment (No. 929), as modified, is as follows:

At the appropriate place in the bill, insert the following new section and renumber any following sections accordingly:

SEC. . LIMITATION ON THE USE OF FUNDS TO PROVIDE FOR FEDERAL AGENCIES TO FURNISH COMMERCIALLY AVAILABLE PROPERTY OR SERVICES TO OTHER FEDERAL AGENCIES.

(a) Except as provided in subsection (b), none of the funds appropriated by this or any other Act may be used by the Office of Management and Budget, or any other agency, to publish, promulgate, or enforce any policy, regulation, or circular, or any rule or authority in any other form, that would permit any Federal agency to provide a commercially available property or service to any other department or agency of government unless the policy, regulation, circular, or other rule or authority meets the requirements prescribed under subsection (b).

(b)(1) Not later than 120 days after the date of the enactment of this Act, the Director of the Office of Management and Budget shall prescribe regulations applicable to any policy regulation, circular, or other rule or authority referred to in subsection (a).

(2) The requirements prescribed under paragraph (1) shall include the following:

(A) a requirement for a comparison between the cost of providing the property or service concerned through the agency concerned and the cost of providing such property or service through the private sector;

(B) a requirement for cost and performance benchmarks relating to the property or service provided relative to comparable services provided by other government agencies and contractors in order to permit effective oversight of the cost and provision of such property or service by the agency concerned or the Office of Management and Budget; and

(C) the regulation would not apply to contingency operations associated with national security or a national emergency.

(D) the regulation would not apply if the goods are to be produced or services are to be performed by a private sector source at a government owned facility that is operated by the private sector source.

Mr. THOMAS. Mr. President, I ask unanimous consent that Senator HAGEL be added as a sponsor of the amendment.

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

Mr. THOMAS. I thank the Chair.

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. CAMPBELL. 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. CAMPBELL. Mr. President, I ask unanimous consent that the Senate now resume consideration of amendment No. 929 by Senator THOMAS and ask that the yeas and nays be vitiated.

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

Is there further debate on the amendment? If not, the question is on agreeing to the amendment.

The amendment (No. 929), as modified, was agreed to.

Mr. CAMPBELL. Mr. President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

Mr. CAMPBELL. 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. CAMPBELL. 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. CAMPBELL. Mr. President, I ask unanimous consent that the following be the only remaining first-degree amendments other than the pending amendments and that they be subject to relevant second-degree amendments. They are an amendment by Senator FAIRCLOTH, two by Senator HUTCHISON, three amendments by Senator COVERDELL, one by Senator ABRAHAM, one by Senator DEWINE, one by Senator CHAFEE, one by Senator COLLINS, one by Senator GRASSLEY, one by Senator HATCH, one by Senator DASCHLE, one by Senators LOTT and DASCHLE, one by Senator CLELAND, one managers' amendment, one by Senator KOHL, one by Senator GRAHAM of Florida, one by Senator BINGAMAN, one by Senator DODD, and two by Senator FEINSTEIN.

I further ask that following the disposition of the above-listed amendments, the bill be advanced to third reading and final passage occur, and when the Senate receives the House companion bill, all after the enacting clause be stricken and the text of the Senate bill be inserted, the bill be advanced to third reading and passed, and the Senate insist on its amendments and request a conference with the House, and the Chair be authorized to appoint conferees.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

AMENDMENT NO. 931

(Purpose: To amend the Federal Election Campaign Act)

Mr. CAMPBELL. Mr. President, I now send an amendment to the desk on behalf of the majority leader, Senator LOTT, and the minority leader, Senator DASCHLE, and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows.

The Senator from Colorado [Mr. CAMPBELL], for Mr. LOTT, for himself and Mr. DASCHLE, proposes an amendment numbered 931.

Mr. CAMPBELL. Mr. President, I ask unanimous consent that the amendment not be read at length.

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

The amendment is as follows:

At the appropriate place, insert the following:

SEC. . Section 302(g)(1) of the Federal Election Campaign Act of 1971 (2 U.S.C. 432(g)(1)) is amended—

(1) by striking ''and'' after ''Senator,''; and

(2) by inserting after ''candidate,'' the following: ''and by the Republican and Democratic Senatorial Campaign Committees''.

Mr. CAMPBELL. I ask the Senate adopt this amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 931) was agreed to.

Mr. CAMPBELL. Mr. President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

Mr. CAMPBELL. I suggest the absence of a quorum, Mr. President.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CAMPBELL. 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. CAMPBELL. Mr. President, I ask unanimous consent that when the House companion measure is passed by the Senate, pursuant to the previous order, that the passage of S. 1023 be vitiated and that S. 1023 be indefinitely postponed.

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

UNANIMOUS-CONSENT AGREEMENT—NOMINATIONS OF JOEL I. KLEIN AND ERIC H. HOLDER, JR.

Mr. CAMPBELL. Mr. President, I ask unanimous consent that the Senate stand in recess until 5 p.m., and at 5 p.m., the Senate proceed to executive session for the consideration of the nomination of Joel Klein, with the previous time limitations.

I further ask unanimous consent that immediately following the vote on the Klein nomination, the Senate proceed to a vote on calendar No. 139, the nomination of Eric Holder.

I further ask unanimous consent that, immediately following the vote on the Holder nomination, the motions to reconsider be laid upon the table; that any statements relating to either of these nominations appear at the appropriate place in the RECORD; that the President be immediately notified of the Senate's action; and that the Senate then return to legislative session.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

RECESS UNTIL 5 P.M.

The PRESIDING OFFICER. Under the previous order, the Senate stands in recess until the hour of 5 p.m.

Thereupon, at 4:49 p.m., the Senate recessed until 5 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer [Ms. COLLINS].

EXECUTIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will now go into executive session.

NOMINATION OF JOEL I. KLEIN, OF THE DISTRICT OF COLUMBIA, TO BE AN ASSISTANT ATTORNEY GENERAL

The bill clerk read the nomination of Joel I. Klein, of the District of Columbia, to be an Assistant Attorney General.

Mr. ALLARD addressed the Chair.

The PRESIDING OFFICER. The Senator from Colorado is recognized.

Mr. ALLARD. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

Mr. HATCH. Madam President, I would like to comment just briefly here on the nomination of Mr. Joel Klein, who has been nominated for the position of Assistant Attorney General of the Antitrust Division of the Department of Justice.

Last Friday, I spoke on this floor in support of Mr. Klein and urged my colleagues to support his nomination. I certainly continue wholeheartedly to support Mr. Joel Klein. And I continue to urge my colleagues to join me.

I will not repeat today all that I had to say last week on Mr. Klein's behalf, but I would like to reiterate that support and have my statement from last Friday printed in the RECORD. I ask unanimous consent to have that statement printed in the RECORD.

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

STATEMENT OF SENATOR ORRIN HATCH ON THE NOMINATION OF JOEL I. KLEIN TO BE ASSISTANT ATTORNEY GENERAL OF THE ANTITRUST DIVISION OF THE DEPARTMENT OF JUSTICE, JULY 11, 1997

Mr. President, I rise today on behalf of Mr. Joel Klein, who has been nominated for the position of Assistant Attorney General of the Antitrust Division of the Department of Justice. Mr. Klein was reported out of the Judiciary Committee unanimously on May 5. As his record and testimony reflect, Mr. Klein is a fine nominee for this position, and I am pleased that his nomination has finally been brought before the full Senate today. He has my strong support.

I believe Mr. Klein is as fine a lawyer as any nominee who has come before this committee. He graduated magna cum laude from Harvard Law School before clerking for Chief Judge David Brazelon of the D.C. Circuit and then Supreme Court Justice Lewis Powell. Mr. Klein went on to practice public interest law and later formed his own law firm, in which he developed an outstanding reputation as an appellate lawyer arguing—and winning—many important cases before the U.S. Supreme Court. For the past two years, Mr. Klein has ably served as Principal Deputy in the Justice Department's Antitrust Division, and for the past several months he has been the Acting Assistant Attorney General for the Antitrust Division.

It is clear, both from his speeches and his enforcement decisions, that Mr. Klein is within the mainstream of antitrust law and doctrine and will be a stabilizing influence at the Antitrust Division. While no one doubts his willingness to take vigorous enforcement actions when appropriate, it is a credit to Mr. Klein that the U.S. Chamber of Commerce, the National Association of Manufacturers and other business associations have written in strong support of his nomination to lead the Antitrust Division. They believe he will be good for American business. And I think they are right.

At the same time, Mr. Klein has demonstrated a sense of direction and a vision for the Antitrust Division, which is important in a leader. He is committed to enforcing our Nation's antitrust laws in order to uphold our cherished free enterprise system and protect consumers from cartels and other anticompetitive conduct. So, I am certain that Mr. Klein will also be good for consumers.

Antitrust doctrine has had its ups and downs over the years—although we may not all agree on which times were which. At this point, however, I am hopeful that antitrust is entering a more mature and more stable period. Although antitrust analysis is fact-intensive and will always contain gray areas, I hope Mr. Klein will work to help make antitrust doctrine as clear and predictable as possible so that companies know what is permitted and what the Antitrust Division will challenge. This will help businesses compete vigorously without the worry and chilling effects that result from uncertainty. I would suggest that the Division's goal should be to avoid burdens on lawful business activities while appropriately enforcing the law against those who clearly violate it.

Finally, I would like to add that I personally have been very impressed with Mr. Klein. He strikes me as a person of strong integrity, as a highly competent and talented lawyer who is well-suited to lead the Antitrust Division. While I expect we may not always agree on every issue, I believe that Mr. Klein's skills and expertise will be a service to the Department of Justice, to antitrust policymakers, and the health of competition in our economy and I look forward to working with him in the coming years.

In what appears to be a last-ditch effort to scuttle Mr. Klein's nomination, there are some who have now floated an allegation that the nominee's participation in a particular merger decision was somehow improper. Upon examination, let me say that it appears to me that these reports are wholly unfounded and provide no basis whatsoever for questioning the nominees conduct. I understand that, with respect to the matter at issue, Mr. Klein consulted with the proper ethics officials and was assured that his participation raised no conflict of interest or even the appearance thereof. Based on what we know, this judgment appears sound, and I am confident that the nominee has conducted himself appropriately. I should hope that nobody in this body will use this extraneous, ill-founded notion as an eleventh hour basis for opposing Mr. Klein's nomination. I am confident that Mr. Klein is a man of integrity, and urge my colleagues to cast their votes in his favor.

Some have suggested that Mr. Klein is misapplying the Telecommunications Act and has taken questionable positions on particular mergers. I will refrain here from passing judgment on any particular decision and from engaging in a detailed debate on Telecommunications antitrust policy. I fully recognize that there are some very, very important issues at stake here, especially in light of a number of ambiguities left in the wake of the Telecommunications Act. I also recognize that there have been some controversial mergers in this area, and yet other potentially landmark mergers which have not come to pass.

In short, telecommunications competition and antitrust policy is one of the most important, yet somewhat unsettled, policy areas affecting our emerging, transforming economy. The looming policy decisions to be made in this area cannot be ignored and indeed I plan to have the Judiciary Committee and/or our Antitrust Subcommittee fully explore these issues.

But I believe it is neither fair nor wise to hold a nominee hostage because of such concerns. In my view, sound public policy is best served by bringing this nominee up for a vote, permitting the Justice Department to proceed with a confirmed Chief of the Antitrust Division, and for us in Congress to move forward and work with the Department and other involved agencies in the formulation and implementation of telecommunications policies.

I hope that all Senators, and especially those of the President's own party, would permit the administration's nominee to be voted on.

Mr. HATCH. I would also like to point out that numerous past and present Government officials and attorneys have voiced strong support for Mr. Klein, including James Rill and John Shenefield, who headed the Antitrust Division during the Bush and Carter administrations respectively.

I also ask unanimous consent that a letter to the New York Times editor from Messrs. Rill and Shenefield be printed in the RECORD.

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

WASHINGTON, DC,
July 11, 1997.

The NEW YORK TIMES,
New York, NY.

TO THE EDITOR: We write to state our disagreement with the New York Times and with several Senators who have expressed opposition to the nomination of Joel Klein to head the Antitrust Division at the Justice Department. Mr. Klein should be confirmed because he has all the qualities of leadership and judgment to make an outstanding Assistant Attorney General. In fact, the reasons why his detractors have put his nomination on ''hold'' actually support the case for his nomination. The objections to his nomination stem not from concern about his qualifications, but from a difference of opinion over the best way to ensure competitive markets in telecommunications.

The Antitrust Division was created to function as a specialist agency with the expertise and experience essential to making sound antitrust enforcement decisions. Quick, intuitive judgments based upon an incomplete understanding of either the facts or the law can easily lead to incorrect decisions. Critics of Mr. Klein's recent decisions are at a disadvantage because they cannot possibly have his detailed knowledge of the facts. That is why Congress wisely entrusted such decisions to an expert agency. In the past that trust has not been misplaced because the Division has been willing to take an unpopular stand that it considered to be in the public interest—as it did in settling the AT&T case.

Mr. Klein's willingness to reach a decision on the Bell Atlantic merger indicates he has the courage to make a fine Assistant Attorney General. He made a decision despite the fact that whatever he decided to do was likely to offend someone who was considering his nomination. No doubt Mr. Klein could have found a way to delay a decision until after he was confirmed. Instead, he made what he believed was the correct decision from the perspective of the antitrust laws. Mr. Klein is being criticized for doing his job. To substitute the political process for the judgment of an expert enforcement agency in an area where both the facts and the law are remarkably complicated would be a dangerous precedent that could only harm enforcement of the antitrust laws in the future. We hope that those who have expressed misgivings about Mr. Klein's nomination will soon allow it to come to a vote, so that Mr. Klein can be confirmed—as he should be.

JAMES F. RILL.
JOHN H. SHENEFIELD.

Mr. Rill was Assistant Attorney General in charge of the Antitrust Division during the Bush Administration; Mr. Shenefield was Assistant Attorney General in charge of the Antitrust Division during the Carter Administration.

Mr. HATCH. I am very pleased that cloture was invoked last week with such overwhelming support. I must say, however, that I was quite surprised, and disappointed even, to find us in the position of voting on cloture for someone as good as Joel Klein. Even I, as chairman or ranking member of the Judiciary Committee, have not filibustered a single Clinton administration nominee for the Justice Department or the Federal courts. I am not saying I will not in the future, but I will say that I have not up until now.

Indeed, the last filibuster of a Justice Department nominee was over the nomination of Walter Dellinger to head the Department's Office of Legal Counsel back in October of 1993. Of all the nominees I have seen in recent years, I must say that Joel Klein certainly ranks among the very best of them.

Of course, I know my good colleague from South Carolina would not take

this step lightly and without what is, in his view, adequate justification, but in fairness I think we must now move quickly to confirm this nominee who has been awaiting confirmation since May 5 of this year.

As I explained last Friday, I believe it is critical for the Department of Justice, and the business community generally, to have a permanent, confirmed antitrust chief. Until we do, any antitrust matter before the Department of Justice will invite political maneuvering and gamesmanship by the affected parties, and any ultimate decision by the Department, no matter how justified on the merits, will unfairly be subject to criticism.

Mr. Klein has, to his credit, not permitted the likelihood of such criticism to deter him from leading the Department to bring closure on critical matters pending before the Antitrust Division. I believe it is most unfortunate that, because of this body's, the U.S. Senate's, delay, Mr. Klein has been unfairly criticized for such decisions. This does a disservice to the Department as well as to those who come before it.

By urging that we move to confirm Mr. Klein, and in expressing my support for this fine nominee, I intend in no way to diminish the important issues raised by my colleague from South Carolina, and others, regarding competition and antitrust policy in the telecommunications field. Quite the contrary, it is my belief that telecommunications competition and antitrust policy is one of the most important, yet somewhat unsettled, policy areas affecting our emerging and transforming economy.

In fact, I announce today that I plan to work in coordination with Senator DEWINE, who chairs the Judiciary Committee's Antitrust Subcommittee, to explore the looming policy decisions in this area and the role of the Department of Justice in the telecommunications arena. In my view, there are few competitive issues which are more worthy of examination than this one.

Notwithstanding the tremendous import of the issues raised by some of my colleagues, I believe it is neither fair nor wise to hold this nominee and the Antitrust Division hostage because of concerns about his potential positions in this very turbulent area of the law. In my view, sound public policy is best served by bringing this nominee up for a vote, permitting the Justice Department to proceed with a confirmed Chief of the Antitrust Division, and for us in Congress to move forward and work with the Department and other involved agencies in the formulation and implementation of telecommunications policies.

So, I urge my colleagues on both sides of the aisle to vote to confirm Joel Klein as Assistant Attorney General for the Antitrust Division.

I have known Mr. Klein for quite a while, and I have to say I know him well. I also know his abilities well. I can also say, as someone who has had a little experience in the law, that Mr. Klein will stack up with anybody. He is a fine nominee. I commend the President for having made this choice, for having had the foresight to put somebody like this into the Justice Department.

I commend Mr. Klein for the work that he has done up to date, for his fearless work and not waiting until he is confirmed to act as the acting person in that Department and for the work he did prior to this nomination in that Department. I commend him for a lifetime of service to this country and to his family and to the law firms that he has worked with.

There is no question he has the academic and other credentials that far exceed the academic and other credentials of many others who served with distinction, who served in the Government of the United States, and particularly in the Justice Department.

So I am very happy to support his nomination. I hope that today everybody will support his nomination. I think it is the right thing to do.

Again, I say, my colleague from South Carolina is sincere and dedicated in his effort, but I hope he will see fit to support this nomination as well, on the basis that he has made his case, he has made his arguments, he has stood up for what he believes his principles are, and now it is time to support the President's nominee for this particular, important position in the Antitrust Division.

Mr. LEAHY. Madam President, it is my hope that Joel Klein will be a strong and effective advocate for competition and the interests of consumers when he is confirmed as Assistant Attorney General for the Antitrust Division of the Department of Justice.

I had a close working relationship with his predecessor, Anne Bingaman. I hope that we can develop that kind of relationship, as well.

Mr. Klein has been buffeted a good bit since being nominated. He had to answer some tough questions during his nomination hearing about approving the Bell Atlantic-NYNEX merger without conditions. After the Judiciary Committee reported his nomination to the Senate on May 8, he responded to a letter from Senator BURNS and succeeded in convincing our colleague to remove his hold on this nomination. That letter and an addendum filed by Mr. Klein as Acting Assistant Attorney in connection with the application of SBC Communications before the FCC raised serious concerns for a number of other Senators, however.

Last week the Senate proceeded by unanimous consent to consideration of this nomination. Until that moment, I understood there to have been Republican holds against this nominee. Why the Republican leadership proceeded immediately upon calling up this nomination to file a cloture petition, they will have to explain. In fact, we had worked out a time agreement for the debate before the unnecessary cloture vote on Monday. That agreement was confirmed by the majority and minority leaders and pursuant thereto we are debating the nomination today.

In this regard, I note the consistent willingness of Senator HOLLINGS to debate and vote on this nomination from the outset, and the sincere efforts of Senators DORGAN and KERREY to obtain clarification of issues that concern many of us.

I have given a good deal of thought to this nomination. I believe that the Antitrust Division and the Assistant Attorney General who heads it are extremely important to effective enforcement of our laws and protection of American consumers. I have come to rely on them for advice as we draft legislation and develop policies to foster competition.

I hope to continue to do so. I believe that the President is to be given significant deference on his selections for his Administration team. The Attorney General has contacted us in support of Mr. Klein and his interpretation of the law, and that means a good deal to me. As I consider the legal interpretations and policies in question, I do not find myself in total agreement with the Acting Assistant Attorney General. Nonetheless, I will vote to confirm him.

Unlike some who have spoken in opposition to this nomination, I feel that a good deal of the fault I find with Mr. Klein's positions stems from the Telecommunications Act of 1996. I worked hard to correct and improve that act's weak and deferential standards for ensuring competition. In some measure we succeeded in strengthening the act, but other significant provisions that I supported to foster competition and protect consumers were rejected. That was a principal factor in my decision to vote against that act—the bill was not strong enough.

Others predicted that passage of the Telecommunications Act would launch an era of competition in which cable companies would compete with the regional Bell operating companies for local phone service, long distance companies would compete with the Bells in both local and long distance services, and regional Bell operating companies would compete against each other. The promise of competition was a sales pitch but has not materialized to benefit American consumers. Instead of competition, we see entrenchment, mega-mergers, consolidation, and the divvying up of markets.

I, too, hoped that the Justice Department Antitrust Division would act aggressively to protect consumers and foster competition. I have noted my concerns during Mr. Klein's confirmation hearing in my questioning of his unconditional approval of the Bell Atlantic-NYNEX merger. If the current law only serves to protect against mergers that tend to diminish competition where it already exists, it may be

time to amend the law to foster competition where none has existed. I hope that Joel Klein will help us do that.

I was taken aback by the language Mr. Klein used in his May 20 letter to Senator BURNS by which he ''specifically rejected the suggestion in the conference report'' on the Telecommunications Act that the 8(c) test be employed. But the more that I reviewed the matter, the more I realized that much of the fault lies with the conference report itself and the Telecommunications Act's failure to provide a definitive test.

I was not appointed to serve on that conference committee, although I was serving as the ranking Democrat on the Antitrust Subcommittee on the Judiciary Committee at the time. I would have wanted to help that conference incorporate a stronger test into the law. That did not happen.

It is my hope that working with the Department of Justice we can now help ensure that the test the Attorney General has adopted—that the local market be fully and irreversibly open to competition—is a meaningful standard and strong enforcement tool. If not, Congress should revisit it and strengthen it.

I do think that Senator HOLLINGS is correct when he criticizes the addendum to the Justice Department's submission in connection with the SBC Communications application. Both Senator HOLLINGS and Congressman BLILEY concur as principal drafters of the law regarding their intent and its meaning. I trust that the Antitrust Division will review its position on the proper meaning of section 271 of the Telecommunications Act and its requirement for competing service providers to offer facilities-based services.

In opening the debate on this nomination, Senator HATCH cited ''ambiguities left in the wake of the Telecommunications law'' and ''unsettled policy areas'' and said:

> But I believe it is neither fair nor wise to hold a nominee hostage because of such concerns, especially one as competent and decent as Joel Klein. In my view, sound public policy is best served by bringing this nominee up for a vote permitting the Justice Department to proceed with a confirmed chief of the Antitrust Division, and for us in Congress to move forward and work with the Department and other involved agencies in the formulation and implementation of telecommunications policies.

I agree. I look forward to the Judiciary Committee and our Antitrust Subcommittee exploring these important competition and antitrust policy matters. I will likewise expect Senator HATCH to support other Administration nominees for areas in which policies are in controversy.

Now that the majority leader has moved to implement his new hold policy of proceeding on nominations, I trust he will not delay any further the nomination of Eric Holder to be Deputy Attorney General and that he will promptly move to consideration of the judicial nominations reported by the Judiciary Committee over the last several weeks.

Some wrongly view confirmation as the end of the nominee's work with the Senate. I hope that this is just the beginning of Assistant Attorney General Joel Klein's work with us to protect consumers and foster competition. This is an awesome responsibility.

Mr. HATCH. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. HATCH. I ask unanimous consent that the call of the quorum be rescinded.

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

Mr. KERREY addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska is recognized.

Mr. KERREY. Madam President, I had a conversation with the distinguished Senator from Utah who encouraged me to throw my entire prepared remarks away and take a gentlemanly course and support the nomination of Joel Klein. I have chosen not to do that. I have great respect for the Senator from Utah, and I have chosen to continue to offer to my colleagues reasons why I have chosen to vote against Joel Klein, why I have chosen to oppose the nomination.

I like the man, I respect him, I believe he is a good individual, and I don't like coming here opposing a nominee that President Clinton sent to the Congress for confirmation. I would like very much to give him my unqualified support, but I simply, Madam President, cannot.

About a year and a half ago, many of us in this Chamber who participated in this debate over the Telecommunications Act—and I must say, Madam President, one of the reasons I found myself in opposition to Mr. Klein is I led him to get the Department a role in the Telecommunications Act so that they would have some voice in determining whether or not there could be competition prior to approving the moving of entry from one sector to another. I fought for that, and many opposed that. We ended the day and prevailed here on the floor, prevailed in conference, and prevailed for final passage. It was signed and made a part of the law.

Mr. Klein, in response to a question raised by a Member of this body who actually opposed that, it seems to me in a letter gives away Justice's role. Now the Attorney General, Janet Reno, has written in response to our asking her if she thinks Justice has a role, has written a letter saying, indeed, she believes Justice does have a role, and she intends to exercise the authority the law gives her.

Indeed, Madam President, Mr. Klein, in meetings with me and with others who were concerned about the remarks he made in this letter, has given me assurance and pointed to several cases where his actions seem to be very, very much procompetitor—my hope is that Mr. Klein is. As the head of the Antitrust Division of Justice—I can read the tea leaves earlier on the cloture vote and would expect he will receive a fairly substantial vote, a resounding vote of support. My hope is I am wrong.

This morning in the Omaha World Herald this article appeared. The headline says, ''So Far, Consumers the Losers in Battle for Dial-Tone Dollars.''

Madam President, this is what Members should be concerned about, not just the Antitrust Division of Justice but they should also be concerned about the nominees for the Federal Communications Commission and what they intend to do, how they intend to vote, how they intend to make certain that we have competition, because unless we get competition at the local level, unless there is competition at that local level for that local dial tone, indeed for all information and services at the local level, it is not likely the consumers will benefit in the same ways that consumers benefited after divestiture in 1982. Divestiture produced competition in long distance. That competition resulted in a reduction of price to the consumer and an improvement of quality, as competition almost always does.

Without precedent, this legislation proposes to move us from a monopoly at the local level—which we still have for most residential customers—from a monopoly to a competitive environment. We are not there yet. We still have a monopoly. That monopoly can always, if there is only one choice that the consumer has, can always basically charge whatever they want to charge.

This new legislation preempts States authorities from being able to do many of the things they had done in the past. There are 358,000 residential lines in the regional Bell company serving Omaha, NE. The present rate for that local residential service is proposed to be $16.35, from a current rate of $14.90, a 9.7-percent increase, almost a 10-percent increase from another local company that is also being proposed. They have that authority, now Madam President, to be able to come and raise these residential rates.

It is going to be a problem for all of us if we do not get, in as expeditious a way as possible, competition down to the local level. What will happen, all of us will have to be explaining why it was, in 1996 when we debated this bill, why it was that we all promised this would be great for the consumers—reduction in price, improvement in quality of service—why it is that they are not seeing this reduction in price, why it is they are seeing an increase in price instead of a promised reduction. The answer will be, we don't have competition yet.

My belief is that the Congress is going to have to think in a very hard and clear fashion what it is we have to do in order to make certain that we

have competition. I remember the distinguished Senator from Arizona, Senator MCCAIN, as he debated this bill, and I believe he ended up voting against it for precisely the same reasons I am talking about now. He actually talked about lots of regulatory requirements that didn't necessarily mean that we would get competition. He favored, as I heard him at the time, something that actually had great appeal to me, which is forget all the regulatory requirements, let's have almost a Le Mans racing start. Set a time certain when everybody can compete, regardless of who they were, in everybody else's market—let's have that.

As my colleagues will probably recall in 1996 when we were having our debate, the prediction was that what we would have is the regional Bell companies competing against one another in individual markets, that we would have the cable companies then competing. Since that time, what we have seen is a significant amount of mergers, and I don't believe the kind of movement needed, with the single exception of a few companies. We have seen Ameritech moving aggressively to open their market and try to get approval, as well to get into long distance. That is the transaction that the law provides for—open up your local market and then you can go into long distance service. That is the idea of the law. But it isn't happening very fast.

As a consequence, I don't think I will be the only Member who opens up their hometown newspaper and looks at the headline and sees, ''So far consumers the losers in battle for dial-tone dollars.'' The reason the consumers will be the losers is that the consumers in Omaha, NE, the residential consumers, when it comes to dial tone, they have two choices—take it or leave it. If you don't like the increase you can buy your local service from nobody else. You really only have one choice.

I say, Madam President, I will not be supporting the nomination of Mr. Klein. I will be voting against Mr. Klein. I hope that other Members who are wondering what this debate is about will give it some very serious thought. They will, as well, be hearing from consumers in the not-too-distant future, if they haven't already, ''I remember, Senator, when you were debating this. Didn't I recall you issued a press release saying that this legislation was going to produce lots of new competition and reduction in price, and improvement and quality of service? Where is the competition? I still don't see it. Where is the promised price reduction? Where is the promised benefits to the consumers that were supposed to be coming our way at a theater near you?'' Instead, what we have is price increases.

Mr. Klein, in his rather unfortunate, as he describes it, letter in response to a question by a Member who opposed giving the Justice Department authority over antitrust matters when it came to telecommunications, Mr. Klein says today, ''Well, I didn't really mean all those things. I intend to be a very forceful advocate for competition.''

Madam President, I don't believe that is likely to happen. Mr. Klein approved the Bell Atlantic NYNEX merger. There were a lot of people, when this bill was being debated, that would not have stood up and said, ''The reason I am supporting this is because I hope what we get is the regional Bell operating companies merging with one another. I hope that happens. I hope we get mergers because that is exactly what we need in order to get more choice.'' I don't know how that produces more choice for the residential consumers in this new expanded area that now a single company will have. I see decreased choice.

I heard a lot of people coming down and saying in fact what we are likely to see is the large local monopolies competing with one another for service. Though we are seeing some of it, I don't believe we are seeing anywhere near what we promised we were going to see, and unless we get a vigorous advocate for competition in the Department of Justice, unless we get, as well, on the Federal Communications Commission, appointees who will do the same, as I said, Madam President, there will be a lot of people in this Senate as well as in the House of Representatives having to explain to their consumers, to their residential consumers, just what exactly did you think was going to happen back in 1996?

So I hope that my colleagues, when they come down here to make a decision about whether or not they will vote yes or no for the man who will have a very significant role in determining whether or not we were right or wrong in 1996, I hope they give very serious consideration to whether or not they believe that this individual is going to be able to do what we all promised we were going to try to do when we voted for and took credit for this very significant piece of legislation in 1996.

I yield the floor.

Mr. HOLLINGS. Madam President, let me first thank my colleague, the distinguished Senator from Nebraska. He has been very, very participatory over the years. It actually took us about 4 years to get the Telecommunications Act of 1996 to a vote. On both sides of the Capitol and both sides of the aisle we had a very, very deliberate discussion and treatment of the particular issues involved. No one understood better the thrust of trying to deregulate and bring about competition than Senator KERREY of Nebraska. I praise him publicly, once again, for his leadership and the inclusions that he had contained in the final act itself.

Referring to that final act, Senator KERREY tells exactly what is at stake here—this institution. The U.S. Senate seemingly has no historical memory. What we really had on course during the 1960's, 1970's and early 1980's was a terrible monopolistic control of American Telephone & Telegraph. The fact of the matter was that they had some 12 particular rulings by the Federal Communications Commission. But the smart lawyers for the AT&T group would always put those on appeal, seek further delay, further consideration. While there were 12 orders on course at the Federal Communications Commission, mind you me, none of them could get enforced. We were in an outrageous standoff in the courts and at the Commission and, yes, an outrageous standoff in the Congress itself. We could not get a bill passed. They have that much political power. There isn't any question about it.

So, a very brilliant and dedicated jurist, Harold Greene of the circuit court here in Washington, DC, took this matter over on a petition from the Justice Department for the AT&T breakup. In 1984, the modified final judgment was handed down and the Bell companies were spun off on their own to begin competition, and AT&T itself was opened up for competition. That wasn't easy. I wish my friend, Bill McGowan of MCI was here because it was 30 years ago, practically, that he, with a little two-floor apartment down in Georgetown, with a little aerial on top and three assistants, started to try to get into long distance. Very interestingly, the Farmer's Home finally gave him a loan. Can you imagine that? Competition started with a Farmer's Home loan. With that little bank, so to speak, he worked and brought some cases, he began nibbling away at the magnificent monopoly of AT&T in long distance.

Since that time, of course, the long distance market has opened up. You've got MCI, Sprint, GTE, and the Brits are coming in, and the Germans, and all are participating—the Canadians, and otherwise. And so you have a very dynamic long distance market.

However, the monopolies at the local level persisted, and those monopolies were intended for the ''public convenience and necessity''—that is a phrase hardly heard in the halls of our National Government—in order for the advantages, the services, the opportunity, the advancements to be brought onto the market and enjoyed by the public, we instituted the Federal Communications Commission. We had the old rulings coming out with respect to getting licenses to carry, and otherwise, at the State level, at ''public convenience and necessity.'' And we intentionally gave these seven Bell operating companies a monopoly. We said: You provide the services and we will protect you so that you are not bothered with the competition. On the contrary, if you get those services to the people, we will give you a profit that averages around 12 percent. Sometimes, in hearings, it went above that. You find them now to have made one heck of a lot of money. But my crowd is down in Buenos Aires, and I just read

this past week that Bell South is investing in Brazil, which has some 20 million people. That is way more than the 3.6 million that we have in my little State of South Carolina. So more power to them. They have been well-operated. They have that monopoly. That was a big headache that we had in trying to bring about deregulation, deregulation, deregulation.

This crowd up here in the House and Senate have no idea of the struggle that we had and the expertise that went into the drafting of this particular Telecommunications Act of 1996, to make sure that that monopolistic control, that checkpoint, that bottleneck, that choke-point was broken up, so that competition really could ensue. And we had what we call the ''checklist.'' And I can see that being worked on late nights around the clock, over Thanksgiving holidays, working, of course, with the Bell operating companies, we would meet—I forgot my days now— there was one on Friday and long distance on Monday. The long distance may have been on Friday and the Bell operating companies on Monday. But I set up a system, those years back, as the chairman of the Committee of Commerce, Science, and Transportation, whereby everything would be operated on top of the table. We would bring all sides in. They would all be considered and they would be told where we were and what we were negotiating and why.

I deemed that nothing was going to be done, because there were all kinds of attempts during the 1970's and 1980's—and I had learned from hard experience that you had to have a bipartisan bill and you had to have all the parties in, and no last minute surprises, or anything of that kind. So credit must be given to the various staffs on the Republican and Democratic sides, working around the clock, to fathom the particular provisions that are in issue in this particular appointment.

I know that some don't want to hear, and others don't care and they don't listen to this particular background. But it is a very interesting thing because it was worked out and finally voted upon by 95 Republican and Democratic Senators when it passed. There was a strong majority over on the House side.

It was a bill that, interestingly, when we finally agreed in December of 1995, our distinguished friend, the Vice President of the United States, heard that we in conference had gotten an agreement, and he came on the NBC Evening News program right in the middle of the news program. I happened to be listening when I had gotten back to the office. What occurred was that Tom Brokaw said, ''Wait a minute, ladies and gentlemen, we have a newsbreak from the Vice President of the United States.'' I was worried that something may have occurred to the President, but it was not that at all. He came on and said, ''We finally got my information superhighway agreed upon and I got everything I wanted. Well, this was December 1995, right after that 1994 election. Speaker GINGRICH on the House side said, ''If he got everything he wanted, that bill is deader than Elvis.'' The leader on the Senate side, Senator Robert Dole, said, ''I am not going to call it.''

Of course, I had the duty, during the ensuing weeks through into Christmas and Christmas week, and all through the month of January, of holding the line.

I describe that to my colleagues because I want them to know that every little thing in that bill was worked out with everyone and to their satisfaction and, finally, of course, to the Speaker and the Majority Leader Dole, because the bills were called in February of last year and passed both Houses and were signed by the President.

Now, in coming about the breakup of the monopolies, to make sure—because you can't get competition going unless the Bell companies go along. I can tell you here and now, if I ran a monopoly, I would continue investing in Buenos Aires and all like that for my stockholders, and what have you, and making money, and just hold on and appeal and drag feet and everything else.

Let me emphasize that is just exactly what has happened, why this particular nomination ought to really be rejected. It is a sort of sad day when you work as hard as you do to get something done for the administration, and the administration sends up an appointment of this kind that upsets the entire apple cart.

Let me tell you, Madam President, here it is, just last weekend, ''MCI Widens Local Market; Loss Estimate,'' in the July 11 Wall Street Journal. Some $800 million—saying its losses from entering that business could total $800 million this year, more than double its original estimate. Why? Because here is an analysis right here again in the Wall Street Journal, over the weekend, when they announced that their shares dropped 17 percent. I only quote Chris Mines, senior analyst of Forester Research, Inc., in Cambridge, MA, who said, ''MCI's complaints are totally justified. In general, I think local carriers are dragging their feet, using every means at their disposal to protect their monopolies.''

Now, Madam President, it is just not the news articles in the Wall Street Journal. Take this week's Business Week magazine, on page 33, ''Why SBC Shouldn't be the First Bell in Long Distance.'' Rather than reading the entire article, little squibs encapsulate those reasons. ''How SBC keeps rivals away: one, excess charges. AT&T needed customized routing to provide directory assistance to its customers in SBC's territory. SBC's initial quote is $300 million. AT&T says other Bells charge $1 million to $2 million.'' That is rather than the $300 million.

So it is perfectly obvious that they sit there and make this outrageous charge and that holds up everything. You get Senators running around, ''I don't know what is the matter with our bill. We want to open up the market. Let market forces operate.'' You have monopolies determined. Here is another reason here how SBC keeps rivals away. ''In Oklahoma, competitors must pay $19.13 per line for SBC's unbundled network, but SBC's retail rates are $14.34 a month.''

So, if they are going to charge 20 percent again more than anybody coming in the market, anybody coming in the market is going broke, and there is a loss by another long distance carrier. AT&T is trying to get in this market. MCI is trying to get in the other long distance market. They are losing already $800 million trying to just break it.

Third, legal attacks. How SBC keeps rivals away. Legal attacks. SBC has appealed even basic decisions by State regulators. For example, SBC appealed a Texas decision to let Teleport Communications Group provide competing local service. SBC contends Teleport had not met State standards.

Madam President, I cite this from this particular article because it's momentary, it's timely. What really happens is not just MCI and AT&T, but others in these monopolies, with their lawyers, are bringing cases to test the constitutionality of the Telecommunications Act of 1996. The one thing they said, ''Let's stop the bickering. Can't we work in a bipartisan nature and get things done?'' The one thing done this past Congress on a bipartisan basis was a 95 to 4 vote for the Telecommunications Act of 1996—totally bipartisan. I think those things ought to be understood and how they came about, and how long and hard we worked over them.

Now, in getting about this particular task, I communicated with President Clinton and the White House and asked him if he could note in a letter just exactly what his concerns were. I want to make sure staff gets copies of every one of these because they are not getting my file. And every time I get ready to talk, I just need a few notes. I can't even get a few notes. They are back there hidden away. So you get your copies.

Remember this: I have a White House letter, Madam President, dated October 26, 1995, from President Clinton. I ask unanimous consent that this letter be printed in the RECORD.

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

THE WHITE HOUSE,
Washington, DC, October 26, 1995.

HON. ERNEST F. HOLLINGS,
Ranking Member, Committee on Commerce, Science, and Transportation, U.S. Senate, Washington, DC.

DEAR FRITZ: I enjoyed our telephone conversation today regarding the upcoming conference on the telecommunications reform bill and would like to follow-up on your request regarding the specific issues of concern to me in the proposed legislation.

As I said in our discussion, I am committed to promoting competition in every aspect of

the telecommunications and information industries. I believe that the legislation should protect and promote diversity of ownership and opinions in the mass media, should protect consumers from unjustified rate increases for cable and telephone services, and, in particular, should include a test specifically designed to ensure that the Bell companies entering into long distance markets will not impede competition.

Earlier this year, my Administration provided comments on S. 652 and H.R. 1555 as passed. I remain concerned that neither bill provides a meaningful role for the Department of Justice in safeguarding competition before local telephone companies enter new markets. I continue to be concerned that the bills allow too much concentration within the mass media and in individual markets, which could reduce the diversity of news and information available to the public. I also believe that the provisions allowing mergers of cable and telephone companies are overly broad. In addition, I oppose deregulating cable programming services and equipment rates before cable operators face real competition. I remain committed, as well, to the other concerns contained in those earlier statements on the two bills.

I applaud the Senate and the House for including provisions requiring all new televisions to contain technology that will allow parents to block out programs with violent or objectionable content. I strongly support retention in the final bill of the Snowe-Rockefeller provision that will ensure that schools, libraries and hospitals have access to advanced telecommunications services.

I look forward to working with you and your colleagues during the conference to produce legislation that effectively addresses these concerns.

Sincerely,

BILL CLINTON.

Mr. HOLLINGS. Madam President, I quote the second paragraph:

As I said in our discussion, I am committed to promoting competition in every aspect of the telecommunications and information industries. I believe that the legislation should protect and promote diversity of ownership and opinions in the mass media, should protect consumers from unjustified rate increases for cable and telephone services and, in particular, should include a test specifically designed to ensure that the bell companies entering into long distance markets will not impede competition.

I emphasize this because I had the charge from the President himself. Now you have the President's nominee coming and refuting all of that, because if you want to know where rates will increase, instead of competition, we are going to get consolidation, and instead of a competitive place in the market, you are going to get fixes all around. This crowd has been operating monopolies for, lo, decades upon decades. They know how to do it. They have a hard time learning.

AT&T in the 1980's pared down by a third the size of AT&T after the modified final judgment in 1984. But they made twice the profit after they finally learned how to compete. Our friends, the Bells, have yet to come and learn that. In fact, I strongly advised from these happenings that they have no idea of competing; they have every idea of holding onto the monopoly as long as they can.

Madam President, ''If we can get an Assistant Attorney General or Deputy Attorney General''—whatever you want to call Mr. Joel Klein—''in our camp, rather we can hold on and continue making out like gangbusters for years to come.''

Now, as a result of the President's letter, we finally have section 271(c)(1)(A) of the Telecommunications Act, and I ask that the statement under ''presence of the facilities-based competitor, including both residential and business subscribers, having a facilities-based competitor for both business and residential''—which was proscribed in this law, and there are no ifs, ands and buts how it is written—I ask unanimous consent that it be printed in the RECORD, just that section is necessary and not the entire act, of course.

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

(A) PRESENCE OF A FACILITIES-BASED COMPETITOR.—A Bell operating company meets the requirements of this subparagraph if it has entered into one or more binding agreements that have been approved under section 252 specifying the terms and conditions under which the Bell operating company is providing access and interconnection to its network facilities for the network facilities of one or more unaffiliated competing providers of telephone exchange service (as defined in section 3(47)(A), but excluding exchange access) to residential and business subscribers. For the purpose of this subparagraph, such telephone exchange service may be offered by such competing providers either exclusively over their own telephone exchange service facilities or predominantly over their own telephone exchange facilities in combination with the resale of the telecommunications services of another carrier. For the purpose of this subparagraph, services provided pursuant to subpart K of part 22 of the Commission's regulations (47 C.F.R. 22.901 et seq.) shall not be considered to be telephone exchange services.

Mr. HOLLINGS. Madam President, we had a glowing candidate for the Acting Assistant Attorney General in Joel Klein on March 11, 1997. He went down to a class, a legal work seminar, on March 11, and the title of the seminar was ''Preparing for Competition in a Deregulated Telecommunications Market.''

Joel Klein, on page 9, I read here, and I quote: ''Now let me add a few words about how we will apply this standard to our BOC applications under section 271 of the act. Our preference, though we recognize that it may not always occur, is to see actual broad-based business and residential entry into a local market.''

I ask unanimous consent that this particular speech be printed in the RECORD in its entirety. So I am not quoting out of context.

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

PREPARING FOR COMPETITION IN A DEREGULATED TELECOMMUNICATIONS MARKET

(By Joel I. Klein, Acting Assistant Attorney General, Antitrust Division, U.S. Department of Justice)

First, I want to say that I'm delighted to be here today and I'm grateful to Joe Sims and Phil Verveer for having invited me. I can tell from reading the program and looking at the impressive array of speakers that this has been a comprehensive and informative conference on some cutting-edge issues in the communications industry. In fact, when I realized that I was going to be the last person to speak I was reminded of Adlai Stevenson's quip in a similar situation when he said, ''We're at the point in the program where everything that could be said has been said but, unfortunately, not everyone has had a chance to say it.'' So, I'm especially appreciative that so many of you have stayed around to hear my closing remarks and I hope that, despite the odds, I may be able to add something to the overall discussion.

Let me start by stating the obvious: what we're going through right now in the communications field is truly extraordinary. Technology, globalization, and last year's legislative, executive, and administrative actions have come together to create an environment of rapid change, great opportunity, and considerable risk. We all know that ten years from now things will be very different in the communications industry; we just don't know how they'll differ. From our perspective at the Antitrust Division, we have one, overarching goal—to maximize competition. To be more concrete about that, as I see it, the ideal result would be a variety of different conduits—be it wire, wireless, cable, or what have you—that link people with all kinds of content—be it voice, video, audio, computer, and so on. But envisioning an ultimately desirable competitive market structure is not the difficult part here: what's really hard is how we get there in a market that's transitioning from regulation to competition. And that is the journey that we in the Antitrust Division have embarked upon—at a somewhat dizzying pace. I might add, since the passage of the 1996 Telecom Act a little more than a year ago.

Before I focus in on some of the specifics, let me give you a sense of the breadth of what we're dealing with. In the first place, we've seen a flood of radio mergers now that the 1996 Act has authorized far more liberal ownership rules. I'm advised that there have been over a thousand such mergers in the past year and about 150 of them have been brought before the Division, principally through the hart-Scott-Rodino process, but also through independent inquiry in several non-reportable transactions. We've conducted extensive investigations in many of these cases and, to date, we've sought divestitures in a handful of mergers. And while that's important in terms of the economy the real story here is how much concentration is occurring. In short, the concentration envisioned by Congress is taking place, no doubt allowing the industry to achieve some important efficiencies. And so long as this consolidation doesn't erode competitive opportunities in any market—and, with the application of sound antitrust principles as a guide. I don't think it will—then these mergers may ultimately strengthen the position of radio in the overall communications industry. And, frankly, that's all to the good.

Beyond radio, we're also experiencing consolidation in other areas of the communications industry. The FCC is still evaluating what limits to place on broadcast ownership but, in other areas, we've already seen significant movement. There's been a major Bell Company/cable merger—U.S. West/Continental Cable—which the Division cleared with some modification to the original deal. And we've also seen three major telephone mergers—SBC/Pactel, which we cleared without objection several months ago, and Bell Atlantic/NYNEX and MCI/British Telecom,

which are both still pending before us. These cases raise important questions about potential competition, and also about international interconnection where market conditions may differ significantly in different countries and we have expended, and will continue to expend, considerable time and energy analyzing them and other such mergers that may come before us in the future.

Now, in the time that remains, I'd like to focus in on one particularly challenging aspect of this journey through the communications industry and that is the deregulation of telephone services in this country. This was probably the most significant part of the 1996 Act and it raises enormously difficult questions, questions that we at the Division have, to some degree, been dealing with under the Modified Final Judgment, or the ''MFJ,'' that resulted in the break-up of AT&T and the creation of seven Regional Bell Operating Companies, or ''RBOCs,'' as they are called, with severe restrictions on what they could do beyond providing local telephony within their own service areas. As a result of that lawsuit, there can be little doubt that the Nation has seen significantly improved long distance competition, accompanied by the innovation and downward pressure on prices that results from such competition. That is not to say that everything's perfect in long distance—even more competition would certainly be welcome—but it's important to recognize how far we have come when we have three well-established competitors, hundreds of other resellers, and four fiber-optic systems wiring the country, with a fifth in progress. I can tell you from my personal dealings with officials from other countries that, as a result of the AT&T case, the U.S. is positioned for global competition in a way that is the envy of our current trading partners—whose telephone companies will be our future competitors, I might add.

But now we are charged with taking the next steps—in particular, the Congress, together with the leadership provided by the Clinton Administration, established a statutory framework that is designed to open up local telephone markets to competition and that would allow the local companies to move into in-region, long distance service for the first time. The goal of this process is to have full-scale competition in telephony throughout the nation. In a nutshell, consumers should have as many as possible, but at least several local options, long distance options, and, ultimately, combined local and long distance options (one-stop shopping, if you will). Once again, knowing where we want to get is the easy part: it's getting there that's hard. And to accomplish that goal, the statute puts in place a variety of interrelated steps and assigns responsibility to three separate agencies—the FCC, the various state regulatory commissions, and the Department of Justice. This mix of players, I would suggest, sensibly reflects the fact that telephone regulation has historically been a shared function of the FCC and the state agencies and, quite naturally, both of them are necessary to the deregulatory process as well. And we also belong there, essentially because the goal of the process is competition and we have expertise in that area generally and with respect to telephony, in particular, because of our extensive involvement in the AT&T case.

The vision of the 1996 Act was premised on a simple formula: if the regulatory environment were different, the market for local telephone service—previously thought to be a ''natural monopoly''—would be subject to the discipline of competition, bringing down prices and increasing quality and choices for consumers. On this point, there was widespread agreement, supported by the experience of several states in paving the way for competition in the market for local telephone service. Building on that experience in 1995, the Antitrust Division, along with Ameritech, AT&T, and many other parties proposed, on a trial basis, a waiver of the MFJ, allowing Ameritech to offer in-region, long distance service in return for compliance with some measures designed to open its local market to competition and a demonstration that actual competitive opportunities were expanding. This proposed waiver, like the 1996 Act, contemplated the creation of new, facilities-based, local service as a way to bring real competition to the local telephone market. The Act seeks to do this on a much broader scale, and in so doing, calls for a series of transitional steps. Getting these steps right is no easy task, and although they may not immediately lead to the type of comprehensive facilities-based service that we hope to see over time, we all realize that we should not let the perfect be the enemy of the good here.

As I see it then, implementing the deregulatory vision set out in the 1996 Act involves four basic things: (1) a set of rules that will allow new entrants into local markets—the so-called interconnection rules adopted by the FCC last August and which have now been stayed in significant part by the Eighth Circuit: (2) another set of provisions that establish the criteria necessary to facilitate local competition and with which the RBOCs must comply before they are allowed to provide long distance and one-stop shopping services: (3) access reform, designed to reduce the price paid to local carriers for originating and terminating long distance calls so that this price will reflect the actual cost of providing the service: and (4) a universal service plan that will eventually replace the implicit subsidies contained within the current regulated telephone service system with explicit and competitively neutral subsidies. As to this last point, I should quickly explain that the current system requires some users to pay above-cost rates to subsidize other users who are served at rates below cost: the 1996 Act calls for these implicit subsidies to be made explicit and to be paid for through a competitively neutral universal service fund. Until we fully implement this mandate, some local exchange carriers (or LECs, as they are called) may be required to bear the costs of serving these customers at uneconomic rates and/or we will continue to see inefficient pricing and entry signals which will tend to distort competitive opportunities and thereby hurt consumers.

Now, as I see it, the paradox of this kind of deregulatory effort is that it depends upon a series of regulatory steps—all taken, to be sure, in the name of deregulation—and those regulatory steps, in turn, can significantly affect the long-term prospects for full-scale competition in telephony. There is no formula or equation that one can look to in order to get these things right. They involve the exercise of discretion by government agencies, which in turn requires careful, sound judgments. And, given that these predictive judgments are necessarily based on incomplete information, we should all be somewhat humble in second-guessing those who have to make the calls. Interestingly, the Fifth Circuit, quoting Justice Cardozo, made just this point about a quarter of a century ago in a case evaluating an FCC regulation prohibiting telephone companies from offering cable service in their regions, explaining that: ''[i]n a complex and dynamic industry such as the communications field, it cannot be expected that the agency charged with its regulation will have perfect clairvoyance. Indeed, Justice Cardozo once said, 'Hardship must at times result from postponement of the rule of action till a time when action is complete. It is one of the consequences of the limitations of the human intellect and of the denial to legislators and judges of infinite prevision.'''[1]

Against the backdrop of this call for humility, let me now go on to highlight the problems in making the necessary regulatory judgments by examining the four transitional steps that I just mentioned. First, in order to get even some local competition, at least for some period of time, competing carriers will have to either purchase service from the LEC at wholesale and attempt to compete with the same LEC by reselling at retail or it will have to use the LEC's facilities—switches, loops, and the like—in whole or in part. In either case, someone has to set a price for the product—be it wholesale service or the unbundled elements. That price in turn can have important repercussions—set too high, it can unfairly burden new entrants and make local competition impossible; and set too low, it can give new entrants a competitive advantage at the expense of the incumbent LEC. What this all means is not just that one of these companies may make a little (or even a lot) more than the other but that long-term competitive conditions can be seriously affected by these pricing decisions. This particular concern has led to the Eighth Circuit litigation in which the incumbent LECs are challenging the FCC's pricing methodology (as well as the Commission's authority to impose a certain pricing methodology to begin with). Fortunately, at least from our point of view, most of the States have followed the Commission's pricing methodology and so, while the litigation goes forward, the actual prices for wholesale and unbundled elements may not be materially different regardless of who ultimately prevails in the Eighth Circuit. I say that's fortunate from our point of view because we supported the FCC's approach as a sound pricing methodology for stimulating efficient local entry.

The second area where some difficult regulatory decisions must be made in this deregulatory process has to do with the issue of when a particular RBOC is permitted to enter the long distance market. Under the statute, this is a state-by-state determination, made by the FCC, with key inputs from the state regulatory agencies and the Department of Justice. Here, too, you can readily see the significance of the trade-offs in the regulatory decision. If you let the RBOC into long distance prematurely, two bad things can happen. First, you may undermine the chance to ensure a competitive local market since once in long distance, the RBOC's incentive to cooperate with its competitors will diminish—if not altogether, at least significantly. And second and derivatively, a premature entry into in-region, long distance service gives the RBOC an unfair advantage in the offering of one-stop shopping since it can readily combine its local service with one of several long distance services easily available to it in the marketplace, while its potential competitors may not have nearly so easy a time combining their long distance service with local service that has heretofore been unavailable to them. On the other hand, if you keep the RBOC out of long distances for too long a period, you risk giving the long distance carriers an undue competitive benefit, since only they are able to offer customers both local and long distance service for the period of time that the RBOC is denied entry, thereby giving them a first mover advantage. Not surprisingly in this environment both kinds

[1] *General Telephone Co. of Southwest* v. *United States*, 449 F.2d 846, 863 (5th Cir. 1971) (quoting Benjamin Cardozo. The Nature of the Judicial Process 145 (1921)).

of carriers—local and long distance—feel very strongly about the timing of RBOC entry into long distance, even to the point of purchasing significant advertising to make their respective cases.

For our part at the Antirust Division the issue of RBOC entry into long distance has been a special focus. Under the statute, we are expressly charged with evaluating each of the fifty state applications and our competitive assessment must be given ''substantial weight'' by the FCC. What is probably most notable about the process is that we are authorized to make our assessment ''using any standard the Attorney General considers appropriate.'' Now, given that broad swath the first thing we needed to do is to establish a concrete standard so that applicants would know in advance how we'd be evaluating them. We also needed to relate our standard to the other, specific provisions of the statute—such as the 14-point checklist the Section 272 separate-subsidiary requirements, and the Track A and Track B entry provisions, as well as the public interest test that the FCC is charged with applying. In order to meet this challenge, we engaged in an extensive inquiry, soliciting comments from all interested parties and meeting with virtually all the affected players. We received almost seventy-five comments and have met with countless industry officials.

The upshot of this process has been to reach the following conclusion: Our basic standard is that before an RBOC should be allowed to enter long distance, it must be able to demonstrate that its market is truly open (which, I should make clear, is different from saying its market is fully competitive). Before I put meat on the bones of that standard let me first say how we think it integrates with the remainder of Section 271. We believe that the other provisions—the checklist the facilities-based requirement the separate-subsidiary requirement and the option of Track B—are all necessary, though not sufficient, to support entry. These requirements, almost as their names imply, involves fixed points but, by themselves are not sufficiently dynamic to ensure that real competition can take place. That's where we think our approach comes into play; we view it as the dynamic part of the equation looking to ensure that the wholesale support systems for opening up local markets are not simply claimed to be in place, but that they will actually work in fact are scalable, and have been beachmarked, so that competition will be real and not marely theortical. We think this approach is the best way to ensure competitive effectiveness which we take to be our express charge under the statute and we think it dovetails nicely with the ''public interest'' standard that the FCC is charged with applying in making the ultimate decision under 271 whether to approve a particular application. More broadly, we believe that our approach fits well within the overall statutory scheme adopted by Congress, nicely blending the fixed and dynamic requirements to reach an effective result.

Now, let me add a few words about how we will apply this standard to RBOC applications under Section 271 of the Act Our preference, though we recognize that it may not always occur, is to see actual broad-based—ie, business and residential—entry into a local market. This kind of entry requires not only appropriate agreements between the RBOCs and their potential competitors, but also the wholesale support systems necessary to ensure that when a current customer is switched from the RBOC to the new competitor, the switching process occurs quickly and effectively, so that the customer is satisfied and its new phone company is not blamed for messing up the transfer—or that, after a customer has been switched and she needs any services, such as repair of her phone line, she gets it from the RBOC in a timely and effective manner. The truth is that, no matter how effectively systems are designed and even assuming complete good faith on the part of the RBOC, this kind of transition can have a lot of bugs in it. Once we see successful full-scale entry, however, then we will have reason to believe that the local market is open to competition. This approach doesn't require the shift of any particular amount of market share; nor should it take very long once there is true broad-based entry into the RBOC's market. Rather, using a metaphor that I've become quite fond of, we just want to make sure that gas actually can flow through the pipeline; and the best way to do that is to see it happen.

This approach—i.e., looking for tangible entry—also has two additional virtues: first, once there is such entry, the new entrant certainly should have an incentive to make the process work, since any new customers that are ill-served will blame the new entrant. This will mean that the new entrant is not likely to be gaming the system and, if there are problems, the reason will be that the local market, for some real-world reason—malign or benign—just isn't ready for competition yet. And second, if broad-based competition appears to be working smoothly, as we certainly hope it does, it will establish a benchmark against which future, post-RBOC entry into long distance, performance can be measured. In other words, if competitors can obtain what they need, and what they are legally entitled to get from the RBOC prior to its entry into long distance, but not after it then we will have reason to suspect that something is wrong and we will be able to pursue appropriate remedial action.

Now, an even harder problem arises when the RBOC claims that it's done everything it can to make entry opportunities fully available but, for some reasons, no new entrant has decided to go forward in a significant way. In these circumstances, we will attempt to determine what the problem is. And, purely at the level of speculation, one could imagine a variety of explanations. For example, the prices being charged by the RBOC could be too high to allow effective competition any time soon or its systems may be too uncertain for the new entrant to take the risk of large-scale entry, or the RBOC may not be cooperating with its competitors by providing the necessary wholesale support systems. One the other hand, it may be that, despite reasonable interconnection terms, fully available support systems, and so on, it simply may not make economic sense for a new entrant to come into any given market on a large-scale basis. Or, a more elaborate version of this problem may be that, if the long distance carriers think they are better off preventing the new competition by the RBOC in their market and also think that the best way to achieve this result is to stay out of the local markets, they may simply choose not to enter. On the third hand, if you will, it may be that some other factor—such as a state statute or local regulation—is making large-scale entry infeasible or, at least, very unattractive. These are some possibilities, and I'm sure there are others as well.

In any event, we will carefully examine the facts in any case where there isn't full-scale entry to determine what's actually going on. In such circumstances, of course, we will ultimately have to make a fact-based determination on a case-by-case basis. But I want to be very clear about one thing: we will pay careful attention to see whether any party is trying to game the system for its own parochial reasons. And, if we think that's what's going on, be assured that we'll take appropriate action. We don't have any dog in this fight—just a desire to ensure full-scale competition in telephony in an enduring fashion. Once that occurs, the market can pick the winners and losers.

Let me now quickly turn to the last couple pieces of this deregulatory puzzle—access reform and universal service. These areas, which are related, also raise long-term competitive concerns. Lowering access charges to cost is desirable in a competitive market but, in the process, there are at least a couple of things you need to be alert to—first, you want to ensure that no one gets an undue competitive advantage during the transition process: and second, you need to make sure that the incumbent LEC is fairly compensation for any implicit subsidies in the system that it has to bear and which have previously been supported by above-cost access charges. That is where the universal service funding system kicks in. It is designed to pick up these kinds of subsidies so that, as I said earlier, competition can go forward without unfairly burdening those players that have to bear the costs of such subsidies.

These kinds of issues can be enormously complex—first, how do you sort out implicit subsidies as well as any historic costs that a LEC is entitled to recover in a way that is fair and, second, how do you then collect the money necessary to pay these costs through a competitively neutral system. If you've seen the FCC's Notice of Proposed Rulemaking on Access Charges—a rulemaking that is ongoing as we speak—you probably have some idea of how complicated this whole process is. The Commission has raised important questions about rate structure, about rate levels—including possible market-based as well as prescriptive methods for dealing with these levels—and about rate deaveraging, which means allowing different access charges for different customers. Anyway, the trick is to do this in a way that hastens competitive opportunities but that is fair to all parties. I am confident that the Commission will do just that.

One final point to remember as we move into a deregulated environment is that the Telecom Act explicitly keeps the antitrust laws in force. This serves not only to guard against any anticompetitive consolidation, but also against any other practices that violate the antitrust laws. Once regulation begins moving off center stage, we are prepared for the possibility that antitrust enforcement may be necessary to ensure full and fair competition in these markets. Especially in network industries, questions of exclusive dealing, control over essential facilities and the use of market power can raise significant antitrust concerns. As a result I intend to make sure that the Division keeps fully abreast of the developments in the marketplace and is ready to take any action necessary to prevent abuses of market power or other anticompetitive practices.

Let me close my emphasizing that while I've tried to accurately portray at least some of the difficulties set in motion by last year's Telcom Act I'm very optimistic about the endeavor we have embarked upon. I've seen some recent stories in the press complaining that consumers haven't yet received the benefits of the 1996 Act but frankly, I think such expectations are unrealistic. We've had a regulated system of telephony in this country for over a century; it won't be deregulated in a year and even after it is deregulated, it'll take time for competition to wring all the fat out of the system so that consumers truly get the best service at the lowest prices. But, if we stay the course, I'm confident that we will ultimately realize how wise this legislation was and how much it will benefit our people. I say that because

history has taught us, time and time again, that deregulation is difficult and transitions can be costly, but if our Nation's economy is to be as strong as it can be—indeed, as strong as it must be in an increasingly globalized market—deregulation is not only desirable, it's essential. In short, history is on our side. A little patience is all that's needed.

Mr. HOLLINGS. I thank the distinguished Chair.

Madam President, it is very interesting. I want to refer back to this because that is in regular type. ''Though we may recognize that it may not always occur''—''though we recognize that it may not always occur.'' We are going to refer back to that in just a few minutes because our distinguished chairman of the Communications Subcommittee, Senator CONRAD BURNS, of Montana, wrote Mr. Joel Klein on May 15, 1997.

I ask unanimous consent that a copy of this letter be printed in the RECORD in its entirety.

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

U.S. SENATE,
Washington, DC, May 15, 1997.

MR. JOEL I. KLEIN,
Acting Assistant Attorney General,
Antitrust Division,
Department of Justice,
Washington, DC.

DEAR MR. KLEIN: I have written to the Senate Majority Leader requesting that a hold be placed on your nomination to be Assistant Attorney General of the Justice Department's Antitrust Division. I have concerns as to whether your views of the implementation of the Telecommunications Act of 1996 are in accordance with Congressional intent.

Section 271(d)(2)(A) of the Telecommunications Act of 1996 gives the Department of Justice a consultative role when the Federal Communications Commission considers petitions filed by the Bell Operating Companies (BOCs) for authorization to provide in-region interLATA service. This summer the FCC will begin ruling on these applications and I have several concerns about how both the Department and the FCC will implement Section 271 of the Act. As you know, both the House and the Senate, in establishing a test for BOC entry into the interLATA business, rejected the imposition of any requirement that a BOC must face ''actual and demonstrable competition'' in the local exchange market before obtaining relief. While the statute allows the Department to apply ''any standard the Attorney General considers appropriate'', a speech you gave in March raises fears the Department and the FCC may attempt to resurrect this test that was rejected in Congress.

My concern arises particularly from your March 11 speech announcing the Antitrust Division's position regarding implementation of Section 271 of the Telecommunications Act of 1996 (47 U.S.C. Section 271). You stated that the Division would take the position that the BOCs should be forbidden to enter long distance under Section 271 until there is ''successful full-scale entry'' into the local market. As you put it, the point of this requirement is to be sure that with respect to local telephone services, ''gas naturally can flow through the pipeline.'' I also read your speech as suggesting that where there has not been full-scale entry, you would oppose BOC entry unless the BOC could show that its competitors are ''gaming the system.''

You have suggested that Section 271 gives you ''broad swath'' to urge whatever position the Antitrust Division likes. Congress, however, gave the Attorney General a role in advising the FCC with respect to public interest issues because of the Department's antitrust expertise. See, for example, Sen. Conf. Rep. 104–230 for a list of some antitrust standards that might be used. A ''gas in the pipeline'' standard is plainly unrelated to the antitrust laws and, even worse, violates congressional intent that the checklist should be the only measure of when local markets are open. Simply stated, the Attorney General's consultation on antitrust issues must be framed by the specific statutory standards for BOC entry, which preclude anything approaching a ''metric test'' like the one Congress rejected.

More fundamentally, the basic point of the Telecommunications Act is that regulators should stand aside and let market forces work once fair competition is possible. Holding up competition in one market because there is not enough competition in another market makes no sense. It is particularly harmful in this context, for local telephone competition may be slow in coming to rural states for reasons that have nothing to do with BOCs' steps to satisfy the checklist. If so, your approach would prevent rural consumers from realizing the benefits of long distance competition that will be available to residents of urban states, just because potential local competitors want to enter profitable urban markets first.

As you prepare to discharge your responsibilities under the Act, I would appreciate your answers to the following questions. This will enable the Subcommittee on Communications to carefully monitor implementation of this portion of the Telecommunications Act.

1. In your speech you used the following terms—''real'' and ''broad-based competitions'', ''actual, broad-based entry'', ''true broad-based-entry'', ''tangible entry'', ''large-scale entry'', and entry on a ''large-scale basis''. What do these terms mean to the Department?

2. How many residential customers have to be served by a competitor to meet the Department's entry test?

3. How many business customers have to be served by a competitor to meet the Department's entry test?

4. Does there have to be more than one competitor in the local exchange market to meet the Department's entry test?

5. Does a BOC have to face competition from AT&T, MCI or, Sprint to meet the Department's entry test?

6. How do you reconcile Congress' rejection of a metric test for BOC entry into the long distance market with our statement that ''successful full-scale entry'' is necessary in order for the Department to ''believe the local market is open to competition?''

7. You have used the metaphor that the Department ''want(s) to make sure that gas actually can flow through the pipeline'' before allowing interLATA entry. How many orders for resold services must be processed by a BOC in order to satisfy this standard?

8. How many orders for unbundled network elements must be processed by a BOC to satisfy this standard?

9. How much market share must a BOC lose to its competitors to demonstrate that ''gas can flow through the pipeline?''

10. FCC Chairman Reed Hundt testified on March 12, 1997, before the Senate Commerce Committee that a BOC that satisfied the checklist but did not have an actual competitor in its market would meet the entry standard. Do you agree with Chairman Hundt?

11. If the Department opposes a BOC interLATA application, do you believe the FCC should reject that application? If so, wouldn't that give the Department's recommendation ''preclusive effect,'' something that the Act specifically prohibited?

12. You have also stated that the checklist, the facilities-based requirement, the separate subsidiary requirement and the option of ''Track B'' (the statement of terms and conditions) are all ''necessary, though not sufficient, to support entry. What more must a BOC demonstrate to obtain the Department's support?

13. Do you believe that Track B can be used only if no one has requested interconnection under Track A?

14. Can a BOC rely on Track B if it has received interconnection requests from potential competitors but faces no ''competing provider'' which is actually providing telephone exchange service to residential and business customers predominantly over its own facilities?

15. What if requesting interconnectors under Track A do not ask for, or wish to pay for, all of the items in the checklist? Can the BOC satisfy the entry test by supplementing their interconnection agreements with a filing under Track B to cover at least all remaining items in the checklist?

Your prompt attention to these questions would be helpful to the Subcommittee.

Sincerely,

CONRAD BURNS,
Chairman,
Senate Subcommittee on Communications.

Mr. HOLLINGS. Madam President, you can read the entire letter. But I can see the thrust of the letter by this language here, and I quote on page 2.

Congress, however, gave the Attorney General a role in advising the FCC with respect to public interest issues because of the Department's antitrust expertise. See, for example, House conference report 104–458 for a list of some antitrust standards that might be used. A gas-in-the-pipeline standard is plainly unrelated to antitrust laws, and, even worse, violates Congressional intent that the checklist should be the only measure of when local markets are open.

We in the majority who wrote this particular bill would demur very, very strongly from that wording by our distinguished friend, the Senator from Montana, in this particular letter.

What occurred is that the nominee, Joel Klein, in the talk, he talked about you can see when competition is present, when you get to see the gas coming through the pipeline. He alludes to the anecdotal situation of gas pipeline cases.

But Senator BURNS differs with that. He says you are supposed to handle this antitrust, and don't give us anything about when competition starts. You can tell his displeasure because, along with the letter, he put a hold on the Joel Klein nomination. You have a hold on the nomination by the chairman of the Communications Subcommittee, and you got a strong letter with a questionnaire that is included, because I have included it in its entirety in the RECORD.

So 5 days later, on May 20, the Department of Justice, Acting Assistant Attorney General Joel Klein sends a letter to Senator BURNS.

Madam President, I quote:

To begin with, I wholeheartedly agree with your statement that the basic point of the

Telecommunications Act is that regulators should stand aside and let market forces work once fair competition is possible. I want to assure you that the Department of Justice shares that view.

Well, both distinguished gentlemen are writing and speaking colloquially. One wants to tell you that competition is present when you can see the gas coming through the pipeline, or smell the gas if you can't see it. Otherwise, the Acting Assistant Attorney General said, ''Oh, yes, I want to let'' —in the Conrad letter, all these expressions about ''let market forces.'' What we are trying to do is ''let market forces.'' He said, ''I agree with you. We have to stand aside and let market forces work.''

That, Madam President, is not the duty of the Acting Attorney General of the United States. He is supposed to stand there by that market and watch it day in and day out. Because there is one thing that will occur if you let market forces work freely, and that is, monopolies will develop. Consolidations and mergers you see afoot right now are occurring every day, and money is talking. People are not suffering yet, but when they get into that monopolistic position, they will, because there won't be any of the rules and regulations, and they will be in their own private businesses.

This group up here that continues to talk about ''let market forces'' operate, this tells me, one, I have a questionable candidate for the Antitrust Department of the Office of the Attorney General of the United States when he starts chanting about monopolies.

Reading on page 2, again, from the Joel Klein letter, I read on page 2, one sentence:

In order to accomplish these goals, almost immediately after I became Acting Assistant Attorney last October, I asked all of the BOCs [the Bell Operating Companies] as well as any other interested party, to give me their views of the appropriate competition standards under section 271.

We set it out. We set out our report. We didn't need an Assistant Attorney General running around rewriting the law. He is talking about, ''Oh, I got them all in. I am going to start developing policy.'' The Congress developed the policy. It took us 4 years to do it.

Here, he says gratuitously in the next sentence on the bottom of page 2—this is Joel Klein, the nominee:

In formulating this standard, I specifically rejected using the suggestion in the conference report that the Department analyze Bell Operating Company applications employing the standard used in the AT&T consent decree objecting to the Bell Operating Company in regional long distance entry ''unless there is no substantial possibility that the Bell Operating Company or its affiliates could use its monopoly power to impede competition in the market such company seeks to enter.''

Bear with me a minute. I know this thing sounds complicated. And those who want to watch a good, loud show they put on around the world, or whatever the dickens they put on in the afternoon, go ahead and turn to it. But this is very, very important.

Judge Greene had what we call in the trade ''the VIII(c) test''—that they couldn't enter these markets until—this is the one rejected by Joel Klein—''there is no substantial possibility that the Bell Operating Company or its affiliates could use its monopoly power to impede competition in the market such company seeks to do enter.''

Madam President, with that particular VIII(c) test, that is how competition starts in long distance that we have today. We don't have any in the local. Ninety-eight percent of the local calls are still controlled by the local Bell Operating Company. They have the monopoly. But this really genius test, the VIII(c) test, became the standard of the discipline, the standard of the industry.

In one hearing, as chairman of the Communications Subcommittee—the Commerce, Science, and Transportation hearing—I had the seven Bells attest. And we will put that in the RECORD, if necessary. They agreed with this particular test. You have the Bell Operating Companies agreeing to that particular test, and that is why we kept it in there. We didn't write it into the formal statute because one former colleague on the House side had held up. He had tremendous influence, Jack Fields of Texas. So we put it in the language. But you follow the course or talk to any of the conferees, you talk to any of the House and Senate Members, they will tell you the VIII(c) test was the test, and we couldn't think of a better one.

Here comes nominee Joel Klein, stating categorically here in May, ''In formulating this standard, I specifically rejected using the suggestion in the conference report that the Department analyze BOC applications employing the standard used''—the VIII(c) standard.

Madam President, when you work this long and you know the industry, you know the monopolies, you know how Judge Greene held control and operated as well as he did, and communications prospered, expanded, and competition burst out all over in the long distance field with this particular standard, and then have a gentleman come in totally green and just write back, just as he got a letter from the chairman who put a hold on his nomination, and said ''I threw that out.'' The Bell Operating Companies tried to throw it out, and they couldn't. They know it because they had already testified in behalf of it.

He goes on to say that ''the VIII(c) standard which has barred Bell Operating Company entry into long distance since their divestiture from AT&T, struck me as insufficiently sensitive to the market conditions, and I was concerned that it would bar Bell Operating Company entry even where it would be competitively warranted.''

I want him to describe that. My understanding is that another Senator, my distinguished colleague from North Dakota—and also I was talking to the Senator from Nebraska. And they have talked with the gentleman, Mr. Klein, and have asked him. And he has yet to come and elaborate about what is more ''sensitive.'' He says this is ''insufficiently sensitive.'' We have yet to find another.

I have met twice with Joel Klein. And he said I was right. He was there with the Attorney General. He understood, and he would get some ensuing opinion, or letter, or some note that he understood, and he could read the language, and it was going to be corrected.

Madam President, let's turn the page and go to Senator CONRAD BURNS' questions and answers, and go to that question. Here is what Senator BURNS questioned, and I quote.

In your speech, you use the following terms: ''Real and broad-based competition,'' ''actual broad-based entry,'' ''true broad-based entry,'' ''tangible entry,'' ''large-scale entry,'' and ''entry on a large-scale basis.''

What do those terms mean to the department?

And I could read it all. The entire letter has been included. But let me read this last sentence.

Thus, in my March 11th speech—

The Acting Attorney General, he knows what we are talking about. He refers to that speech.

In my March 11th speech to which you referred, I stated that ''our preference, though we recognize that it may not always occur, is to see actual broad based, that is, business and residential, entry into a local market.''

Now, Madam President, for all of those unstudied in trying cases with lawyers, watch this particular language because it has the regular language and regular print but he highlights with italic the phrase: ''Our preference, though we recognize that it may not always occur.''

Now, that is in italic, not the rest of it. So the distinguished chairman of the communications subcommittee is given a signal. Watch the play. And then comes the play.

Madam President, on May 21, the next day, he doesn't delay. Oh, that Acting Attorney General for antitrust that held up for weeks the answer to the Dorgan letter and the Kerrey letter, he was prompt; he answered that letter of Senator BURNS in 5 days, gave the signal with the italics.

(Mr. BENNETT assumed the Chair.)

Mr. HOLLINGS. Mr. President, I ask unanimous consent that this docket No. 97–121, in the matter of the application of SBC Communications, be printed in the RECORD.

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

[Before the Federal Communications Commission, Washington, DC, CC Docket No. 97–121]

In the Matter of Application of SBC Communications Inc. et al. Pursuant to Section 271 of the Telecommunications Act of 1996 to Provide In-Region, InterLATA Services in the State of Oklahoma.

ADDENDUM TO THE EVALUATION OF THE UNITED STATES DEPARTMENT OF JUSTICE

Several parties have informally asked the Department to clarify its views concerning

two issues that have arisen in connection with this proceeding: (1) whether we agree with the argument made by some commentors that under Section 271(c)(1)(A) (''Track A''), each separate class of subscribers that must be served to satisfy that entry track, i.e., residential and business, must be served ''exclusively . . . or predominantly'' over the telephone exchange facilities of an unaffiliated provider;[1] and (2) the importance (and meaning) of ''performance benchmarks'' in assessing whether BOC in-region interLATA entry would be in the public interest. To address any confusion on these points, the Department now files this addendum.

I. Section 271(c)(1)(A) does not require that both residential and business customers be served over the facilities-based competitors' own facilities

Section 271(c)(1) requires that a BOC's application to provide in-region interLATA services proceed under one of two distinct tracks. As our evaluation explained, SBC's application is governed by the standards of Track A. 47 U.S.C. §271(c)(1)(A). See SBC Evaluation at 9–20. Under Track A, a BOC must be providing ''access and interconnection to its network facilities for the network facilities of one or more unaffiliated competing providers of telephone exchange service . . . to residential and business subscribers.'' The statute further specifies that ''such telephone exchange service may be offered by such competing providers either exclusively over their own telephone exchange service facilities or predominantly over their own telephone exchange service facilities in combination with the resale of the telecommunications services of another carrier.'' 47 U.S.C. §271(c)(1)(A). As we explained in our evaluation, SBC does not meet the standards of Track A because there is no facilities-based competitor offering service to residential subscribers. See SBC Evaluation at 20–21. Brooks Fiber, to which SBC points as a residential service provider, is merely testing its ability to offer residential service by providing uncompensated service to four employees; thus, it does not compete with SBC to serve any residential ''subscribers.'' See id.

Some parties have pressed for rejection of SBC's application on the additional ground that Brooks does not provide residential service to anyone, including its four employees, over its own facilities. In their view, Track A requires, among other things, that residential service is being provided completely or predominantly over a competitor's own facilities. We disagree.

The statute requires that both business and residential subscribers be served by a competing provider, and that such provider must be exclusively or predominantly facilities-based. It does not, however, require that each class of customers (i.e., business and residential) must be served over a facilities-based competitor's own facilities. To the contrary, Congress expressly provided that the competitor may be providing services ''predominantly'' over its own facilities ''in combination with the resale of'' BOC services. 47 U.S.C. §271(c)(1)(A). Thus, it does not matter whether the competitor reaches one class of customers—e.g., residential—only through resale, provided that the competitor's local exchange services as a whole are provided ''predominantly''over its own facilities.

This reading is not only consistent with the language of the statute, but also serves Congress' twin purposes of maximizing competition in local exchange and interexchange telecommunications markets. To ensure that the BOCs truly opened up their local networks to competitors, Congress required that any BOC qualifying for Track A consideration wait until a facilities-based competitor became operational—provided that there is at least one potential competitor proceeding toward that goal in a timely fashion—before that BOC could satisfy the statute's in-region interLATA entry requirements. In mandating that such a facilities-based competitor offer both residential and business service, Congress ensured both that (1) facilities-based entry path is being used wherever requested; and (2) at least one facilities-based competitor is offering service to residential, as well as business, subscribers. See SBC Evaluation at 14–17. Once those two basic conditions have been satisfied, however, there is no reason to delay BOC entry into interLATA markets simply because competitors that have a demonstrated ability to operate as facilities-based competitors, and that are in fact providing service predominantly over their own facilities, find it most advantageous to serve one class of customers on a resale basis. Imposing this requirement would tip unnecessarily the statute's balance between facilitating local entry and providing for additional competition in interLATA services by adding an unnecessary prerequisite to Track A that might foreclose entry in certain cases for no beneficial competitive purpose. Cf. id. at 22.

II. The Importance of performance benchmarks

In articulating the Department's approach to assessing BOC applications for in-region, interLATA authority, we stated that the existence of ''performance benchmarks'' serves an important purpose in demonstrating that the market has been ''irreversibly opened to competition.'' To better explain the role of ''performance benchmarks,'' ''performance standards,'' and ''performance measures'' in our analysis, we have outlined further the definition and importance of these concepts below.[2]

At bottom, a ''performance benchmark'' is a level of performance to which regulators and competitors will be able to hold a BOC after it receives in-region interLATA authority. The most effective benchmarks are those based on a ''track record'' of reliable service established by the BOC. Such benchmarks may reflect either the BOC's performance of a wholesale support function for a competitor, or, in areas where the BOC performs the same function for its competitors as it does for its own retail operations, a benchmark may also be established by the BOC's service to its own retail operations. In instances where neither type of benchmark is available, the Department will consider other alternatives that would ensure a consistent level of performance, such as, for example, a commitment to adhere to certain industry performance standards and/or an audit of the BOC's systems by a neutral third party. Such benchmarks are significant because they demonstrate the ability of the BOC to perform a critical function—for example, the provisioning of an unbundled loop within a measurable period of time. Thus, benchmarks serve, as explained in our evaluation, the important purpose of foreclosing post-entry BOC claims that the delay or withholding of services needed by its competitors should be excused on the ground that the services or performance levels demanded by competitors are technically infeasible. See SBC Evaluation at 45–48.

To make ''performance benchmarks'' a useful tool for post-entry oversight, we also expect the BOC to adopt the specific means and mechanisms necessary to measure its performance—i.e., ''performance measures.'' That is, if there are no such systems in place, it will be considerably more difficult to ensure that the BOC continues to meet its established performance benchmarks. Finally, we acknowledge that there may be areas in which the present industry standards will be updated, requiring new levels of performance. Accordingly, the Department will also focus on the importance of commitments by BOCs to adhere to ''performance standards,'' even when they will be imposed upon it post-entry.

FOOTNOTES

[1] See, e.g., Opposition of Brooks Fiber Properties, Inc. to Application of SBC Communications, Inc., CC Docket No. 97–121, at 8–9 (May 1, 1997).

[2] To reflect this typology, our evaluation should be modified as follows:

Page 45 line 2 of heading ''b.'' (and Table of Contents), ''standards'' to ''benchmarks'';

Page 47 line 3, ''measures'' to ''benchmarks'';

Page 47 line 5, ''measures'' to ''benchmarks'';

Page 48 line 9, ''measures'' to ''benchmarks'' and add ''as well as its commitment to adhere to certain performance standards'' to the end of the sentence;

Page 60 line 9, ''measures'' to ''benchmarks''; and

Page 60 line 11, 15, 18 ''measures'' to ''benchmarks''

Respectfully submitted,

Donald Russell, Chief; Joel I. Klein, Acting Assistant Attorney General, Antitrust Division; Andrew S. Joskow, Deputy Assistant Attorney General, Antitrust Division; Lawrence J. Fullerton, Deputy Assistant Attorney General, Antitrust Division; Philip J. Weiser, Senior Counsel, Antitrust Division; Carl Willner, Jonathan D. Lee, Stuart H. Kupinsky: Attorneys, Telecommunications Task Force; Gerald B. Lumer, Economist, Competition Policy Section; Antitrust Division, U.S. Department of Justice, 555 4th Street, N.W., Room 8104, Washington, D.C. 20001.

Certificate of Service

I hereby certify that I am an Attorney for the United States in this proceeding, and have caused a true and accurate copy of the foregoing Addendum to the Evaluation of the United States Department of Justice to be served on all petitioners in this proceeding and other interested parties as indicated on the attached service list, by first class mail, on May 21, 1997.

JONATHAN D. LEE,

Attorney, Telecommunications Task Force, Antitrust Division, U.S. Department of Justice.

Service List

Richard Metzger, General Counsel, Association for Local Telecommunications Services, 1200 19th Street, NW., Washington, DC 20036.

John Lenahan, Ameritech Corporation, 30 South Wacker Drive, Chicago, IL 60606.

Mark Rosenblum, AT&T Corporation, 295 North Maple Ave., Basking Ridge, NJ 07920.

Susan Miller, Esq., ATIS, 1200 G Street, NW., Suite 500, Washington, DC 20005.

James R. Young, Bell Atlantic, 1320 N. Courthouse Road, 8th Floor, Arlington, VA 22201.

Walter Alford, BellSouth, 1155 Peachtree Street, NE., Atlanta, GA 30367.

Edward J. Cadieux, Director, Regulatory Affairs—Central Region, Brooks Fiber Properties, Inc., 425 Woods Mill Road South, Town and Country, MO 63017.

John Windhausen, Jr., General Counsel, Competition Policy Institute, 1156 15th Street, NW., Suite 310, Washington, DC 20005.

Genevieve Morelli, Executive Vice President and General Counsel, The Competitive Telecommunications Association, 1900 M Street, NW., Suite 800, Washington, DC 20036.

Laura Phillips, Dow, Lohnes, and Albertson, PLLC, 1200 New Hampshire Ave., NW., Suite 800, Washington, DC 20036, Counsel for Cox Communications.

Footnotes at end of article.

Russell M. Blau, Swidler & Berlin, chartered, 3000 K Street, NW., Suite 300, Washington, DC 20007–5116, Counsel for Dobson Wireless.

Gregory M. Casey, LCI International Telecom Corp., 8180 Greensboro Drive, Suite 800, McLean, VA 22102.

Rocky Unruh, Morgenstein & Jubelirer, One Market, Spear Street Tower, 32d Floor, San Francisco, CA 94105, Counsel for LCI Telecom Group.

Anthony Epstein, Jenner & Block, 601 13th Street, NW., Washington, DC 20005, Counsel for MCI.

Susan Jin Davis, MCI Telecommunications Corporation, 1801 Pennsylvania Ave., NW., Washington, DC 20006.

Daniel Brenner, National Cable Television Association, 1724 Massachusetts Ave., NW., Washington, DC 20036.

NYNEX Telephone Companies, Saul Fisher, 1095 Ave. of the Americas, New York, NY 10036.

Cody L. Graves, Chairman, Oklahoma Corporation Commission, Jim Thorpe Building, Post Office Box 52000–2000, Oklahoma City, OK 73152–2000.

Mickey S. Moon, Assistant Attorney General, Oklahoma Attorney General's Office, 2300 North Lincoln Boulevard, Room 112, State Capitol, Oklahoma City, OK 73105–4894.

Robert Hoggarth, Senior Vice President, Paging and Narrowband PCS Alliance, 500 Montgomery Street, Suite 700, Alexandria, VA 22314–1561.

James D. Ellis, Paul K. Mancini, SBC Communications, Inc., 175 E. Houston, Room 1260, San Antonio, TX 78205.

Philip L. Verveer, Wilkie, Farr & Gallagher, 1155 21st Street, NW., Washington, DC 20036, Counsel for Sprint.

Richard Karre, U S West, 1020 19th Street, NW., Suite 700, Washington, DC 20036.

Charles D. Land, P.E., Executive Director, Texas Association of Long Distance Telephone Companies, 503 W. 17th Street, Suite 200, Austin, TX 78701–1236.

David Poe, LeBoeuf, Lamb, Greene & MacRae, LLP, 1875 Connecticut Ave., NW., Suite 1200, Washington, DC 20009, Counsel for Time Warner.

Janis Stahlhut, Time Warner Communications Holdings, Inc., 300 First Stamford Place, Stamford, CT 06902–6732.

Danny Adams, Kelley, Drye & Warren LLP, 1200 19th Street, NW., Suite 500, Washington, DC 20036, Counsel for USLD.

Catherine Sloan, WorldCom, Inc., 1120 Connecticut Ave., NW., Washington, DC 20036–3902.

Charles Hunter, Hunter Communications Law Group, 1620 I Street, NW., Suite 701, Washington, DC 20006, Counsel for Telecommunications Resellers Association.

Mr. HOLLINGS. I thank the distinguished Chair. And again now on page 3 here the fellow has gotten the signal, and I read on page 3—the entire matter is in the RECORD.

It does not, however, require that each class of customers, business and residential, must be served over a facilities based competitor's own facilities. To the contrary, Congress expressly provided that the competitor may be providing services predominantly over its own facilities in combination with the resale of Bell Operating Company services (47 USC 271 (c)(1)(A)). Thus, it does not matter whether the competitor reaches one class of customers, namely residential, only through resale provided that the competitor's local exchange services as a whole are provided predominantly over its own facilities.

Well, Mr. President, there it was. Bell Operating Companies through the distinguished Senator from Montana got what they wanted in black and white. They just totally refuted 4 years of work, the most important part of the checklist, the most important part that provided for competition in the long distance market, the most important part that we included. We talked about it. We discussed it. We debated it. I was in these conferences. They were in the conferences, like I tried to emphasize. The Bell Companies met all one day with our staffs on both sides and the long distance companies met all one day, and it was worked out. But do not take the word of the Senator from South Carolina.

Mr. President, I ask unanimous consent that a letter to the Honorable Reed Hunt, Chairman of the Federal Communications Commission, from Chairman TOM BLILEY, Congressman from Virginia, and chairman of the Commerce Committee over on the House side, be printed in the RECORD.

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

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON COMMERCE,
Washington, DC, June 20, 1997.

Hon. REED HUNDT,
Chairman, Federal Communications Commission, Washington, DC.

DEAR CHAIRMAN HUNDT: I recently read with interest and dismay the Department of Justice's additional comments regarding SBC Communications Inc.'s (SBC's) application to provide in-region, interLATA services in the State of Oklahoma. The Department therein clarified its views on section 271(c)(1)(A) of the Communications Act, as amended. As the primary author of this provision. I feel compelled to inform you that the Department misread the statute's plain language. As you rule on SBC's application and future BOC applications, you should not overlook the clear meaning of section 271 or its legislative history.

The Department argued that a BOC should be allowed to enter the in-region, interLATA market under ''Track A'' (*i.e.,* section 271(1)(A)) if a competing service provider offers facilities-based services to business customers and resale services to residential customers, so long as the combined provision of both services is predominantly over the competing service provider's facilities. In other words, the Department wrongly takes the view that section 271(c)(1)(A) is satisfied if a competitor is serving either residential *or* business customers over its own facilities.

Section 271(c)(1)(A), however, clearly requires a different interpretation. To quote the statute, a competing service provider must offer telephone exchange service to ''residential and business subscribers . . . either exclusively over their own telephone exchange service facilities or predominantly over their own telephone exchange service facilities.'' Track A is thus satisfied if—and only if—a BOC faces facilities-based competition in both residential *and* business markets. Neither the statute nor its legislative history permits any other interpretation; I know this because I drafted both texts.

In the end, the Department's recent misinterpretation of section 271 reinforces a point I frequently made during Congressional debate over the Telecommunications Act of 1996: the Department of Justice does not have the expertise to make important telecommunications policy decisions. The FCC, by contrast, *does* have the necessary expertise, which explains why Congress gave you and your colleagues—and no one else—the ultimate authority to make important decisions, such as the decision to interpret section 271. I remind you that the Department's role in this matter is a consultative one, and should be treated as such.

Let me conclude by noting that, while this letter focuses exclusively on Department's interpretation of section 271(c)(1)(A), it should not be construed to mean that the balance of the Department's comments were either consistent or inconsistent with Congressional intent.

Sincerely,

TOM BLILEY,
Chairman.

Mr. HOLLINGS. This is dated June 20, 1997.

Dear Chairman Hunt:

I recently read with interest and dismay the Department of Justice's additional comments regarding SBC Communications' application to provide in-region interLATA services in the State of Oklahoma. The department therein clarified its views on section 271(c)(1)(A) of the Communications Act, as amended. As a primary author—

Let me emphasize that. This is Chairman BLILEY—

As a primary author of this provision, I feel compelled to inform you that the department misread the statute's plain language. As you rule on SBC's application and future Bell Operating Company applications, you should not overlook the clear meaning of section 271 or its legislative history. The Department argued that a Bell Operating Company should be allowed to enter the in-region interLATA market under track A, that is, section 271(c)(1)(A) if a competing service provides office facilities based services to business customers and resale services to residential customers, so long as the combined provision of both services is predominantly over the competing service provider's facilities.

In other words, the Department wrongly takes the view that section 271(c)(1)(A) is satisfied if a competitor is serving either residential or business customers over its own facilities. Section 271(c)(1)(a), however, clearly requires a different interpretation. To quote the statute, ''A competing service provider must offer telephone exchange service to residential and business subscribers either exclusively over their own telephone exchange service facilities or predominantly over their own telephone exchange service facilities. Track A is thus satisfied if and only if a Bell Operating Company faces facilities based competition in both residential and business markets. Neither the statute nor its legislative history permits any other interpretation. I know this because I drafted both texts.

Mr. President, that is Chairman BLILEY. I do not know how you can make it more clear. He talks of the history. He talks of the conference report. He talks of the actual language. And anybody reading it can see exactly that. In essence, Mr. Klein sort of quietly acknowledged it. I was waiting because I met with him individually and then I met with him with the Attorney General, I can tell you here and now for those who watch this and follow it. And I ask unanimous consent the recent editorial in the New York Times entitled ''A Weak Antitrust Nominee'' be printed in the RECORD.

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

[From the New York Times, July 11, 1997]

A WEAK ANTITRUST NOMINEE

The next head of the Justice Department's antitrust division will have a lot to say about whether the 1996 Telecommunications Act breaks the monopoly chokehold that Bell companies exert over local phone customers. He will rule on mergers among telecommunications companies and advise the Federal Communications Commission on applications by Bell companies to enter long-distance markets. Thus it is disheartening and disqualifying that President Clinton's nominee, Joel Klein, is scheduled to come up for confirmation today in the Senate with a record that suggests he might knuckle under to the powerful Bell companies and the politicians who do their bidding.

Senators Bob Kerrey, Ernest Hollings and Byron Dorgan have threatened to block the vote today and put off until next week a final determination of Mr. Klein's fate. But the Administration would do its own telecommunications policy a favor by withdrawing the nomination and finding a stronger, more aggressive successor.

Mr. Klein, who has been serving as the Government's acting Assistant Attorney General for Antitrust, demonstrated his inclinations when he overrode objections of some of his staff and approved unconditionally the merger of Bell Atlantic and Nynex. That merger will remove Bell Atlantic as a potential competitor for Nynex's many dissatisfied customers. Mr. Klein refused even to impose conditions that would have made it easier for state and Federal regulators to pry open Nynex's markets to rivals such as AT&T.

Worse, Mr. Klein sent a letter to Chairman Conrad Burns of the Senate communications subcommittee, who runs political interference for the Bell companies, that committed the antitrust division to pro-Bell positions in defiance of the 1996 act.

That act invites the Bell companies to provide long-distance service, but only if the Bells first open their systems to rivals that want to compete for local customers. Yet in the letter to Mr. Burns, Mr. Klein explicitly rejected Congress's interpretation of requirements to be imposed on the Bells in favor of his own, weaker standard.

In a subsequent submission to the Federal Communications Commission, Mr. Klein further weakened a requirement that before the Bells enter long-distance service they face a competitor that is serious enough to build its own switches and wires. Mr. Klein has also upset some senators by seeming to minimize the importance, provided in the 1996 Telecommunications Act, of Justice's advice to the F.C.C. on applications by Bell companies to enter long-distance.

True, Mr. Klein has blocked applications by two Bell companies, SBC and Ameritech, to offer long-distance service before they had opened their local markets to competition. But by pandering to Mr. Burns, he has created strong doubts that he can provide aggressive antitrust leadership.

Mr. HOLLINGS. I ask unanimous consent that the Consumer Federation of America letter of July 14, 1997, on this score be printed in the RECORD.

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

CONSUMER FEDERATION OF AMERICA,
July 14, 1997.

DEAR SENATOR: With cable rates rising almost three times faster than inflation and massive consolidation in cable, radio and telecommunications markets, your efforts to promote competition through the 1996 Telecommunications Act are backfiring.

Acting Assistant Attorney General for Antitrust Joel Klein bears significant responsibility for these unintended, monopolistic results. Unless you demand that the Justice Department's Antitrust Division reverse course and engage in strict antitrust enforcement (see attached New York Times editorial: ''A Weak Antitrust Nominee''), consumers will face vastly inflated telephone and cable rates from increasingly entrenched monopolies.

After antitrust officials allowed the seven local Bell telephone monopolies to consolidate into four bigger monopolies; permitted Time Warner and TeleCommunications Inc. (TCI) to unite companies service almost one-half of all cable customers through a combination with Turner Broadcasting; and approved hundreds of radio mergers, consumers are seeing no appreciable increase in either competition or pocketbook savings from the Telecommunications Act.

While Acting Assistant Attorney General Joel Klein described some of this activity as ''the concentration envisioned by Congress'' (remarks to Glasser Legalworks Seminar, March 11, 1997), we believe you were hoping antitrust enforcement would foster increased competition rather than concentration.

Contrary to promises they made to Congress in return for more market freedom, large cable, telephone and other telecommunications companies are not vigorously entering each other's markets:

AT&T appears to be throwing in the towel on the notion of competing with the local Bell monopolies, as it pursues mergers with the Bell companies.

MCI is losing money hand-over-fist in its failed efforts to jump-start local phone competition.

After failing to start a competitive satellite alternative to cable monopolies, Rupert Murdoch decided to join forces with the cable giants through deals with TCI's John Malone, Primestar and Cablevision.

Finally, local phone companies have pulled the plug on most of their grandiose efforts to enter the cable business, and cable companies have retreated just as quickly from entering the phone business.

And while all this market entrenchment goes on, cable rates are skyrocketing and many local phone companies seek a doubling of local phone rates in anticipation of ''competition.''

It is more obvious than ever before that the Telecommunications Act will be an abject failure unless Congress makes sure that the Antitrust Division reverses course and reinvigorates its enforcement practices.

Sincerely,

HOWARD M. METZENBAUM,
Chairman, Consumer Federation of America, former chairman, Senate Subcommittee on Antitrust, Business Rights and Competition.
GENE KIMMELMAN,
Co-Director, Consumers Union.
DR. MARK COOPER,
Research Director, Consumer Federation of America.

Mr. HOLLINGS. Consumer Federation and others who have followed this thing have been on the phone and otherwise just fighting to make sure that this was really held up and defeated. And in all fairness, I am sorry, after we see the exchange of letters here recently, that I did not fight this nomination. I put a hold on it. I thought that Members would listen, that they would want to learn and they would want to understand. But evidently the jury has been fixed.

Mr. President, I ask unanimous consent that two letters, one by Senator KERREY to the Attorney General dated June 23, and the letter back from the Office of the Attorney General dated July 14 to Senator DORGAN be printed in the RECORD.

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

U.S. SENATE,
Washington, DC, June 23, 1997.

Hon. JANET RENO,
U.S. Department of Justice,
Washington, DC.

DEAR MADAM ATTORNEY GENERAL: Not too long ago, I met Joel Klein and found him to be an intelligent, talented attorney and a dedicated public servant. I would like very much to support his nomination for Assistant Attorney General for Antitrust but have some very serious concerns about the Administration's telecommunications policies and Mr. Klein's interpretation of the Telecommunications Act of 1996. I am hopeful you can clarify the Department's official views for me.

I am particularly concerned about recent comments made by Acting Assistant Attorney General Klein regarding the Department of Justice's (DOJ) role in facilitating competition in the wake of the Telecommunications Act of 1996. As you know, my support of the Telecommunications Act was contingent upon a strong role for DOJ in shaping a competitive telecommunications market. I did not stop the work of the United States Senate with a filibuster in order for the Department of Justice to take its responsibilities lightly. In the contrary, I expected DOJ to use every ounce of its authority, including those powers granted outside of the Telecommunications Act, to ensure the competitive integrity of the new telecommunications market.

In response to questions by the Chairman of the Senate Communications Subcommittee, Mr. Klein said that he ''specifically rejected using the suggestion in the Conference Report that the Department analyze Bell Operating Company (BOC) applications employing the standard used in the AT&T consent decree''. This standard would reject BOC entry into in-region long distance unless ''there is a substantial possibility that the BOC or its affiliates could use its monopoly power to impede competition in the market such company seeks to enter.'' The Telecommunications Act gave you the authority to choose any standard you see fit to evaluate BOC entry into in-region service. Winning that discretion was a hard fought battle. Is the Department using its discretion to chose a weak standard? Does Mr. Klein's statement mean that a Bell Operating Company should be allowed to enter the in-region long distance market even if there is a ''substantial possibility that he BOC or its affiliates could use monopoly power to impede competition?''

Mr. Klein's comment to the Chairman that ''we think that the openness of a local market can be best assessed by the discretionary authority of the FCC, relying in part on the Department of Justice's competitive assessment, and based on the evaluation of the particular circumstances in an individual state.'' I fought hard to include DOJ in this process because of the legal and economic expertise of the Antitrust Division. Is the Department abdicating its role in this area? The Federal Communications Commission (FCC) is not the only agency equipped to

make decisions about the openness of markets. Can a market be competitive if it is not open? The Department's responsibility under the act and the nation's antitrust laws is most serious and should be aggressively pursued by the Antitrust Division. Although the ultimate decision lies with the FCC, the Department should accept its important role as the expert in competition and market power and adopt a meaningful entry standard based on pro-competitive principles. I am not convinced that the Department has done that.

On a separate but equally important competition issue, I remain very concerned about recent mergers between large telecommunications providers. The decision by Justice to approve the Bell Atlantic/NYNEX merger without any conditions is troubling. I am also concerned about rumors circulating about a possible reconstruction of the old Bell system. Reports of AT&T efforts to bring two BOC's back into its fold should give everyone pause. Such a merger will likely lead to a new round of large telecommunications mergers which could greatly reduce any chance for the swift adoption of a vibrant, competitive telecommunications market. Competitive entry could be frozen while real and potential competitors court, woo and marry each other.

Finally, I am pleased with Mr. Klein's emphasis on ensuring that the BOC's take the necessary steps to allow competition in their markets. The Department of Justice should use its authority to ensure that no one creates or uses artificial impediments to block competitive entry. Interconnection agreements are pending in all fifty states, but at this time no significant competition has developed. The era of telecommunications monopolies should be over, not recreated. Market forces, not market power should motivate all telecommunications carriers to work night and day to win and keep customers. Interconnection should be made as simple and efficient as possible. It should be very easy for a telecommunications entrepreneur to gather a group of customers and easily, efficiently and expeditiously begin providing them service through interconnection or resale.

The telecommunications industry is at a critical point in its history. The Department's commitment to using its full authority to promote competition is important to achieving an environment where consumers come first and entrepreneurs are encouraged to challenge the status quo. Thank you for your careful consideration of my concerns and would appreciate your views on these matters. I look forward to your response.

Sincerely,

J. ROBERT KERREY.

OFFICE OF THE ATTORNEY GENERAL,
Washington, DC, July 14, 1997.

Hon. BYRON L. DORGAN,
U.S. Senate,
Washington, DC.

DEAR SENATOR DORGAN: The President has requested that I respond to your recent letter to him regarding the nomination of Joel Klein to be Assistant Attorney General for Antitrust and the Administration's telecommunications policies.

At the outset, I want to emphasize my appreciation and that of the Department as a whole for your strong and unwavering support for the important role provided for the Department in the implementation of the Telecommunications Act of 1996. I remember how hard we fought together to secure the DOJ role. As a consequence, I share with you a keen interest in ensuring that the Department carries out its role under the Telecommunications Act effectively.

Let me begin by assuring you that the Department of Justice takes its role under the Telecommunications Act of 1996 extremely seriously. We have devoted substantial resources to preliminary investigations all across the nation on a state-by-state basis to understand the competitive conditions in each state. We have devoted even more resources to our review and evaluation of specific Section 271 applications. We prepared extensive, even exhaustive, analyses of SBC's Section 271 application for in-region long distance authority in Oklahoma and Ameritech's Section 271 application for in-region long distance authority in Michigan.

Our actions in these matters make absolutely clear that the Department is firmly committed to ensuring that local markets are fully and irreversibly open, so that competition can take hold there and flourish, and that long distance markets are as competitive as possible. We share your view that this is crucial for consumers in this country. To this end, we have adopted a procompetitive standard for evaluating Section 271 applications, and we are providing the FCC with meaningful guidance on competition policy in specific cases. The FCC relied heavily on our analysis in its only decision to date, its recent decision denying SBC's application.

You have specific questions regarding the standard used by the Department in evaluating Bell Operating Company (BOC) FCC applications to provide in-region long distance service.

After a careful evaluation of public input, the Department adopted a standard that the local market had to be ''fully and irreversibly open to competition.'' I assure you that this is not a weak standard. It is a meaningful standard based on strong procompetitive principles and is designed to ensure and protect competition in both local and long-distance markets. It ensures that no one can create artificial impediments to entry, and it ensures that BOCs are not able to provide in-region long distance service prematurely, when they might have unfair competitive advantages over competitors. Otherwise, the promise of fully competitive local and long distance markets would be delayed.

As demonstrated by our evaluations of SBC's Section 271 Oklahoma application in May, and of Ameritech's Section 271 Michigan application in late June, we will not support long distance entry until local markets are fully and irreversibly open to competition. Our position (and our standard) is one that is tough but fair and designed to promote the maximum amount of competition in all markets. The Department is fully committed to ensuring that all telecommunications markets become as competitive as possible.

In closing, let me say Joel Klein is an extremely intelligent and talented attorney and a dedicated public servant. The President and I hope he is rapidly confirmed by the United States Senate to be the Assistant Attorney General for Antitrust.

Sincerely,

JANET RENO.

Mr. HOLLINGS. Now, you see every effort has been made to try to clear that record, and you can read the Attorney General's letter, and for the purposes at hand it is not worth the paper it is written on. You can throw it away. It says nothing—that she believes in competition. Now, she is a lawyer. She knows how to read emphasized italics language. She saw the pitch. I told her about the pitch and how it occurred. I showed her the talk that Klein made. We went down the whole thing. So Senator KERREY, and I understand, of course, Senator DORGAN wrote a letter, and we were waiting for a letter back and we had to wait several weeks. Not the Senator from Montana. His letter and addendum and opinion were all put out immediately. But when Senators who worked on the bill as diligently as we did tried to meet with him and then put down in black and white our misgivings, write the Attorney General's department and ask, please, now, let's see your position here on the plain, clear language, they write back—''I believe in competition.'' Just two pages of nothing. I have that in the RECORD.

Mr. President, I should have, like I say, politicked this nomination for its defeat.

Let me ask unanimous consent that the ''Dear Colleague'' letter of July 10 by Senator DORGAN of North Dakota and myself be printed in the RECORD.

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

U.S. SENATE, COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION,
Washington, DC, July 10, 1997.

DEAR COLLEAGUE: The Senate may soon move to consider the nomination of Joel Klein to be the Assistant Attorney General in charge of the Antitrust Division. Because of statements and actions by Mr. Klein in his acting capacity at the Department of Justice we are very concerned with the direction of the Administration's policies with respect to its interpretation of certain provisions of the Telecommunications Act of 1996. We believe that these issues need clarification before Mr. Klein's nomination should be brought to a vote in the Senate. We urge you to support us in our desire to resolve the issues surrounding Mr. Klein's actions before his nomination is brought to the Senate floor for debate.

Whether or not robust competition develops in the local telephone service market depends upon the Administration's commitment to vigorously enforce these critical provisions of the Telecommunications Act. Unfortunately, while serving as acting chief of the Antitrust Division, Mr. Klein has explicitly contradicted specific statutory mandates and conference report directions that we, working with the White House, fought again all odds to have added to the Telecommunications Act of 1996. We have asked Mr. Klein, Attorney General Reno, and the White House to review our concerns and demonstrate that the Antitrust Division will follow the explicit meaning of the Telecommunications Act. So far, we have not received a satisfactory response to our concerns.

Our misgivings about Mr. Klein go to the very heart of whether the Telecommunications Act achieves its goal of promoting more competition and lower prices for consumers. In response to White House requests (and a very specific veto threat) we made sure that nothing in the Telecommunications act in any way undermined the antitrust laws. In fact, to address these concerns, we gave the Justice Department new authority to rule on mergers of telecommunications common carriers (power previously reserved for the Federal Communications Commission), and we gave the Justice Department a substantial role in determining when a local Bell telephone monopoly could enter the long distance market because it had sufficiently opened its market to competition. However, under the leadership of Mr. Klein, the Justice Department has abdicated its responsibility and failed to use

these tools to promote the level of competition that we and the Clinton Administration believed should be developing in telecommunications markets.

By interpreting the Telecommunications Act in a manner that fails to ensure that both consumers and businesses receive competitive choices from separate local phone companies; by abandoning the Department of Justice's traditional standard for measuring competition to make it easier for the Bell companies to enter long distance; and by approving the largest merger in telecommunications history without even a policing mechanism to ensure that competition would be enhanced, Mr. Klein has sent the wrong signal to the marketplace and undermined the core principles that are the foundation upon which the Telecommunications Act was constructed.

In a letter describing his final concerns about our bill and the bill passed by our colleagues in the House, President Clinton wrote that the final bill ''should include a test specifically designed to ensure that the Bell companies entering into long distance markets will not impede competition.'' This test described by President Clinton is actually a stronger test than the VIII(c) test contained within the Modified Final Judgment. Yet, Mr. Klein rejected both these tests recently and decided to develop his own lesser standard of ''irreversibly open to competition.''

In another more compelling matter, Mr. Klein has turned the statute on its head in his interpretation of the facilities-based entry test for long distance. The statute requires that a facilities-based provider serve both business and residential customers before the Bell company can enter long distance. Mr. Klein, however, believes the statute can be interpreted to mean that a facilities-based carrier need only provide service to business or residential customers. Yet again, another instance where Mr. Klein has weakened the protections that the Congress fought hard to enact into law to protect consumers from premature entry into long distance.

We will insist that any Administration nominee support the consumer protection we fought hard to put into place. Mr. Klein's interpretation of the law will result in more consolidation, less choice and higher costs to consumers. We therefore want to ensure that this or any Administration nominee implement the letter of the law and follow the steps that we and the Administration outlined in achieving a consensus during deliberations on the Telecommunications Act's conference report.

Sincerely,

BYRON L. DORGAN.
ERNEST F. HOLLINGS.

Mr. HOLLINGS. It is not my intent to take further time. I can tell that this was called. I had checked after the last rollcall. They said it wasn't going to be called until after 6 o'clock. When they filed it, they filed cloture immediately before there was any kind of debate whatever. They have not only lost their senses with respect to reality, calling deficits listed in the document as $179.3 billion as balanced, but they have lost their manners and their courtesy. Usually you have the Senator who had the hold and caused the particular confusion put on notice, but I had a staffer watching the TV and saw our friend from Utah, Senator HATCH, was talking. So there we are, just right in the middle.

You did not need cloture. At the time we put on a hold and were asked: Do you want to be identified as the one having the hold, I said absolutely. I am not playing games, tricks or anything of that kind. I would be glad if you called it this afternoon. That was weeks ago where I would have a chance to explain exactly what occurred. But, of course, you can see what has occurred. They have politically worked it, got the votes, got cloture. Don't waste time. Let us get on with this.

And then when the rates go up, when you get consolidation instead of competition and those rates go up, and you don't get competition in the local market and you don't get what we intended in the Telecommunications Act, don't come around like in Gramm–Rudman-Hollings and say it didn't work. Gramm–Rudman-Hollings worked up until 1990 when they went out to Andrews Air Base and they put in the categories and so-called ceilings—we haven't reached those ceilings yet—and repealed the across-the-board cuts, the sequester language. On October 21 at 1:40 a.m. I made the point of order that you are now repealing the thrust of Gramm–Rudman-Hollings. Today, this afternoon, I am making the same point. You are repealing the competitive feature of the Telecommuncations Act of 1996.

I hope the nomination is defeated and we get somebody here who can read.

I yield the floor.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Mr. President, I yield 4 minutes to the distinguished Senator from South Carolina.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. THURMOND. Mr. President, I rise today in support of the nomination of Joel I. Klein to serve as Assistant Attorney General for the Antitrust Division of the Department of Justice. Mr. Klein is a fine man and is an outstanding nominee for this important position. I am pleased to support him.

Mr. Klein achieved an excellent academic record at both Columbia College in New York and Harvard Law School. He then served as a law clerk for the Chief Judge of the D.C. Circuit Court of Appeals and later for U.S. Supreme Court Justice Lewis Powell. Afterward, he developed a distinguished reputation in private practice, where he argued important cases before the U.S. Supreme Court.

For the past several months, he has served as the Acting Assistant Attorney General for the Antitrust Division. During that time, he has shown that he is firmly committed to enforcing our nation's antitrust laws. For example, under his leadership, the Antitrust Division has greatly increased its collection of criminal fines. Thus far this fiscal year, which almost coincides with Joel Klein's tenure, the Antitrust Division has collected over $192 million dollars in criminal fines, compared to only about $27 million for all of fiscal year 1996.

Mr. President, I am confident that Mr. Klein is within the mainstream of antitrust law and doctrine, and will exercise his responsibilities fairly and within the dictates of the law. He is committed to upholding our free enterprise system and to protecting consumers from anti-competitive conduct.

Under Chairman HATCH's distinguished leadership, the Judiciary Committee held a hearing on Mr. Klein's nomination in April, and his nomination was reported out of the Committee unanimously in May.

In short, I strongly believe that Mr. Klein is a man of unquestioned integrity and great ability. I urge my colleagues to vote in favor of this nomination.

Mr. President, in closing I want to commend Senator HATCH, the able chairman of the Judiciary Committee for the position he has taken on this particular nomination.

Mr. President, I yield the floor.

Mr. KOHL. Mr. President, let me make a few brief points. First, it is kind of ironic that Joel Klein's nomination has nearly universal Republican support, but has divided many Democrats. After all, he is the President's choice for the job and any Presidential nominee for an executive branch appointment—Democrat or Republican—deserves the benefit of the doubt. More than that, Mr. Klein has the support of many prominent Democrats, among them Judge Abner Mikva, Former Deputy Attorney General Jamie Gorelick, Lloyd Cutler, and others. I ask unanimous consent that a letter from them—and from prominent Republicans—in support of Joel Klein be printed in the RECORD.

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

JULY 14, 1997.

Hon. TRENT LOTT,
Senate Majority Leader, Washington, DC.

Hon. TOM DASCHLE,
Senate Minority Leader, Washington, DC.

DEAR SENATOR LOTT AND SENATOR DASCHLE: We are lawyers, academics, and former government officials with differing views on various legal and public policy issues. We are united, however, in our belief that Joel I. Klein is a superbly and uniquely qualified nominee to be the Assistant Attorney General for Antitrust at the Department of Justice. We are confident that as Assistant Attorney General Joel Klein would vigorously enforce the nation's antitrust laws and effectively serve the public interest. We urge the Senate to act upon this nomination promptly and confirm Mr. Klein to this important post.

Sincerely,

Donald B. Ayer, Former Deputy Attorney General, Former Deputy Solicitor General; Warren Christopher, Former Secretary of State, Former Deputy Attorney General; Lloyd N. Cutler, Former Counsel to the President; Alan Dershowitz, Professor of Law, Harvard Law School; Peter Edelman, Professor of Law, Georgetown Law Center; Eleanor Fox, Professor of Law, NYU Law School; Jamie Gorelick, Former Deputy Attorney General; Carla A. Hills, Former United States Trade Representative, Former Secretary of Housing and Urban Development; Charles James, Former Assistant Attorney General, Antitrust Division.

Harry McPherson, Former Counsel to the President; Abner J. Mikva, Former Counsel to the President, Former Chief Judge, United States Court of Appeals for the District of Columbia, Former Member of Congress; Newton N. Minow, Former Chairman, Federal Communications Commission; Leon E. Panetta, Former White House Chief of Staff, Former Member of Congress; Deval Patrick, Former Assistant Attorney General, Civil Rights Division; Robert B. Reich, Former Secretary of Labor; James Rill, Former Assistant Attorney General, Antitrust Division; Richard E. Wiley, Former Chairman, Federal Communications Commission.

Senator ORRIN HATCH,
U.S. Senate.

We are writing to express our support for the nomination of Joel Klein as Assistant Attorney General for Antitrust.

We are a group of economists who are working actively to help break down entry barriers and bring competition in the telecommunications sector, as Congress intended in passing the Telecommunications Act of 1996. Collectively, we have served as economic experts for interexchange carriers, wireless companies, and Bell operating companies. The signatories below include four recent Economics Deputies from the Antitrust Division and the two most recent Chief Economists at the Federal Communications Commission.

Although we have our differences in the interpretation of various economic evidence, and in our recommendations for telecommunications policies, we all believe that Joel Klein will make an excellent Assistant Attorney General. He is fair and thoughtful, he understands and uses economic arguments and analysis effectively, and he is dedicated to enforcing our antitrust laws and promoting competition in our economy.

Sincerely yours,

JOSEPH FARRELL,
Prof. of Economics, U. of California at Berkeley.
MICHAEL KATZ,
Prof. of Business Administration, U. of California at Berkeley.
CARL SHAPIRO,
Prof. of Business Strategy, U. of California at Berkeley.
RICHARD GILBERT,
Prof. of Economics, U. of California at Berkeley.
JANUSZ ORDOVER,
Prof. of Economics, New York U.
ROBERT WILLIG,
Prof. of Economics and Public Affairs, Princeton U.

Mr. KOHL. Second, while it is unfortunate that Eric Holder is being held ''hostage'' to Joel Klein's nomination, the truth is that the sooner we confirm Mr. Klein, the sooner we can move forward and confirm Eric Holder. The Department of Justice, and the American people, will be better off with a confirmed Deputy Attorney General.

Third, I respect the efforts of my colleagues, Senator HOLLINGS, Senator DORGAN and Senator KERREY, who have fought long and hard for consumers on telecommunications matters. Like me, they clearly want someone in charge of the Antitrust Division who will bring about the kind of competition promised in—but not yet delivered by—the Telecommunications Act. They have sent a strong message to Joel Klein on how to interpret Section 271 of the Act, and I believe he understands that message and will work hard to promote vigorous competition in the telephone industry—and all other industries.

My hope is that Joel Klein, as a confirmed appointee, will surprise his critics and please his supporters in his enforcement of the antitrust laws. I urge my colleagues to support him.

Mr. KENNEDY. Mr. President, I give my strong support to Joel Klein's nomination to serve as Assistant Attorney General of the Antitrust Division at the Department of Justice. Mr. Klein's background and experience have prepared him well to serve the country in this capacity.

After graduating magna cum laude from Columbia University and Harvard Law School, Mr. Klein served as a law clerk for both D.C. Circuit Judge David Bazelon and Supreme Court Justice Lewis Powell. He later served with great distinction as a public interest lawyer, Deputy White House Counsel, and Principal Deputy of the Antitrust Division where he is now the Acting Assistant Attorney General.

Mr. Klein's work in the Antitrust Division has earned wide praise. Leading economists, including two former Chief Economists of the Federal Communications Commission, believe that he will be an excellent Assistant Attorney General who is ''dedicated to enforcing our antitrust laws and promoting competition in our economy.'' Mr. Klein wins similar high praise from State and Federal officials and many members of the American Bar Association active in the Section of Antitrust Law.

This praise is well deserved. Mr. Klein has won substantial criminal fines against large companies guilty of price-fixing. He has challenged anticompetitive practices and anticompetitive mergers that harm consumers. He has given new emphasis to antitrust enforcement overseas to help open more markets for U.S. businesses.

I have had the opportunity to work closely with Mr. Klein on several issues, including a recent ''East-West Initiative,'' which brought together business leaders, government officials, and Republican and Democratic Senators from Massachusetts, North Carolina, Washington, Utah, and California to discuss cooperative efforts by government and business to help consumers. Mr. Klein's participation in this effort was key to its success, and I have the greatest respect for his ability and his commitment to public service.

I urge the Senate to approve his nomination. His outstanding record makes him an excellent nominee for this position. I hope that the strong bipartisan support already expressed by many Senators on both sides of the aisle will lead to further cooperation in expediting action on other nominees for the Department of Justice, and for long overdue bipartisan action on judicial nominations as well.

Mr. WYDEN. Mr. President, the position of Assistant Attorney General for Anti-Trust is one of the most critical to assuring American consumers enjoy the benefits of competition. The decisions made by the individual who holds this title affect billions of dollars and the ability of our companies to compete in the global economy. They affect corporate profit and loss sheets and the course of the stock market. But most importantly, they affect the prices consumers pay for basic services, from telephone calls to transportation and television.

No area holds more promise for competition than communications, and that was the major impetus for the 1996 Telecommunications Act. The Act was intended to eliminate monopolies, spur new entrants and bring down prices. Eighteen months later, we have seen pitifully little progress. The Administration has not moved aggressively to promote competition. The vote I will cast today is meant to send a signal to the Administration that those of us in Congress who supported the 1996 Telecommunications Act want to see competition rather than concentration.

As a member of the Commerce Communications Subcommittee, I had hoped the 1996 Telecommunications Act would unleash a torrent of competition. Instead, we have seen prices outpace inflation in many areas. Each day the paper seems to carry yet another announcement of one giant company's plans to merge with another. Companies are spending millions of dollars on litigation and negative advertising. The situation reminds me of the African proverb: when elephants fight, the grass gets trampled. The grass here is the American consumer.

Perhaps the overwhelming array of choices has lulled the consumer into a sense of complacency. We hear about 500 channel broadcast satellite and video-on-demand. We see pages and pages of advertisements for cellular phones and CD ROM's, interactive computers and digital cameras. The pace of progress is incredible.

But if one peeks behind the smorgasboard, there is a very disturbing trend. The trend is toward concentration and media mega-mergers. Today's competitors are becoming tomorrow's partners.

Mr. President, this is why the position of Assistant Attorney General for Anti-Trust is so crucial. The individual who sits in that office plays a pivotal role in assuring our anti-trust laws produce robust competition rather than rogue concentration. Consumers need a champion for choice in communications.

I like Mr. Klein personally and believe him to be a skilled lawyer. It is the Administration's failure to move aggressively to promote competition that disturbs me. I hope my vote today

sends a clear message to the Administration that the trend toward increased communications concentration needs to be thoroughly examined and challenged. For this reason, Mr. President, I will not be able to support the Administration on this vote.

Mr. TORRICELLI. Mr. President, I rise in support of the nomination of Joel Klein because of my confidence in his ability to be the kind of antitrust law enforcer the Justice Department and the country need to protect consumers and ensure vigorous competition.

My confidence comes from Mr. Klein's record of great success during the past nine months during which he has headed the Antitrust Division. He has proven to be a strong advocate in promotion of competition. His accomplishments include suing Rochster Gas and Electric for impeding competition for electric power, suing to block a hospital merger that would have raised prices for patients on Long Island, NY, obtaining indictments of an insulation company executive for price fixing, blocking an acquisition that would have created a dominant provider of asphalt concrete in New Hampshire and Vermont, and blocking an acquisition by Gulfstar Communications that would have created unacceptable media concentration.

His record also includes numerous guilty pleas and fines and settlements from antitrust violators, including a record $5.6 million penalty from German and Brazilian companies for violating pre-merger notification rules.

With an already strong record in an acting capacity, we can look forward to great things from Mr. Klein should he be confirmed by the Senate.

Mr. HATCH. Mr. President, I must say I find some irony in the criticisms I am hearing today regarding Mr. Klein's efforts to implement the Telecommunications Act. In essence, it is being suggested that Mr. Klein's interpretation of the Act would permit local Bell companies to enter the long distance market prematurely, or too easily.

In fact, however, Mr. Klein has weighed in against Bell entry into long distance in the 2 applications that have, to date, come before him—that is, the SBC and Ameritech applications. So it is curious to me that, while Mr. Klein's only actions in this regard have been contrary to the Bells, his confirmation is being opposed on the ground that he is being too lax on the Bells. This puzzles me.

But the broader point here is that Mr. Klein has demonstrated a studied, fair approach to interpreting the law, as a general matter.

I may well disagree with particular decisions Mr. Klein makes, but I am persuaded he will make a top-flight antitrust chief. So I urge my colleagues to join me in supporting this nomination.

Mr. BURNS. Mr. President, I rise this evening to offer may support for nomination of Joel Klein to assume the position of Assistant Attorney General of the Antitrust Division of the U.S. Department of Justice.

There has been much debate here this evening over my letter to Mr. Klein dated May 15, 1997, and his subsequent letter in response dated May 20, 1997. I'd like to take this opportunity to offer my two cents.

When Mr. Klein's nomination was first reported out of the Judiciary Committee, I was concerned for three primary reasons. First, I had recently read Mr. Klein's paper entitled ''Preparing for Competition in a Deregulated Telecommunications Market,'' which he presented at the Willard Inter-Continental Hotel in Washington, DC, on March 11, 1997, and his interpretation in that paper of Section 271 of the Telecommunications Act of 1996 troubled me. Because I chair the Subcommittee on Communications, I felt that I could not, in good conscience, allow his nomination to move forward; consequently, I placed a hold upon his nomination and sent a letter to him asking him to explain his statements concerning 271 applications. He promptly responded with a comprehensive explanation of his statements, and, while I did not at that time nor do I now, necessarily agree with his assessment of the DoJ's role in the 271 application process, I understood the basis of his convictions.

Second, in addition to the questions raised in my letter, I also telephoned him and expressed concern over what had been reported to me—both by press accounts and by a wide range of industry representatives—as a total failure on the part of the Antitrust Division to investigate allegations that Microsoft Corporation was in violation of the Consent Decree entered into with the Department of Justice on August 21, 1995. I have here one of several newspaper articles detailing these allegations and seek unanimous consent for its introduction into the RECORD. Subsequently, I met with Mr. Klein and he assured me that he would investigate these allegations.

Finally, I had been contacted by a number of radio broadcasters who had complained that the Antitrust Division was misinterpreting the radio ownership provisions of the Telecommunications Act, but, after meeting with Mr. Klein, and discussing the issue at length, I was satisfied with his approach in this matter.

Consequently, based upon both his written and verbal responses to my concerns. I am satisfied that he will be a fine Assistant Attorney General for the Antitrust Division, and I support his nomination.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Mr. President, if there is a cure for insomnia, as I said the other day, this kind of debate surely must be it. This is so arcane and technical, to be talking about antitrust issues and VIII(C) and section 271, and all of these issues that almost no one understands. They seem not very important to many, I am sure. I suppose most who would listen to this would think it incredibly boring. But, in fact, it is very, very important. We have a market system in this country that works only when there is competition. When you don't have competition, the market system doesn't work.

We have something called a referee several places in this Government: One at Justice, in the Antitrust Division; we have a referee function in the Federal Trade Commission. In fact, we have 1,000 attorneys, roughly, I understand, whose job it is to deal with antitrust issues and the issues of monopoly and so on. The purpose is to make sure that we don't have enterprises, where people come in and grab markets and develop trusts or monopolies and extract from the consumers a price that is unfair, a price that is not set in an open market or an open competition. That is what this antitrust enforcement is about.

Mr. Joel Klein is, by all accounts, capable, smart, and a fellow with a distinguished career. I have met him. I think he is a nice fellow. We should not be voting on this nomination at this point. We should not have been voting on a cloture motion on this nomination either, as we did a week ago. Why? Because there are substantial questions that a number of us have raised about the nomination of Mr. Klein that have not been answered. I feel I must vote against this nomination. I don't like that position, but I don't intend to vote for a nomination with the kind of questions that remain about a number of positions that have been taken, a number of things that have been written and said by this potential nominee on antitrust issues, that give me great concern.

I intend to speak only briefly because I think my colleagues have covered this subject. After I complete my presentation I will yield back the remainder of our time. But I want to make a couple of important points.

The fight on the Telecommunications Act, which was the first major reform of the telecommunications laws in this country in five or six decades, was a substantial battle between behemoths in our country—organizations that provided local service that are collecting tens and tens of billions of dollars of revenue, and organizations that are involved in long distance telephone service that are just as big. These titans then clashed as we wrote a Telecommunications Act. One of my concerns as we wrote this act was that we would end up, not with more competition, but, instead, with more concentration. If you have less competition and more concentration you will have higher prices.

My colleague from Nebraska held up something that was in the paper this morning in Nebraska, ''So Far, Consumers Losers in Battle for Dial-Tone Dollars; basic rates for telephone service are up for 93 percent of Nebraska

residential customers the past year.'' I don't know much about Nebraska, but I fear what will happen if we don't have aggressive antitrust enforcement at the Justice Department, something I fought very hard for, as did the Senator from South Carolina, as did the Senator from Nebraska, when we passed the Telecommunications Act. We were the ones standing out here on the floor talking about the VIII(C) test. We are the ones who fought for a role for the Justice Department in all of these issues. Were it not for us, it would not have been there.

Now, the Justice Department role is critical, as is the role of the Federal Communications Commission. If we have a Federal Communications Commission that does the wrong thing, or we have a Justice Department that doesn't do the right thing in antitrust enforcement, I guarantee the result of the Telecommunications Act last year will not be more competition and lower prices, it will be more concentration, fewer companies, and higher prices. I guarantee it.

This is important. This is about billions and billions and billions of dollars of additional charges that consumers may or may not have to pay in the future, depending on antitrust enforcement in the Justice Department and on thoughtful, responsible decisions in the Federal Communications Commission that properly implement the Telecommunications Act. There will be more discussion about that because we also have some disagreements about nominations to the Federal Communications Commission.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point a letter that I have written to Mr. Joel Klein dated July 15, asking some questions about the interpretations that have been made on the VIII(C) test—the VIII(C) standards, rather, relative to the new standard called ''irreversibly open to competition.''

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

U.S. SENATE,
Washington, DC, July 15, 1997.

MR. JOEL KLEIN,
Acting Assistant Attorney General, U.S. Department of Justice, Washington, DC.

DEAR MR. KLEIN: Last night, I received a letter from Attorney General Janet Reno responding to a letter I sent to President Clinton relating to issues that I have with respect to your nomination. While I appreciate the fact that the Administration has acted to respond to my inquiry, the response was very general and lacks sufficient specificity to alleviate my concerns.

I expect that you will be confirmed by the Senate on Thursday. However, before I can vote in your favor, I still need to resolve some concerns with respect to the role of the Justice Department in the antitrust aspects of telecommunications policy. In particular, your assurance to other Senators that you reject the VIII(C) standard with respect to the Justice Department's evaluation of a Section 271 application by a Regional Bell Operating Company (RBOC) needs further explanation. I would like a more detailed and specific analysis from you on how the ''irreversibly open to competition'' standard relates to the VIII(C) standard, which was recommended in the Conference Report on the Telecommunications Act of 1996. How does the ''irreversibly open to competition'' standard differ from the VIII(C) standard with respect to assessing adequate local competition and the impact of RBOC entry into long distance services on long distance competition.

In our meeting last week, you said that the standard that you and the Antitrust Division have developed is stronger than the VIII(C) standard, and more appropriate in your judgement. I would like your analysis why this is the case. I want to assure you that I have an open mind on this subject. My position is not absolutely wedded to the VIII(C) standard as the only test for evaluation of a Section 271 application by an RBOC. Rather, I become concerned when an Administration official adopts a position that differs from previous Administration policy—which I fought for in the debate over the Telecommunications Act—and I would like to better understand the new position.

As I said on the Senate floor last Friday, I do not doubt your abilities nor your integrity. I simply would like some clarification on some issues that I fought hard to secure in the Telecommunications Act at the request of the Administration before the Senate votes on your nomination to be Assistant Attorney General for the Antitrust Division.

Thank you for your assistance and cooperation.

Sincerely,

BYRON L. DORGAN,
U.S. Senate.

Mr. DORGAN. I have sent Mr. Klein this letter.

Let me say this. It may well be that the irreversibly open to competition standard is a tougher standard, as they allege. I don't have the foggiest idea. I don't know. Nobody knows. And I am not prepared to have someone say, ''I reject the standard that Congress determined to be the standard when it passed the Telecommunications Act, and I create my own standard,'' and none of us know what that means here—I am not prepared to say, ''Yes, let me sign up for that. Let me be a partner in that process.'' I am not willing to do it.

It may be, at the end stage of this process, maybe it is proven to us that Mr. Klein was right. I hope so. I hope that is the case. But if he is not right, if we are right, what is going to happen is everybody in this country who uses a telephone, everybody in this country who is a consumer of telecommunications services, is going to end up paying higher prices. That's the test.

Mr. President, one final point and then I will conclude. During the debate on the Telecommunications Act, something happened to me that was a real learning experience. All of us in the Senate have learning experiences, despite the fact that some say we never seem to be able to learn.

I offered an amendment on the floor of this Senate on the issue of concentration, because the bill that came to the Senate said, ''Let's take the limits off. Let's let these companies marry up. The more weddings the better. Let three companies become one. Let two companies become—let's have mergers, let them go off and get married—it is just terrific.'' That is what the bill was. So I offered an amendment on the floor of the Senate and said, ''Let's put these limits back on at this point.'' I don't support taking the limits off how many television stations you can own, how many radio stations you can own.

We had a vote and guess what? Guess who won? I won. My amendment prevailed. I was so surprised I could hardly stand, and it was about 4 o'clock in the afternoon. The then-majority leader did not support my position. He was on the opposite side. He changed his vote—had another Member change his vote, and asked for reconsideration after dinner, 3 hours later. And do you know what happened? There were four, five, or six Members of the Senate that went out to have dinner—Lord only knows what they ate—they came back and 3 hours later they had some sort of epiphany that allowed them to vote against my amendment, so I lost.

I learned that winning around here sometimes means you only win for 3 hours. It felt good from 4 to 7, but the fact is I lost. Then the bill went to conference and the bill had enough in it to make me feel that maybe we will move in the right direction. But I would rue the day of supporting any portion of this telecommunications act if we don't have the most aggressive antitrust enforcement and the best decisions, the most thoughtful decisions comporting with what we decide is in this act from the Federal Communications Commission.

I have a lot more to say but I know there are other times when Members will be anxious to hear it, and I will save it for those times.

Let me compliment the Senator from South Carolina and the Senator from Nebraska.

Let me say a word, finally to the nominee. I expect the Senate will cast a favorable vote for this nominee. I hope this nominee succeeds. I hope this nominee proves that the standard that he has developed is a tough, no-nonsense standard. If he does, I will come to the floor at some point in the future and say, ''Hurrah for you. I support what you have done.'' I think we should not be voting on this nominee today. I wish we had more time. If we had more time, maybe some of these votes would have been different.

Mr. President, I yield the floor and yield the remainder of our time.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Mr. President, do I understand the other side is willing to yield back the remainder of their time and we are prepared to yield back the remainder of our time?

Mr. HOLLINGS. Mr. President, we yield the remainder of our time.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Mr. President, I yield back the remainder of our time. I ask unanimous consent that upon the completion of debate or the yielding back

of time on the Klein nomination, we proceed to a rollcall vote on the nomination and then, after that vote we proceed to vote on Executive Calendar No. 139, the nomination of Eric Holder to be Deputy Attorney General of the United States.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. LEAHY. May I ask for the yeas and nays on both.

Mr. HATCH. On both nominees.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. LEAHY. I ask unanimous consent the yeas and nays be ordered on both.

The PRESIDING OFFICER. Is there objection to the ordering of the yeas and nays on the second nomination?

Without objection, it is so ordered. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. HATCH. I yield the remainder of my time.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nomination of Joel L. Klein, of the District of Columbia, to be an Assistant Attorney General. On this question the yeas and nays have been ordered. The clerk will call the roll.

The yeas and nays have been ordered.

The clerk will call the roll.

The legislative clerk called the roll.

The result was announced, yeas 88, nays 12, as follows:

[Rollcall Vote No. 187 Ex.]

YEAS—88

Abraham	Frist	McConnell
Akaka	Glenn	Mikulski
Allard	Gorton	Moseley-Braun
Ashcroft	Graham	Moynihan
Baucus	Gramm	Murkowski
Bennett	Grams	Murray
Biden	Grassley	Nickles
Bingaman	Gregg	Reed
Bond	Hagel	Reid
Boxer	Hatch	Robb
Breaux	Helms	Roberts
Brownback	Hutchinson	Rockefeller
Bryan	Hutchison	Roth
Burns	Inhofe	Santorum
Campbell	Jeffords	Sarbanes
Chafee	Johnson	Sessions
Coats	Kempthorne	Shelby
Cochran	Kennedy	Smith (NH)
Collins	Kerry	Smith (OR)
Coverdell	Kohl	Snowe
Craig	Kyl	Specter
D'Amato	Landrieu	Stevens
Daschle	Lautenberg	Thomas
DeWine	Leahy	Thompson
Dodd	Levin	Thurmond
Domenici	Lieberman	Torricelli
Durbin	Lott	Warner
Enzi	Lugar	Wellstone
Faircloth	Mack	
Feinstein	McCain	

NAYS—12

Bumpers	Dorgan	Hollings
Byrd	Feingold	Inouye
Cleland	Ford	Kerrey
Conrad	Harkin	Wyden

The nomination was confirmed.

NOMINATION OF ERIC H. HOLDER, JR., TO BE DEPUTY ATTORNEY GENERAL

Mr. HATCH. Mr. President, I am pleased today that we are finally voting on the nomination of Mr. Eric Holder, nominated to serve as Deputy Attorney General. Mr. Holder was reported out of the Judiciary Committee unanimously on June 24. I support Mr. Holder for this position, and I urge my colleagues to vote in favor of his confirmation.

This is a position which is vitally important to the efficient and effective management of the Justice Department, as well as to this committee and its many dealings with the Department. The Deputy Attorney General plays a critical role in the day-to-day oversight, management, and administration of the Justice Department, typically handling the Department's most important and sensitive matters. The deputy has ultimate responsibility for the office of the Solicitor General, who represents the United States before the Supreme Court, as well as all of the Department's civil and criminal divisions, including, for example, the civil rights, tax and antitrust divisions, the criminal division, the Federal Bureau of Investigation, and all U.S. attorneys. In short, a broad array of policy and law-enforcement decisions that are critical not just to our legal system but to the Nation as a whole, ultimately pass through the Deputy Attorney General.

Mr. Holder comes to us with a distinguished record in the law and in the administration of justice. After graduating from Columbia Law School in 1976, he served for 12 years as a prosecutor in the public integrity section of Justice Department's Criminal Division, after which he served for 5 years as a associate judge for the District of Columbia Superior Court. Since 1993, Mr. Holder has served as U.S. attorney for the District of Columbia, our Nation's largest U.S. Attorney's Office, which employs over 300 attorneys and prosecutes over 10,000 cases each year. I believe these positions provide especially useful experience for a person who would serve as Deputy Attorney General.

I would like to emphasize how important it is to the Senate and the Judiciary Committee in particular, on both sides of the aisle, to have a close and cooperative working relationship with the Deputy Attorney General. I believe that one of the Department's greatest assets over the past several years has been its former deputy, Jamie Gorelick, who successfully fostered and maintained a cooperative, honest, and responsive relationship with this committee. I cannot overestimate how valuable this relationship has been in the virtually daily interactions between the committee and the Department, and I am hopeful, and confident, that Eric Holder will, like his predecessor, work closely with the committee to ensure that the Department maintains the highest level of professionalism and independence in its commitment to enforcing our Nation's laws. I have spoken with Mr. Holder on numerous occasions since his nomination, and am struck that, in addition to being eminently qualified for this position, he is a candid, forthright individual of character and integrity who will be a positive force in steering the Justice Department and in seeing to it that our laws our faithfully and impartially enforced. The Nation expects and deserves nothing less, and I believe they will get as much from Mr. Holder.

While I have often given Attorney General Reno due credit for the fine work and accomplishments of the Justice Department, not the least of which is the recent trial and conviction of Timothy McVeigh, the Department, like any large agency, also has its share of problems, many of which fall on the Deputy Attorney General's desk.

Moreover, the Department has been, and inevitably will be, the subject of some rather intense political pressure, and, quite frankly, I am somewhat disturbed by a growing sense that, in a number of instances, there is at least the appearance that political pressures may have won out over the fair and impartial enforcement of the law. After a rather public display by the White House of its displeasure that the Attorney General had previously sought the appointment of four independent counsels, we now see the Attorney General steadfastly refusing to appoint an independent counsel to conduct the campaign finance investigation—the one case where an independent counsel is most called for to ensure public confidence in the investigation and the Department itself. And, after the Attorney General expressly adopted one interpretation of the independent counsel statute, and I challenged that interpretation, we now receive a letter explaining that she has, notwithstanding statements to the contrary, been applying the same standard I articulated. The Justice Department issues bizarre statements seeking to put particular spins on information disclosed by Chairman Thompson in connection with the campaign fundraising hearings. The Justice Department has filed briefs taking rather dubious positions in politically sensitive cases, including its appeal brief in the litigation over California's proposition 209, and its very recent brief defending Mrs. Clinton's invocation of a governmental attorney client privilege in response to independent counsel Starr's request for certain documents. And the FBI Director is in the position of refusing to brief the White House on national security matters because of its pending investigation. While each of these instances, standing alone, might have a legitimate explanation, taken together they create an appearance that politics is influencing what should be a neutral, independent enforcement of our Nation's laws.

Public confidence in our legal system, and in our Government itself, demands nothing short of this.

Mr. Holder has given me his commitment to maintaining his own independent judgment, and to seeing to it that the law is fairly and impartially interpreted and enforced as it should be, even when doing so may lead to results that are not politically expedient. That commitment will be as important as ever for the Department as it faces numerous challenges in the coming years. I believe Mr. Holder will remain true to his word, and urge my colleagues to support him.

Mr. LEAHY. Mr. President, I commend the President on his nomination of Eric H. Holder, Jr., and am delighted that the Senate is acting to confirm this nominee to be Deputy Attorney General of the United States.

It was with concerted effort that Senator HATCH and I worked to ensure that Eric Holder was reported by the Judiciary Committee and ready for Senate confirmation to the important position of Deputy Attorney General of the United States before the Senate adjourned 3 weeks ago.

The President's nomination of Mr. Holder to the second highest position at the Department of Justice was reported to the Senate without a single dissent on June 24. This nomination could and should have been approved by the Senate before it adjourned for the last extended recess for the Fourth of July. This nomination is strongly supported by Senator HATCH, chairman of the Judiciary Committee.

There was and is no Democratic hold on this nomination. The delay on the Republican side in considering this nomination remains unexplained. I urged on July 10 and July 11 that he not be held hostage to other nominations. I am glad we have finally—finally after 3 weeks—freed this nomination.

Eric Holder has proven his dedication to effective law enforcement. As a former prosecutor myself, I appreciate Mr. Holder's distinguished career in law enforcement.

Shortly after his graduation from Columbia Law School, Mr. Holder joined the Department of Justice as part of the Attorney General's Honors Program. He was assigned to the newly formed public integrity section in 1976, where he worked for 12 years investigating and prosecuting corruption. While at the public integrity section, Mr. Holder participated in a number of prosecutions and appeals involving such defendants as the State Treasurer of Florida, a former Ambassador to the Dominican Republic, a local judge in Philadelphia, an assistant U.S. attorney in New York City, an FBI agent, and a ''capo'' in an organized crime family. He received a number of awards for outstanding performance and special achievement from the Department of Justice.

In 1988, President Reagan nominated and the Senate confirmed Mr. Holder to be an associate judge of the Superior Court of the District of Columbia, where he served for the next 5 years. In his 5 years on the bench, Judge Holder presided over hundreds of criminal trials. In 1993, President Clinton nominated and the Senate confirmed Eric Holder to the important post of U.S. Attorney for the District of Columbia. As United States Attorney for one of the largest U.S. Attorney's offices in the Nation, Mr. Holder has supervised 300 lawyers involved in criminal, civil, and appellate cases. He has functioned as both the local district attorney and the Federal prosecutor. He has been active in community affairs. For more than a decade, he has been a member of Concerned Black Men, an organization seeking to help young people in the District of Columbia. He is involved in a number of the group's activities, including the efficacy program and the pregnancy prevention effort. He has participated in the D.C. Street Law program and is active in the See Forever Foundation and the National Foundation for Teaching Entrepreneurship. He is cochair of Project PACT to reduce youth violence and has been instrumental in the U.S. Attorney's Office's outreach efforts to the D.C. community.

In 1994 he received the Pioneer Award from the National Black Prosecutors Association. In 1995 his contributions were recognized when he received awards from the District of Columbia Bar Association, the Greater Washington Urban League, the American Jewish Congress, and Phi Beta Sigma fraternity. Last year he received awards from the D.C. Chapter of the National Organization of Black Law Enforcement Executives, George Washington University, Columbia College, the Federation of Citizens Associations of D.C., Omega Psi Phi fraternity, the Brotherhood of Shiloh Men, McDonalds and the Asian Pacific Bar Association.

I look forward to working with him in his new position as Deputy Attorney General. I regret the unnecessary delays that have stalled this important nomination for the last 3 weeks on the Senate Executive Calendar.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nomination of Eric H. Holder, Jr., of the District of Columbia, to be Deputy Attorney General? On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The bill clerk called the roll.

The result was announced— yeas 100, nays 0, as follows:

[Rollcall Vote No. 188 Ex.]

YEAS—100

Abraham	Byrd	Dorgan
Akaka	Campbell	Durbin
Allard	Chafee	Enzi
Ashcroft	Cleland	Faircloth
Baucus	Coats	Feingold
Bennett	Cochran	Feinstein
Biden	Collins	Ford
Bingaman	Conrad	Frist
Bond	Coverdell	Glenn
Boxer	Craig	Gorton
Breaux	D'Amato	Graham
Brownback	Daschle	Gramm
Bryan	DeWine	Grams
Bumpers	Dodd	Grassley
Burns	Domenici	Gregg
Hagel	Leahy	Roth
Harkin	Levin	Santorum
Hatch	Lieberman	Sarbanes
Helms	Lott	Sessions
Hollings	Lugar	Shelby
Hutchinson	Mack	Smith (NH)
Hutchison	McCain	Smith (OR)
Inhofe	McConnell	Snowe
Inouye	Mikulski	Specter
Jeffords	Moseley-Braun	Stevens
Johnson	Moynihan	Thomas
Kempthorne	Murkowski	Thompson
Kennedy	Murray	Thurmond
Kerrey	Nickles	Torricelli
Kerry	Reed	Warner
Kohl	Reid	Wellstone
Kyl	Robb	Wyden
Landrieu	Roberts	
Lautenberg	Rockefeller	

The nomination was confirmed.

The PRESIDING OFFICER. The motion to reconsider the nomination is laid on the table. The President will be immediately notified of the Senate's confirmation.

LEGISLATIVE SESSION

The PRESIDING OFFICER. The Senate will return to legislative session.

TREASURY AND GENERAL GOVERNMENT APPROPRIATIONS ACT, 1998

The Senate continued the consideration of the bill.

Mr. LOTT. Mr. President, I want to commend the chairman of the Treasury, Postal Service Subcommittee, the distinguished Senator from Colorado, for the good work he has done today on this legislation and the cooperation he has received from the ranking member, Senator KOHL. I want to thank the Senate for the work that has been done this week.

We have completed four appropriations bills and we are down to an identifiable, finite list of amendments on the Treasury, Postal Service bill. It has taken cooperation from all the Senators and a lot of support from the leader on the Democratic side of the aisle. I think we should commend each other when we do good work like this. I appreciate the support we have had.

In recognition of that, I think rather than trying to drive on to conclusion tonight and perhaps having votes later on tonight, we will go forward tonight with debate on all remaining amendments, and then we will ask unanimous consent to stack the votes beginning at 5:15 on Monday.

Also, on Monday, we will begin the HUD–VA appropriations bill. For those that are interested, on two other subjects, at the request of a number of Senators on both sides, so that we can try to continue to see if we can work out an agreement, we have moved the tuna-dolphin issue off until next week. We hope an agreement can be worked out, or a compromise. If it cannot be, we will probably have a cloture vote on that on Friday of next week.

With regard to FDA reform, we have a very good bill that was reported from the education-labor committee. Senator JEFFORDS has been working with

other interested Senators on both sides of the aisle and on both sides of the issue. We are hoping that a time agreement can be worked out on that. If we get a time agreement, we will try to take that bill up, perhaps, Tuesday or Wednesday.

If we get the unanimous-consent request, there would be no further votes tonight or Friday. The next recorded votes would be at 5:15 on Monday. We will resume consideration of the treasury, postal appropriations bill. Earlier today, the managers were able to reach an agreement to limit amendments to that bill—first-degree amendments, I believe. Therefore, the Senate will remain in session this evening until the amendments have been debated. The votes, then, will be postponed to occur until 5:15 on Monday.

Mr. President, I believe that is all we need to announce at this point, Mr. President. So we can go back to the Treasury, Postal Service bill.

Mr. STEVENS. Will the Senator yield for one comment?

Mr. LOTT. Yes.

Mr. STEVENS. Although we will not be in session tomorrow, we will have a markup of a series of bills for the Appropriations Committee starting at 9:45.

Mr. LOTT. And there will also be considerable work done tomorrow in the two conferences that are pending, as we communicate between the Congress and administration on that. I don't believe a unanimous-consent request is required on this issue, announcing when the next votes would occur.

Mr. MCCAIN. Is it the majority leader's intention to get the tuna-dolphin bill resolved in one fashion or another?

Mr. LOTT. The Senator may not have heard. I announced that in deference to the request of a number of Senators who are trying to work out a reasonable compromise, we have pushed that issue off. But it is our intent that if we don't get a compromise worked out, we would have a cloture vote on that on Friday of next week. I want it understood by Senators that we should expect to be in session next Friday. So please don't be planning on leaving Thursday night.

Mr. MCCAIN. If the majority leader will yield, I have one further question. If that cloture vote does not succeed, do we intend to continue to debate the tuna-dolphin issue until its conclusion?

Mr. LOTT. That would be my preference.

Mrs. BOXER. Mr. President, will the Senator yield?

Mr. LOTT. I yield to the Senator from California.

Mrs. BOXER. I thank the Senator very much for yielding to me.

I would like to inform the leader that I think there is a real great opportunity to resolve this problem. Senator JOHN KERRY has great interest in it. I have been working with Senator SMITH and Senator BIDEN, and many other Senators. We have some really good support for real compromise. We feel that it can be compromised. I am very hopeful we can work together to resolve this. But, if not, we are prepared to have a showdown on the matter, if we have to.

Mr. LOTT. If I could just say, Mr. President, that I appreciate the suggestion that a good compromise could be worked out. And that is why I have not forced the issue this week. I originally planned to have a cloture vote on Friday, probably. But there were requests that we not do that both from the Senator from California and others.

I am not interested in trying to make an issue here. This is not an issue I am directly involved in, although it came out of the Commerce Committee, which I serve on. I think it is an important issue, an important conservation issue. It is an issue that affects jobs and fishing areas. Senator DASCHLE and I both have been receiving calls from the President of the United States saying, please get this legislation up and get it to a conclusion.

So my desire is to try to be helpful on this one. At the request of the administration, I am looking for a compromise that will allow us to get it completed in a reasonable period of time. But, if we can't do that, then we will just go with the alternative.

I yield to the Senator from Arizona.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. MCCAIN. If I could just add to that, I say to the majority leader, the fact is that the administration wants this bill. The fact is, this is an 11-nation agreement. The fact is, the majority of the environmental community in the United States of America and throughout the world, including Green Peace, want this bill. That is why I asked the majority leader, and, because of its importance, we were willing to debate this issue through until it is done.

I believe that it is also important to point out that the majority leader had planned on having a cloture vote and debate today. It was at the request of the ranking Democrat on the Commerce Committee, Senator HOLLINGS, that he delay this for an another entire week after many weeks of negotiations—fruitless, I might add. And if the Senator from California feels that the way to pursue any issue is through filibuster and debate rather than bringing up her amendments and having them voted on and the issue disposed of, that is fine with me. But I strongly support the majority leader in saying that we will debate this issue until it is resolved. It is too important, Mr. President.

Mr. LOTT. Mr. President, I think probably at this point I would be well-advised to yield the floor and let the Senators talk directly to each other.

Mr. President, I yield to the Senator from California.

The PRESIDING OFFICER. The Senator from California.

Mrs. BOXER. I thank the Senator very much.

Mr. President, I just didn't want the Record to go by without stating my disagreement with my friend from Arizona. We have 85 environmental groups, including the Sierra Club and the Humane Society, on the side of reasonable compromise. This is an area where I don't have to agree with the administration. Sometimes those occasions do occur.

Senator BIDEN and I teamed up in 1990. We passed the Dolphin Protection Act. This bill overturns it. Frankly, it was done in a way that should have brought the parties together in the first place. So I think we are doing this a little bit backwards in the sense that the compromise, I think, is going to come.

By the way, I have no problem with bringing up the bill at any point. We are prepared to do that. So, if you want to bring up the cloture vote on the motion to proceed to the bill, we are prepared to do that. But we think we can compromise this. We see Senator JOHN KERRY now playing a lead role—Senator BIDEN, I, Senator SMITH, and others on both sides of the aisle, in a bipartisan way, are ready to put forward an excellent compromise. If we get that, this bill can go through in moments.

Ms. SNOWE. Mr. President, will the Senator yield?

Mr. LOTT. Yes. I yield to the Senator.

The PRESIDING OFFICER. The Senator from Maine.

Ms. SNOWE. Thank you, Mr. President. I thank the leader.

I would like to comment on this issue because I think it is critically important, as chair of the Ocean and Fisheries Subcommittee. The fact is, the administration has requested that this issue be addressed expeditiously because of the agreement that we have entered into with 11 other countries.

Second, we attempted to work with Senator KERRY and others on the committee for a compromise on this issue. To no avail, I might add. But irrespective of that, we incorporated a number of changes in the legislation that were recommended by Senator KERRY and others that I think makes substantial progress on the issues that have been raised by the Senator from California and others. But there is a point at which it contravenes the agreement that had been reached between the United States and these other countries.

I hope we will have a chance to resolve these issues and to work on it, but we have to have good-faith efforts on the other side in order to resolve these issues without compromising the agreement.

I should also mention there are a number of environmental conservation groups that are endorsing this agreement because they think this is the best way to protect not only dolphin and tuna but other species that have been affected because of the status quo and because of the current law.

I should add other methods have affected the byproduct of other species to the detriment of a significant number of different fish that otherwise will continue to go on in this effort if we do not change it with this agreement.

So I hope that the Senator from California will work in a good-faith effort to reach an agreement on this issue. Otherwise, it will be lost.

I would also ask the President to work very vigorously. If he wants this legislation to come through, I think he certainly has to work to make sure that it does.

Mr. LOTT. Mr. President, we are going to have this debate next week, I presume.

I thank everyone for all of their good efforts.

Please allow me to complete my unanimous-consent request, and then we will complete the debate on the Treasury, Postal Service appropriations bill.

I want to emphasize this again. The Senate will next consider after this bill the VA–HUD appropriations bill on Monday, and votes will occur on amendments and passage of the treasury, postal bill at 5:15.

I ask unanimous consent that all amendments must be offered and debated with respect to the Treasury, Postal Service tonight, and those votes then would occur on a case-by-case basis at 5:15 on Monday.

The PRESIDING OFFICER. Is there objection?

Mr. COATS. Mr. President, reserving the right to object, and I will not object.

Mr. LOTT. Good.

Mr. COATS. I do not want to be oversolicitous here, but I think anybody watching understands the difficulty of the majority leader in trying to schedule issues for the Senate to debate. But I just want to say that the majority leader has gone out of his way to give us a family-friendly schedule and some certainty in our schedule by the way he has scheduled issues, by the way he has scheduled votes with a certainty of votes and provided Members an opportunity to go home and have dinner with their families, albeit a somewhat late dinner, but we are used to late dinners.

I just think this is an example of the difficulty of doing what he is doing. But he is doing a terrific job of it. I appreciate that. I might have considered staying in the Senate if I had known it was going to be this family-friendly.

Mr. LOTT. I tried to tell you.

I would be glad to yield to the Senator from Indiana any time. I appreciate his comments.

Mr. President, I have a unanimous-consent request.

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

Mr. LOTT. I thank Senator COATS very much.

I yield the floor.

Mr. STEVENS. Mr. President, before he leaves, I do want to thank the majority leader and the minority leader for their cooperation with our committee.

This has been a historic week for the Appropriations Committee. With the cooperation of my good friend from West Virginia, Senator BYRD, and the chairman of the subcommittees and the ranking members, we will now complete debate on five separate bills in 4 days. They have all passed by sheer weight of bipartisanship and cooperation and willingness to work together to work out problems.

I am hopeful that we will see the same thing next week when we again want to bring before the Senate at least five bills. We will have them ready to go before the Senate next week, and we will try to work them in according with the schedule.

But it is imperative, if we are going to avoid the problem of an enormous continuing resolution that we passed in the last Congress, that we get these bills to conference before we go off on the August recess so that the work can be done. Not all of the staff will have to stay here for the whole month. But we will have them at least ready to go to conference when we come back. They will be preconferenced during the period of August, and I think we will avoid any continuing resolution.

So I am, again, grateful to everyone here. But I hope the Senate itself is making history, and it is doing so in really the best spirit I have seen in the Senate for many years.

Mr. CAMPBELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. CAMPBELL. Mr. President, for the benefit of our colleagues, could you state the pending business?

The PRESIDING OFFICER. Amendment 921 to the bill, S. 1023.

AMENDMENT NO. 921

Mr. CAMPBELL. Mr. President, I call up amendment 921.

The PRESIDING OFFICER. That amendment is pending.

Mr. CAMPBELL. Mr. President, the underlying first-degree amendment to No. 921 has been cleared on both sides, and I urge its immediate adoption.

The PRESIDING OFFICER. Is there further debate?

Mr. KOHL. Mr. President, it has been cleared on our side.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 921) was agreed to.

Mr. CAMPBELL. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 933

(Purpose: To clarify the limitation on undertaking a field support reorganization in Aberdeen, SD)

Mr. KOHL. I send an amendment to the desk

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Wisconsin [Mr. KOHL], for Mr. DASCHLE, proposes an amendment 933.

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

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

The amendment is as follows:

On page 22, lines 15 and 16, strike ''Notwithstanding any other provision of law,'' and insert ''Hereafter,''.

Mr. DASCHLE. Mr. President, I would like to thank the chairman of the Subcommittee on Treasury, General Government, and Civil Service, Mr. CAMPBELL, and the ranking member, Mr. KOHL, for their assistance with this important clarifying amendment to the fiscal year 1998 Treasury and general government appropriations bill. They and their staffs have done excellent work in putting this bill together, and they are to be commended for their leadership.

The purpose of this amendment should be clarified for the RECORD. Section 107 of the bill, as approved by the Committee on Appropriations, states, ''Notwithstanding any other provision of law, no field support reorganization of the Internal Revenue Service shall be undertaken in Aberdeen, South Dakota, until the Internal Revenue Service toll-free help phone line assistance program reaches at least an 80 percent service level. The Commissioner shall submit to Congress a report and the GAO shall certify to Congress that the 80 percent service level has been met.'' Identical language was included in appropriations legislation approved last year for fiscal year 1997.

It has always been my intention that this language be considered permanent unless specifically changed by an act of Congress. The obvious intention of Congress in approving this provision is that reductions in force should not take place in Aberdeen until South Dakotans can be assured of being able to access assistance from IRS through the national telephone lines. It has not been the intention of Congress that this provision should expire at the end of the fiscal year for which the funds of this act are being appropriated. To make this crystal clear and explicit in the statute itself, my amendment replaces the phrase ''notwithstanding any other provision of law'' with the word ''hereafter.'' As the General Accounting Office states in its publication, Principles of Federal Appropriations Law, Second Edition, Volume I, ''A provision contained in an annual appropriation act is not to be construed to be permanent legislation unless the language used therein or the nature of the provision makes it clear that Congress intended it to be permanent. The presumption can be overcome if the provision uses language indicating futurity, such as 'hereafter.'''

Mr. President, this legislation ensures that no reorganization of the Aberdeen, South Dakota, IRS office shall take place until the IRS is capable of providing service on a national level that equates to the high quality service currently provided in Aberdeen.

Again, I wish to thank my colleagues for their help and consideration on this issue.

Mr. KOHL. Mr. President, this amendment has been cleared on both sides. I ask for its immediate adoption.

The PRESIDING OFFICER. Is there further debate?

Mr. CAMPBELL. The amendment has been cleared by the majority side, Mr. President.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from North Dakota.

The amendment (No. 933) was agreed to.

Mr. KOHL. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 934

Mr. CAMPBELL. 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 Colorado [Mr. CAMPBELL], for Ms. COLLINS, for herself, Mr. SHELBY, and Mr. GRASSLEY, proposes an amendment numbered 934.

Mr. CAMPBELL. 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 5, line 5, strike ''$30,719,000'' and insert in lieu thereof, ''$29,719,000''.

On page 39 after line 2, insert the following new section:

SEC. 121. None of the funds made available by this Act may be used by the Inspector General to contract for advisory and assistance services that has the meaning given such term in section 1105(g) of Title 31, United States Code.

Mr. CAMPBELL. Mr. President, the amendment has been cleared by our side. We ask for its immediate adoption.

Mr. KOHL. The amendment has been cleared on our side also.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 934) was agreed to.

Mr. CAMPBELL. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

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

The motion to lay on the table was agreed to.

Mr. CAMPBELL. Mr. President, at this time I would like to yield some time to Senator COLLINS, who would like to speak on the amendment.

The PRESIDING OFFICER. The Senator from Maine is recognized.

Ms. COLLINS. Mr. President, first I express my appreciation to the very able managers of this legislation, Senator CAMPBELL and Senator KOHL, for their willingness to accept the amendment which has been proposed by myself, Senator SHELBY and Senator GRASSLEY.

Let me just briefly explain the amendment and its purpose.

This amendment would prohibit the inspector general of the Department of Treasury from spending any money on consulting contracts, and it would make a corresponding reduction in the inspector general's budget by cutting it by $1 million.

Let me first make clear that this amendment is not intended to affect in any way any audit, inspection, investigation or law enforcement function of the Inspector General's Office. The reduction proposed in my amendment is intended to be taken from administrative expenses, specifically the budget classification called ''Other services,'' which is funded in the President's budget at $2.4 million. My amendment would leave $1.4 million available for that classification.

I am offering this amendment today because there is clear, disturbing and credible evidence that the incumbent inspector general has abused her contracting authority by spending taxpayer dollars on management studies of questionable value and of excessive cost.

For example, in April of this year, press accounts revealed that the inspector general had let a soul-source contract for a management study of her office. This $90,000 contract was awarded without the benefit of fair and open competition, and it was awarded to a friend of hers, someone who had in fact recommended her for the position of inspector general.

Mr. President, I have personally reviewed the final product of this contract. It is a 20-page report costing taxpayers $4,500 per page.

Another example of questionable activity occurred in September of 1995 when the inspector general awarded another contract, again without full and open competition, for $85,000 that subsequently ballooned to cost more than $300,000. My amendment would curtail these kinds of abuses in contracting by limiting the amount of funds available for this purpose and by prohibiting the inspector general from spending money on consulting services. In the meantime, without prejudging the ultimate outcome, the permanent subcommittee on investigations, of which I am the Chair, will continue its in-depth investigation into the contracting practices of this office.

I ask unanimous consent to have printed in the RECORD several newspaper reports documenting these contracting abuses.

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

TREASURY ETHICS WATCHDOG GAVE NO-BID CONTRACT TO ASSOCIATE

(By John Solomon)

WASHINGTON.—Shortly after becoming the Treasury Department's ethics watchdog, Valerie Lau arranged a no-bid contract for a longtime acquaintance who had written the White House recommending her for her job.

Lau's involvement has prompted a rare congressional inquiry into a department's inspector general, an official whose normal duties are policing the conduct of others and guarding against waste, fraud and abuse.

Documents obtained by The Associated Press show that Lau wrote a Treasury contracting office on Dec. 11, 1994, to select auditor Frank Sato to conduct a management review study of her office. Sato had proposed the study only the day before.

Lau asked that the contract be a ''sole source procurement,'' not to be competitively bid because of an ''unusual and compelling urgency'' for the review, the documents state.

Treasury quickly approved a $113,000 contract for Sato & Associates. The firm ultimately was paid $90,776, the documents show.

A year earlier, Sato had written the White House personnel office to recommend Lau ''very highly'' for an inspector general's job, saying he had known her since 1980 and found her to be ''a uniquely qualified person with high integrity and character.''

Treasury officials say Sato was chosen for the contract because he was a former federal inspector general ''uniquely qualified'' to review Lau's office and make recommendations to make it more efficient.

The disclosure marks the second time in a week that Lau's conduct has come under scrutiny. Last Thursday, she admitted she gave inaccurate testimony to Congress but blamed the error on bad information from her staff.

Congressional investigators are reviewing the Sato contract.

''At best, in this case, there is an appearance of impropriety that undermines the public confidence in this IG. This watchdog needs to be watched,'' said Sen. Charles Grassley, R–Iowa, chairman of one the Senate's investigative subcommittees.

Lau refused to be interviewed. But in written answers to Congress, she acknowledged she developed ''professional acquaintances'' with Sato and another partner in his firm over the years as they served as government auditors.

She did not mention Sato's letter of recommendation to the White House. Treasury spokesman Howard Schloss said Lau was aware of the letter but had not solicited it.

Federal ethics regulations advise employees to avoid actions that ''give rise to an appearance of * * * giving preferential treatment'' to someone with whom they have an outside relationship.

The regulations advise that ''an employee whose duties would affect the financial interests of a friend, relative or person with whom he is affiliated with in a nongovernmental capacity'' should consult with a third party to avoid the appearance of a conflict that would make a ''reasonable person'' question their impartiality.

Lau told Congress she chose Sato's firm because she knew he and his associated had ''unique qualifications'' as former inspectors general to provide ''expertise in the area of audit, investigations and managing'' her office.

Treasury officials could not immediately answer whether Lau consulted a third party, disclosed her outside relationship with Sato or reviewed the ethics rules before proceeding with the contract.

Sato worked for almost a decade as an inspector general at two different federal departments, then as an auditor at the

Deloitte & Touche accounting firm before starting his own business. He did not return a message left at his home Friday.

In his May 1993 letter recommending Lau, he told the White House he had known Lau since 1980 and worked with her ''on both professional accounting/financial management and Asian American issues.''

''I have found her to not only be a top professional, but a kind of person you enjoy working with,'' he wrote.

Lau, a former congressional auditor, was appointed the following year to Treasury inspector general, among positions Sato recommended to presidential personnel.

She began the job in late 1994. Documents show she began inquiring in early December about the possibility of a management review study, and on Dec. 10 received a formal proposal from Sato.

The next day she wrote the contracting office recommending Sato for the contract. ''Please let me know what I need to provide next,'' Lau scribbled in the handwritten note.

On Dec. 12, Lau submitted a formal contract proposal. Documents show it borrowed much of the language from the plan Sato had sent her just two days earlier.

[From the Washington Post, Apr. 24, 1997]

SENATOR SEEKS PROBE OF TREASURY OFFICIAL—AT ISSUE IS NO-BID CONTRACT AWARDED TO LONGTIME ACQUAINTANCE

(By Stephen Barr and Clay Chandler)

The chairman of a Senate panel on government oversight yesterday requested an inquiry into allegations that Treasury Department Inspector General Valerie Lau arranged to award a no-bid contract to a longtime acquaintance who had recommended that she be hired for her job.

Sen. Charles E. Grassley (R-Iowa), Chairman of the Judiciary Committee's subcommittee on administrative oversight and the courts, made the request, saying that if the allegations were true, ''the IG's action raises appearance questions of preferential treatment and a quid pro quo.''

A Treasury official, who asked not to be identified said the contract was awarded on merit, Lau was seeking a speedy review of her office to improve its ability to conduct a department-wide audit, a crucial part of a government-wide financial audit mandated by Congress, the official said.

Within weeks after her 1994 Senate confirmation, Lau selected Frank S. Sato, an auditor and former inspector general, to conduct a management study of her office and its operations, Treasury Department documents released by Grassley's office show, Lau's office is responsible for preventing waste, fraud and abuse in the department.

Lau told Treasury procurement officials on Dec. 7, 1994, that she had ''identified an immediate need'' for a management study. Three days later, in a letter to Lau, Sato outlined his proposal for the study.

The next day, Dec. 11, Lau recommended Sato for the job in a handwritten note. In documents attached to the note and in a subsequent memo to procurement officials, Lau indicated that the contract would be awarded without competitive bids and for a fixed price.

Treasury officials approved $113,000 for the contract and eventually paid $90,776 to Sato & Associates, a Treasury spokesman said.

In his contract proposal, Sato listed his qualifications, including experience as inspector general at the Veterans Administration (now the Department of Veterans Affairs) and Transportation Department during the 1980s. Sato said his ''project team'' would include at least one other former inspector general, Charles L. Dempsey, who investigated the Reagan-era scandals at the Department of Housing and Urban Development.

The year before Sato received the contract, he wrote a letter to a White House personnel official urging that Lau be considered for inspector general jobs at Treasury, the Transportation Department or the Office of Personnel Management.

Sato said he had known Lau since 1980, when she worked for the General Accounting Office, the congressional watchdog agency, in San Francisco, Sato described Lau as a ''top professional'' with ''high integrity and character.''

In Lau's prepared testimony submitted for her Senate confirmation hearing, she praised Sato as one of the government's first inspector generals who set high standards for the watch-dog positions created Congress in 1978.

Grassley made his request for a review of the Sato contract in a letter to Robert M. Bryant, who heads the FBI's Criminal Investigative Division.

The letter was addressed to Bryant in his role as chairman of the Integrity Committee, the arm of the President's Council on Integrity and Efficiency that handles allegations of misconduct against inspector generals. If the Integrity Committee decides an allegation warrants investigation, it turns the probe over to the Justice Department.

Grassely said no-bid contracts ''are usually reserved for matters of 'unusual and compelling urgency.' This contract clearly was neither unusual nor urgent.'' He asked Bryant to determine whether the awarding of the contract violated any laws regulations or ethics codes.

Sato did not return telephone calls seeking comment. The Treasury official said Lau had already referred the contract issue to the Integrity Committee for review.

[From the Washington Times, Apr. 28, 1997]

TREASURY MEMO CAUTIONED RUBIN ON LAU'S PROBLEMS

(By Ruth Larson)

Treasury Secretary Robert E. Rubin and the FBI were notified more than three months ago about serious ethics problems involving Treasury Department Inspector General Valerie Lau, Treasury sources say.

Treasury Department spokesman Howard Schloss said he believed the Jan. 15 internal memo, a copy of which was obtained last week by The Washington Times, was referred to the President's Council on Integrity and Efficiency, which oversees performance of inspectors general from various Cabinet departments.

''It's my understanding that nothing's been done on this matter,'' said Mr. Schloss, who declined further comment on the pace of the inquiry or the allegations against Miss Lau. Questions for Miss Lau were directed to Mr. Schloss.

Titled ''Mismanagement and Abuse of Power,'' the four-page memorandum delivered to Mr. Rubin's office detailed questionable travel, contracting and administrative expenses in the inspector general's office under Miss Lau's management.

''We are supposed to be independent and detect waste, fraud and abuse,'' the memo reads. ''We are not supposed to be practicing waste, fraud, and abuse.''

The memo also questioned the inspector general's willingness to tackle difficult or sensitive audits and investigations of some of the government's most critical agencies. Miss Lau's jurisdiction includes the Internal Revenue Service, the U.S. Secret Service, and the Bureau of Alcohol, Tobacco and Firearms.

The inspector general's office ''avoids at all costs conducting hard-hitting, meaningful audits and investigations,'' according to the memo. ''It is widely perceived that we avoid controversial areas and political issues that would require the IG to take a strong stand on certain issues.''

The document was also given to an FBI investigator associated with the Council on Integrity and Efficiency. That agent declined to comment on the memo or disclose whether an inquiry is under way.

The apparent lack of action at the agency in the wake of the memo has caught the attention of Sen. Charles E. Grassley, Iowa Republican and a member of the Senate Judiciary Committee.

Mr. Grassley plans to prod the FBI for an update on the Lau memo, his office said on Friday.

The Jan. 15 memo said Miss Lau:

Used more than $200,000 worth of employee time and travel resources to develop a ''mission vision, value statement'' for her office.

The value statement ultimately said the mission of the inspector general's office is to ''conduct independent audits, investigations and reviews'' that help ''promote economy, efficiency and effectiveness, and prevent and detect fraud and abuse.''

Hired an outside consulting firm called KLS to address problems with diversity and employee morale.

A Treasury official said Friday that $292,076 had been spent to date on the two-year contract, out of a possible $343,650. The contract runs through September.

Steered a sole-source management contract worth $90,776 to a firm owned by Frank Sato, a former inspector general and longtime acquaintance of Miss Lau's who wrote the White House to recommend her for her current post.

Made frequent trips to the West Coast, purportedly for business, but widely perceived by employees as chances to visit her family in the San Francisco area, ''at a time when the agency was strapped for travel funds.''

Since the Jan. 15 memo, subsequent memos provided to the FBI reported that * * * questionable behavior.

At a February 1996 meeting, for example, an employee complained that morale was suffering and there was ''not enough warmth'' in the agency.

''Ms. Lau then responded by saying she would show him some 'warmth,' and she proceeded to physically sit in [the employee's] lap, placed her arms round him, and gave him a big hug,'' one memo said.

Employees said one incident where Miss Lau failed to investigate forcefully came when she refused to allow her IRS Oversight Audit staff to investigate problems with the IRS' computer upgrade and reports of widespread employee browsing through celebrity tax returns.

In fact, since Miss Lau took over the office in October 1994, funds recovered have dropped from $201 million in fiscal 1994 to $25.9 million in fiscal 1996.

The number of audit reports issued has dropped as well, from 158 reports in 1994 to 106 in 1996.

Miss Lau has told Congress that the lower numbers are due to auditors' efforts to comply with new federal guidelines.

Meanwhile, in an effort to boost employee morale, Miss Lau hired the consulting firm KLS in September 1995.

In a written response to a House panel's questions, Miss Lau said: ''The sensitivity of identified diversity issues and perceived internal problems was such that an objective, outside source was desirable.''

The KLS contract was awarded using ''other than full and open competition'' because ''the agency's need is of such unusual and compelling urgency that it precludes competition,'' she wrote.

Employees say the scope of $344,000 contract has been amended since the original award and now includes revamping the office's employee performance.

[From U.S. News, July 2, 1997]

TREASURY IG WORKED FOR DEMOCRATS

(By John Solomon)

WASHINGTON.—The Treasury Department's ethics watchdog, already under scrutiny for a no-bid contract to an associate, authorized skipping normal competitive bidding procedures for a second consulting contract, official say.

With Congress beginning to investigate contracting by the office of Treasury Inspector General Valerie Lau, documents and interviews also shed new light on Lau's background and her office's work. For instance, Lau:

Was given an opportunity to apply for a Clinton administration job in 1993 while working as a consultant for the Democratic Party. Inspectors general, though appointed by the president, by law are designed to be politically independent.

Was instructed by the No. 2 Treasury Department official to rewrite one of the most high-profile reports of her tenure—the investigation into law enforcement's attendance at racist, drunken Good Ol' Boys Roundups—because it lacked basic investigatory information.

The scrutiny of Lau's office is an unusual twist for a watchdog normally charged with policing against waste, fraud and abuse throughout the Treasury Department.

Lau declined to be interviewed, but her office provided written answers to questions posed by The Associated Press.

The AP reported last month that shortly after taking over as IG in late 1994, Lau approved a $90,000 no-bid, sole-source management review contract to an associate who has written the White House recommending her for the job.

Documents show Lau approved the sole-source contract to Sato & Associates on the grounds that the government would be ''seriously injured'' if the contract was put up for bidding.

Officials say that in 1995, Lau's office again approved skipping competitive bidding procedures to hire a consultant to boost morale among workers.

Lau's office says it approved the $271,000 contract to the consulting firm KLS under a legal provision that permits ''other than full and open competition when the agency's need is such unusual and compelling urgency.''

The IG office said it skipped the bidding ''to prevent deterioration in workforce effectiveness' and because a survey it conducted ''suggested a prompt response was necessary'' to low worker morale.

The Senate Permanent Subcommittee on Investigations is investigating a variety of issues surrounding Lau's office, including the noncompetitive contracts and the performance of her office.

''I consider the allegations surrounding the Treasury Department's inspector general to be very troubling,'' Sen. Susan M. Collins, R-Maine, said.

In a January 1996 memo, Deputy Treasury Secretary Lawrence Summers wrote Lau that her original report into Treasury agents' participation in the controversial Good Ol'Boys Roundups was lacking key information.

''I am very concerned that the report be maximally credible in all respects,'' Summers wrote.

''Specifically it should be evident on the face of the report that your investigation was thorough and uncompromising.

''While those of us who know you well have no question concerning your effort and intentions, it would be helpful for your report to lay out exactly how your investigation was conducted,'' Summers wrote.

Among the basic information he cited as missing: identifying which witnesses were interviewed describing efforts made to collect documents, photographs and other evidence.

''In sum, it would seem advisable to describe all of the investigative techniques your office used or elected not to use in conducting this information,'' Summers wrote.

Assistant Treasury Secretary Howard Schloss said Summers' letter was simply designed to reinforce that ''the report be as clear as possible.''

Schloss also confirmed that just before she was hired by the Clinton administration, Lau volunteered in 1993 to work as a ''career consultant'' at the Democratic National Committee in Washington.

Schloss said Lau a professional auditor who also has a master's degree in career development, produced a series of jobs search strategy workshops for the DNC.

Ms. COLLINS. Mr. President, it is particularly troubling to uncover these apparent contracting abuses in the Office of the Inspector General, the very official who is supposed to be the watchdog against waste, fraud, and abuse in Federal departments.

Again, I thank the floor managers of this bill for their cooperation, and I appreciate their support of this amendment.

I yield the floor.

Mr. KOHL addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin.

AMENDMENT NO. 935

Mr. KOHL. I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows.

The Senator from Wisconsin [Mr. KOHL] proposes an amendment numbered 935.

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

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

The amendment is as follows:

On page 12, line 2, strike $472,490,000 and insert in lieu thereof $473,490,000, of which $1,000,000 may be used for the youth gun crime initiative.

Mr. KOHL. Mr. President, I ask that the amendment be adopted.

The PRESIDING OFFICER. Is there further debate on the amendment?

Mr. CAMPBELL. The amendment has been cleared by our side.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 935) was agreed to.

Mr. KOHL. Mr. President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

Mr. KOHL. Mr. President, Senator DURBIN wants to go on as a cosponsor of this amendment, the youth gun crime initiative amendment.

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

AMENDMENT NO. 936

(Purpose: To prohibit the use of funds to pay for an abortion or to pay for the administrative expenses in connection with certain health plans that provide coverage for abortions)

Mr. CAMPBELL. Mr. President, I send an amendment to the desk on behalf of Senator DEWINE and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Colorado [Mr. CAMPBELL], for Mr. DEWINE, proposes an amendment numbered 936.

Mr. CAMPBELL. Mr. President, I ask unanimous consent that the amendment not be read at length.

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

The amendment is as follows:

At the end of title VI, insert the following:

SEC. . No funds appropriated by this Act shall be available to pay for an abortion, or the administrative expenses in connection with any health plan under the Federal employees health benefit program which provides any benefits or coverage for abortions.

SEC. . The provision of section _____ shall not apply where the life of the mother would be endangered if the fetus were carried to term, or the pregnancy is the result of an act of rape or incest.

Mr. CAMPBELL. This amendment has been cleared by both sides, but there will be a rollcall vote. And I ask for the yeas and nays on behalf of Senator DEWINE.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

AMENDMENT NO. 932

(Purpose: To remove computer games from government computers)

Mr. CAMPBELL. Mr. President, at this time I would like to yield the floor for Senator FAIRCLOTH.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. FAIRCLOTH. I thank the Chair. I call up amendment No. 932 which is cosponsored by Senator SHELBY, Senator HAGEL, and myself.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from North Carolina [Mr. FAIRCLOTH], for himself, Mr. SHELBY and Mr. HAGEL, proposes an amendment numbered 932.

Mr. FAIRCLOTH. 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:

Insert at the appropriate section.

SEC. PROHIBITION OF COMPUTER GAME PROGRAMS.—

(1) DEFINITIONS.—In this section, ''agency'' means agency as defined under section 105 of title 5, United States Code;

(2) REMOVAL OF EXISTING COMPUTER GAME PROGRAMS.—Not later than 180 days after the date of enactment of this Act, the head of each agency shall take such actions as necessary to remove any computer program not required for the official of the agency from any agency computer equipment.

(3) PROHIBITION OF INSTALLATION OF COMPUTER GAME PROGRAMS.—The head of each agency shall prohibit the installation of any computer game program not required for the official business of the agency into any agency computer equipment.

(4) PROHIBITION OF AGENCY ACCEPTANCE OF COMPUTER EQUIPMENT WITH COMPUTER GAME PROGRAMS.—

(a) Title III of the Federal Property and Administrative Services Act of 1949 is amended by adding at the end the following:

"SEC. 317. RESTRICTIONS ON CERTAIN INFORMATION TECHNOLOGY.

''(a) DEFINITION.—In this section the term 'information technology' has the meaning given such term under section 5002(3) of the Clinger-Cohen Act of 1996 (40 U.S.C. 1401).

''(b) IN GENERAL.—The head of an executive agency may not accept delivery of information technology that is loaded with game programs not required for an official purpose under the terms of the contract under which information technology is delivered.

''(c) WAIVER.—The head of an executive agency may waive the application of this section with respect to any particular procurement of information technology, if the head of the agency——

''(1) conducts a cost-benefit analysis and determines that the costs of compliance with this section outweighs the benefits of compliance; and

''(2) submits a certification of such determination, with supporting documentation to the Congress.''.

(b) The table of contents in section 2(b) of the Federal Property and Administrative Services Act of 1949 is amended by inserting after the item relating to section 316 the following: ''Sec. 317. Restrictions on certain information technology.''.

(c) The amendments made by this section shall take effect 180 days after the date of enactment of this Act.

Mr. FAIRCLOTH. Mr. President, I rise to offer an amendment that requires all Federal agencies to remove computer games from Government computers.

On June 9 of this year, I introduced S. 885, the Responsive Government Act, together with Senators HAGEL, SHELBY, STEVENS, and HUTCHINSON of Arkansas. The Responsive Government Act includes several provisions to help restore the confidence of the American people in the Federal Government. One of its provisions concerns the use of computer games on Government computers. I am again offering it today.

It is absolutely ludicrous that the taxpayers are paying people to play computer games. The computers are bought and paid for by the American taxpayers for work and not for fun, and they are footing the bill for the job, the office and everything. To be using it for pleasure is simply not in keeping with the way we should be running the Government.

The Federal Government did spend close to $20 billion last year on computers, equipment and support services. These systems are designed and purchased to increase productivity, not to provide games and ability to pass time while Federal employees are drawing wages. However, many of these computers are delivered already equipped with so-called games which reduce workers' efficiency and productivity. This legislation would prohibit the Federal Government from purchasing computers with preloaded game programs. These games, of course, do nothing but decrease productivity.

In fact, a private sector survey found that workers spent an average of 5½ hours per week playing computer games and other nonrelated tasks related to computer games. This translates into an annual loss of $10 billion in productivity.

Clearly, these games do not stay on the computers and go unused. In fact, many of the games now come equipped with a ''boss key'' which is a device that lets a worker strike a single key and transform the computer scene from a game to a spread sheet, a false spread sheet but a spread sheet. The soul purpose of the device is to hide unproductive behavior from supervisors. If you are playing the game and you suspect that anybody is coming, you just hit a key and it looks like you are working.

There is no reason for the Federal Government to buy computers with programs designed to divert employees' attention from their jobs. This is just simply common sense.

My amendment does provide a waiver in cases where a cost-benefit analysis finds it is more costly to purchase new computer equipment without games than with them. But these cost-benefit reports must be transmitted to the Congress. I think it is a reasonable safeguard for the unusual cases that cannot be anticipated by the Congress.

This is something that has already been done in selected Government agencies. Governor George Allen of Virginia and former Labor Secretary Robert Reich ordered workers to delete these game programs from their computers. I commend them for the action. It is time to implement such a policy throughout the Federal Government.

I thank the chairman for accepting this amendment. I understand it has been accepted by the managers of the bill on both sides, and I very much appreciate the support and help of Senator CAMPBELL and Senator KOHL.

Mr. President, I yield any remaining time.

Mr. CAMPBELL. Mr. President, the majority has no objection to this amendment.

Mr. KOHL. The minority accepts it also.

The PRESIDING OFFICER. The question is on agreeing to the amendment. Without objection, the amendment is agreed to.

The amendment (No. 932) was agreed to.

Mr. CAMPBELL. Mr. President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

Mr. CAMPBELL. 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. KOHL. 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. 937

(Purpose: To strike restrictions on current authorities under the National Energy Conservation Policy Act)

Mr. KOHL. Mr. President, on behalf of Senator BINGAMAN, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Wisconsin [Mr. KOHL], for Mr. BINGAMAN, proposes an amendment numbered 937.

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

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

The amendment is as follows:

On page 92, strike lines 6 through 16.

Mr. MURKOWSKI. Mr. President, I rise in support of amendment from the Senator from New Mexico to strike section 630 of this legislation. The provision that would be stricken by the amendment addresses substantive issues regarding the energy efficiency requirements that apply to Federal agencies under the Energy Policy Act of 1992. The requirements addressed by this provision are complex and, along with many, if not all, of the energy efficiency provisions of EPAct, have resulted in quite a bit of controversy during their implementation. As chairman of the Energy Committee, I intend to investigate these issues thoroughly and address them legislatively, as appropriate.

I believe that the supporters of section 630 have raised a legitimate concern that will probably require a legislative resolution. However, as I noted, these issues are very complex, and within the jurisdiction of the Committee on Energy and Natural Resources. The scope of this section is very broad and its full impact is unknown at this time. Its impact on existing contracts is unclear, and it may, in fact, prohibit some activities that are appropriate and beneficial to the American taxpayer. We simply have not had the opportunity for the Energy Committee to evaluate this language and assess all of its implications, as it should. As such, I must object to their resolution in this piece of legislation on procedural grounds and would ask that my name be added as co-sponsor of the Bingaman amendment.

Mr. KOHL. I ask to have the amendment laid aside until Monday.

Mr. STEVENS. I object. I wish to discuss the amendment tonight.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. STEVENS. The amendment of the Senator from New Mexico would eliminate from the bill a provision that I requested be inserted because of a conference I had with a former staff member of the Commerce Committee, as a matter of fact. He pointed out to me that the basic law, the National Energy Conservation Policy Act, requires the competitive process.

According to the Office of Technology Assessment, Federal agencies spent about $4 billion annually on power, light, water and other utility bills, and that that could be cut by 25 percent, about $1 billion a year, if we required agencies to improve energy efficiency. That led to this new law.

Our provision does not call for new funding. It does not change existing law. It restricts the use of appropriated funds unless procurements are made through the competitive process. The language in the bill that I requested effects no change in that law, the existing law. The existing law does require a full competitive procurement to be used by Federal agencies to obtain energy-efficient goods and services. It is within the jurisdiction of our Appropriations Committee. It is primarily because it limits the expenditure of funds. Our language really does no more than direct Federal agencies to abide by the law, to follow the law which requires specific procurement procedures. It will not disrupt any existing contracts. It will not prohibit any utility or nonutility provider of energy-efficient services from competing for Federal contracts. It simply directs the Federal agencies to use the competitive process for procuring services for all energy efficiency providers as current law directs.

Mr. President, my problem with striking it is it will mean that we will continue to not receive the savings that we are supposed to receive as a result of the basic law of the land which is the Energy Conservation Policy Act. I do believe that this is a law which ought to be pursued. I call the Senate's attention to that act, which is basically the 1978 act. It has been improved on several times since that time.

I might say, the person who talked to me was part of the staff at the time that basic law was devised, and pointed out to me how it has not been enforced. What we are talking about is basically the provision that is required under Section 551(4) of Title I of the National Energy Conservation Policy Act which basically says this:

> The term ''energy conservation measures'' means measures that are applied to a Federal building that improve energy efficiency or are life cycle cost effective and that involve energy conservation, cogeneration facilities, renewable energy sources, improvements in operation and maintenance efficiencies, or retrofit activities.

That is the law, Mr. President. Senator BINGAMAN's amendment would strike from this bill my amendment which requires and—prevents the use of funds under this bill for those activities unless they follow the law regarding competitive procurement practices. I know Senator BINGAMAN will have a minute when he comes on Monday. I wanted to take this time now to explain it.

I ask unanimous consent we have printed in the RECORD at this point the relevant provisions of the National Energy Conservation Policy Act, Section 201 of the Federal Property Administrative Services Act, which is what we require.

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

EXCERPTS FROM THE NATIONAL ENERGY CONSERVATION POLICY ACT

SEC. 8259. Definitions.

* * * * *

(4) the term ''energy conservation measures'' means measures that are applied to a Federal building that improve energy efficiency and are life cycle cost effective and that involve energy conservation, cogeneration facilities, renewable energy sources, improvements in operations and maintenance efficiencies, or retrofit activities;

* * * * *

SEC. 8251. Findings.

The Congress finds that—

(1) the Federal Government is the largest single energy consumer in the Nation;

(2) the cost of meeting the Federal Government's energy requirement is substantial;

(3) there are significant opportunities in the Federal Government to conserve and make more efficient use of energy through improved operations and maintenance, the use of new energy efficient technologies, and the application and achievement of energy efficient design and construction;

(4) Federal energy conservation measures can be financed at little or no cost to the Federal Government by using private investment capital made available through contracts authorized by subchapter VII of this chapter; and

(5) an increase in energy efficiency by the Federal Government would benefit the Nation by reducing the cost of government, reducing national dependence on foreign energy resources, and demonstrating the benefits of greater energy efficiency to the Nation.

* * * * *

SEC. 8287. Authority to enter into contracts.

(a) In general.

(1) The head of a Federal agency may enter into contracts under this subchapter solely for the purpose of achieving energy savings and benefits ancillary to that purpose. Each such contract may, notwithstanding any other provision of law, be for a period not to exceed 25 years. Such contract shall provide that the contractor shall incur costs of implementing energy savings measures, including at least the costs (if any) incurred in making energy audits, acquiring and installing equipment, and training personnel, in exchange for a share of any energy savings directly resulting from implementation of such measures during the term of the contract.

(2)(A) Contracts under this subchapter shall be energy savings performance contracts and shall require an annual energy audit and specify the terms and conditions of any Government payments and performance guarantees. Any such performance guarantee shall provide that the contractor is responsible for maintenance and repair services for any energy related equipment, including computer software systems.

(B) Aggregate annual payments by an agency to both utilities and energy savings performance contractors, under an energy savings performance contract, may not exceed the amount that the agency would have paid for utilities without an energy savings performance contract (as estimated through the procedures developed pursuant to this section) during contract years. The contract shall provide for a guarantee of savings to the agency, and shall establish payment schedules reflecting such guarantee, taking into account any capital costs under the contract.

(C) Federal agencies may incur obligations pursuant to such contracts to finance energy conservation measures provided guaranteed savings exceed the debt service requirements.

(D) A Federal agency may enter into a multiyear contract under this subchapter for a period not to exceed 25 years, without funding of cancellation charges before cancellation, if—

(i) such contract was awarded in a competitive manner pursuant to subsection (b(2) of this section, using procedures and methods established under this subchapter;

(ii) funds are available and adequate for payment of the costs of such contract for the first fiscal year;

(iii) 30 days before the award of any such contract that contains a clause setting forth a cancellation ceiling in excess of $750,000, the head of such agency gives written notification of such proposed contract and of the proposed cancellation ceiling for such contract to the appropriate authorizing and appropriating committees of the Congress; and

(iv) such contract is governed by part 17.1 of the Federal Acquisition Regulation promulgated under section 421 of Title 41 or the applicable rules promulgated under this subchapter.

(b) Implementation.

(1)(A) The Secretary, with the concurrence of the Federal Acquisition Regulatory Council established under section 421(a) of Title 41, not later than 180 days after October 24, 1992, shall, by rule, establish appropriate procedures and methods for use by Federal agencies to select, monitor, and terminate contracts with energy service contractors in accordance with laws governing Federal procurement that will achieve the intent of this section in a cost-effective manner. In developing such procedures and methods, the Secretary, with the concurrence of the Federal Acquisition Regulatory Council, shall determine which existing regulations are inconsistent with the intent of this section and shall formulate substitute regulations consistent with laws governing Federal procurement.

(B) The procedures and methods established pursuant to subparagraph (A) shall be the procedures and contracting methods for selection, by an agency, of a contractor to provide energy savings performance services. Such procedures and methods shall provide for the calculation of energy savings based on sound engineering and financial practices.

(2) The procedures and methods established pursuant to paragraph (1)(A) shall—

(A) allow the Secretary to—

(i) request statements of qualifications, which shall, at a minimum, include prior experience and capabilities of contractors to perform the proposed types of energy savings services and financial and performance information, from firms engaged in providing energy savings services; and

(ii) from the statements received, designate and prepare a list, with an update at

least annually, of those firms that are qualified to provide energy savings services;

(B) require each agency to use the list prepared by the Secretary pursuant to subparagraph (A)(ii) unless the agency elects to develop an agency list of firms qualified to provide energy savings performance services using the same selection procedures and methods as are required of the Secretary in preparing such lists; and

(C) allow the head of each agency to—

(i) select firms from the list prepared pursuant to subparagraph (A)(ii) or the list prepared by the agency pursuant to subparagraph (B) to conduct discussions concerning a particular proposed energy savings project, including requesting a technical and price proposal from such selected firms for such project;

(ii) select from such firms the most qualified firm to provide energy savings services based on technical and price proposals and any other relevant information;

(iii) permit receipt of unsolicited proposals for energy savings performance contracting services from a firm that such agency has determined is qualified to provide such services under the procedures established pursuant to paragraph (1)(A), and require agency facility managers to place a notice in the Commerce Business Daily announcing they have received such a proposal and invite other similarly qualified firms to submit competing proposals; and

(iv) enter into an energy savings performance contract with a firm qualified under clause (iii), consistent with the procedures and methods established pursuant to paragraph (1)(A).

(3) A firm not designated as qualified to provide energy savings services under paragraph (2)(A)(i) or paragraph (2)(B) may request a review of such decision to be conducted in accordance with procedures to be developed by the board of contract appeals of the General Services Administration. Procedures developed by the board of contract appeals under this paragraph shall be substantially equivalent to procedures established under section 759(f) of Title 40.

(c) Sunset and reporting requirements

(1) The authority to enter into new contracts under this section shall cease to be effective five years after the date procedures and methods are established under subsection (b) of this section.

(2) Beginning one year after the date procedures and methods are established under subsection (b) of this section, and annually thereafter, for a period of five years after such date, the Comptroller General of the United States shall report on the implementation of this section. Such reports shall include, but not be limited to, an assessment of the following issues:

(A) The quality of the energy audits conducted for the agencies.

(B) The Government's ability to maximize energy savings.

(C) The total energy cost savings accrued by the agencies that have entered into such contracts.

(D) The total costs associated with entering into and performing such contracts.

(E) A comparison of the total costs incurred by agencies under such contracts and the total costs incurred under similar contracts performed in the private sector.

(F) The number of firms selected as qualified firms under this section and their respective shares of awarded contracts.

(G) The number of firms engaged in similar activity in the private sector and their respective market shares.

(H) The number of applicant firms not selected as qualified firms under this section and the reason for their nonselection.

(I) The frequency with which agencies have utilized the services of Government labs to perform any of the functions specified in this section.

(J) With the respect to the final report submitted pursuant to this paragraph, an assessment of whether the contracting procedures developed pursuant to this section and utilized by agencies have been effective and whether continued use of such procedures, as opposed to the procedures provided by existing public contract law, is necessary for implementation of successful energy savings performance contracts.

* * * * *

SEC. 8287a. Payment of costs.

Any amount paid by a Federal agency pursuant to any contract entered into under this subchapter may be paid only from funds appropriated or otherwise made available to the agency for fiscal year 1986 or any fiscal year thereafter for the payment of energy expenses (and related operation and maintenance expenses).

* * * * *

SEC. 8287b. Reports.

Each Federal agency shall periodically furnish the Secretary of Energy with full and complete information on its activities under this subchapter, and the Secretary shall include in the report submitted to Congress under section 8260 of this title a description of the progress made by each Federal agency in—

(1) including the authority provided by this subchapter in its contracting practices; and

(2) achieving energy savings under contracts entered into under this subchapter.

EXCERPTS FROM THE PROPERTY ADMINISTRATIVE SERVICES ACT

SUBCHAPTER II—PROPERTY MANAGEMENT

SEC. 481. Procurement, warehousing, and related activities.

(a) Policies and methods of procurement and supply; operation of warehouses

The Administrator shall, in respect of executive agencies, and to the extent that he determines that so doing is advantageous to the Government in terms of economy, efficiency, or service, and with due regard to the program activities of the agencies concerned—

(1) subject to regulations prescribed by the Administrator for Federal Procurement Policy pursuant to the Office of Federal Procurement Policy Act [41 U.S.C.A. §401 et seq.], prescribe policies and methods of procurement and supply of personal property and nonpersonal services, including related functions such as contracting, inspection, storage, issue, property identification and classification, transportation and traffic management, management of public utility services, and repairing and converting; and

(2) operate, and, after consultation with the executive agencies affected, consolidate, take over, or arrange for the operation by any executive agency of warehouses, supply centers, repair shops, fuel yards, and other similar facilities; and

(3) procure and supply personal property and nonpersonal services for the use of executive agencies in the proper discharge of their responsibilities, and perform functions related to procurement and supply such as those mentioned above in subparagraph (1) at this subsection: *Provided,* That contacts for public utility services may be made for periods not exceeding ten years; and

(4) with respect to transportation and other public utility services for the use of executive agencies, represent such agencies in negotiations with carriers and other public utilities and in proceedings involving carriers or other public utilities before Federal and State regulatory bodies;

Provided, That the Secretary of Defense may from time to time, and unless the President shall otherwise direct, exempt the Department of Defense from action taken or which may be taken by the Administrator under clauses (1) to (4) of this subsection whenever he determines such exemption to be in the best interests of national security.

(b) Extension of services to Federal agencies and mixed ownership corporations and the District of Columbia.

The Administrator shall as far as practicable provide any of the services specified in subsection (a) of this section to any other Federal agency, mixed ownership corporation (as defined in chapter 91 of Title 31), or the District of Columbia, upon its request.

(c) Exchange or sale of similar items

In acquiring personal property, any executive agency, under regulations to be prescribed by the Administrator, subject to regulations prescribed by the Administrator for Federal Procurement Policy pursuant to the Office of Federal Procurement Policy Act [41 U.S.C.A. §401 et seq.], may exchange or sell similar items and may apply the exchange allowance or proceeds of sale in such cases in whole or in part payment for the property acquired: *Provided,* That any transaction carried out under the authority of this subsection shall be evidenced in writing.

(d) Utilization of services by executive agencies without reimbursement or transfer of funds

In conformity with policies prescribed by the Administrator under subsection (a) of this section, any executive agency may utilize the services, work, materials, and equipment of any other executive agency, with the consent of such other executive agency, for the inspection of personal property incident to the procurement thereof, and notwithstanding section 1301(a) of Title 31 or any other provision of law such other executive agency may furnish such services, work, materials, and equipment for that purpose without reimbursement or transfer of funds.

(e) Exchange or transfer of excess property

Whenever the head of any executive agency determines that the remaining storage or shelf life of any medical materials or medical supplies held by such agency for national emergency purposes is of too short duration to justify their continued retention for such purposes and that their transfer or disposal would be in the interest of the United States, such materials or supplies shall be considered for the purposes of section 483 of this title to be excess property. In accordance with the regulations of the Administrator, such excess materials or supplies may thereupon be transferred to or exchanged with any other Federal agency for other medical materials or supplies. Any proceeds derived from such transfers may be credited to the current applicable appropriation or fund of the transferor agency and shall be available only for the purchase of medical materials or supplies to be held for national emergency purposes. If such materials or supplies are not transferred to or exchanged with any other Federal agency, they shall be disposed of as surplus property. To the greatest extent practicable, the head of the executive agency holding such medical materials or supplies shall make the determination provided for in the first sentence of this subsection at such times as to insure that such medical materials or medical supplies can be transferred or otherwise disposed of in sufficient time to permit their use before their shelf life expires and they are rendered unfit for human use.

* * * * *

SUBCHAPTER II—PROPERTY MANAGEMENT

SEC. 481. Procurement, warehousing, and related activities.

(a) Policies and methods of procurement and supply; operation of warehouses.

The Administrator shall, in respect of executive agencies, and to the extent that he determines that so doing is advantageous to the Government in terms of economy, efficiency, or service, and with due regard to the program activities of the agencies concerned—

(1) subject to regulations prescribed by the Administrator for Federal Procurement Policy pursuant to the Office of Federal Procurement Policy Act [41 U.S.C.A. §401 et seq.], prescribe policies and methods of procurement and supply of personal property and nonpersonal services, including related functions such as contracting, inspection, storage, issue, property identification and classification, transportation and traffic management, management of public utility services, and repairing and converting; and

(2) operate, and, after consultation with the executive agencies affected, consolidate, take over, or arrange for the operation by any executive agency of warehouses, supply centers, repair shops, fuel yards, and other similar facilities; and

(3) procure and supply personal property and nonpersonal services for the use of executive agencies in the proper discharge of their responsibilities, and perform functions related to procurement and supply such as those mentioned above in subparagraph (1) of this subsection: *Provided,* That contracts for public utility services may be made for periods not exceeding ten years; and

(4) with respect to transportation and other public utility services for the use of executive agencies, represent such agencies in negotiations with carriers and other public utilities and in proceedings involving carriers or other public utilities before Federal and State regulatory bodies;

Provided, That the Secretary of Defense may from time to time, and unless the President shall otherwise direct, exempt the Department of Defense from action taken or which may be taken by the Administrator under clauses (1) to (4) of this subsection whenever he determines such exemption to be in the best interests of national security.

(b) Extension of services to Federal agencies and mixed ownership corporations and the District of Columbia.

The Administrator shall as far as practicable provide any of the services specified in subsection (a) of this section to any other Federal agency, mixed ownership corporation (as defined in chapter 91 of Title 31), or the District of Columbia, upon its request.

(c) Exchange or sale of similar items.

In acquiring personal property, any executive agency, under regulations to be prescribed by the Administrator, subject to regulations prescribed by the Administrator for Federal Procurement Policy pursuant to the Office of Federal Procurement Policy Act [41 U.S.C.A. §401 et seq.], may exchange or sell similar items and may apply the exchange allowance or proceeds of sale in such cases in whole or in part payment for the property acquired: *Provided,* That any transaction carried out under the authority of this subsection shall be evidenced in writing.

(d) Utilization of services by executive agencies without reimbursement or transfer of funds.

In conformity with policies prescribed by the Administrator under subsection (a) of this section, and executive agency may utilize the services, work, materials, and equipment of any other executive agency, with the consent of such other executive agency, for the inspection of personal property incident to the procurement thereof, and notwithstanding section 1301(a) of Title 31 or any other provision of law such other executive agency may furnish such services, work, materials, and equipment for that purpose without reimbursement or transfer of funds.

(e) Exchange or transfer of excess property.

Whenever the head of any executive agency determines that the remaining storage or shelf life of any medical materials or medical supplies held by such agency for national emergency purposes is of too short duration to justify their continued retention for such purposes and that their transfer or disposal would be in the interest of the United States, such materials or supplies shall be considered for the purposes of section 483 of this title to be excess property. In accordance with the regulations of the Administrator, such excess materials or supplies may thereupon be transferred to or exchanged with any other Federal agency for other medical materials or supplies. Any proceeds derived from such transfers may be credited to the current applicable appropriation or fund of the transferor agency and shall be available only for the purchase of medical materials or supplies to be held for national emergency purposes. If such materials or supplies are not transferred to or exchanged with any other Federal agency, they shall be disposed of as surplus property. To the greatest extent practicable, the head of the executive agency holding such medical materials or supplies shall make the determination provided for in the first sentence of this subsection at such times as to insure that such medical materials or medical supplies can be transferred or otherwise disposed of in sufficient time to permit their use before their shelf life expires and they are rendered unfit for human use.

Mr. STEVENS. We say that no funds can be used for the purpose of these measures unless they comply with the law. That is entirely within the jurisdiction of our committee, and I hope the Senate will not pursue the amendment of the Senator from New Mexico. I have not decided whether to make a motion to table that amendment. As I understand the procedure, the motions to table were not waived and therefore I reserve my right to make a motion to table this amendment should the Senator from New Mexico seek to pursue it further on Monday.

Mr. KOHL. We will lay the amendment aside until Monday.

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

The Senator from Colorado.

AMENDMENT NO. 938

(Purpose: To provide for Members of Congress to voluntarily disclose participation in Federal retirement systems in the annual financial disclosure forms)

Mr. CAMPBELL. I send an amendment to the desk on behalf of Senator ABRAHAM and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Colorado [Mr. CAMPBELL], for Mr. ABRAHAM, proposes an amendment numbered 938.

Mr. CAMPBELL. 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 in the bill, insert the following new section:

SEC. . (a) The congressional ethics committees shall provide for voluntary reporting by Members of Congress on the financial disclosure reports filed under title I of the Ethics in Government Act of 1978 (5 U.S.C. App.) on such Members' participation in—

(1) the Civil Service Retirement System under chapter 83 of title 5, United States Code; and

(2) the Federal Employees Retirement System under chapter 84 of title 5, United States Code.

(b) In this section, the terms ''congressional ethics committees'' and ''Members of Congress'' have the meanings given such terms under section 109 of the Ethics in Government Act of 1978 (5 U.S.C. App.).

(c) This section shall apply to fiscal year 1998 and each fiscal year, thereafter.

Mr. CAMPBELL. Mr. President, this amendment has been cleared on both sides of the aisle. I urge its immediate adoption.

Mr. KOHL. We have no objection.

THE PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment.

The amendment (No. 938) was agreed to.

Mr. CAMPBELL. Mr. President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

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

The PRESIDING OFFICER (Mr. ALLARD). Without objection, it is so ordered.

AMENDMENT NO. 939

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

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Colorado [Mr. CAMPBELL] proposes an amendment numbered 939.

Mr. CAMPBELL. 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 3, line 2, insert the following after ''$6,745,000'' *Provided further,* That Chapter 9 of the Fiscal Year 1997 Supplemental Appropriations Act for Recovery from Natural Disasters, and for Overseas Peacekeeping Efforts, including those in Bosnia, Public Law 105–18 (111 Stat. 195–96) is amended by inserting after the ''County of Denver'' in each instance ''the County of Arapahoe''.

Mr. CAMPBELL. This amendment has been cleared by both sides. I urge its immediate adoption.

Mr. KOHL. We have no objection on our side.

THE PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment.

The amendment (No. 939) was agreed to.

Mr. CAMPBELL. Mr. President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

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

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

AMENDMENTS NOS. 940 AND 941

Mr. CAMPBELL. Mr. President, I send two amendments to the desk on behalf of Senator COVERDELL.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Colorado [Mr. CAMPBELL], for Mr. COVERDELL, for himself and Mrs. FEINSTEIN, proposes amendment numbered 940 and, for Mr. COVERDELL, amendment numbered 941.

Mr. CAMPBELL. 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 are as follows:

AMENDMENT NO. 940

(Purpose: To provide that Federal employees convicted of certain bribery and drug-related crimes shall be separated from service)

At the appropriate place in the bill, insert the following new section:

SEC. . (a) A Federal employee shall be separated from service and barred from reemployment in the Federal service, if—

(1) the employee is convicted of a violation or attempted violation of section 201 of title 18, United States Code; and

(2) such violation or attempted violation related to conduct prohibited under section 1010(a) of the Controlled Substances Import and Export Act (21 U.S.C. 960(a)).

(b) This section shall apply during fiscal year 1998 and each fiscal year thereafter.

AMENDMENT NO. 941

(Purpose: To require a plan for the coordination and consolidation of the counterdrug intelligence centers and activities of the United States)

At the appropriate place in the bill, insert the following:

SEC. . (a) COORDINATION OF COUNTERDRUG INTELLIGENCE CENTERS AND ACTIVITIES.—(1) Not later than 120 days after the date of enactment of this Act, the Director of the Office of National Drug Control Policy shall submit to the appropriate congressional committees a plan to improve coordination, and eliminate unnecessary duplication, among the counterdrug intelligence centers and counterdrug activities of the Federal Government, including the centers and activities of the following departments and agencies:

(A) The Department of Defense, including the Defense Intelligence Agency.

(B) The Department of the Treasury, including the United States Customs Service.

(C) The Central Intelligence Agency.

(D) The Coast Guard.

(E) The Drug Enforcement Administration.

(F) The Federal Bureau of Investigation.

(2) The purpose of the plan under paragraph (1) is to maximize the effectiveness of the centers and activities referred to in that paragraph in achieving the objectives of the national drug control strategy. In order to maximize such effectiveness, the plan shall—

(A) articulate clear and specific mission statements for each counterdrug intelligence center and activity, including the manner in which responsibility for counterdrug intelligence activities will be allocated among the counterdrug intelligence centers;

(B) specify the relationship between such centers;

(C) specify the means by which proper oversight of such centers will be assured;

(D) specify the means by which counterdrug intelligence will be forwarded effectively to all levels of officials responsible for United States counterdrug policy; and

(E) specify mechanisms to ensure that State and local law enforcement agencies are apprised of counterdrug intelligence in a manner which—

(i) facilitates effective counterdrug activities by such agencies; and

(ii) provides such agencies with the information necessary to ensure the safety of officials of such agencies in their counterdrug activities.

(b) APPROPRIATE CONGRESSIONAL COMMITTEES DEFINED.—In this section, the term ''appropriate congressional committees'' means the following:

(1) The Committee on Foreign Relations, the Committee on the Judiciary, and the Select Committee on Intelligence of the Senate.

(2) The Committee on International Relations, the Committee on the Judiciary, and the Permanent Select Committee on Intelligence of the House of Representatives.

Mr. CAMPBELL. Mr. President, I ask unanimous consent the amendments be set aside.

Mr. KOHL. We have no objection to their being set aside.

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

PRESIDENT'S ANTI-DRUG CAMPAIGN

Mr. CLELAND. Mr. President, I had planned to offer an amendment which addresses a matter that is critical to the future of America. Drug use by the nation's youth is rising at alarming levels. The Office of National Drug Control Policy's budget request included $175 million for a youth oriented media anti-drug campaign aimed at reducing drug use by our nation's children. I strongly support this campaign.

Drug use among America's youth has doubled over the past five years, tripling among eighth graders. These trends are devastating and threaten to destroy the fabric of American society. We have an obligation to reverse these trends by motivating America's youth to reject drugs. As you know, the media exerts tremendous influence on children. Through the power of the media we are equipped to influence children via outlets that include television, radio, computer software, and the Internet.

While drug use has been glamorized, normalized and linked with popularity, this media campaign will employ a strategy to change youth attitudes about the perceived risk of drug use and to encourage parents to talk to their children about drugs. Coupled with support from the private sector, the program would finance anti-drug messages to reach 90 percent of all children ages 9 through 17 at least four times per week. The media campaign will supplement existing public service campaigns carried out by groups such as the Partnership for a Drug Free America and the Ad Council, both of whom will participate in the Office of National Drug Policy campaign.

Unfortunately, this program was not fully funded by the Appropriations Committee. I share its view that the funds used for this program must be carefully monitored to assure its effectiveness and non-partisan status, and I support the requirements the Committee has included that address these matters.

However, I believe that denial of full funding sends the wrong message here. The Appropriations Committee questioned whether full funding for this new program at this time was premature. I fail to see the rationale. The numbers of children using drugs are going up. If anything, I would say that funding for such a campaign is too late, not premature.

Let's put this funding in the context of the media. We all know that Hollywood is a multibillion dollar industry. Each year, billions of dollars are put into producing movies that glamorize drugs and alcohol. Then there is the advertising industry. I am told that the amount requested for this program is of the same magnitude of what is typically spent on one line of commercials for a fast food restaurant. And how much money every year is spent on beer commercials? If you imagine what our children are inundated with on a daily basis, and then if you think about how limited this campaign actually is, I believe one would begin to understand how much more we should be doing to prevent our children from being influenced to view drugs and alcohol in a positive light.

My amendment would have added $65 million to help counter the messages our children receive each day. Given the expressions of opposition I have received from the Committee on this amendment, I will not offer it. Nonetheless I cannot think of a sound reason to oppose this critically important campaign. We must invest in the future of America's 68 million children. We cannot allow another generation children to be lost to the culture of drug use.

I hope that in the future the Senate will have the opportunity to revisit this matter and increase funding for this most important anti-drug campaign.

FUNDING FOR THE FEDERAL ELECTION COMMISSION

Mr. DODD. Mr. President, I rise today to speak about the funding for the Federal Election Commission (FEC), as allocated in the Treasury, General Government, Civil Service Appropriations Bill.

All of us know that Congress' appropriators are tasked with guiding one of the most difficult of our duties—deciding how to spend the taxpayers' money. While I appreciate the magnitude and difficulty of this task as approached by the Subcommittee on Treasury, General Government, and Civil Service Appropriations, I am disappointed that the committee did not provide the FEC with full funding at its request of $34.2 million, as supported by the President.

Mr. President, the citizens' cries for campaign finance reform are growing louder and louder. Why? Because campaign spending is out of control. As money floods endlessly into our electoral system, however, I fear the voice of the average American will be drowned out and democracy will be the victim.

Much must be done to truly and effectively clean up our political campaigns. But one thing we can do to start right now is provide the FEC—the agency charged by Congress with overseeing our campaign finance system—with the finances it needs to promptly and effectively enforce the laws that govern our campaigns.

Consider that, in just eight years, we have seen a fourfold increase in the amount of money raised and spent by both parties, from $220 million raised by both parties in 1988 to $881 million raised in 1996.

In just four years, we have seen a 73 percent increase in political costs. A 73 percent increase in political costs since 1992—while wages rose 13 percent and education costs rose 17 percent during that same period.

Congressional spending in 1996 general elections was $626.4 million, 6.3 percent higher than the record 1994 levels.

And an unprecedented $2.5 billion in financial activity was reported to the commission in 1996.

And it was the FEC that had to oversee all this spending, to be sure it complied with the law.

This increase in campaign spending has therefore generated a sharp increase FEC's workload. Between 1994 and November of 1996, the FEC's caseload rose 36 percent, and because complaints related to the 1996 election are still being filed, the FEC expects the caseload to ultimately rise by 52 percent. Yet, providing adequate funding for the FEC has been a constant battle. Recent rescissions and funding rollbacks have prevented the FEC from keeping up with its ever-increasing workload and meeting inflation in rent and salary costs.

This combination of a decreasing budget and an increasing workload have hamstrung the FEC's ability to fulfill its watchdog role in a timely and effective manner. At the same time the FEC's caseload has risen, staff cuts required by the post-FY '95 budget reductions have led to a 25 percent drop in the FEC's ability to handle those cases.

Perhaps that is one reason why the FEC has become known as a toothless tiger. I believe it is time to give this tiger the teeth it needs to carry out its duties.

Mr. President, we are in the midst of multiple government investigations into campaign financing—investigations I wholeheartedly support. But as Congress has allocated millions of dollars for burgeoning Congressional campaign finance investigations, the least we can do is provide adequate funding for the independent and bipartisan FEC to do its job.

Many of my colleagues have said that campaign finance reform is not the issue for 1997. The illegalities of 1996, they say, is the issue. Yet, at the same time, they refuse to fund the very agency that should be first to uncover and punish any illegalities.

In October 1996, following news reports of alleged irregularities in fundraising by both political parties, I initiated a request that the FEC conduct an investigation of the Democratic National Committee, and pledged to make available all relevant records and personnel. At a Rules Committee hearing earlier this year, I was shocked to learn that as of February 1997, due to the tremendous backlog of cases and funding shortfalls at the FEC, that investigation had not even begun. While I am informed today that the investigation has now begun, I believe the delay in commencing the audit is illustrative of the magnitude of the FEC's budget problems.

Earlier this year, after learning of the FEC's long delay in beginning to address the cases generated by the 1996 election, I introduced a bill to strengthen the FEC and authorize full funding for the agency. I was also recently joined by my colleagues Senators KERREY, REED, and DORGAN in writing to Senate appropriators to request that they provide the FEC with full funding. I ask unanimous consent that those letters be printed in the RECORD.

I am disappointed that we have not fully funded the FEC at this time, but I remain hopeful that we will provide full funding—and enact other much needed FEC reforms—when we debate comprehensive campaign finance reform in what I hope will be the near future.

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

U.S. SENATE,
Washington, DC, July 7, 1997.

Hon. BEN NIGHTHORSE CAMPBELL,
Chairman, Subcommittee on Treasury, Postal Service, and General Government Appropriations, Committee on Appropriations, Washington, DC.

DEAR SENATOR CAMPBELL: As your subcommittee prepares to consider the Treasury-Postal Appropriations bill, we write to urge you to appropriate full funding for the Federal Election Commission at their request of $34.2 million.

Established by Congress as one of the post-Watergate reforms, the FEC was charged with overseeing and monitoring federal election campaigns' compliance with the law. As we mark the 25th anniversary of Watergate this year, it is time that we enable the FEC to live up to its mandate by providing it with the necessary funding.

In recent elections, as the cost of campaigns has spiraled out of control and current campaign laws have proven porous and ineffective in discouraging this trend, the FEC's caseload has risen, making its job more and more difficult. The cost of campaigns rose 73% between the 1992 and 1996, and parties raised four times the amount of money in 1996 that they raised just eight years before in 1988. Between 1994 and November of 1996, the FEC's caseload rose 36% and because complaints related to the 1996 election are still being filed, the FEC expects the caseload to ultimately rise by 52%. Yet, even as the FEC's workload has surged and Congress has allocated millions of dollars for burgeoning Congressional campaign finance investigations, providing adequate funding for the independent and bipartisan FEC has been a constant battle. Rescissions and funding rollbacks over the last few years have not permitted the FEC to keep pace with its increasing workload, or even to meet inflation in rent and salary costs.

This combination of a decreasing budget and an increasing workload have hamstrung the FEC's ability to fulfill its duties. At the same time the FEC's caseload has risen, staff cuts required by the post-FY '95 budget reductions have led to a 25% drop in the FEC's ability to handle those cases.

The $34.2 million requested by the FEC encompasses $29.3 million included in the President's budget, which the FEC requires to continue responsible operation and which would restore the FEC's funding to its pre-1995 recision level. The $34.2 million figure also encompasses an additional $4.9 million the FEC now needs to handle the increased volume of work resulting from the 1996 elections.

For too long, the FEC has been known as a toothless tiger, an agency rendered powerless by both structural and financial inadequacies. While we in Congress must explore many ways of strengthening the FEC, one way we can help restore its authority is to allocate the money it needs. We urge you and your committee to make the requested FEC funding a top priority.

ROBERT J. KERREY.
JACK REED.
CHRISTOPHER J. DODD.
BYRON L. DORGAN.

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U.S. SENATE,
Washington, DC, July 7, 1997.

Hon. HERB KOHL,
Ranking Member, Subcommittee on Treasury, Postal Service, and General Government Appropriations, Committee on Appropriations, Washington, DC.

DEAR SENATOR KOHL: As your subcommittee prepares to consider the Treasury-Postal Appropriations bill, we write to urge you to appropriate full funding for the Federal Election Commission at their request of $34.2 million.

Established by Congress as one of the post-Watergate reforms, the FEC was charged with overseeing and monitoring federal election campaigns' compliance with the law. As we mark the 25th anniversary of Watergate this year, it is time that we enable the FEC to live up to its mandate by providing it with the necessary funding.

In recent elections, as the cost of campaigns has spiraled out of control and current campaign laws have proven porous and

ineffective in discouraging this trend, the FEC's caseload has risen, making its job more and more difficult. The cost of campaigns rose 75 percent between the 1992 and 1996, and parties raised four times the amount of money in 1996 that they raised just 8 years before in 1988. Between 1994 and November of 1996, the FEC's caseload rose 36 percent, and because complaints related to the 1996 election are still being filed, the FEC expects the caseload to ultimately rise by 52 percent. Yet, even as the FEC's workload has surged and Congress has allocated millions of dollars for burgeoning Congressional campaign finance investigations, providing adequate funding for the independent and bipartisan FEC has been a constant battle. Rescissions and funding rollbacks over the last few years have not permitted the FEC to keep pace with its increasing workload, or even to meet inflation in rent and salary costs.

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For too long, the FEC has been known as a toothless tiger, an agency rendered powerless by both structural and financial inadequacies. While we in Congress must explore many ways of strengthening the FEC, one way we can help restore its authority is to allocate the money it needs. We urge you and your committee to make the requested FEC funding a top priority.

Sincerely,

ROBERT J. KERREY.
JACK REED.
CHRISTOPHER J. DODD.
BYRON L. DORGAN.

THE NATIONAL HISTORICAL PUBLICATIONS AND RESEARCH COMMISSION AND THE NATHANIEL GREENE PAPERS

Mr. CHAFEE. Mr. President, I would like to commend Senator CAMPBELL for his work on this appropriations bill. I was particularly pleased with the funding level for the National Historical Publications and Records Commission, which was increased by $1 million over the budget request. It is my hope that, although not specifically earmarked, a portion of these funds will go toward completing the Rhode Island Historical Society's ongoing project ''The Papers of General Nathaniel Greene.''

As I am sure my colleagues are aware, Nathaniel Greene, in addition to being a famous Rhode Islander, was second in command to General George Washington during the American Revolutionary War. Nathaniel Greene's papers, which are extensive, provide a complete, first-person account of the Revolution. The Greene papers include numerous correspondence with George Washington, as well as letters from all of the members of the Continental Congress, the Board of War, many of the state governors, a number of Generals in the Continental Army, and other troops and their loved ones.

When the war was over, General Greene, clearly recognizing the historical significance of his correspondence, gathered as many as 6,000 letters and documents in trunks and made his way home to Rhode Island. Later, he stopped in Princeton, New Jersey, the site of the Continental Congress, and expressed his desire to have his papers copied, assembled, and bound in books. That very day, Congress agreed to General Greene's request and voted to provide him with a clerk to undertake this task. Regrettably, General Greene died two years later, and, over the years, his papers have been scattered between more than 100 repositories in a number of states.

Since 1971, the Rhode Island Historical Society has worked to assemble and publish the extraordinary papers of this remarkable patriot. At the onset of this project, which was cosponsored by The William L. Clement Library at the University of Michigan, funds were provided by the National Historical Publications Commission (now the NHPRC). Additional funds were received through the National Endowment for the Humanities, which contributed to the completion of the first nine volumes of ''The Papers of General Nathaniel Greene.''

The remaining volumes of the Greene Papers will focus on the Revolutionary War in the South. Details about the Southern Campaign are far less well known than those about the War in the North.

At the age of thirty-two, Nathaniel Greene became the youngest General in the Continental Army and later became commander of the Southern Army. In 1781 and 1782, he and his troops defeated the British in the Carolinas and in Georgia. The several volumes that remain to be completed focus on this aspect of our nation's early history. It is a period that, in some important aspects, is not well chronicled, and I believe that completion of the Greene Papers will add significantly to our knowledge of an entire region—the South.

Once again, I applaud Senators CAMPBELL and KOHL for their work on this bill and hope that funds from the National Historical Publications and Records Commission will be available for completion of the Greene Papers.

REGULATORY ACCOUNTING, SECTION 625

Mr. THOMPSON. Mr. President, I want to take this opportunity to express my support for the regulatory accounting provision in Section 625 of the Treasury-Postal Appropriations bill, S. 1023. This continues last year's effort by Senator STEVENS, and as the new Chairman of the Governmental Affairs Committee, I strongly support it. I believe the public has the right to know the benefits and burdens of Federal regulatory programs. And Congress needs this information to better manage the regulatory process. Currently, Federal regulatory programs cost hundreds of billions of dollars per year—$700 billion by some estimates. That comes to several thousand dollars for the average American household—perhaps $7,000 per year. Our regulatory goals are too important, and our resources are too precious, to spend this money unwisely.

This provision is identical to last year's Stevens Amendment. It requires the Office of Management and Budget to provide Congress with a report on: (1) the total annual costs and benefits of Federal regulatory programs; (2) the costs and benefits of rules costing $100 million or more; (3) the direct and indirect impacts of Federal rules on the private sector, State and local government, and the Federal government; and (4) recommendations to streamline and improve regulatory programs. Before issuing the report in final form, OMB must provide the public with notice and an opportunity to comment on the draft report—its substance, methodologies, and recommendations. In the final report, OMB must summarize the public comments.

Now we know that regulatory accounting is doable, and it does not impose an unjustifiable burden on the agencies. First, OMB has done its first draft report under last year's regulatory accounting provision, and we expect the draft to be published in the Federal Register early next week. While this report is not perfect, it shows that regulatory accounting can be done and can help us better understand the benefits and burdens of regulation. In the past week, the American Enterprise Institute and the Brookings Institution released a primer on how to do regulatory accounting, entitled ''Improving Regulatory Accountability.'' This should be helpful to all of us as OMB revises its draft report.

Estimating the total annual costs and benefits of Federal regulatory programs is like assembling a jigsaw puzzle, and some of the major sections have been assembled. OMB's first draft report will provide a foundation for further improvements that can be proposed during the public comment period. Private studies have estimated the annual costs of regulation, and many of its benefits. These include Bob Hahn's ''Regulatory Reform: What Do the Numbers Tell Us?,'' Tom Hopkins' ''Cost of Regulation,'' and Hahn and Hird's ''The Costs and Benefits of Regulation.'' Moreover, Executive Order 12866, like the preceding Orders for the last 15 years, requires a cost-benefit assessment for significant regulations, which constitute most of the puzzle. The Unfunded Mandates Reform Act also requires detailed cost-benefit analyses of $100 million rules. In addition, the paperwork burden—and I do think it should be addressed—constitutes about 1/3 of the cost puzzle, and paperwork burden hours already are estimated under the Paperwork Reduction Act. Those burdens can easily be monetized by estimating the value of the

time needed to comply with paperwork requirements. In addition, the cost of environmental regulation—about ¼ of the cost puzzle—is estimated in EPA's study, The Cost of a Clean Environment (1990), in annual estimates by the Department of Commerce, and by other sources. Finally, regulatory accounting should not create a resource drain for OMB. OMB should issue guidelines requiring the agencies to compile needed information, just as OMB does in the fiscal budget process.

This regulatory accounting provision requires OMB to do a credible and reliable report on the costs and benefits of Federal regulation. First, subsection 625(a)(1) requires OMB to provide estimates of the ''total annual'' costs and benefits of Federal regulatory programs. This includes those regulatory costs and benefits that will impact the nation during the upcoming fiscal year. These costs and benefits would include impacts from rules issued before this upcoming fiscal year, not just new rules. OMB should do its best to estimate and quantify that figure on the cost side, and to explain what benefits we are getting for the costs of these programs.

When estimating the costs and benefits of ''Federal regulatory programs,'' OMB should use the valuable information already available, and supplement it where needed. Where agencies have or can produce detailed information on the costs and benefits of individual programs, they should make full use of this information. For example, EPA produces reports on the costs of their major environmental programs. Since EPA has program-by-program information, EPA should include such detail in its estimates. Other agencies may not have program-by-program estimates of costs and benefits, nor be capable of producing it, so they may need to rely on less detailed information. I expect a rule of reason will prevail: Where the agencies can produce detail that will be informative for the Congress and the public, they should do so. Where it is extremely burdensome to provide such detail, broader estimates should suffice. Information generated during the public comment period should assist OMB.

Subsection 625(a)(3) requires OMB to assess the direct and indirect impacts of Federal rules on the private sector, State and local government, and the Federal Government. As many studies show, regulatory impacts go beyond compliance costs. Regulation also creates a drag on real wages, economic growth, and productivity. Complex economic models can quantify these adverse impacts. However, OMB is not mandated to devote vast resources to create such models. Instead, OMB may use available reports, studies, and other relevant information to assess the direct and indirect impacts of Federal rules. In addition, OMB should discuss the serious problems posed by unfunded federal mandates for State, local and tribal governments. OMB should inform Congress of its efforts to address these problems. Ultimately, OMB must provide Congress with a credible accounting statement on the regulatory process. This report should show clearly the benefits and burdens of the regulatory process, and it should help Congress to see which programs are cost-effective and which are wasteful.

We have received a copy of OMB's first draft report prepared under last year's Stevens Amendment. The draft is an important first step, and I agree with many recommendations it provides. For example, I strongly agree that OIRA should lead an effort to raise the use and quality of agency analyses for developing regulations. I also agree that OIRA should develop a database on the costs and benefits of major rules and a system to track the net benefits of all new federal regulations and reforms of existing regulations. This information could be used to determine what improvements to recommend. However, I also think that there are several more areas that would be fruitful for OMB to consider. First, OMB should estimate the total costs of all federal mandates, not just environmental, health, safety and economic regulation. In particular, OMB should estimate the entire costs of paperwork, including from tax collection. Second, OMB should estimate, where feasible, the quantifiable indirect costs and the indirect benefits of regulation. This includes, for example, the costs associated with product bans and marketing limitations, as well as the indirect benefits associated with the preservation of endangered species. Third, OMB should examine the impact of regulation on wages, innovation, employment, and income distribution, including employment impacts on particular sectors of the economy. OMB should leverage the expertise and resources of other agencies, especially the President's Council of Economic Advisors, to do these analyses. Finally, OMB should do more to recommend improvements to the regulatory process, as well as particular programs and regulations. OMB does not have to be omniscient to propose such improvements, and its recommendations do not have to be based on perfect empirical data. Let's also use common sense and work together for the public good.

In closing, I should note that this regulatory accounting provision is founded on broad support. Last year's Stevens amendment was adopted by voice vote. It was modeled on more detailed provisions strongly supported in the 104th Congress—in the Roth bill, S. 291, the Dole-Johnston bill, S. 343, and the Glenn-Chafee bill. Regulatory accounting is widely endorsed—by those who labor under the growing regulatory burden, as well as by those who want to assure the benefits of regulation and to enhance the public's right to know about important governmental decisions.

Mr. CAMPBELL. Mr. President, under a prior unanimous consent, all Members were advised that there would be debates tonight on the amendments that many of them had said they wanted to pursue. Several Senators have said they were going to be here this evening to do that. Unfortunately, we cannot find them. We don't know where they are. We called their offices. They are not down here to debate their amendments. So, with consultation with Senator KOHL, we are prepared to just close us down tonight.

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. SESSIONS. 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. SESSIONS. Mr. President, I ask unanimous consent to proceed for 5 minutes as in morning business.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

NATION OF EXPLORERS

Mr. SESSIONS. Mr. President, I rise today to honor the men and women whose work contributes to our nation's great space program. Their contributions have made the first seventeen days of the month of July a high point of public interest and enthusiasm. I would like to share with my colleagues some observations of these contributions.

Earlier this week, I visited NASA's Marshall Space Flight Center in Huntsville, AL, and spent a few minutes talking with three of the astronauts on board of the Space Shuttle Columbia. Members of my staff viewed their launch on July 1 from the Kennedy Space Center in Florida. It was another great launch and another great milestone for Columbia and our shuttle program. In case you missed the landing on CNN, Columbia returned safely to Earth at approximately 7:15 a.m. this morning. While in orbit, the crew conducted world class research in areas which are so critical to our future success in the global economy—biotechnology, materials science, and combustion research. This research is vitally important, and here is why:

It is hard to understate the importance of the biotechnology research when you consider the hundreds of proteins in the human body. We currently understand the structure of about 1 percent of these proteins. If scientists can decipher the exact structure of a protein, they can determine how it works with other proteins to perform a specific function. For example, by studying a protein that is part of a virus, they can learn how that virus attacks plants or animals. To do this, however, scientists must grow near-perfect crystals of that protein. While some can be done quite easily on

Earth, some are distorted by gravity. During Columbia's mission, protein growth experiments grew large quantities of various proteins. These experiments are designed to improve our knowledge and lead to breakthroughs in diabetes, bronchial asthma, AIDS, various kinds of inflammation, and Chagas disease, a disease affecting 20 million people worldwide but most prevalent in Latin America and making its way into the United States.

Materials science has unlimited potential. Historically, mankind's development has been tied to the development of new materials since the dawn of time—the ''Stone Age'', the ''Iron Age'', the ''Bronze Age.'' As humanity matures into the ''space age,'' the need for new materials is as important and evolutionary as ever. The key to materials science research is understanding how the structure of a material forms and how this structure affects the properties of the material. On Earth, sedimentation and buoyancy cause uneven mixing of the ingredients of the material and can deform the structure as it solidifies. Imperfections in the structures of metals and alloys can affect mechanical strength or resistance to corrosion, while similar flaws in glasses and alloys can make them easier to crack or break. In microgravity, sedimentation and buoyancy are reduced or eliminated, enabling investigators to learn how these factors affect the final structure of the material. The knowledge gained from the studies on board Columbia will be used to improve materials processing on earth. These are the materials which will allow us to chart the great unknowns of space in the decades ahead.

The third area of world-class research was conducted in combustion, which accounts for approximately 85 percent of the world's energy production and a significant percentage of the world's atmospheric pollution. Combustion plays a key role in processes involved in ground transportation, spacecraft propulsion, aircraft propulsion, and hazardous waste disposal. However, despite many years of study, we have only a limited understanding of many fundamental combustion processes. The results from experiments in these areas will help NASA design engines for cleaner air and more fuel efficiency. Just a tenth of 1 percent increase in the ability to burn fuel more efficiently can more than pay the cost of a shuttle mission and help keep the environment cleaner as well. We spend hundreds of billions of dollars each year on oil and every penny saved is a penny that stays right here in America.

All of these experiments I just mentioned, Mr. President, were performed inside Spacelab, a joint venture of NASA and the European Space Agency. Investigators representing 32 universities, 12 commercial industries and five government agencies participated in the 33 microgravity experiments in Spacelab. This mission was a bridge between the activities currently possible on Spacelab and those of a much longer duration but with similar international cooperation that will take place on International Space Station.

This mission caused no great fanfare like the Mars mission is continuing to cause. Like many of you, I greatly enjoyed watching the coverage of the landing of the Pathfinder with my family over the Fourth of July weekend. I felt a special pride at this event. The Mars mission is a uniquely American accomplishment and has captured the imagination and attention of the world. I look forward to the day when the United States sends a manned mission to Mars. America must continue to be a nation of explorers, carrying out the traditions of discovery embodied by Lewis and Clark, and the other great explorers. So much depends on our leadership and the dedication of thousands of men and women working on projects large and small that will lead us to new frontiers in space.

This morning, NASA Administrator Dan Goldin addressed the Republican Freshman Caucus. We discussed with him many of NASA's visionary projects and the future need for the International Space Station as a bridge to future exploration. On the Space Station, NASA will learn how to keep astronauts safe and healthy for long periods of time. They will learn how to shield astronauts from radiation. They will learn more about how to combat the bone loss astronauts experience after they have been in orbit for just a short period of time. And they will learn how to deal with medical problems, such as blood loss, a virus or bacterial infection, and surgical procedure. These are all things that we must be prepared for if we are to send men and women in space for long periods of time. Mr. Goldin praised astronaut Michael Foale, our astronaut abroad the Mir space station, as a true American hero. Foale is demonstrating to the world that U.S. astronauts are prepared to deal with adversity and hardship. He stressed that our children are seeing a drama in real time that is as fascinating to them as the drama we followed aboard Apollo 13 many years ago. Mr. Goldin assured us, however, that he has three teams examining the safety factors of the Mir and that all must sign off before any more U.S. astronauts are placed on board. He has confidence in the crew and confidence in the Mir, he strongly believes we must stay the course.

Each Senator in attendance received a copy of the first photograph to be returned from Mars. I understand Mr. Goldin will be sending one to each Member of this body. He also proudly stated that NASA's Internet site on this mission has received over 300 million hits during its first five days, breaking all records for an Internet site. This mission has united the world in its interest. It has sparked the imagination of a new generation of space adventurers, and only time will tell how far they will go.

In conclusion, Mr. President, I believe the Mars mission symbolizes the very best of America. It transcends politics and demonstrates the cutting edge technology that has made our Nation the forerunner in space exploration. This is truly the way we want the world to see us, isn't it? Space is the key to the image and the future of this nation in the 21st century and beyond. We must have national leadership, a keen vision, clear-cut goals, and a strong commitment from this and the Congresses to follow. We must be willing to pay the price necessary to realize our dreams and the dreams and goals of our children. Where will we be in just 20 years from now? Mr. Goldin and his employees at NASA have the vision that will take us beyond the fringe of the universe and, along the way, will provide untold benefits for mankind.

We are indeed a nation of adventurers and the crew of Columbia, the scientists at JPL and U.S. astronaut Michael Foale are setting the azimuth and cutting the trail for us to follow. The question is ''Will we heed the signs and run the risks to get to the other side?'' I believe our nation is ready for that challenge and will meet it in every way.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Colorado.

TREASURY AND GENERAL GOVERNMENT APPROPRIATIONS ACT, 1998

The Senate continued with the consideration of the bill.

AMENDMENT NO. 942

(Purpose: To provide for a national media campaign focused on preventing youth drug abuse)

Mr. CAMPBELL. Mr. President, I send an amendment to the desk on behalf of Senator HATCH and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Colorado [Mr. CAMPBELL], for Mr. HATCH, proposes an amendment numbered 942.

Mr. CAMPBELL. 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 page 47, line 19, strike all after ''Appropriations'' to page 48, line 1 at ''*Provided*''.

In lieu thereof, insert ''and Judiciary of the House of Representatives and the Senate that includes (1) a certification, and guidelines to ensure that funds will supplement and not supplant current anti-drug community based coalitions; (2) a certification, and guidelines to ensure that none of the funds will be used for partisan political purposes; (3) a certification, and guidelines to ensure that no media campaigns to be funded pursuant to this campaign shall feature any elected officials, persons seeking elected office, cabinet-level officials, or other Federal officials employed pursuant to Schedule C of 5

Code Federal Regulations, Section 213, absent notice to each of the Chairmen and Ranking Members of the House and Senate Committees on Appropriations and Judiciary; (4) a detailed implementation plan to be submitted to the Chairman of the Committees on Appropriations and Judiciary for securing private sector contributions including but not limited to in kind contributions; (5) a quantifiable system to measure outcome of success of the national media campaign, including but not limited to total funds expended, to what, where, or whom such funds were expended, and the effect which such media campaign has had in reducing youth drug abuse.''

Mr. CAMPBELL. Mr. President, I ask unanimous consent that this amendment be set aside.

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

Mr. CAMPBELL. 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.

Mrs. HUTCHISON. 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. 943

(Purpose: To establish parity among the countries that are parties to the North American Free Trade Agreement with respect to the personal allowance for duty-free merchandise purchased abroad by returning residents)

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

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Texas [Mrs. HUTCHISON] proposes an amendment numbered 943.

Mrs. HUTCHISON. 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 new section:

SEC. . PERSONAL ALLOWANCE PARITY AMONG NAFTA PARTIES.

(a) IN GENERAL.—The United States Trade Representative and the Secretary of the Treasury, in consultation with the Secretary of Commerce, shall initiate discussions with officials of the Governments of Mexico and Canada to achieve parity in the duty-free personal allowance structure of the United States, Mexico, and Canada.

(b) REPORT.—The United States Trade Representative and the Secretary of the Treasury shall report to Congress within 90 days after the date of enactment of this Act on the progress that is being made to correct any disparity between the United States, Mexico, and Canada with respect to duty-free personal allowances.

(c) RECOMMENDATIONS.—If parity with respect to duty-free personal allowances between the United States, Mexico, and Canada is not achieved within 180 days after the date of enactment of this Act, the United States Trade Representative and the Secretary of the Treasury shall submit recommendations to Congress for appropriate legislation.

Mrs. HUTCHISON. Mr. President, we have probably the best relations with Mexico than we have had in this country in a long, long time. I think NAFTA has added to the good will and the trade between our nations. But there is one part of our trade relationship that is not at parity and is not in the spirit of NAFTA, and that is the exemptions for personal goods or for buying when you are on the border between Mexico and the United States.

As a matter of fact, there is not parity in the exemption, and I think that is against the spirit of NAFTA. I am hoping that we will be able to change that, and that is what my amendment will attempt to do.

The amendment is very simple. It directs the U.S. Trade Representative and the Secretary of the Treasury to begin discussions with their counterparts in Mexico to achieve parity in the duty-free allowance structure of all of our NAFTA countries, and the concern is between Mexico and the United States.

These officials will report to Congress within 90 days on the changes they are making to correct these disparities. If the situation remains unchanged, in 6 months these officials will propose appropriate legislation to bring the United States' duty-free allowance to conform to the allowance levels established by Mexico and Canada.

Let me give an example of what is wrong and why this disparity exists. The United States provides that each U.S. resident returning from Mexico has a personal exemption from duty on merchandise valued at up to $400 once every 30 days. Mexico, however, has a two-tier duty-free allowance. If you are a resident in a 25-kilometer strip along Mexico's northern border, and you return from the United States at a land border crossing, you may only return with $50 in duty-free merchandise.

This has become known as the $50 rule. It is crippling business in our border retailers on the U.S. side of the border in Texas, California, New Mexico and Arizona, because if you are a Mexican resident bringing in more than $50, you must pay a 22.8 percent duty rate. Now, this makes it prohibitively expensive for a Mexican resident to purchase a washing machine, a refrigerator, any kind of electronics or any item costing more than $50, so it is inequitable.

We believe in the spirit of NAFTA, in parity, in equity, any rule you want to apply, that it should just be the same. We have been talking about this for 3½ years, since I came to the Senate. The border retailers in Texas told me that the $50 rule was being enforced by the Mexican Government. I have talked to the officials of the Mexican Government about this. I truly believe that President Zedillo intended to do something about it. He said he was going to right after he was elected. But we all know that the peso crisis occurred, and surely he had so many things on his plate that this was not on the front burner. I understood that.

Now the Mexican economic situation is stabilized, and certainly, I think, it is on its way to full recovery, and I think this matter of equity and parity must be addressed. That is why my amendment would just ask the U.S. Trade Representative and the Secretary of the Treasury to begin these discussions, to report back, and if they are not able to make progress, then tell us what legislation should be passed to make this happen.

That is the amendment. I hope both sides will agree this is in everyone's best interests, and I hope we will be able to vote on this or have it accepted early next week and that we can begin the process of making sure that the spirit, as well as the letter, of NAFTA is applied to both sides of our relationship with the country of Mexico.

Mr. President, I ask unanimous consent to lay the amendment aside, and we will take it up at the appropriate time.

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

Mr. STEVENS. 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. STEVENS. 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. STEVENS. Mr. President, there are several amendments now pending at the desk that will be subject to a vote on Monday. I ask unanimous consent that no second-degree amendments be in order. I understand this has been cleared on both sides.

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

MORNING BUSINESS

(During today's session of the Senate, the following morning business was transacted.)

TRIBUTE TO COL. THOMAS L. OWENS, U.S. ARMY CHIEF OF PERSONNEL, U.S. SPECIAL OPERATIONS COMMAND

Mr. LOTT. Mr. President, I take this opportunity to recognize and say farewell to an outstanding Army officer who has served our Nation with distinction for the past 27 years. It is a privilege for me to recognize his many outstanding achievements and commend him for his service.

A native of Brandon, MS, Colonel Owens attended High School in Byram, MS. He graduated from the University of Southern Mississippi, where he was commissioned as a regular Army second lieutenant in June 1970. This foundation, provided by his education and training in Mississippi, began his distinguished national career.

Colonel Owens has served throughout the world in defense of our Nation's freedom. He served three tours in Europe during the Cold War against the Communist block countries. These tours were served with renowned units including, VII U.S. Corps, 2d Armored Division and 8th Infantry Division (Mechanized). While stationed in the United States, Colonel Owens served with the elite XVIII Airborne Corps, Fort Bragg, North Carolina. He served in Desert Storm with XVIII Airborne Corps, receiving a Bronze Star for his dedicated service.

Colonel Owens' current and final assignment has been with the U.S. Special Operations Command, MacDill Air Force Base, Florida as Chief of Personnel. Colonel Owens' magnificent work has ensured our Special Operations Forces personnel who are deployed throughout the world in more than 50 countries are always taken care of and put in the right place at the right time.

The common thread throughout his 27 years of service has been Colonel Ownes' selfless sacrifice in doing everything he could to take care of the young men and women who served under him as a platoon leader all the way through Brigade Commander. Mr. President, we owe a debt of gratitude to Col. Tom Owens, his wife, Ulrike, son, Steve, and daughter, Audrey, for their many sacrifices during his 27-year Army career. He is a great credit to both the Army and the country he has so proudly served.

On behalf of the great State of Mississippi and our Nation, I wish him, as a paratrooper and distinguished soldier, ''calm winds and soft landings, while keeping his feet and knees into the breeze'' as he transitions into life as a civilian. He is a soldier's soldier.

Mr. President, I yield the floor.

PIERRE AREA SENIOR CITIZENS 20TH ANNIVERSARY

Mr. DASCHLE. Mr. President, I am proud to honor the Pierre Area Senior Citizens on the organization's 20th birthday. This occasion is being celebrated in Pierre, SD, this week, July 13–19, 1997.

For the past 20 years, the Pierre Area Senior Citizens has served as a means for seniors to get together and enjoy the companionship of their peers.

It is also an active group in the civic life of South Dakota's capital city. Many members of the organization are volunteers, donating their time and expertise for the benefit of their community.

I want to thank the Pierre Area Senior Citizens for their civic pride and good works, and I wish them many more great years of service.

OCEAN SHIPPING REFORM

Mr. BROWNBACK. Mr. President, I rise today to bring attention to legislation that I believe could have a substantial positive impact on United States commerce. For several months now, my colleagues on the Commerce Committee have been working to forge an agreement that will deregulate ocean shipping and allow our exporters to compete on a more level playing field with our foreign competitors. S. 414, The Ocean Shipping Reform Act of 1997, would bring much-needed reform to the shipping industry by injecting a higher degree of competition into the current conference-dominated system of ocean shipping. It would also end federal government tariff filing with the Federal Maritime Commission and I believe that this is a significant step toward reducing red tape in this industry.

First of all, I want to commend those Senators who have played an active role in writing and furthering this important legislation. Senators HUTCHISON, GORTON, LOTT, and BREAUX have worked diligently to achieve a consensus among the diverse interests in the shipping industry, and I know that is no small task. I also want to commend Senator MCCAIN and his staff, who have endeavored to find common ground with all affected parties by working openly and holding numerous meetings. The result of this work is an important piece of legislation on which I hope the Senate will be able to focus its attention in the near future.

I care about this legislation because it could have a tremendous impact on the agriculture industry which is, of course, vitally important to Kansas. Exporting is critical to the agriculture industry—overall, forty percent of what we grow in the U.S. is consumed overseas. Moreover, exports will play an increasingly important role in agriculture because any growth in the industry will primarily come from exports. As the incomes of people in many developing countries increase, they are able to afford a higher quality, more diversified diet—and the U.S. stands ready to provide it. And, the fastest growing category of agricultural commodities for export are high-value products, such as meat and vegetables, which are transported in ocean containers—the type of ocean transportation that is affected by this legislation.

Transportation costs are a particularly important factor in achieving agricultural exports because transportation typically comprises a larger proportion of the final cost of the good than for other industries. In fact, transportation is often the single largest component of the delivered cost of the good, accounting for as much as 50 percent of total landed cost. The U.S. Department of Agriculture estimates that the agriculture industry alone spends more than four billion dollars each year in containerized shipping, and that this price includes a premium attributable to conference market power which is 18 percent of the cost of transportation. In a business where sales are made or lost based on pennies per pound, this is the difference between the U.S. or our competitors making the sale. And, given that every $1 in agricultural exports generates an additional $1.50 in economic activity, the importance of S. 414 for not only the agriculture industry, but the U.S. economy as a whole, is clear.

This bill has the support of many farm organizations; in fact, I have letters that I would like to submit for the record from the American Farm Bureau Federation, the National Pork Producers Council, the National Cattlemen's Beef Association, the National Grain and Feed Association, Farmland Industries, ConAgra, the National Broiler Council, and the American Frozen Food Institute. Additionally, many agricultural chemicals are exported via containerized ocean vessels would benefit from reduced regulatory restraints.

However, while these organizations are united in their support for legislation to reform ocean shipping, they also share the concern I have regarding certain provisions of the bill in its current form. In its current form, this bill requires the reporting of essential contract terms with the Intermodel Transportation Board. I must register my belief that without contract confidentiality the basic premise of this legislation, to allow greater competition in the shipping industry, is severely undermined. What is gained by the ability to negotiate individual contracts if one's competitors have access to the essential terms of the contract?

When I voted for this bill as it was passed out of the Commerce Committee on May 1 it was clear that outstanding concerns regarding confidential contracting would be addressed before the bill was to be considered on the Senate floor. It was with that understanding that I supported the bill. While I appreciate the sincere efforts that have been made to accommodate the interests of exporters since that time, my reservations remain because no agreement has been reached. I understand that the distinguished majority leader has promised to bring this bill to the floor in its current form during this Congress and that Senator GORTON has expressed his intention to address the contract reporting provisions through amendment. While I am disappointed that more reform will not be embraced in the bill that is brought to the floor, I respect our leader's view and look forward to the debate that will ensue.

I want to support this legislation. I support its underlying goal to reduce burdensome regulation. I believe that reducing regulatory hurdles that hinder the efficiency of U.S. businesses is the right thing to do, and it is one of the primary reasons that I came to Washington. However, to the extent that the reforms in this bill are diminished, my support is eroded.

Nevertheless, I continue to believe in the importance of this legislation. I hope that the Senate will take action soon so that the agriculture industry,

as well as all other industries which utilize containerized ocean shipping, will be able to increase their competitive advantage in the global marketplace.

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

JUNE 4, 1997.

Hon. SAM BROWNBACK,
U.S. Senate, Hart Senate Office Building, Washington, DC.

DEAR SENATOR BROWNBACK: We are asking your assistance in assuring that S. 414 is enacted in a form that will enable shippers to contract with ocean carriers in the same manner that they now contract with motor carriers and railroads.

Although we support the objective of S. 414, we are quite concerned about some of the modifications that have been made to the bill subsequent to introduction. We urge the *objectionable provisions be removed before the bill is sent to the Senate floor.*

(1) We are concerned with the language added that would require filing of service contracts with the Intermodal Transportation Board and the publications of the essential terms of those contracts. We believe that the disclosure requirements that have recently been incorporated into the bill would serve only to inhibit the ability of ocean carriers and shippers to negotiate contracts that best serve their mutual interests. This is because disclosure will enable ratemaking conferences to continue to pressure individual carriers to maintain parallel pricing of ocean transportation services. Disclosure is not required to protect any shipper interest. Our members have contracted for transportation services with railroads and motor carriers for many years and have found that confidentiality has encouraged carriers to agree to creative and responsive terms designed to meet each customer's distinct transportation needs.

(2) We also believe that contracts should be excluded from Section 10 which deals with discrimination and other prohibited acts. Contracts of motor carriers and railroads are not subject to such antidiscrimination provisions and this has never presented any problems for shippers. Even the present statute applicable to ocean carriers, which was enacted in 1984, does not subject contracts to the prohibited acts section of the statute. Therefore, including them would represent a significant step backwards from where we are at present. If there are concerns about potential abuses by carrier conferences operating under antitrust immunity, we would have no objection to making only those contracts to which a conference itself is actually a party subject to such provisions. An alternative would be to simply prohibit conferences from entering into service contracts.

It is our understanding that certain port and maritime labor interests have expressed a need to have access to terms of transportation contracts for planning purposes. Whatever information may be useful for those purposes is readily available from the individual carriers that serve a particular port or that employ members of maritime unions. It is neither necessary nor appropriate to subject carriers and shippers to burdensome regulatory requirements in order to provide an alternative source for that type of information.

Again, we urge that the changes addressing our concerns be made to S. 414 before it is sent to the Senate floor. If we can provide you further information or otherwise be of assistance to you with regard to this matter, please let us know.

Sincerely,

AMERICAN FARM BUREAU FEDERATION,
NATIONAL CATTLEMEN'S BEEF ASSOCIATION,
NATIONAL PORK PRODUCERS COUNCIL.

NATIONAL GRAIN AND FEED ASSOCIATION,
April 29, 1997.

Hon. JOHN MCCAIN,
Chairman, Committee on Commerce, Science, and Transportation, U.S. Senate, Washington, DC.

Re: S. 414, The Ocean Shipping Reform Act of 1997.

DEAR CHAIRMAN MCCAIN: We are writing in response to last week's staff draft of S. 414, which is scheduled for mark-up by the Committee on May 1. We are extremely concerned about several provisions of last week's draft, and urge the Committee to reject S. 414 in its present form.

Further, the NGFA offers the following comments as the Committee prepares to address the bill and any amendments:

1. The Federal Maritime Commission should not be merged with the Surface Transportation Board. The NGFA has long advocated the elimination of the Federal Maritime Commission as an unnecessary entity. Additionally, the STB is already in danger of becoming an ineffective agency because of inadequate funding. Indeed, the Clinton Administration's fiscal 1998 budget proposal would fund the agency entirely from user fees. The Administration's proposal would ensure that filling fees charged to rail users and others would rise so high as to, as a practical matter, preclude recourse before the agency. The NGFA has recommended that the STB be eliminated and the Interstate Commerce Act repealed should Congress choose not to adequately fund the agency. Combining the FMC and the STB would simply compound the STB's existing problems.

2. Users of ocean vessels and consumers would be better served by eliminating the special antitrust protection granted to liner vessel operators. Enforcement of U.S. antitrust laws would be a more effective deterrent to discriminatory treatment than the existing or proposed regulatory scheme. Economic regulation of transportation carriers can too easily be turned into a carrier shield to block marketplace competition and enforcement of laws, such as U.S. antitrust laws, that apply to shippers and other businesses.

3. The bill fails to make needed changes to the Jones Act and other cabotage laws. The Jones Act, in particular, creates significant barriers and added costs for those wishing to use self-propelled bulk vessels for shipments between domestic deepwater ports. An ''ocean shipping reform bill'' which fails to achieve reforms in our nation's antiquated and market-distorting cabotage laws should not move forward.

The NGFA is the national nonprofit trade association of about 1,000 grain, feed and processing firms comprising 5,000 facilities that store, handle, merchandise, mill, process and export more than two-thirds of all U.S. grains and oilseeds utilized in domestic and export markets. Founded in 1896, the NGFA's members include country, terminal, and export elevators; feed mills; cash grain and feed merchandisers; commodity futures brokers and commission merchants; processors; millers; and allied industries. The NGFA also consists of 37 affiliated state and regional grain and feed associations whose members include more than 10,000 grain and feed companies nationwide.

As always, please contact me or David Barrett at the NGFA if you have any questions.

Sincerely,

KENDELL W. KEITH,
President.

FARMLAND INDUSTRIES, INC.,
KANSAS CITY, MO,
June 4, 1997.

Hon. SAM BROWNBACK,
U.S. Senate, Washington, DC.

DEAR SENATOR BROWNBACK: I would first like to thank you for your support of S. 414, The Ocean Shipping Reform Act of 1997. In my responsibilities with Farmland Industries, Inc., I know first hand the need for changes in the archaic ocean shipping laws which prevent U.S. companies from being competitive in the world marketplace. S. 414, as approved by the Commerce, Science and Transportation Committee, went a long way toward improving this inequity. However, there are two areas which must be addressed if we are to have legislation which truly meets this nation's future international trade needs.

Confidential Contracts.—The amendment offered by Senator Slade Gorton would aggregate contract information rather than publicly disclosing data in contracts between ocean carriers and their customers. We believe this excellent compromise deserves your support since it would eliminate the current bill's economic disadvantage of disclosing individual contract information to our overseas competitors. This approach, supported by Chairman John McCain in a Journal of Commerce interview, provides the U.S. ports and labor the information they say they need in determining cargo flows and long term strategic planning and at the same time shields the specific terms of ocean transportation contracts.

Eliminate Restrictions on Contracting.—S. 414, as currently drafted, would apply broad antidiscrimination provisions to all types of service contracts. If these were to be put into effect, it would be extremely difficult for carriers to know which contract terms and prices would be discriminatory. We believe an easy solution to this problem would be to apply these provisions only to contracts that maintain antitrust immunity and by limiting the parties who may bring an action under the provisions to ports and ocean transportation intermediaries. These changes would ensure that individual contracts may be entered into in a normal business fashion and that adequate oversight is provided to agreement contracts.

We ask your support for these changes to S. 414 and ultimately for passage of legislation which would encourage U.S. exports and greater international trade. Thank you for your serious consideration of our position and proposals.

Yours very truly,

FRED E. SCHRODT,
Vice President.

CONAGRA, INC.,
WASHINGTON, DC,
April 29, 1997.

Hon. SAM BROWNBACK,
U.S. Senate, Washington, DC.

Attention: Tim McGivern

Subject: S. 414, The Ocean Shipping Reform Act of 1997

DEAR SENATOR: We have previously written to you to express our strong support for S. 414. Because we spend more than $200,000,000,00 each year on maritime transportation we are vitally interested in elimination of artificial, outdated regulatory constraints that handicap our ability to compete in the global marketplace.

S. 414 is now scheduled for mark-up by the Committee on Commerce, Science and

Transportation on May 1, 1997. We are extremely concerned about proposed amendments which surfaced over the weekend and would, if incorporated into the bill, represent a giant step backwards.

The key feature of S. 414 is the language that authorizes individual ocean carriers to enter into confidential transportation contracts. Similar provisions have been in effect for years for virtually all other forms of transportation including truckers, railroads, barge lines and air carriers. They have proven to be tremendously effective in promoting efficiency and thereby lowering transportation costs to the benefit of both carriers and shippers. There is nothing unique about maritime transportation that would cause confidential contracts to be any less beneficial.

Amendments that are being promoted by foreign flag carriers and their ratemaking cartels would eviscerate the transportation contract provisions of the bill. Under the misleading banner of antidiscrimination, the proposed amendments would:

(1) require the filing of individual carrier contracts with the Intermodal Transportation Board;

(2) require disclosure of the essential terms of each contract;

(3) establish substantive standards of ''prejudice and disadvantage'' that would effectively preclude carriers from entering into service contracts that are tailored to meet the distinct needs of shippers and to allow them to maximize the efficiency of their operations; and

(4) create a regulatory scheme that would allow specious challenges to service contracts as a pretext for obtaining access to their terms.

Although such provisions are supposedly designed to benefit shippers, the shipper community overwhelmingly opposes them. Instead of removing unnecessary regulatory burdens, these provisions would add new ones.

We urge you to oppose these amendments and allow S. 414 to go forward in a form that would allow shippers to enter into transportation contracts with individual ocean carriers in the same manner as they have done with all other modes for many years, with great economic benefit to both carriers and shippers.

If you would like further detail about our concerns, we will be happy to provide it.

Best wishes,

PAUL A. KORODY,
Vice President.

NATIONAL BROILER COUNCIL,
June 3, 1997.

Re S. 414 Ocean Shipping Reform Act of 1997.

Hon. SAM BROWNBACK,
U.S. Senate,
Washington, DC.

DEAR SENATOR BROWNBACK: The National Broiler Council strongly supports the objective of S. 414 to allow ocean transportation to be more competitive by eliminating unnecessary regulatory burdens. Because members of the Broiler Council produce poultry that is sold for export, we have a keen interest in enactment of S. 414.

Although we support the objective of S. 414, we are quite concerned about some of the modifications that have been made to the bill since it was originally introduced. We would urge that two amendments be made before the bill is sent to the Senate floor in order to enable the shipping public to realize the full benefits in the original bill.

We are concerned with language that has been inserted in the bill that would require filing of service contracts with the Intermodal Transportation Board and the publication of essential terms of those contracts. Our members have contracted for transportation services with railroads and motor carriers for many years and have found that filing of contracts with a regulatory agency is unnecessary and needlessly burdensome. We believe that the disclosure requirements that have crept into the bill would serve only to inhibit the ability of individual ocean carriers and shippers to negotiate contracts that best serve their mutual interests. The filing and processing of those contracts would also require perpetuation of an unnecessary bureaucracy, since virtually no other transportation mode is required to file its contracts with any regulatory agency. If there are concerns about potential abuses by carrier conferences operating under antitrust immunity, we would have no objection to contracts to which a conference itself is actually a party being subject to such provisions. An alternative would be to simply prohibit conferences from entering into contracts. However, individual ocean carriers should be able to negotiate and enter into contracts in the same manner that has worked so well for motor carriers and railroads.

As a related matter, we believe that contracts should be excluded from Section 10 of S. 414 which deals with discrimination and other prohibited acts. Contracts of motor carriers and railroads are not subject to such antidiscrimination provisions and this has never presented any problem to shippers. In fact, under the terms of the present statute, which was enacted in 1984, service contracts of ocean carriers are not subject to the prohibited acts section of the statute.

Therefore, including them would represent a significant step backwards from where we are at present.

We understand that certain port and maritime labor interests have expressed a need to have access to terms of transportation contracts for planning purposes. Whatever information may be needed for those purposes is readily available from the individual carriers that serve a particular port or that employ members of maritime unions. It is neither necessary nor appropriate to subject carriers and shippers to burdensome regulatory requirements in order to provide an alternative source of such information.

We urge that the foregoing changes be made before the bill is sent to the Senate floor. If we can provide you any further information or otherwise be of any assistance to you with regard to this matter, please let us know.

Sincerely,

GEORGE WATTS,
President.

AMERICAN FROZEN FOOD INSTITUTE,
McLean, VA, June 18, 1997.

Hon. JOHN MCCAIN,
Chairman, Commerce, Science and Transportation Committee, U.S. Senate, Washington, DC.

DEAR SENATOR MCCAIN: On behalf of the members of the American Frozen Institute (AFFI), this letter is to urge your continued support for expedient final passage of S. 414, *The Ocean Shipping Reform Act of 1977.*

As S. 414 advances for consideration by the full Senate, AFFI urges you and your colleagues on the Commerce, Science and Transportation Committee to support efforts to modify the bill as reported by the Committee to maximize confidentiality in ocean shipping contracting. The Institute also urges your support for efforts to ensure that the broad antidiscrimination provisions included in the reported bill will not create a disincentive for firms to enter into individual contract negotiations.

The American Frozen Food Institute is the national trade association that has represented the interests of frozen food manufacturers, processors, marketers and suppliers for more than 50 years. The Institute's 550 member companies account for over 90 percent of the total annual production of frozen food in the United States, valued at approximately $60 billion.

Meaningful reform of U.S. ocean shipping laws is critical to foster international trade in an increasingly global marketplace. The refinements to S. 414 recommended above would further this goal by promoting more competitive pricing and contracting for products which are imported from and exported to overseas markets by frozen food processors and other U.S. shippers.

Thank you again for the leadership you and your Committee have demonstrated on maritime reform. If AFFI may be of assistance to you or your staff in accomplishing this shared objective, please feel free to give me a call.

Sincerely,

STEVEN C. ANDERSON,
President and Chief Executive Officer.

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business yesterday, Wednesday, July 16, 1997, the federal debt stood at $5,357,953,848,082.50. (Five trillion, three hundred fifty-seven billion, nine hundred fifty-three million, eight hundred forty-eight thousand, eighty-two dollars and fifty cents)

One year ago, July 16, 1996, the federal debt stood at $5,158,430,000,000. (Five trillion, one hundred fifty-eight billion, four hundred thirty million)

Five years ago, July 16, 1992, the federal debt stood at $3,980,221,000,000. (Three trillion, nine hundred eighty billion, two hundred twenty-one million)

Ten years ago, July 16, 1987, the federal debt stood at $2,318,155,000,000. (Two trillion, three hundred eighteen billion, one hundred fifty-five million)

Fifteen years ago, July 16, 1982, the Federal debt stood at $1,083,558,000,000 (One trillion, eighty-three billion, five hundred fifty-eight million) which reflects a debt increase of more than $4 trillion—$4,274,395,848,082.50 (Four trillion, two hundred seventy-four billion, three hundred ninety-five million, eight hundred forty-eight thousand, eighty-two dollars and fifty cents) during the past 15 years.

U.S. FOREIGN OIL CONSUMPTION FOR WEEK ENDING JULY 11TH

Mr. HELMS. Mr. President, the American Petroleum Institute reports that for the week ending July 11, the U.S. imported 7,678,000 barrels of oil each day, 409,000 barrels more than the 7,269,000 imported each day during the same week a year ago.

Americans relied on foreign oil for 54.9 percent of their needs last week, and there are no signs that the upward spiral will abate. Before the Persian gulf war, the United States obtained approximately 45 percent of its oil supply from foreign countries. During the Arab oil embargo in the 1970's, foreign oil accounted for only 35 percent of America's oil supply.

Anybody else interested in restoring domestic production of oil? By U.S. producers using American workers?

Politicians had better ponder the economic calamity sure to occur in America if and when foreign producers shut off our supply—or double the already enormous cost of imported oil flowing into the United States—now 7,678,000 barrels a day.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. McMathran, 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 one nomination which were referred to the Committee on Foreign Relations.

(The nomination received today is printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

ENROLLED BILL SIGNED

At 12 noon, a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the Speaker has signed the following enrolled bill:

S. 768. An act for the relief of the Michel Christoper Meili, Guiseppina Meili, Mirjam Naomi Meili, and Davide Meili.

At 1:36 p.m., a message from the House of Representatives, delivered by Ms. Geotz, one of its reading clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 2158. An act making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, commissions, corporations, and offices for the fiscal year ending September 30, 1998, and for other purposes.

The message also announced that the House insists upon its amendment to the bill (S. 858) to authorize appropriations for fiscal year 1998 for intelligence and intelligence-related activities of the United States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes, and asks a conference with Senate on the disagreeing votes of the two Houses thereon; and appoints the following Members as the managers on the part of the House.

From the Permanent Select Committee on Intelligence, for consideration of the Senate bill, and the House amendment, and modifications committed to conference: Mr. GOSS, Mr. YOUNG of Florida, Mr. LEWIS of California, Mr. SHUSTER, Mr. MCCOLLUM, Mr. CASTLE, Mr. BOEHLERT, Mr. BASS, Mr. GIBBONS, Mr. DICKS, Mr. DIXON, Mr. SKAGGS, Ms. PELOSI, Ms. HARMAN, Mr. SKELTON, and Mr. BISHOP.

From the Committee on National Security, for consideration of defense tactical intelligence and related activitiesss: Mr. SPENCE, Mr. STUMP, and Mr. DELLUMS.

MEASURE PLACED ON THE CALENDAR

The following measure was read the first and second times by unanimous consent and placed on the calendar:

H.R. 2158. An act making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, commissions, corporations, and offices for the fiscal year ending September 30, 1998, and for other purposes.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–2508. A communication from the Deputy Associate Director for Compliance, Royalty Management Program, Minerals Management Service, Department of the Interior, transmitting, pursuant to law, notice of the intention to make refunds of offshore lease revenues where a refund or recoupment is appropriate; to the Committee on Energy and Natural Resources.

EC–2509. A communication from the Acting General Counsel of the Department of Energy, transmitting, pursuant to law, a rule entitled ''Energy Conservation Program for Consumer Products'' (RIN1904-AA61) received on July 14, 1997; to the Committee on Energy and Natural Resources.

EC–2510. A communication from the Assistant General Counsel for Regulations, Department of Education, transmitting, pursuant to law, a rule entitled ''Rehabilitation Short-Term Training'' (RIN1820-ZA09) received on July 15, 1997; to the Committee on Labor and Human Resources.

EC–2511. A communication from the Chairman and President of the John F. Kennedy Center for the Performing Arts, transmitting jointly, pursuant to law, the annual report for calendar year 1996; to the Committee on Rules and Administration.

EC–2512. A communication from the Secretary of Defense, transmitting, pursuant to law, the second-half fiscal year 1996 semi-annual report on program activities to facilitate weapons destruction and nonproliferation in the Former Soviet Union; referred jointly, pursuant to Sec. 1208 of Public Law 103-160, to the Committee on Appropriations, to the Committee on Armed Services, and to the Committee on Foreign Relations.

EC–2513. A communication from the Assistant Secretary of State (Legislative Affairs), transmitting, pursuant to law, the notice of a proposed issuance of an export license; to the Committee on Foreign Relations.

EC–2514. A communication from the Assistant Secretary of State (Legislative Affairs), transmitting, pursuant to law, the notice of a proposed issuance of an export license; to the Committee on Foreign Relations.

EC–2515. A communication from the Assistant Secretary of State (Legislative Affairs), transmitting, pursuant to law, the notice of a proposed issuance of an export license; to the Committee on Foreign Relations.

EC–2516. A communication from the Assistant Secretary of State (Legislative Affairs), transmitting, pursuant to law, the notice of a proposed issuance of an export license; to the Committee on Foreign Relations.

EC–2517. A communication from the Assistant Secretary of State (Legislative Affairs), transmitting, pursuant to law, the notice of a proposed issuance of an export license; to the Committee on Foreign Relations.

EC–2518. A communication from the Assistant Legal Adviser for Treaty Affairs, Department of State, the report of the texts of international agreements, other than treaties, and background statements; to the Committee on Foreign Relations.

EC–2519. A communication from the Director of Defense Procurement, Under Secretary of Defense, transmitting, pursuant to law, two rules received on July 14, 1997; to the Committee on Armed Services.

EC–2520. A communication from the Assistant Secretary of the Navy (Installations and Environment), transmitting, pursuant to law, a notice relative to outsourcing; to the Committee on Armed Services.

EC–2521. A communication from the Secretary of Defense, transmitting, pursuant to law, the report of the TRICARE evaluation plan; to the Committee on Armed Services.

EC–2522. A communication from the General Counsel of the Department of Defense, transmitting, pursuant to law, the report of the Overseas Jurisdiction Advisory Committee; to the Committee on Armed Services.

EC–2523. A communication from the Assistant Attorney General, Office of Legislative Affairs, Department of Justice, transmitting, pursuant to law, the report of the Overseas Jurisdiction Advisory Committee; to the Committee on Armed Services.

EC–2524. A communication from the Assistant Secretary of Defense, transmitting, pursuant to law, a report relative to activated Reservists; to the Committee on Armed Services.

REPORTS OF COMMITTEE

The following reports of committees were submitted:

By Mr. STEVENS, from the Committee on Appropriations:

Special Report entitled ''Further Revised Allocation to Subcommittees of Budget Totals from the Concurrent Resolution for Fiscal Year 1998'' (Rept. No. 105–50).

By Mr. COCHRAN, from the Committee on Appropriations, without amendment:

S. 1033: An original bill making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 1998, and for other purposes (Rept. No. 105–51).

By Mr. BURNS, from the Committee on Appropriations, with amendments:

H.R. 2016: A bill making appropriations for military construction, family housing, and base realignment and closure for the Department of Defense for the fiscal year ending September 30, 1998, and for other purposes (Rept. No. 105–52).

By Mr. BOND, from the Committee on Appropriations, without amendment:

S. 1034: An original bill making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, commissions, corporations, and offices for fiscal year ending September 30, 1998, and for other purposes (Rept. No. 105–53).

By Mr. HELMS, from the Committee on Foreign Relations, without amendment:

S. 1032: An original bill to amend the Foreign Assistance Act of 1961 with respect to the authority of the Overseas Private Investment Corporation to issue insurance and extend financing.

By Mr. HELMS, from the Committee on Foreign Relations, without amendment and with a preamble:

S. Con. Res. 40: An original concurrent resolution expressing the sense of Congress regarding the OAS–CIAV Mission in Nicaragua.

S. Con. Res. 41: An original concurrent resolution calling for a United States initiative seeking a just and peaceful resolution of the situation on Cyprus.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. THURMOND, from the Committee on Armed Services:

Rudy deLeon, of California, to be Under Secretary of Defense for Personnel and Readiness.

(The above nominations were reported with the recommendation that he be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. HELMS, from the Committee on Foreign Relations:

Karl Frederick Inderfurth, of North Carolina, to be Assistant Secretary of State for South Asian Affairs.

Linda Jane Zack Tarr-Whelan, of Virginia, for the rank of Ambassador during her tenure of service as United States Representative to the Commission on the Status of Women of the Economic and Social Council of the United Nations.

Richard Sklar, of California, to be Representative of the United States of America to the United Nations for UN Management and Reform, with the Rank of Ambassador.

A. Peter Burleigh, of California, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, to be the Deputy Representative of the United States of America to the United Nations, with the rank and status of Ambassador Extraordinary and Plenipotentiary.

Gordon D. Giffin, of Georgia, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Canada.

The following is a list of all members of my immediate family and their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knoweldge, the information contained in this report is complete and accurate.

Nominee: Gordon D. Giffin.

Post: Ambassador to Canada.

Contributions, Amount, Date Donee

1. Self, See attached schedule.

2. Spouse, See attached schedule.

3. Children and Spouses Names, Kelley Giffin, none.

4. Parents Names, Earl K. Giffin—Deceased—none.

Sarah Gwen Giffin—Retired—none.

5. Grandparents Names, all grandparents have been deceased for more than ten years. I am confident that no political contributions were made by them in the last thirty years.

6. Brothers and Spouses Names, none.

7. Sisters and Spouses Names, Cheryl Carter—none. Richard Carter—none.

Schedule A.—Political Contributions By Gordon D. Giffin and Patti A. Giffin

1993:

4/19/93 Chuck Robb Committee (GDG)	$100
3/17/93 Don Johnson Committee (GDG)	$100

Schedule A.—Political Contributions By Gordon D. Giffin and Patti A. Giffin—Continued

8/29/93 Marvin Arrington Committee (City Council) (GDG)	$250
10/15/93 Miller for Governor (Ga) Committee (GDG)	$1,000
10/26/93 John O'Callaghan Committee (GDG)	$125
1993: Long, Aldridge & Norman State Political Committee (GDG)	$615
1994:	
2/1/94 Chuck Robb Committee (GDG)	$100
2/18/94 Wendy Shoob Committee (Superior Court) (GDG)	$25
1994: Long, Aldridge & Norman State Political Committee (GDG)	$200
6/6/94 Darden for Congress (GDG)	$500
6/30/94 Kennedy for Senate (GDG)	$200
1995:	
6/5/95 Clinton-Gore Committee (During the year Patti contributed $50 to Women's Leadership Forum of DNC) (GDG)	$1,000
1996:	
2/8/96 Cindy Wright Committee (Superior Court) (GDG)	$100
3/12/96 Yates Committee (PAG)	$250
3/25/96 Wendy Shoob Committee (Superior Court) (GDG)	$25
3/25/96 Max Cleland Committee (GDG)	$500
4/8/96 Alice Bonner Committee (Superior Court) (GDG)	$100
4/21/96 Robert Benham Committee (Supreme Court) (GDG)	$100
5/14/96 Craig Dowdy Committee (State Legislature) (GDG)	$200
9/24/96 Max Cleland Committee (GDG)	$500
10/4/96 David Bell Committee (GDG)	$250
4/18/96 Victory '96—State Party (Joint)	$80

1997: None.

John C. Holzman, of Hawaii, a Career Member of the Senior Foreign Service, Class of Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the People's Republic of Bangladesh.

The following is a list of all members of my immediate family and their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

Nominee: John C. Holzman.

Post: Ambassador to Bangladesh.

Contributions, Amount, Date, Donee

1. Self, John C. Holzman, None.

2. Spouse, M. Kim Hom, None.

3. Children and Spouses: Leah A. Holzman, None. Nicole K. Holzman, None. Alexandra V. Holzman, None.

4. Parents, Josef J. Holzman, deceased. Virginia S. Holzman, deceased.

5. Grandparents: Wiliam Stewart, deceased. Ellen McGinn Stewart, deceased. Zelik Holzman, deceased. Esther Holzman, deceased.

6. Brothers and Spouses: Alan S. Holzman, $100, 1992/3, John Felix, Candidate for Honolulu Councilman, $100, 1993/94, Arnold Morgado, Candidate for Honolulu Mayor.

David H. Holzman, None. Diane Holzman (Spouse), none.

7. Sisters and Spouses: Esther E. Holzman, none.

Ralph Frank, of Washington, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Kingdom of Nepal.

The following is a list of all members of my immediate family and their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

Nominee: Ralph Frank.

Post: Nepal.

Contributions, amount, date, donee

1. Self, none.

2. Spouse, Susan Kathryn Gundersen, none.

3. Children and Spouses Names, Erik Christian Gundersen-Frank, none. Kathryn Jean Gundersen-Frank, none.

4. Parents names, Lloyd I. Frank, deceased. Jean C. Frank, deceased.

5. Grandparents: Names Ralph C. Conrad, deceased. Elsie Frank, deceased.

6. Brothers and Spouses Names, none.

7. Sisters and Spouses Names, none.

David J. Scheffer, of Virginia, to be Ambassador at Large for War Crimes Issues.

The following is a list of all members of my immediate family and their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

Nominee: David John Scheffer.

Post: Ambassador at Large for War Crimes.

Contributions, Amount, Date, Donee

1. Self, none.

2. Spouse Michelle M. Huhnke, none.

3. Children and Spouses Names, Katherine M. Scheffer, none.

4. Parents Names, Barbara Scheffer (deceased). Walter F. Scheffer

DNC	1997	$75
DNC	1996	$200
John Kerry Senate Campaign	1996	$20
Ted Kennedy Senate Campaign	1996	$25
DNC	1995	$50
Clinton-Gore Primary Committee	1995	$50
Diane Feinstein Senate Campaign	1994	$500

5. Grandparents Names, deceased.

6. Brothers and Spouses Names, none.

Sisters and Spouses Names, Claudia and Michael Gallo.

Paula and George Lader, none.

Nicole Scheffer, none.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

Mr. HELMS. Mr. President, for the Committee on Foreign Relations, I also report favorably two nomination lists in the Foreign Service which were printed in full in the CONGRESSIONAL RECORDS of February 13 and April 25, 1997, and ask unanimous consent, to save the expense of reprinting on the Executive Calendar, that these nominations lie at the Secretary's desk for the information of Senators.

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

(The nominations ordered to lie on the Secretary's desk were printed in the RECORDS of February 13 and April 25, 1997, at the end of the Senate proceedings.)

Nomination in the Foreign Service:

Marilyn E. Hulbert received by the Senate and appeared in the RECORD of February 13, 1997

Nominations in the Foreign Services: Beginning John R. Swallow and ending George S. Dragnich received by the Senate and appeared in the RECORD of April 25, 1997.

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. GRAMS (for himself, Mr. D'AMATO, Mr. SARBANES, Ms. MOSELEY-BRAUN, Mr. MCCONNELL, and Mr. LEAHY):

S. 1026. A bill to reauthorize the Export-Import Bank of the United States; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. CAMPBELL (for himself, Mr. JOHNSON, Mr. DOMENICI, and Mr. HATCH):

S. 1027. A bill to extend the Native American veteran direct housing loan pilot program, and for other purposes; to the Committee on Veterans Affairs.

By Mrs. FEINSTEIN (for herself and Mrs. BOXER):

S. 1028. A bill to direct the Secretary of Agriculture to conduct a pilot project on designated lands within Plumas, Lassen, and Tahoe National Forests in the State of California to demonstrate the effectiveness of the resource management activities proposed by the Quincy Library Group and to amend current land and resource management; to the Committee on Energy and Natural Resources.

By Mr. DEWINE (for himself and Mr. WELLSTONE):

S. 1029. A bill to provide loan forgiveness for individuals who earn a degree in early childhood education, and enter and remain employed in the early child care profession, to provide loan cancellation for certain child care providers, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. FRIST (for himself and Mr. WELLSTONE):

S. 1030. A bill to amend title IV of the Public Health Service Act to establish a National Center for Bioengineering Research; to the Committee on Labor and Human Resources.

By Mr. GRASSLEY (for himself and Mr. D'AMATO):

S. 1031. A bill to protect Federal law enforcement officers who intervene in certain situations to protect life or prevent bodily injury; to the Committee on the Judiciary.

By Mr. HELMS:

S. 1032. An original bill to amend the Foreign Assistance Act of 1961 with respect to the authority of the Overseas Private Investment Corporation to issue insurance and extend financing; from the Committee on Foreign Relations; placed on the calendar.

By Mr. COCHRAN:

S. 1033. An original bill making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 1998, and for other purposes; from the Committee on Appropriations; placed on the calendar.

By Mr. BOND:

S. 1034. An original bill making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, commissions, corporations, and offices for fiscal year ending September 30, 1998, and for other purposes; from the Committee on Appropriations; placed on the calendar.

By Mr. REED (for himself, Mr. TORRICELLI, Mr. CHAFEE, and Mr. LAUTENBERG):

S. 1035. A bill to establish a moratorium on large fishing vessels in Atlantic herring and mackerel fisheries; to the Committee on Commerce, Science, and Transportation.

By Mr. ALLARD (for himself and Mr. CAMPBELL):

S. 1036. A bill to amend section 435(d)(1)(A)(ii) of the Higher Education Act of 1965 with respect to the definition of an eligible lender; to the Committee on Labor and Human Resources.

By Mr. JEFFORDS (for himself, Mr. DODD, and Mr. ENZI):

S. 1037. A bill to amend the Internal Revenue Code of 1986 to establish incentives to increase the demand for and supply of quality child care, to provide incentives to States that improve the quality of child care, to expand clearing-house and electronic networks for the distribution of child care information, to improve the quality of child care provided through Federal facilities and programs, and for other purposes; 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. HELMS:

S. Con. Res. 40. An original concurrent resolution expressing the sense of Congress regarding the OAS–CIAV Mission in Nicaragua; from the Committee on Foreign Relations; placed on the calendar.

By Mr. HELMS:

S. Con. Res. 41. An original concurrent resolution calling for a United States initiative seeking a just and peaceful resolution of the situation on Cyprus; from the Committee on Foreign Relations; placed on the calendar.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. CAMPBELL (for himself, Mr. JOHNSON, Mr. DOMENICI, and Mr. HATCH):

S. 1027. A bill to extend the native American veteran direct housing loan pilot program, and for other purposes; to the Committee on Veterans' Affairs.

NATIVE AMERICAN VETERANS HOUSING LOAN IMPROVEMENTS LEGISLATION

Mr. CAMPBELL. Mr. President, I am pleased today to introduce legislation to extend and improve the native American veteran direct loan pilot program. I am pleased to add Senators JOHNSON, DOMENICI, and HATCH as cosponsors of this legislation.

America's most important resource has always been the individuals willing to lay down their lives for their country. Throughout our history we have been blessed with men and women willing to put themselves at risk for the greater good.

Native Americans have been proud to be a part of this Nation's defense. From the revolutionary era to our ongoing peacekeeping missions around the globe, native Americans have served and continue to serve the United States honorably. It may surprise some members to know that native Americans served, suffered, and died in service to this Nation even though they were not allowed to be citizens until 1924.

As a veteran I feel a special kinship with all those men and women who served this Nation in peacetime and in war. As an Indian veteran I am keenly aware of the dedicated service Indians, Alaskans, and Hawaiians have given—often without recognition of their sacrifice.

How can we compensate these men and women for making the greatest sacrifice they could? There is no dollar value we can place on a life. At the very least, we must provide the basic benefits of health care, housing, and education to those that laid down their lives for America.

Since 1992, the Department of Veterans Affairs has operated a direct housing loan program to help native America veterans build decent homes. I was amazed to find out that in the last 5 years, that program had provided eight Indian veterans with loans.

That is not an indication that all Indian veterans have no housing needs. During a hearing on veterans issues, members of the Indian Affairs Committee saw videotape of the houses used by Navajo veterans. They looked like something you would see in a Third World nation, not America. Houses had holes in their roofs and walls and plastic sheets for windows. Many houses do not have working plumbing and water has to be carried from miles away. This is certainly not the appreciation and respect war veterans deserve.

Native Americans seeking home loans face many obstacles unique to Indian country, including poor economic conditions and the fact that the land cannot be used as collateral. But the most surprising revelation at the committee's hearing was that the majority of Indian veterans seem to have little or no knowledge that the VA's direct loan program exists. If they do, many do not know how or where to apply. The Government has no problem finding these men and women when it is time to draft them to fight in a war. But when it is time to pay them back for their sacrifice, the effort just is not there.

That is why the bill I introduce today does more than extend the direct loan program for 3 years. It includes measures to boost the Department of Veterans Affairs' efforts to implement the direct loan program for native American veterans. The bill places new requirements on the Department to consult with tribal organizations, native veterans organizations, and other groups prior to making decisions under the act. It also expresses Congress's desire that the Department carry out vigorous outreach and education efforts to inform potential beneficiaries of the housing assistance benefits under the

act. The bill requires the Department to submit annual reports to the Committee on Indian Affairs, the House Resources Committee, and the Veterans' Committees of both Chambers containing a description of the outreach activities undertaken by the VA on a regional basis, with a second mandate that the VA conduct an assessment of how effective these efforts have been in encouraging greater use of the loan program.

We must honor the service and sacrifice of our warriors. We must recognize the sacrifice they have made for all of us. The direct loan program is an ambitious idea designed to help our veterans with the most basic human need: a roof over their heads. It should not sit unused because of bureaucratic complacency. It is my hope that this reauthorization, with the appropriate changes, will jumpstart the Department's efforts to make the program available to native veterans and help them use it. I believe it is the least we can do. I urge my colleagues to join me in supporting this critical legislation.

Mr. President, I ask unanimous consent that the text of the bill and a section-by-section analysis be printed in the RECORD.

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

S. 1027

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

SECTION 1. FINDINGS.

Congress makes the following findings:

(1) Native Americans across the United States have a long, proud, and distinguished tradition of service in the Armed Forces of the United States.

(2) Native Americans have historically served in the Armed Forces in numbers which far exceed their representation in the population of the United States.

(3) Native Americans have lost their lives in the service of the United States and in the cause of peace.

(4) The demand for safe, decent, and affordable housing among the 210,000 Native American veterans in the United States is acute.

(5) Native American veterans face unique impediments to the use of traditional housing programs to benefit veterans such as poor economic conditions, the legal status of Indian trust lands, and the lack of incentives for lenders to make loans on trust lands.

SEC. 2. EXTENSION OF DIRECT HOUSING LOAN PILOT PROGRAM.

Section 3761(c) of title 38, United States Code, is amended by striking out ''September 30, 1997'' and inserting in lieu thereof ''September 30, 2000''.

SEC. 3. OUTREACH.

Section 3762(i) of title 38, United States Code, is amended—

(1) by inserting '', in consultation with tribal organizations and Native American veterans organizations,'' after ''The Secretary shall''; and

(2) by striking out ''tribal organizations and''.

SEC. 4. CONSULTATION WITH NATIVE AMERICAN VETERANS ORGANIZATIONS.

The Secretary of Veterans Affairs shall consult with Native American veterans organizations in carrying out the Native American veterans direct housing loan program under subchapter V of chapter 37 of title 38, United States Code.

SEC. 5. ANNUAL REPORTS.

Section 8(d) of the Veterans Home Loan Program Amendments of 1992 (Public Law 102–547; 106 Stat. 3640; 38 U.S.C. 3761 note) is amended—

(1) in the matter preceding paragraph (1)—

(A) by striking out ''1998,'' and inserting in lieu thereof ''2001,''; and

(B) by inserting '', the Committee on Indian Affairs of the Senate, and the Committee on Resources of the House of Representatives'' after ''the House of Representatives'';

(2) by striking out ''and'' at the end of paragraph (3);

(3) by redesignating paragraph (4) as paragraph (5); and

(4) by inserting after paragraph (3) the following new paragraph (4):

''(4) a description of the outreach activities undertaken by the Secretary under section 3762(i) of such title (as so added) which—

''(A) specifies such activities on a region-by-region basis; and

''(B) assesses the effectiveness of such activities in encouraging the participation of Native American veterans in the pilot program; and''.

VETERANS DIRECT HOUSING LOAN PILOT PROGRAM—SECTION-BY-SECTION ANALYSIS

Background. Begun in 1992, the Native American Veterans Housing Program is due to be reauthorized. The account retains some $3.5 million of an original $5 million appropriation. Since 1992, the performance of the Veterans Administration in distributing this money to Indians is poor, especially compared with the experience of the Native Hawaiians and Pacific Islanders. The goal of the amendments is to get the VA to do its job better in Indian country. The reasons adduced by the VA for the poor performance are not convincing.

Section 1. New Findings Section. This section recognizes Indians' long and historic contributions made to the Armed Forces and defense of the United States. This section also recognizes the acute need for housing among the more than 200,000 native veterans, and the unique impediments native veterans face due to poor economic conditions on the reservation, and the inability to securitize Indian trust lands.

Section 2. Extension of Program. The bill would extend the authority for the program for 3 years, to September 30, 2000.

Section 3. Outreach. Most of the discernible problems in the implementation of this program involve a lack of knowledge about the program by Indians and lack of proactive endeavors by the VA to disseminate information about the program through Indian country. The bill would place new requirements on the VA to consult with tribal organizations, native veterans organizations, and other groups prior to making decisions under the act.

Section 4. Consultation with Native American Veterans Organizations. This new section requires the VA to consult with native veterans organizations in implementing the act.

Section 5. Annual Reports. The VA is required to submit annual reports to the Committee on Indian Affairs, the House Resources Committee, and the veterans committees of both Chambers containing a description of the outreach activities undertaken by the VA on a regional basis, with a second mandate that the VA conduct an assessment of the efficacy of such activities in encouraging greater use of the program.

By Mrs. FEINSTEIN (for herself and Mrs. BOXER):

S. 1028. A bill to direct the Secretary of Agriculture to conduct a pilot project on designated lands within Plumas, Lassen, and Tahoe National Forests in the State of California to demonstrate the effectiveness of the resource management activities proposed by the Quincy Library Group and to amend current land and resource management; to the Committee on Energy and Natural Resources.

THE QUINCY LIBRARY GROUP FOREST RECOVERY AND ECONOMIC STABILITY ACT OF 1997

Mrs. FEINSTEIN. Mr. President, today Senator BARBARA BOXER and I are introducing the Quincy Library Group Forest Recovery and Economic Stability Act of 1997. This legislation is nearly identical to H.R. 858 sponsored in the House of Representatives by Congressman WALLY HERGER and passed by the House last week on a vote of 429 to 1.

The House vote is remarkable for two reasons:

First, any legislation involving a controversial issue—particularly on one as contentious as forest management —that receives 429 votes is remarkable in and of itself.

Second, the process by which this legislation evolved is really, I think, groundbreaking, and it deserves to be recognized.

I first met the Quincy Library Group back in 1992 when I was running for the Senate, and was then very impressed with what they were trying to do.

The overwhelming House vote is a real victory for local communities like Quincy which seek to avoid the polarizing—and often paralyzing—battles that have characterized forest management issues for the last decade.

The Quincy Library Group is a local coalition of timber industry representatives, environmentalists, citizens, and elected officials in Plumas, Lassen, and Sierra Counties, CA, who came together to resolve their long-standing conflicts over timber management on the national forest lands in their area.

They had seen first hand the seemingly ever present conflict between timber harvesting and jobs, environmental laws and protection of their communities and forests, and the devastation of massive forest fires. They also saw that a practical solution to the conflict between timber interests and environmental interests were both going to be wiped out one day by uncontrollable wildfires. And so they tried to get together and talk things out.

They decided to meet in a quiet, nonconfrontational environment—the main room of the Quincy Public Library. Hence, they became known as the Quincy Library Group.

They began their dialog in the recognition that they shared the common goal of fostering forest health, ecological integrity, an adequate timber supply for area mills, and economic stability for their community.

So, after a year-and-a-half of negotiation, the Quincy Library Group developed an alternative management

plan for the Lassen National Forest, Plumas National Forest, and Sierraville Ranger District of the Tahoe National Forest.

This legislation is the result. The bill we introduce today implements the Quincy Library Group's plan.

I know that some environmental organizations had concerns about aspects of this legislation, and some may still oppose it.

But let me make something very clear: As I stated when I met with the Quincy Library Group, in order to have my support, the legislation had to explicitly state that all activities would be carried out consistent with all applicable Federal environmental laws, both substantive and procedural. The administration made this requirement clear as well.

The House bill and this legislation do so.

Another condition for my support, and that of the administration, was that the legislation must authorize sufficient funds to carry out the plan, so that funds will not be diverted from other important programs like wildlife protection, grazing and recreation.

The House bill and this legislation authorize appropriations to do so.

With these key provisions in place, I believe this legislation deserves strong support and swift passage.

Specifically, this legislation:

Directs the Secretary of Agriculture to implement the Quincy Library Group's forest management proposal on designated lands in the Plumas, Lassen, and Tahoe National Forests for 5 years as a demonstration of community-based consensus forest management;

Protects the California spotted owl and riparian areas by excluding all spotted owl habitat in the pilot project area from logging and other resource management activities during the 5-year pilot project, and requiring the Forest Service to follow the scientific analysis team guidelines for riparian system protection;

Calls for the construction of fuel breaks on 40,000 to 60,000 acres a year;

Provides for group selection on 0.57 percent of the project area annually as well as individual tree selection uneven-aged forest management;

Limits the total acreage subject to forest management activities to 70,000 acres annually;

Requires a program of riparian management, including wide protection zones and riparian restoration projects;

Requires the preparation of an environmental impact statement prior to the commencement of the pilot project;

Authorizes the appropriation of funds to carry out the Quincy Library Group pilot project;

Directs the Forest Service to amend the land and resource management plans for the Plumas, Lassen, and Tahoe National Forests to consider adoption of the Quincy Library Group plan in the forest management plans;

Requires an annual report to Congress on the status of the pilot project, including the source and use of funds, the acres treated and description of the results, economic benefits to the local communities, and activities planned for the following year; and finally,

Requires a scientific assessment of the Quincy Library Group project to be commenced at the midpoint of the project and submitted to Congress by July 1, 2002.

At the suggestion of the environmental community, and with the concurrence of the Quincy Library Group, I have added language to the House version of the bill to provide additional environmental safeguards. These additions will ensure that there will be no road building or timber harvesting on the lands the Quincy Library Group plan designated as off base, plan designates certain lands as deferred, and require the annual reports and the final report on the Quincy Library Group project to include a report on any adverse environmental impacts of the pilot project. Finally, it is our intention that areas of late successional emphasis identified in the Sierra Nevada ecosystem project report also be protected from resource management activities during the pilot project, and I will seek committee report language on this issue.

What all this means is that as a result of the Quincy Library Group pilot project:

The threat of catastrophic forest fires will be reduced, through the clearing of underbrush and thinning of the smaller trees;

Enough jobs in the forests will be provided to keep the local mills in operation and the communities in existence; and

Forest health will be improved, riparian areas will be restored, and biological diversity maintained.

Mr. President, I believe the Quincy Library Group deserves a great deal of credit and respect for approaching a tough issue with the goal of finding common ground.

There is a lot of common ground. They all live in the area. They all work there. They raise their children there. They all care about both the environment and the industry that provides jobs to the region. They wanted to work out a solution instead of continuing the take-no-prisoners-approach of endless litigation and standoff.

I believe the solution-based approach demonstrated by the Quincy Library Group should be supported by the Congress, and that is why I committed months ago to introduce legislation based on this group's efforts.

On an issue like forest management and timber harvesting, many local variables are involved and must be considered to find workable solutions:

For example, the wildfire threat in Tennessee is not the same as it is in California.

And the economic impact of the timber industry may be different in Hayfork, CA than it is in Juneau, AK.

The bottom line is that, as long as certain basic standards of environmental law are met, this pilot project will demonstrate whether a local initiative can be successful in developing a forest management plan that works to protect the old growth trees, endangered species, and jobs for the community.

And based on that belief I am pleased to support their efforts by sponsoring this legislation in the U.S. Senate.

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

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

S. 1028

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 ''Quincy Library Group Forest Recovery and Economic Stability Act of 1997''.

SEC. 2. PILOT PROJECT FOR PLUMAS, LASSEN, AND TAHOE NATIONAL FORESTS TO IMPLEMENT QUINCY LIBRARY GROUP PROPOSAL.

(a) DEFINITION.—For purposes of this section, the term ''Quincy Library Group-Community Stability Proposal'' means the agreement by a coalition of representatives of fisheries, timber, environmental, county government, citizen groups, and local communities that formed in northern California to develop a resource management program that promotes ecologic and economic health for certain Federal lands and communities in the Sierra Nevada area. Such proposal includes the map entitled ''QUINCY LIBRARY GROUP Community Stability Proposal'', dated June 1993, and prepared by VESTRA Resources of Redding, California.

(b) PILOT PROJECT REQUIRED.—

(1) PILOT PROJECT AND PURPOSE.—The Secretary of Agriculture (in this section referred to as the ''Secretary''), acting through the Forest Service and after completion of an environmental impact statement (a record of decision for which shall be adopted within 200 days), shall conduct a pilot project on the Federal lands described in paragraph (2) to implement and demonstrate the effectiveness of the resource management activities described in subsection (d) and the other requirements of this section, as recommended in the Quincy Library Group-Community Stability Proposal.

(2) PILOT PROJECT AREA.—The Secretary shall conduct the pilot project on the Federal lands within Plumas National Forest, Lassen National Forest, and the Sierraville Ranger District of Tahoe National Forest in the State of California designated as ''Available for Group Selection'' on the map entitled ''QUINCY LIBRARY GROUP Community Stability Proposal'', dated June 1993 (in this section referred to as the ''pilot project area''). Such map shall be on file and available for inspection in the appropriate offices of the Forest Service.

(c) EXCLUSION OF CERTAIN LANDS, RIPARIAN PROTECTION AND COMPLIANCE.—

(1) EXCLUSION.—All spotted owl habitat areas and protected activity centers located within the pilot project area designated under subsection (b)(2) will be deferred from resource management activities required under subsection (d) and timber harvesting during the term of the pilot project.

(2) IN GENERAL.—The Regional Forester for Region 5 shall direct that during the term of the pilot project any resource management

activity required by subsection (d), all road building, and all timber harvesting activities shall not be conducted on the Federal lands within the Plumas National Forest, Lassen National Forest, and Sierraville Ranger District of the Tahoe National Forest in the State of California that designated as either ''Off Base'' or ''Deferred'' on the map referred to in subsection (a).

(3) RIPARIAN PROTECTION.—

(A) IN GENERAL.—The Scientific Analysis Team guidelines for riparian system protection described in subparagraph (B) shall apply to all resource management activities conducted under subsection (d) and all timber harvesting activities that occur in the pilot project area during the term of the pilot project.

(B) GUIDELINES DESCRIBED.—The guidelines referred to in subparagraph (A) are those in the document entitled ''Viability Assessments and Management Considerations for Species Associated with Late-Successional and Old-Growth Forests of the Pacific Northwest'', a Forest Service research document dated March 1993 and co-authored by the Scientific Analysis Team, including Dr. Jack Ward Thomas.

(4) COMPLIANCE.—All resource management activities required by subsection (d) shall be implemented to the extent consistent with applicable Federal law and the standards and guidelines for the conservation of the California spotted owl as set forth in the California Spotted Owl Sierran Provence Interim Guidelines, or the subsequently issued final guidelines whichever is in effect.

(d) RESOURCE MANAGEMENT ACTIVITIES.—During the term of the pilot project, the Secretary shall implement and carry out the following resource management activities on an acreage basis on the Federal lands included within the pilot project area designated under subsection (b)(2):

(1) FUELBREAK CONSTRUCTION.—Construction of a strategic system of defensible fuel profile zones, including shaded fuelbreaks, utilizing thinning, individual tree selection, and other methods of vegetation management consistent with the Quincy Library Group-Community Stability Proposal, on not less than 40,000, but not more than 60,000, acres per year.

(2) GROUP SELECTION AND INDIVIDUAL TREE SELECTION.—Utilization of group selection and individual tree selection uneven-aged forest management prescriptions described in the Quincy Library Group-Community Stability Proposal to achieve a desired future condition of all-age, multistory, fire resilient forests as follows:

(A) GROUP SELECTION.—Group selection on an average acreage of .57 percent of the pilot project area land each year of the pilot project.

(B) INDIVIDUAL TREE SELECTION.—Individual tree selection may also be utilized within the pilot project area.

(3) TOTAL ACREAGE.—The total acreage on which resource management activities are implemented under this subsection shall not exceed 70,000 acres each year.

(4) RIPARIAN MANAGEMENT.—A program of riparian management, including wide protection zones and riparian restoration projects, consistent with riparian protection guidelines in subsection (c)(2)(B).

(e) COST-EFFECTIVENESS.—In conducting the pilot project, Secretary shall use the most cost-effective means available, as determined by the Secretary, to implement resource management activities described in subsection (d).

(f) FUNDING.—

(1) SOURCE OF FUNDS.—In conducting the pilot project, the Secretary shall use, subject to the relevant reprogramming guidelines of the House and Senate Committees on Appropriations—

(A) those funds specifically provided to the Forest Service by the Secretary to implement resource management activities according to the Quincy Library Group-Community Stability Proposal; and

(B) excess funds that are allocated for the administration and management of Plumas National Forest, Lassen National Forest, and the Sierraville Ranger District of Tahoe National Forest.

(2) PROHIBITION ON USE OF CERTAIN FUNDS.—The Secretary may not conduct the pilot project using funds appropriated for any other unit of the National Forest System.

(3) FLEXIBILITY.—Subject to normal reprogramming guidelines, during the term of the pilot project, the forest supervisors of Plumas National Forest, Lassen National Forest, and Tahoe National Forest may allocate and use all accounts that contain excess funds and all available excess funds for the administration and management of Plumas National Forest, Lassen National Forest, and the Sierraville Ranger District of Tahoe National Forest to perform the resource management activities described in subsection (d).

(4) RESTRICTION.—The Secretary or the forest supervisors, as the case may be, shall not utilize authority provided under paragraphs (1)(B) and (3) if, in their judgment, doing so will limit other nontimber related multiple use activities for which such funds were available.

(5) OVERHEAD.—Of amounts available to carry out this section—

(A) not more than 12 percent may be used or allocated for general administration or other overhead; and

(B) at least 88 percent shall be used to implement and carry out activities required by this section.

(6) AUTHORIZED SUPPLEMENTAL FUNDS.—There are authorized to be appropriated to implement and carry out the pilot project such sums as are necessary.

(7) BASELINE FUNDS.—Amounts available for resource management activities authorized under subsection (d) shall at a minimum include existing baseline funding levels.

(g) TERM OF PILOT PROJECT.—The Secretary shall conduct the pilot project during the period beginning on the date of the enactment of this Act and ending on the later of the following:

(1) The date on which the Secretary completes amendment or revision of the land and resource management plans for Plumas National Forest, Lassen National Forest, and Tahoe National Forest pursuant to subsection (i).

(2) The date that is five years after the date of the commencement of the pilot project.

(h) CONSULTATION.—(1) Each statement required by subsection (b)(1) shall be prepared in consultation with the Quincy Library Group.

(2) CONTRACTING.—The Forest Service, subject to the availability of appropriations, may carry out any (or all) of the requirements of this section using private contracts.

(i) CORRESPONDING FOREST PLAN AMENDMENTS.—Within 180 days after the date of the enactment of this Act, the Regional Forester for Region 5 shall initiate the process to amend or revise the land and resource management plans for Plumas National Forest, Lassen National Forest, and Tahoe National Forest. The process shall include preparation of at least one alternative that—

(1) incorporates the pilot project and area designations made by subsection (b), the resource management activities described in subsection (d), and other aspects of the Quincy Library Group Community Stability Proposal; and

(2) makes other changes warranted by the analyses conducted in compliance with section 102(2) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)), section 6 of the Forest and Rangeland Renewable Resources Planning Act of 1974 (16 U.S.C. 1604), and other applicable laws.

(j) REPORTING REQUIREMENTS.—

(1) IN GENERAL.—Not later than February 28 of each year during the term of the pilot project, the Secretary after consultation with the Quincy Library Group, shall submit to Congress a report on the status of the pilot project. The report shall include at least the following:

(A) A complete accounting of the use of funds made available under subsection (f)(1)(A) until such funds are fully expended.

(B) A complete accounting of the use of funds and accounts made available under subsection (f)(1) for the previous fiscal year, including a schedule of the amounts drawn from each account used to perform resource management activities described in subsection (d).

(C) A description of total acres treated for each of the resources management activities required under subsection (d), forest health improvements, fire risk reductions, water yield increases, and other natural resources-related benefits achieved by the implementation of the resource management activities described in subsection (d).

(D) A description of the economic benefits to communities achieved by the implementation of the pilot project.

(E) A comparison of the revenues generated by, and costs incurred in, the implementation of the resource management activities described in subsection (d) of the Federal lands included in the pilot project area with the revenues and costs during each of the fiscal years 1992 through 1997 for timber management of such lands before their inclusion in the pilot project.

(F) A schedule for the resource management activities to be undertaken in the pilot project area during the calendar year.

(G) A description of any adverse environmental impacts.

(2) LIMITATION ON EXPENDITURES.—The amount of Federal funds expended on each annual report under this subsection shall not exceed $50,000.

(k) FINAL REPORT.—

(1) IN GENERAL.—Beginning after completion of 6 months of second year of the pilot project, the Secretary shall compile a science-based assessment of, and report on, the effectiveness of the pilot project in meeting the stated goals of this pilot project. Such assessment and report—

(A) shall include watershed monitoring of lands treated under this section, that should address the following issues on a priority basis: timing of water releases, water quality changes, and water yield changes over the short long term in the pilot project area;

(B) shall include an analysis of any adverse environmental impacts;

(C) shall be compiled in consultation with the Quincy Library Group; and

(D) shall be submitted to the Congress by July 1, 2002.

(2) LIMITATIONS ON EXPENDITURES.—The amount of Federal funds expended for the assessment and report under this subsection, other than for watershed monitoring under paragraph (1)(A), shall not exceed $150,000. The amount of Federal funds for watershed monitoring under paragraph (1)(A) shall not exceed $75,000 for each of fiscal years 2000, 2001, and 2002.

(l) RELATIONSHIP TO OTHER LAWS.—Nothing in this section exempts the pilot project from any Federal environmental law.

Mrs. BOXER. The Quincy Library Group Forest Recovery and Economic Stability Act is the result of many years of consensus building in an effort to unite unlikely partners in a mutually beneficial project.

President Clinton spurred this consensus approach in April 1993, at the Northwest Forest Summit, when he challenged Americans to stay in the conference room and out of the courtroom. One local group put this difficult challenge into action and began a series of meetings in the only place they knew they could ensure civility, and some degree of quiet—their local library. With that, the Quincy Library Group was created.

This group of local citizens surrounding Quincy, CA, including timber industry representatives, local environmental activists, and public officials, have been meeting periodically since 1992 to develop a timber management plan for the areas' surrounding national forests. They did not have an easy task before them—promoting the local economy, preserving jobs, and protecting the environment.

Several years ago I visited Quincy, CA, and had an opportunity to see first hand the problems in the forests and the community at work. Since that time, I have worked with the Quincy Library Group, U.S. Forest Service, Senator FEINSTEIN, Members of Congress, and the national environmental community in an effort to reach a consensus.

I believe that is what we have before us today. This legislation will implement the Quincy Library Group proposal for managing the Tahoe, Lassen, and Sierraville Range of the Tahoe National Forests through biological reserves, fire suppression, riparian restoration, watershed protection, and monitoring.

The House passed a companion bill earlier this week by a near unanimous vote. I believe the overwhelming success in the House was largely due to the inclusion of provisions which ensure compliance with all environmental laws, as well as interim and final California spotted owl guidelines.

This proposal has gone through years of collaboration from many dedicated people with many different interests. We now have legislation to implement this consensus—legislation which can be fined tuned as it moves through the legislative process.

The President's statement of administration policy on the House companion bill suggests further refining the bill so that the pilot project will end once the Forest Service completes the appropriate forest plan amendments. I would be supportive of such a change to the bill.

Some have suggested that the legislation increase the protection of all old growth forests in the area and ensure that logging and road building be prohibited in all roadless and sensitive areas. We should consider that change.

I hope that these concerns can be addressed as this bill moves through the legislative process. Nonetheless, many positive changes have been made to the legislation over the last few months, and although some outstanding concerns still remain, the legislation now provides many of the safeguards necessary to protect the natural environment while promoting the local economy.

I want to thank Senator FEINSTEIN, Congressmen FAZIO, MILLER, HERGER, YOUNG, and the Forest Service for their efforts on this legislation. It has truly been a cooperative effort and I hope we are able to pass this legislation quickly so that we will soon be able to see the proposal implemented on the ground.

By Mr. DEWINE (for himself and Mr. WELLSTONE):

S. 1029. A bill to provide loan forgiveness for individuals who earn a degree in early childhood education, and enter and remain employed in the early child care profession, to provide loan cancellation for certain child care providers, and for other purposes; to the Committee on Labor and Human Resources.

THE QUALITY CHILD CARE LOAN FORGIVENESS ACT

Mr. DEWINE. Mr. President, I send a bill to the desk now, a bill on behalf of myself and Senator WELLSTONE.

Mr. President, this bill is the Quality Child Care Loan Forgiveness Act and it is intended to, at least in part, deal with a very serious problem in this country. That problem simply is that more and more children, more and more of our children, are every day in child care. There is a real concern about the quality of child care. This bill does not solve every problem in regard to child care, but I think it is a start and I think it would make a significant impact.

Today, more than 70 percent of mothers are in the labor force. Almost 75 percent of married couples with children have both spouses working. All of these working parents, plus parents moving from welfare to work, have to find someone to care for their children if they are going to go out and support their families. Yet today, child care is often very hard to find and quality child care is even harder to find. In just 20 years, the last 20 years, the percentage of children enrolled in some form, in some manner, of child care has gone from 30 percent to 70 percent.

Quality child care is a concern to virtually every family in this country. More and more parents are working. More and more children are in child care. I think the very least we can do is to try to assure those families that, while they are at work, their children will be taken care of by qualified and by competent individuals. This, unfortunately, is not always taking place today. There are many qualified people in child care. There are very many dedicated people in child care. But I think we can do better. This is what this bill intends to address.

Scientists tell us that the largest indicator of a child's intelligence is the mother's education level. While a mother is at work, then it becomes the education level of the child care provider that the child deals with for, sometimes, an extended period of time during the day. With all the new research that we see on the brain and early childhood development, I think we have to reemphasize this particular aspect of child care. We need well-educated, well-trained child care providers. One of the ways we can achieve this, one of the things that we can do to raise the quality of child care, is to say to individuals who are inclined to go into the child care profession that we will in fact help them if they want to make this a profession.

We have to let people know, if they are going to earn a degree to take care of our children, we will help them. Our bill, the bill introduced today by Senator WELLSTONE and myself, will do this. Our bill would help repay the student loans of an individual who earns an early childhood degree and would help repay the loan of that person who goes to work in a licensed child care facility. The Quality Child Care Loan Forgiveness Act would pay off a student loan at the rate of 15 percent a year for people who earn an early childhood degree and who work in a licensed child care facility.

This bill will help bring more qualified individuals to the child care profession. It would also help to decrease the high turnover levels caused, many times, by very low wages.

Let me conclude. The Quality Child Care Loan Forgiveness Act is an important way to improve the quality of child care. American parents need it for their peace of mind, and American children need it for their mind development.

I thank the Chair and ask unanimous consent at this time that the full text of the bill be printed in the RECORD.

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

S. 1029

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 ''Quality Child Care Loan Forgiveness Act''.

SEC. 2. FINDINGS.

Congress makes the following findings:

(1) New scientific research shows that the electrical activity of brain cells actually changes the physical structure of the brain, and that without a stimulating environment, a baby's brain suffers.

(2) 12,000,000 children under age 6, and 17,000,000 school-aged children of working parents, need child care. Demand for child care is growing as more mothers enter the workforce.

(3) Good quality child care, in a safe environment, with trained, caring providers who offer stimulating activities appropriate to the child's age, help children grow and thrive. Recent research shows that most child care needs significant improvement.

(4) Good quality child care depends largely on the provider. Yet providers of child care earn on average only $6.70 per hour or $11,725

per year. Such earnings cause high turnover, which affects the overall quality of a child care program and causes anxiety for children.

(5) Children attending lower-quality child care facilities and child care facilities with high staff turnover are less competent in language and social development.

(6) Low-income and high-income children are more likely than middle-income children to attend child care facilities providing high quality child care.

(7) The quality of child care is primarily related to high staff-to-child ratios, staff education, and administrators' prior experience. In addition, certain characteristics distinguish poor, mediocre, and good-quality child care facilities, the most important of which are teacher wages, education, and specialized training.

SEC. 3. PURPOSES.

The purposes of this Act are—

(1) to bring more highly trained individuals into the early child care profession; and

(2) to keep more highly trained child care providers in the early child care field for longer periods of time.

SEC. 4. LOAN FORGIVENESS FOR CHILD CARE PROVIDERS.

Part B of the Higher Education Act of 1965 (20 U.S.C. 1071 et seq.) is amended by inserting after section 428J of such Act (20 U.S.C. 1078–10) the following:

"SEC. 428I. LOAN FORGIVENESS FOR CHILD CARE PROVIDERS.

''(a) DEFINITIONS.—In this section:

''(1) CHILD CARE FACILITY.—The term 'child care facility' means a facility that—

''(A) provides child care services; and

''(B) meets applicable State or local government licensing, certification, approval, or registration requirements, if any.

''(2) CHILD CARE SERVICES.—The term 'child care services' means activities and services provided for the education and care of children from birth through age 5 by an individual who has a degree in early childhood education.

''(3) DEGREE.—The term 'degree' means an associate's or bachelor's degree awarded by an institution of higher education.

''(4) EARLY CHILDHOOD EDUCATION.—The term 'early childhood education' means education in the areas of early child education, child care, or any other educational area related to child care that the Secretary determines appropriate.

''(5) INSTITUTION OF HIGHER EDUCATION.—The term 'institution of higher education' has the meaning given the term in section 1201.

''(b) DEMONSTRATION PROGRAM.—

''(1) IN GENERAL.—The Secretary may carry out a demonstration program of assuming the obligation to repay, pursuant to subsection (c), a loan made, insured or guaranteed under this part or part D (excluding loans made under sections 428B and 428C) for any new borrower after October 1, 1994, who completes a degree in early childhood education and obtains full-time employment in a child care facility.

''(2) AWARD BASIS; PRIORITY.—

''(A) AWARD BASIS.—Subject to subparagraph (B), loan repayment under this section shall be on a first-come, first-served basis and subject to the availability of appropriations.

''(B) PRIORITY.—The Secretary shall give priority in providing loan repayment under this section for a fiscal year to student borrowers who received loan repayment under this section for the preceding fiscal year.

''(3) REGULATIONS.—The Secretary is authorized to prescribe such regulations as may be necessary to carry out the provisions of this section.

''(c) LOAN REPAYMENT.—

''(1) IN GENERAL.—The Secretary shall assume the obligation to repay 15 percent of the total amount of all loans made after October 1, 1994, to a student under this part or part D for each complete year of employment described in subsection (b)(1).

''(2) CONSTRUCTION.—Nothing in this section shall be construed to authorize the refunding of any repayment of a loan made under this part or part D.

''(3) INTEREST.—If a portion of a loan is repaid by the Secretary under this section for any year, the proportionate amount of interest on such loan which accrues for such year shall be repaid by the Secretary.

''(4) SPECIAL RULE.—In the case where a student borrower who is not participating in loan repayment pursuant to this section returns to an institution of higher education after graduation from an institution of higher education for the purpose of obtaining a degree in early childhood education, the Secretary is authorized to assume the obligation to repay the total amount of loans made under this part or part D incurred for a maximum of two academic years in returning to an institution of higher education for the purpose of obtaining a degree in early childhood education. Such loans shall only be repaid for borrowers who qualify for loan repayment pursuant to the provisions of this section, and shall be repaid in accordance with the provisions of paragraph (1).

''(5) INELIGIBILITY OF NATIONAL SERVICE AWARD RECIPIENTS.—No student borrower may, for the same volunteer service, receive a benefit under both this section and subtitle D of title I of the National and Community Service Act of 1990 (42 U.S.C. 12601 et seq.).

''(d) REPAYMENT TO ELIGIBLE LENDERS.—The Secretary shall pay to each eligible lender or holder for each fiscal year an amount equal to the aggregate amount of loans which are subject to the repayment pursuant to this section for such year.

''(e) APPLICATION FOR REPAYMENT.—

''(1) IN GENERAL.—Each eligible individual desiring loan repayment under this section shall submit a complete and accurate application to the Secretary at such time, in such manner, and containing such information as the Secretary may require.

''(2) CONDITIONS.—An eligible individual may apply for loan repayment under this section after completing each year of qualifying employment. The borrower shall receive forbearance while engaged in qualifying employment unless the borrower is in deferment while so engaged.

''(f) EVALUATION.—

''(1) IN GENERAL.—The Secretary shall conduct, by grant or contract, an independent national evaluation of the impact of the demonstration program assisted under this section on the field of early childhood education.

''(2) COMPETITIVE BASIS.—The grant or contract described in subsection (a) shall be awarded on a competitive basis.

''(3) CONTENTS.—The evaluation described in this subsection shall—

''(A) determine the number of individuals who were encouraged by the demonstration program assisted under this section to pursue early childhood education;

''(B) determine the number of individuals who remain employed in a child care facility as a result of participation in the program;

''(C) identify the barriers to the effectiveness of the program;

''(D) assess the cost-effectiveness of the program in improving the quality of—

''(i) early childhood education; and

''(ii) child care services;

''(E) identify the reasons why participants in the program have chosen to take part in the program;

''(F) identify the number of individuals participating in the program who received an associate's degree and the number of such individuals who received a bachelor's degree; and

''(G) identify the number of years each individual participates in the program.

''(4) INTERIM AND FINAL EVALUATION REPORTS.—The Secretary shall prepare and submit to the President and the Congress such interim reports regarding the evaluation described in this subsection as the Secretary deems appropriate, and shall prepare and so submit a final report regarding the evaluation by January 1, 2002.

''(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $10,000,000 for fiscal year 1998, and such sums as may be necessary for each of the 4 succeeding fiscal years.''.

SEC. 5. LOAN CANCELLATION.

Section 465(a) of the Higher Education Act of 1965 (20 U.S.C. 1087ee(a)) is amended—

(1) in paragraph (2)—

(A) by redesignating subparagraphs (G), (H), and (I) as subparagraphs (H), (I), and (J), respectively; and

(B) by inserting after subparagraph (F), the following:

''(G) as a full-time child care provider or educator—

''(i) in a child care facility operated by an entity that meets the applicable State or local government licensing, certification, approval, or registration requirements, if any; and

''(ii) who has a degree in early childhood education;''; and

(2) in paragraph (3)(A)—

(A) in clause (i), by striking ''(G), (H), or (I)'' and inserting ''(H), (I), or (J)''; and

(B) in clause (ii), by inserting ''or (G)'' after ''subparagraph (B)''.

Mr. WELLSTONE. Mr. President, I rise today with my colleague from Ohio to introduce a bill that is an important step toward protecting the lives and the future of this Nation's children. Today in the Labor Committee, we will hear from the parents of a 3-month-old baby who lost his life after only 2 hours in daycare. We as a society must share some of the responsibility for this tragedy with the daycare center that neglected Jeremy Fiedelholtz. We as a society have allowed daycares to be under funded and understaffed, because we have not valued the position of daycare provider. We have not treated that job as a profession, we have not respected their responsibilities and considered such individuals to have a career worthy of compensation, attention, and respect.

The bill that my colleague and I introduce today would provide loan forgiveness for individuals who earn a degree in early childhood education, and enter and remain employed in the early child care profession. It would also provide forgiveness for some existing child care providers who remain in the profession.

The bill seeks to make child care more affordable and to increase the quality of child care by making a career in child care more profitable. It would help make the career of caregiver more affordable and more feasible for those interested in helping children grow. Nationally, child care workers have the following statistics:

97 percent are female; 33 percent are women of color; 41 percent have children; 10 percent are single parents; only 18 percent of child care centers offer their workers health coverage.

In Minnesota child care centers, the average hourly wage for a child care provider is $8.72; for an assistant teacher is $6.66; and for an aide is $5.69. Minnesota family child care providers, who are never covered by the Fair Labor Standards Act, have an average hourly wage of $2.79, and make $7,800 a year for a 60-hour work week. With changes created by the welfare bill in the Federal child care food program, many family child care providers will become ineligible for this program; those who don't pass the costs of care on to the parents will have negative earnings—they will actually lose $71 a week.

Nationally, child care teaching staff earn $6.89 an hour and $12,000 a year. Family child care providers earn $9,500, and unregulated providers, $5,100. Although they are better educated than the average worker, child care workers earn one-third of the average male salary and one-half of the average female salary. It is no surprise that one-third of them leave their centers every year.

In the meantime, in Minnesota, there are 8,960 children on the waiting list for child care. There are probably another 13,440 children who would apply if the waiting list wasn't so long. Mr. President, add all this up and you have a recipe for disaster. Child care is without question among the most important issues facing the workforce today. Parents who can't care for their children, can't work. Child care is without question among the most important issues facing the field of education today. Children who are not stimulated and cared for during the earliest years will never be able to reach his or her full potential when they grow up.

If we don't take the profession seriously and encourage people of caliber to enter the profession of caregiving, and reward those who remain in the profession, then we are risking our economic future and putting at risk millions of children like Jeremy Fiedelholtz. I urge my colleagues to join us in this bipartisan effort to invest money where it is most needed.

Let me just say I am very honored to introduce this legislation with Senator DEWINE. I thoroughly enjoy working with him, and I think we are both very committed to this piece of legislation.

Mr. President, in the Labor Committee today, we are going to hear from the parents of a 3-month-old baby who lost his life after only 2 hours in child care. If you look at the reports, the conditions around our country are not what they should be for children, and if you just think about the pay scale of women and men—they are mainly women—who are child care providers, we have devalued the work of adults who work with children. What this piece of legislation does is it provides loan forgiveness for individuals who earn a degree in early childhood development and then remain employed in this early childhood profession. It also would have some forgiveness for existing child care providers who remain in the profession.

What we are simply trying to say here, I say to my colleagues, is that the neuroscience evidence is compelling, these early years are critical years, we have to get it right, there has to be a nurturing care and the intellectual stimulation and, yet, if you look around the country, nationally child care teaching staff earn an average of $6.89 an hour, or about $12,000 a year.

Actually, in many of our States, people who work in zoos, and by the way I love visiting zoos—it is not my point to put down that work—earn twice as much as women and men who work in child care centers. If we really value children and we really understand that pre-K is so important, and if we really understand—and we should and we must—that we have to make sure that by age 3, children have gotten the nurturing care in order for them to be able to go on and do well in school and do well in life, then it is terribly important that we attach more value to the work that is being done.

That is what this piece of legislation does, which provides the loan forgiveness for women and men I hope will go into this profession. It is a small step forward, but it is an extremely important step.

I am very pleased to introduce this legislation today with my colleague, Senator DEWINE.

By Mr. FRIST (for himself and Mr. WELLSTONE):

S. 1030. A bill to amend title IV of the Public Health Service Act to establish a National Center for Bioengineering Research; to the Committee on Labor and Human Resources.

THE NATIONAL CENTER FOR BIOENGINEERING RESEARCH ACT OF 1997

Mr. FRIST. Mr. President, I rise today to introduce the National Center for Bioengineering Research Act of 1997. Bioengineering is where medical need and technical capability meet to increase our capacity to diagnose and treat disease; to enhance the quality of life of millions of people with chronic conditions; to save millions of dollars in health care costs; and to generate billions of dollars for our economy. Medical devices alone is a $40 billion-a-year industry.

Bioengineering is an interdisciplinary field that applies physical, chemical, and mathematical sciences and engineering principles to the study of biology, medicine, behavior, and health. It advances knowledge from the molecular to the organ systems level, and develops new and novel biologics, materials, processes, implant, devices, and informatics approaches for the prevention, diagnosis, and treatment of disease, for patient rehabilitation, and for improving health.

Although the term ''bioengineering'' may not be commonplace, many of the major medical advances from bioengineering are very familiar, including the heart-lung machine, kidney dialysis, total hip joint replacements, heart pacemakers, artificial hearts, prosthetics, and diagnostic medical imaging. Other advances are right around the corner, including implantable insulin pumps with biosensors that detect exactly when and how much insulin is needed; and regeneration of tissue, cartilage, and even organs, instead of transplantation—which brings with it the risk of rejection, major trauma to the patient, and one of the highest costs in our entire health care system. As a heart-lung transplant surgeon, I know first hand about the life-saving contributions made by all of these bioengineering developments. We need as many new achievements like this as we can produce.

In spite of such spectacular achievements, however, the field of bioengineering suffers from fragmentation and a lack of coordination that could impede and delay future advances in the field. This fragmentation was recognized as early as 1967, when an international conference called for better coordination in bioengineering research.

In 1995, at the request of the Senate Committee on Labor and Human Resources, the NIH submitted a report, ''Support for Bioengineering Research.'' This report was remarkably consistent with a number of previous studies over the last 30 years that stressed the need for: a centralized focus for extramural bioengineering research at NIH; a strong intramural bioengineering program at NIH; and increased coordination of bioengineering activities within NIH and among other Federal agencies.

This legislation seeks to implement those recommendations and is designed to enhance the state of and improve the coordination of bioengineering research conducted within NIH and throughout the Federal Government. This bill calls for the establishment of a National Center for Bioengineering Research within the National Heart, Lung and Blood Institute at NIH. The mission of the Center is to:

First, enhance the state of bioengineering research within NIH;

Second, promote collaborative research projects among NIH institutes and across Federal agencies;

Third, enhance communication among bioengineering investigators within Federal agencies and with private sector entities; and

Fourth, educate the Congress and the public on the critical importance of bioengineering to both the health and the economy of the Nation.

This legislation does not create a new institute within NIH. The Center would have no grantmaking authority. New funding would be allocated to institutes to support basic research projects in bioengineering through the standard peer review process.

This legislation is introduced today as a stand-alone bill. But I expect it to

be included in the reauthorization bill for the National Institutes of Health which, as Chair of the Public Health and Safety Subcommittee of the Committee on Labor and Human Resources, I intend to move forward during the first session of the 105th Congress.

Mr. President, I ask unanimous consent that the bill and summary be printed in the RECORD.

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

S. 1030

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''National Center for Bioengineering Research Act''.

SEC. 2. FINDINGS.

Congress makes the following findings:

(1) Bioengineering is an interdisciplinary field that applies physical, chemical, and mathematical sciences and engineering principles to the study of biology, medicine, behavior, and health. It advances knowledge from the molecular to the organ systems level, and develops new and novel biologics, materials, processes, implants, devices, and informatics approaches for the prevention, diagnosis, and treatment of disease, for patient rehabilitation, and for improving health.

(2) Efforts to reduce Federal budget deficits require that resources be managed in ways to maximize productivity.

(3) As part of the NIH Revitalization Act of 1993, Congress asked for a report on the state of bioengineering research at the National Institutes of Health.

(4) In 1994, as requested by the Congress, an External Consultants Committee submitted a report to the Director of the National Institutes of Health on support for bioengineering research.

(5) In 1995, the Director of the National Institutes of Health submitted a report to Congress on Support for Bioengineering Research, that included recommendations for greater coordination of bioengineering research.

(6) In 1996, an amendment to the National Institutes of Health Revitalization Act of 1996 directed the Secretary of Health and Human Services, acting through the Director of the National Institutes of Health, to ''prepare and submit to the Committee on Labor and Human Resources of the Senate and the Committee on Commerce of the House of Representatives, a report containing specific plans and timeframes on how the Director will implement the findings and recommendations of the Report to Congress entitled Support for Bioengineering Research submitted to Congress in August 1995 in compliance with Public Law 103-43, the National Institutes of Health (NIH) Revitalization Act of 1993, Section 1912''. This legislation passed the Senate but was not acted upon by the House.

(7) In the spring of 1997, the National Institutes of Health established the Bioengineering Consortium, with representation from each of the institutes, to advance bioengineering and its mission within the National Institutes of Health.

(8) Legislation is needed to support and further the efforts already begun by the National Institutes of Health in order to maximize the health benefits for the American people.

SEC. 3. ESTABLISHMENT OF NATIONAL CENTER FOR BIOENGINEERING RESEARCH.

(a) IN GENERAL.—Subpart 2 of part C of title IV of the Public Health Service Act (42 U.S.C. 285 et seq.) is amended by adding at the end the following:

''SEC. 425A. NATIONAL CENTER FOR BIOENGINEERING RESEARCH.

''(a) ESTABLISHMENT.—The Director of the National Heart, Lung, and Blood Institute shall establish, within the National Heart, Lung, and Blood Institute, a National Center for Bioengineering Research (in this section referred to as the 'Center'). The Center shall be headed by a director, who shall be appointed by the Director of the National Heart, Lung, and Blood Institute.

''(b) PURPOSE.—The purpose of the Center is to—

''(1) promote basic research in bioengineering; and

''(2) establish an office to enhance the state of and improve coordination of bioengineering research conducted within the National Institutes of Health and throughout the Federal Government.

''(c) DUTIES.—The Center shall—

''(1) enhance bioengineering research at the National Institutes of Health by—

''(A) increasing the proportion of National Institutes of Health funds that are devoted to basic rather than applied bioengineering research;

''(B) improving the review of bioengineering grant applications; and

''(C) increasing intramural research in bioengineering;

''(2) convene a conference of bioengineering experts representing relevant Federal agencies, academia, and private sector entities to make recommendations to the Director of the Center regarding—

''(A) setting the agenda of the Center; and

''(B) identifying promising research directions and emerging needs and opportunities in bioengineering research;

''(3) promote joint funding of collaborative bioengineering research projects conducted by the national research institutes and other agencies of the National Institutes of Health or conducted by any such institute and another Federal entity;

''(4) enhance communication among bioengineering investigators within Federal agencies and with private sector entities;

''(5) educate members of Congress and the public on the critical importance of bioengineering in enhancing the diagnosis and treatment of disease and strengthening the economy;

''(6) annually convene a group of bioengineering experts from Federal agencies and private sector entities to advise the Director of the Center; and

''(7) prepare and submit to Congress, through the Director of the National Institutes of Health, an annual report.

''(d) LIMITATION.—The Center may not use amounts provided under this section to award grants.

''(e) AUTHORIZATION OF APPROPRIATIONS.—

''(1) FOR THE CENTER.—There is authorized to be appropriated $750,000 for each fiscal year for the general operation of the Center.

''(2) FOR GENERAL BIOENGINEERING ACTIVITIES.—There is authorized to be appropriated $20,000,000 for each of the fiscal years 1998 through 2007, to be allocated at the discretion of the Director of NIH among the bioengineering activities being carried out by the national research institutes and other agencies of the National Institutes of Health.''.

(b) CONFORMING AMENDMENT.—Section 401(b)(2) of the Public Health Service Act (42 U.S.C. 281(b)(2)) is amended by adding at the end the following:

''(F) The National Center for Bioengineering Research.''.

NATIONAL CENTER FOR BIOENGINEERING RESEARCH ACT OF 1997

DEFINITION

Bioengineering is an interdisciplinary field that applies physical, chemical, and mathematical sciences and engineering principles to the study of biology, medicine, behavior, and health. It advances knowledge from the molecular to the organ systems level, and develops new and novel biologics, materials, processes, implants, devices, and informatics approaches for the prevention, diagnosis, and treatment of disease, for patient rehabilitation, and for improving health.

BACKGROUND

As part of the 1993 reauthorization of NIH, Congress asked for a report on the state of bioengineering research at NIH. In 1994, an interim report from an External Consultants Committee was submitted to the Director of NIH, who submitted a report to Congress in August, 1995 that included recommendations for greater coordination of bioengineering research. In spring 1997 NIH established a Bioengineering Consortium, with representation from each of the institutes, to advance bioengineering and its mission within NIH. This legislation seeks to support and further the efforts already begun by NIH in order to maximize the health benefits for the American people.

IMPACT OF BILL

Bill would create National Center for Bioengineering Research, located within the National Heart, Lung and Blood Institute. Mission of the Center is to enhance bioengineering research within NIH; improve coordination and communication across all Federal agencies; educate members of Congress and the public on importance of bioengineering in enhancing diagnosis and treatment of disease and strengthening the economy; annually convene bioengineering experts to advise Director of the Center; and submit an annual report to Congress.

Center would have no grant-making authority. New funding would be allocated to institutes to support basic research in bioengineering.

By Mr. GRASSLEY (for himself and Mr. D'AMATO):

S. 1031. A bill to protect Federal law enforcement officers who intervene in certain situations to protect life or prevent bodily injury; to the Committee on the Judiciary.

THE FEDERAL LAW ENFORCEMENT OFFICERS' GOOD SAMARITAN ACT OF 1997

Mr. GRASSLEY. Mr. President, today I am introducing the Federal Law Enforcement Officers' Good Samaritan Act of 1997. This bill will help Federal officers do what they do best: protect lives. Under this bill, any Federal law enforcement officer who, while off duty, should unexpectedly arrive at or is present at a crime will be able to take appropriate action.

Mr. President, perhaps a hypothetical example would best explain the intent of this legislation. Lets say a law enforcement officer stops at a convenience store on his way home from work one evening. While picking up a gallon of milk and a loaf of bread, a criminal attempts to rob this particular store. Now most law enforcement folks will tell you that, in this situation, they would feel compelled to take some kind of appropriate action. But in many jurisdictions, if they do

take action and are hurt, or are forced to hurt the criminal, they may not be eligible for their health benefits, and may be open to be sued by the criminal for their actions. The law enforcement officer, acting on his training, and intervening in a situation that he had the training and ability to deal with, would have to cover these expenses from his own pocket. Mr. President, this does not sound fair to me. It can create a situation where the officer may feel unable to act in response to his sense of duty because of concerns that he will be penalized for acting. This legislation would eliminate these legitimate worries.

Let me make it clear that this bill does not expand Federal law enforcement authority. A Federal officer could only make a citizen's arrest, if necessary, and local law enforcement officials would still have jurisdiction in the case. My office has spoken with the National Association of Attorneys General, and they are supportive of this legislation.

I hope that my colleagues will take the time to look at this legislation, and join Senator ALFONSE D'AMATO and me in sponsoring this bill. Our Government has invested a lot of time, energy, and trust in the training and support of our Federal law enforcement officers. We need to be sure that they are able to perform their duties—and to act as we would hope and expect them to act.

Mr. D'AMATO. Mr. President, I rise today to join with Senator GRASSLEY in the introduction of the Federal Law Enforcement Officers' Good Samaritan Act. This bill is essential to protect trained federal law enforcement officers who want to offer assistance when they witness a crime but are afraid of the repercussions afterwards if it is not a crime defined under their agency's authorizing statute.

Agents in the federal law enforcement community are charged with the investigation of criminal activities defined in their authorizing statute. For example, DEA agents investigate drug crimes and a Secret Service agent's role is limited to financial crimes. If acting ''within the scope of their employment'', meaning they deal with only those crimes listed in their agency's authorizing statute, the actions of the Special Agent will not result in personal liability. In addition, the employing agency may assign counsel or provide worker's compensation if the Special Agent was injured in the line of duty.

However, when an off-duty Federal Agent witnesses the commission of a violent crime, such as a DEA agent witnessing a robbery, the intervention is deemed to be outside the scope of his or her employment. Unfortunately, that special agent's intervention may subject the off-duty Federal Law Enforcement Agent to personal liability—without the protections afforded them if they were on duty.

There are few cases nation-wide but it has affected the intervention of our Federal Law Enforcement Officers. In one instance, two DEA agents on a surveillance saw a parked car occupied by a man and a young woman. The car was not part of the surveillance. This did not stop the agents from intervening when they saw the young woman struggling with the man and screaming for help. Their assistance was not ''within the scope of their employment'' but these trained agents wanted to help, using their expertise in crisis situations. The DEA agents certainly were not thinking a lawsuit when they intervened but because their actions were outside the scope, they were acting as private citizens—subjecting their personal assets to a lawsuit.

Federal agents who unexpectedly encounter violence in our communities face an unconscionable choice: 1.) stand by and allow the violence to occur; 2.) refuse help to the victim and allow the perpetrator to escape; or 3.) intervene as a private citizen and risk bankruptcy by a potential lawsuit.

Currently, there exists no federal statute authorizing Federal Special Agents to intervene during the commission of certain violent crimes outside the scope of their statutory authority, and protecting their personal assets when they assist someone in need. I urge my colleagues to review the merits of this bill and join in this effort to relieve the fear of our specially trained law enforcement agent and possibly encouraging their intervention when citizens need it the most.

This bill explicitly defines when a specially trained agent may be protected if he or she offers assistance ''outside the scope of their employment''. These instances are limited to:

(A) the protection of any person in his presence from the imminent infliction of bodily harm;

(B) offering immediate help to any victim who suffers bodily harm in his presence; and

(C) preventing the escape of any person he reasonably believes to be responsible for inflicting, attempting or threatening to inflict, bodily harm to another in his presence.

It will provide the Agent with the same qualified immunity that he has if the act was within the ''scope of his employment'': counsel will be provided to the agent, the Federal Government will indemnify for the damages caused, worker's compensation will be available.

This bill will not curtail the rights of an injured party. It does not prevent an injured party from suing for damages incurred during the intervention by the Agent nor will it restrict the amount of damages that an injured party may receive if the court finds that the Agent acted unreasonably.

This bill will not expand the powers or authorities of Federal law enforcement agencies or give Federal law enforcement agents authority to investigate or to direct any state or local law enforcement body, usurping the powers of the state or local law enforcement agencies, outside of their jurisdiction. Finally, this bill will not restrict the filing of criminal charges if the action of the Agent fits the current statutory definition.

Federal law enforcement agents need this protection and I urge its passage.

By Mr. ALLARD (for himself and Mr. CAMPBELL):

S. 1036. A bill to amend section 435(d)(1)(A)(ii) of the Higher Education Act of 1965 with respect to the definition of an eligible lender; to the Committee on Labor and Human Resources.

KID'S BANK ACT

Mr. ALLARD. Mr. President, I am pleased to introduce legislation amending the Higher Education Act to revise the proportion of student loans that a bank can maintain in relation to their total consumer portfolio. This bill will allow the Young Americans Bank to continue providing a unique opportunity for young people to learn to control a checking account, save for the future, and manage credit obligations. The bank has had resounding success in teaching young clients how to responsibly handle their finances.

The Young Americans Bank has been operating for ten years as the only bank in the nation that exclusively serves young people under the age of 22. It is a full service, State chartered, federally insured bank with almost 17,000 customers from all 50 States and 11 foreign countries. Another exceptional element of the bank is that its holding company, the Young American Education Foundation, is the only nonprofit holding company in the country.

While educating our youth on how to make responsible financial decisions, the Young Americans Bank also has a natural demand for student loans. Section 435 of the Higher Education Act prohibits banks from having student loans comprise more than 50 percent of total loans. Clearly this prohibits the Young Americans Bank from accommodating the large percentage of student loans that they would like to provide for their young clients. It is also important to note that allowing the bank to carry a larger student loan portfolio would improve the bank's financial performance, which in turn would provide more funds for educational programming.

My legislation would allow very small, nonprofit banks to exceed the 50-percent student loan ratio. The exception would apply only to institutions with a total outstanding student loan volume of $10 million or less, and all loans would have to be made to those age 22 and under.

The Young Americans Bank enjoys broad support, and I have received letters endorsing this legislation from Denver's Mayor Wellington Webb, the Colorado Bankers Association, the Colorado Governor's office and numerous financial institutions and universities.

The operation and objectives of the Young Americans Bank should not be limited. This bank does an outstanding

job of providing financial and educational opportunities to young people, and I encourage my colleagues to support their mission and encourage the expansion of such a successful institution.

By Mr. JEFFORDS (for himself, Mr. DODD, and Mr. ENZI):

S. 1037. A bill to amend the Internal Revenue Code of 1986 to establish incentives to increase the demand for and supply of quality child care, to provide incentives to States that improve the quality of child care, to expand clearing-house and electronic networks for the distribution of child care information, to improve the quality of child care provided through Federal facilities and programs, and for other purposes; to the Committee on Finance.

THE CREATING IMPROVED DELIVERY OF CHILD CARE: AFFORDABLE, RELIABLE, AND EDUCATIONAL ACT OF 1997

Mr. JEFFORDS. Mr. President, today, there are more than 12 million children under the age of five—including half of all infants under one year of age—who spend at least part of their day being cared for by someone other than their parents. There are millions more school-aged children under the age of twelve who are in some form of child care at the beginning and end of the school day as well as during school holidays and vacations. And more six to twelve year olds who are latchkey kids—returning home from school to no supervision because parents are working and there are few, if any, alternatives.

The past two decades have seen a dramatic rise in the number of women in the paid labor force. Women now constitute 46% of our nation's labor force. Most women are working to meet their family's basic needs. More than 60% of women with pre-school aged children are employed full- or part-time. Their employment is not a choice, but an essential part of their family's economic survival. And for most of these families, child care is not an option, but a requirement.

Many of the traditional sources of child care are no longer available—as many of the friends, neighbors, grandparents, and other relatives who used to be available to provide child care are also working. Research has repeatedly demonstrated that for parents who must work, child care services that are dependable and of high quality make it easier to find and keep a job. Good child care helps parents reach and maintain economic self-sufficiency. Congress acknowledged this when it passed welfare reform last year, which dramatically increased the amount of entitlement money available for child care.

Steady increases in the number of employed women with young children, combined with last year's welfare reforms, have placed tremendous pressures on communities to dramatically expand the amount of available child care. While the supply of child care has increased over the past 10 years, there are still significant shortages for parents in rural areas, those with school-aged children or infants, and for lower-income families.

I think that few of us know how much child care costs. The Senate Employee's Child Care Center costs between $150 and $175 a week—$7,800 to $9,100 a year. That places it in the high-middle range in terms of costs for the Washington, D.C. area. The younger the child, the higher the costs—and Senate Employee's Child Care Center does not accept children under 18 months old, the most expensive type of child care.

The costs of child care are almost wholly dependent upon the geographic area, the type of child care, and the age of the child. For example, a family purchasing full-time child care services for a four-year-old in rural New York using a family child care home may pay as little as $60 a week. In contrast, a family with an infant using a child care center in New York City may pay more than $250 a week.

For a 3- to 4-year-old child, the least expensive age group, the national average for center-based child care is $4,600 a year. The average cost for high quality care, such as that provided by the Senate Employee's Child Care Center, is between $8,500 and $9,100 a year. The cost of family-based child care is generally less expensive, while in-home care with a nanny or au pair is generally more expensive.

A family normally spends about twenty-percent of its income on housing and ten-percent on food. The costs of child care for a low-or middle-income family can rival the cost of housing and be double the cost of food. Even though most of us recognize the critical part that child care plays in the economic survival of families, we often fail to recognize it as a basic cost which consumes a significant portion of a family's income.

Parents can only purchase child care they can afford. Those who do find care that is affordable and convenient are often unsatisfied with the quality of the care their child receives. In fact, one quarter of all parents would change their child care arrangement if they could find and afford something better.

Since 1990, the costs of child care have risen about six-percent annually. This is almost triple the annual increase in the cost of living. At the same time, there are strong indicators that the quality of child care has significantly decreased during that same period of time. Parents are paying more but getting less.

The quality of child care in America is very troubling. A recent nationwide study found that forty-percent of the child care provided to infants in child care centers was potentially injurious. Fifteen-percent of center-based child care providers for all pre-schoolers are so bad that a child's health and safety are threatened; seventy-percent are mediocre—not hurting or helping children; and fifteen-percent actively promote a child's development. Center-based child care, the object of this study, is the most heavily regulated and frequently monitored type of child care. There are strong indications that care for children in less regulated settings, such as family-based child care and in-home care, is far worse.

Combining the research on the quality of child care with the breakthroughs on the development of the human brain produces a very disturbing situation. Many children enter child care by eleven weeks of age, are in care for close to 30 hours a week, and often stay in some form of child care until they enter school. During that same period of life, a child's brain is undergoing a series of extraordinary changes.

In the first three years of life, the brain either makes the connections it needs for learning or it atrophies, making later efforts at remediation in learning, behavior, and thinking difficult, at best. The experiences and stimulation that a caretaker provide to a child are the foundations upon which all future learning is built. The brain's greatest and most critical growth spurt is between birth and ten years of age—precisely the time when non-parental child care is most frequently utilized. A Time magazine special report on ''How a Child's Brain Develops'' (February 3, 1997) said it best, ''. . . Good, affordable day care is not a luxury or a fringe benefit for welfare mothers and working parents but essential brain food for the next generation.'' While bad child care can seriously impair a child's development, high-quality child care significantly increases the chances of good developmental outcomes for children.

Think about it. At the most important time in the development of a child's brain, more than twelve million children are being cared for by people who are paid less than the person who picks up your garbage each week, and are required to have less training than the person who cuts your hair, and less skill-based testing than the person delivering packages to your house. Child care providers play an important role in a child's development, for they help fine-tune the child's capacity to think and process information, social skills, emotional health, and acquisition of language.

Last year, our goal in child care was to streamline federal assistance by creating a cohesive structure for federal assistance and to provide sufficient government funds to subsidize child care for welfare recipients who were transitioning into work. This year our goal must be to promote the healthy development of children in child care. I am worried that the pressure of the need to accommodate the increasing demand for child care will force many into forgoing quality just to increase the number of child care slots available.

I rise today to introduce legislation entitled ''Creating Improved Delivery of Child Care: Affordable, Reliable, and Educational Act of 1997,'' the CIDCARE Act. It incorporates modifications to the tax code, an incentive grant program for states (including wage subsidies for child care providers who get additional training and education and a grant program to encourage small business partnerships to provide child care for employees), a technology-based infrastructure for the professional development of child care providers, educational loan forgiveness for child care providers, requirements that states include the cost of child care in the calculation of child support orders, expansion of the federal government's technical assistance and information dissemination role, and requirements that child care centers located in federal facilities to meet high quality standards of care.

There is no one thing—no magic bullet—that will ensure higher quality child care. Each of these provisions has been included to solve a specific problem or break through a barrier that has hampered efforts to improve the quality of child care. Taken as a whole, these provisions represent a comprehensive effort to increase the supply while simultaneously creating a demand for high-quality child care, and make it affordable for low- and middle-income families.

To offset the cost of these changes, the bill reduces, but does not eliminate, the dependent care tax credit for upper income taxpayers. Over a 5-year period, it gradually decreases the amount that an employee can place in a dependent care assistance plan used to reimburse nonaccredited or non-credential child care. In addition, the legislation expands the coordinated enforcement efforts of the Internal Revenue Service and the HHS Office of Child Support Enforcement, which will significantly reduce the amount of fraud related to illegal tax deduction and credit claims by noncustodial, noncontributing parents.

The first provision in CIDCARE makes several changes in the Child and Dependent Care Tax Credit [CDCTC]. This tax credit is the largest tax-based subsidy for child care. The bill raises the income level for the receipt of the highest percentage of employment-related child care costs from $10,000 to $20,000. The percentage is decreased at a rate of 1 percent for each additional $2,500 in adjusted gross income and sets a minimum percentage of 10 percent for incomes of $70,000 and above.

This change represents a more equitable distribution of limited resources based on the percentage of income a family must use to meet child care expenses. For families qualifying for the EITC, the legislation makes the child care tax credit refundable, on a quarterly basis. This will enable many low-income working families to move from part-time to full-time employment, by easing the burden of child care costs and having the money available at regular intervals throughout the year.

Another revision to the Child Care Tax Credit establishes, over a 5-year period, different rates for the tax credit, dependent on whether the child care is provided in an accredited child care facility or by a credentialed professional. This will reward parents who choose high-quality child care and help defray the additional costs of that care.

I am sensitive to the concerns of colleagues who object to reducing the child care tax credit. But before you judge this reduction too harshly, let's put it into perspective. The tax credit remains at or above the current rate of 20 percent for parents with adjusted gross incomes of $45,000 or less, regardless of the type of child care. The median income of families with children nationally is $37,000. While there are wide differences in between States, there are only four States where the median exceeds $45,000 AGI, triggering a reduction in the current rate of 20 percent. The median income in most States is significantly below this trigger.

At the end of the 5-year phase in period, the tax credit remains at or above the current 20 percent rate for families with an AGI of $55,000—if they choose high-quality child care. No States have median incomes of families with children which exceed this which triggers a reduction below current child care tax rate. Families with incomes at or above $70,000 will still receive a tax credit of ten percent, increased to 12.5% if high quality care is used.

In terms of money, a one percent decrease in the child care tax credit equals $24 when care for one child is claimed, and $48 for two or more children. Families making $70,000 or more are the hardest hit by my legislation. Yet their maximum financial cost is $240 a year for one child,or $480 a year for two or more children—about half of one percent of their adjusted gross income.

The second area of changes occurs in the Dependent Care Assistance Plan (DCAP). The CIDCARE Act increases the amount that an employee can contribute to a DCAP account, if the funds are used to pay for the care of two or more eligible persons. In addition, the amount of DCAP contributions is increased for high-quality care and decreased for care that is provided by an unaccredited child care facility or a person who has not received a professional credential. At the end of the five year phase in, the maximum decrease in the DCAP amount for unaccredited care is 20% lower than the current ceiling on contributions. These differential rates are phased in over a five year period in order for child care providers to achieve accreditation or become credentialed in child care.

Current law prohibits DCAP from being used to pay relatives for care. While I support needed controls on the use of DCAP accounts in most cases, my legislation would make a very limited exception to this prohibition. DCAP payments could be made to pay a parent or grandparent to care for a newborn child. The DCAP account could be joined at anytime during a pregnancy. The funds would be available for up to 12 months from the date of deposit into the employee's DCAP account—because babies have a timetable all their own when it comes to being born.

The last change CIDCARE makes in the Dependent Care Assistance Plan is a requirement that federal employees have the opportunity to contribute to DCAP. Private employees, as well as many state and local governments, have had DCAP available for their employees since 1981. Consistent with the intent of the Congressional Accountability Act, I want to make this child care subsidy available to federal workers, including legislative branch employees.

Child care is a growing concern to businesses, big and small. Employers are coming to the realization that affordable, convenient high-quality child care is a critical element in hiring and retaining skilled employees. Many companies, such as Johnson & Johnson, IBM, and others have been very innovative in providing child care assistance for their employees. Small businesses in particular are finding it difficult to meet the child care needs of their employees, but recognize the importance of that help.

The CIDCARE Act creates a tax credit for employers providing or otherwise supporting high-quality child care arrangements for their employees. On the Budget Reconciliation bill passed by the Senate, Senator KOHL introduced an amendment to provide a time-limited tax credit for employers who provide child care for their employees. To reinforce the importance of the Kohl amendment, I have included it in CIDCARE. Fifty percent of the expenses incurred by a business to meet the child care needs of employees will be credited toward the business' Federal tax liability. Eligible expenses are capped at $150,000 per year, and the tax credit sunsets after three years.

Costs allowed to businesses under this provision include startup costs, renovations to meet accreditation standards, professional development for child care providers, general operating expenses, subsidized child care for lower paid employees, support for child care resource and referral services and other child care activities. These provisions encourage business involvement and innovation in meeting the child care needs of employees and increasing the demand for higher quality child care.

Current law prohibits businesses from receiving a charitable deduction for donations made to public entities, such as schools and child care services. CIDCARE will extend eligibility for a business charitable deduction to the donation of educational equipment and

supplies donated to public schools, public child care providers, and public child care support entities, such as resource and referral services. If child care is to improve and meet the developmental needs of our Nation's children, every available resource must be made available. Computers which are discarded because they are too slow or have insufficient hard drive capacity, can be the first step into the computer-age for a small child or the link to professional training for a child care provider.

A critical part of improving the quality of child care is professional development for child care providers. Since the 1970's there has been a decline in child care teacher salaries. In 1990, teachers in child care centers earned an average of $11,500 a year. Assistant teachers, the largest growing segment of child care professionals, were paid 10- to 20-percent less than child care teachers. The 1990 annual income of regulated family child care providers was $10,944 which translates to about $4 an hour. Nonregulated family child care, generally comprised of providers taking care of a smaller number of children, earned an average of $4,275 a year—substantially less than minimum wage.

With these wages, it is easy to understand why more child care providers do not participate in professional training or attend college classes to improve their skills. The costs of applying for and receiving certification as a qualified child care professional are minimal, but understandably out of reach for many child care providers.

This legislation will exempt expenses directly related to child care accreditation or becoming credentialed from the 2 percent floor that is applied to miscellaneous itemized deductions. This will at least permit child care providers to receive a full deduction for the expenses associated with improving the child care services which they provide. This incentive for professional growth and the development of new skills is a small but critical part of my overall effort to support high-quality child care.

The last tax modification in CIDCARE creates a very limited exception to the executive use rule governing the tax deduction for home office expenses. The legislation will permit the mixed use of home office space for business and personal purposes to allow a person to care for his or her child. In some ways, the need for this exception comes down to fundamental fairness. How many school holidays, snow days and other times do children accompany their parents into work?

I can always tell when the schools are unexpectedly closed, by the increased number of little people I see in Senate offices and eateries. I have been in Senate offices and other workplaces where a crib or playpen is clearly in evidence. Yet, none of us question whether our offices are exclusively for business use. One of the big incentives for telecommuting and home-based business is to allow parents to have more time with their families, yet existing law would keep a new mother from legitimately claiming a home office deduction if she has her child sleeping in a crib in a corner of the room where she is working.

The non-tax related provisions of the legislation are designed to complement and work with the tax provisions. In order for families to be able to take advantage of the increased tax credits for child care in an accredited center or with a provider who has received a child care credential, there need to be more of these high quality centers and better trained providers. Child care providers must have easy, affordable access to training and other activities which will lead to accreditation and credentialing. This effort will require that the federal government join forces with states and the business community. Parents must be made aware of how to identify quality child care and its importance in their children's lives. And the federal government should set an example by requiring that child care centers located in federal facilities meet higher standards of care. It will take all of these provisions, working together, to improve the quality of child care for our children.

The CIDCARE Act will require that states include the cost of child care in the calculation of child support obligations. When a custodial parent is employed or actively seeking employment, the state procedures for the determination of the amount of child support need to include an amount equal to or more than the child care rates used by the state to administer the Child Care and Development Block Grant Act. When child care is being provided in an accredited child care center or by a credentialed child care that rate will be increased by fifty-percent.

Since the passage of the Child Care and Development Act in 1990, states have been setting ''market'' or ''comparable'' rates for child care. CIDCARE uses those rates as a baseline for adding the cost of child care to the amount of child support which a non-custodial parent will be required to pay. Current child support calculations include estimates of the other basic expenses necessary to provide financially for a child. In many instances, the expense of child care is the direct result of the divorce or lack of financial support from the non-custodial parent. It is only fair that child care expenses be included in those calculations. If the custodial parent secures higher quality child care, the non-custodial parent will share in the additional costs of that care. Children should not be forced into poor quality child care because a non-custodial parent refused to share in the additional expense of higher quality care.

The CIDCARE bill establishes a $260 million competitive grant program to assist states in improving the quality of child care. To be eligible, a state must not have reduced the scope or otherwise decreased the state's licensing requirements since 1995, must be in compliance with the requirements of the Child Care and Development Block Grant, must have drawn down at least 80% of the amount awarded to the state in federal entitlement child care funds requiring a state match, and must conduct annual on-site monitoring of state licensed or otherwise regulated child care facilities, with at least one unannounced visit every 3 years. The legislation requires that a Priority be given to states that raise at least a 10% match for the federal funds from business or other private sources.

States must use at least 20% of the grant funds awarded to establish a subsidy program to provide salary increases to child care providers who are credentialed in the state. The low level of child care wages is the most often cited reason for the tremendous staff turnover in the child care profession. In areas where child care subsidies as low as fifty cents an hour are put in place, the staff turnover rate drops dramatically. The wage subsidy also will encourage more child care providers to get additional training or advance their education.

In addition, states will need to use at least twenty-percent of the funds awarded for a grant program to provide start-up funds for partnerships of small businesses to develop and operate child care cooperative services for their employees. While large employers have both the number of employees to justify an on- or near-site child care center and the additional financial resources for start-up costs, small businesses have been struggling with ways to help their employees meet their child care needs. This grant program will provide time-limited help for partnerships of small businesses who work together to develop child care resources for their employees.

States can use the remainder of grant funds awarded for any of the following activities: developing standards for of entities applying for state recognition for the accreditation and credentialing of child care providers; establishing a scholarship program to help child care providers meet the costs of education and training; expanding state-based child care training and technical assistance activities; improve consumer education efforts including the expansion of resource and referral services and child care complaint systems; providing increased rates of reimbursement provided under federal or state child care assistance for children with special needs; purchasing special supplies, equipment, or meeting other extraordinary expenses necessary for the care of special needs children for distribution to child care providers serving special needs children, or providing increased rates of reimbursement provided under federal or state child care assistance for accredited and credentialed care. Each of these activities has been demonstrated

to be a contributing factor in improving the quality of child care.

Parents, child care providers, employers, and others need a constantly updated source of information about improving the quality of child care. States need a central depository where they can learn what other states are doing as well as a place where they can contribute their own ideas and activities from which others can learn. The collection and dissemination of information, demonstrations, and technology is one of the most important roles of the federal government.

Under provisions in the CIDCARE Act, the Department of Health and Human Services (HHS) will collect information about the importance of high quality child care (including what it is, how to identify it, why it is important for children), and in partnership with the ADCouncil or similar professional advertising entity, distribute that information through a national public awareness campaign and other mechanisms. To increase the capacity of child care credentialing and accreditation entities, HHS will award competitive grants to child care credentialing and accreditation entities that have not been in existence more than 10 years for the purpose of refining and evaluating their procedures for and methods of granting child care accreditation and/or credentialing. The legislation authorizes $10 million annually, to conduct these information and technology transfer activities.

The CIDCARE Act authorizes $50 million a year to create and operate a technology-based training infrastructure to enable child care providers nationwide to receive the training, education, and support they need to improve the quality of child care. The bill builds upon existing distance learning, Internet, and satellite resources, with sufficient funding to expand access to affordable child care training and information. The primary focus of the infrastructure will be to disseminate the training necessary to become an accredited child care center or a credentialed child care professional. Training and education, delivered at a minimal cost and accessible to individuals within 25 miles of their homes, will remove one of the most substantial barriers to child care credentialing and accreditation.

Essentially, the legislation establishes a child care training and education interactive ''network'', which will be used by child care credentialing and accreditation entities for training, skills testing, and other activities needed to achieve and maintain child care credentialing and accreditation. Entities recognized by 2 or more states as providing accepted child care credentialing or accreditation services will be active participants in decisions governing the use of the child care ''training network.'' Time lines for the creation and implementation of the infrastructure and caps on administrative costs are included in the bill provide both financial and programmatic accountability.

Through the child care training infrastructure, a no interest revolving loan fund is established to enable child care providers and child care support entities to purchase computers, satellite dishes, and other technological equipment which enable them to participate in the child care training provided on the national infrastructure. For the first five years of the legislation, at least ten-percent of the funds appropriated for the child care training infrastructure will be placed into the revolving loan fund. This part of CIDCARE, like similar federal loan programs, establishes that the funds be kept in a separate interest bearing account, establishes application procedures, terms and conditions for the approval of such loans, and procedures for handling loan defaults.

At the current time, child care centers located in federal facilities are not required to meet even basic safety and health requirements. They are not subject to state or local laws or regulations governing the operation of a child care center. The CIDCARE Act will require federal child care centers (those in buildings leased or owned by the federal government—legislative, executive, judicial branches) to meet all state and local licensing and other regulatory requirements related to the provision of child care, within six months of the passage of this legislation—or make substantial progress towards meeting those requirements. The appropriate Administrator of each branch of government shall issue regulations specifying center-based child care accreditation standards and require all child care facilities in federal buildings under their control achieve accreditation within 3 years of the passage of this legislation.

If the child care program located in a federal facility fails to be in compliance, or show substantial compliance with state and local licensing requirements within six months or with the identified accreditation standards within three years, the agency must cease providing child care in that child care center. On-site monitoring to ensure compliance with these regulations and standards must be performed by an outside entity. The legislation authorizes $900 thousand to the General Services Administration (GSA) to implement this provision.

CIDCARE will require that federal child care programs provided by the Corporation for National and Community Service, the Departments of Defense, Education, Housing and Urban Affairs, Justice, and Labor, will ensure, to the maximum extent possible, that by October 1, 2001, any child care made available through programs funded or operated by those Departments and the Corporation, be provided by an accredited child care facility or a credentialed child care professional. The federal government needs to demonstrate a commitment to quality child care, by raising the standards it applies to its own programs.

The CIDCARE Act will expand the Community Development Block Grant to include the renovation or upgrading of child care facilities to meet accreditation standards as an allowable use of the grant funds. It also will extend existing Perkins and Stafford Loan forgiveness programs to include persons who work as credentialed professionals in a child care setting. Just as these loan forgiveness programs helped encourage more people to become teachers, I hope that this extension of these two educational loan programs to child care providers will result in more and better qualified child care providers. To be eligible for loan forgiveness, the person must be employed full time providing child care services and have a degree in early childhood education or development or receive professional child care credentials.

The need for high-quality child care is compelling. Having affordable, convenient child care is tied directly to a family's ability to produce income. Good child care can be an effective way to support the healthy development of children, particularly in the acquisition of social and language skills. For the millions of children who spend much of their preschool lives and many of their nonschool hours being cared for by someone other than their parents, child care provides the foundation upon which all future education will be built—and determines to a large extent whether that foundation will be strong or weak.

As we all know, quality child care costs money. It costs money to parents who bear the biggest burden for the cost of child care. It costs businesses both through the direct assistance that they provide to employees to help with the costs of child care, and through their ability to hire and retain a skilled work force. It costs Government through existing tax provisions, direct spending, and discretionary spending targeted at child care. But the costs of not making this investment are even higher. Those costs can be measured in the expense of remedial education, the expansion of an unskilled labor force, the increase in prison populations, and most importantly, the blunted potential of millions of children.

I urge my colleagues to join Senator DODD, Senator ROBERTS and me in support of the CIDCARE bill.

I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 1037

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 ''Creating Improved Delivery of Child

Care: Affordable, Reliable, and Educational Act'' or as the ''CIDCARE Act''.

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. Definitions.
TITLE I—DEMAND FOR QUALITY CHILD CARE
Sec. 101. Expansion of dependent care tax credit.
Sec. 102. Expansion of dependent care assistance program.
Sec. 103. Inclusion of child care costs in child support orders.
TITLE II—SUPPLY OF QUALITY CHILD CARE
Subtitle A—Tax Benefits for Quality Child Care
Sec. 201. Allowance of credit for employer expenses for child care assistance.
Sec. 202. Charitable contributions of scientific equipment to accredited and credentialed child care providers and to elementary and secondary schools.
Sec. 203. 2-percent floor on miscellaneous itemized deductions not applicable to accreditation and credentialing expenses of child care providers.
Sec. 204. Expansion of home office deduction to include use of office for dependent care.
Subtitle B—Child Care Quality Improvement Incentive Program
Sec. 211. Definitions.
Sec. 212. Establishment of State program.
Sec. 213. State eligibility and application requirements.
Sec. 214. Use of funds by States.
Sec. 215. Authorization of appropriations.
Subtitle C—Distribution of Information About Quality Child Care
Sec. 221. Expansion of role of the Department of Health and Human Services in the collection and dissemination of information and technology.
Sec. 222. Child care training infrastructure.
Sec. 223. Child care training revolving fund.
Subtitle D—Quality Child Care Through Federal Facilities and Programs
Sec. 231. Providing quality child care in Federal facilities.
Sec. 232. Providing quality child care through Federal programs.
Sec. 233. Use of community development block grants to establish accredited child care centers.
Subtitle E—Miscellaneous Provisions
Sec. 241. Student loan repayment and cancellation for child care workers.
Sec. 242. Expansion of coordinated enforcement efforts of Internal Revenue Service and HHS Office of Child Support Enforcement.

SEC. 2. DEFINITIONS.

In this Act:

(1) ACCREDITED CHILD CARE CENTER.—The term ''accredited child care center'' means—

(A) a center that is accredited, by a child care credentialing or accreditation entity recognized by a State, to provide child care to children in the State (except children who a tribal organization elects to serve through a center described in subparagraph (B));

(B) a center that is accredited, by a child care credentialing or accreditation entity recognized by a tribal organization, to provide child care for children served by the tribal organization;

(C) a center that is used as a Head Start center under the Head Start Act (42 U.S.C. 9831 et seq.) and is in compliance with any applicable performance standards established by regulation under such Act for Head Start programs; or

(D) a military child development center (as defined in section 1798(1) of title 10, United States Code).

(2) CHILD CARE CREDENTIALING OR ACCREDITATION ENTITY.—The term ''child care credentialing or accreditation entity'' means a nonprofit private organization or public agency that—

(A) is recognized by a State agency or tribal organization; and

(B) accredits a center or credentials an individual to provide child care on the basis of—

(i) an accreditation or credentialing instrument based on peer-validated research;

(ii) compliance with applicable State and local licensing requirements, or standards described in section 658E(c)(2)(E)(ii) of the Child Care and Development Block Grant Act (42 U.S.C. 9858c(c)(2)(E)(ii)), as appropriate, for the center or individual;

(iii) outside monitoring of the center or individual; and

(iv) criteria that provide assurances of—

(I) compliance with age-appropriate health and safety standards at the center or by the individual;

(II) use of age-appropriate developmental and educational activities, as an integral part of the child care program carried out at the center or by the individual; and

(III) use of ongoing staff development or training activities for the staff of the center or the individual, including related skills-based testing.

(3) CREDENTIALED CHILD CARE PROFESSIONAL.—The term ''credentialed child care professional'' means—

(A) an individual who is credentialed, by a child care credentialing or accreditation entity recognized by a State, to provide child care to children in the State (except children who a tribal organization elects to serve through an individual described in subparagraph (B)); or

(B) an individual who is credentialed, by a child care credentialing or accreditation entity recognized by a tribal organization, to provide child care for children served by the tribal organization.

(4) STATE; TRIBAL ORGANIZATION.—The terms ''State'' and ''tribal organization'' have the meaning given the term in section 658P of the Child Care and Development Block Grant Act (42 U.S.C. 9858n).

TITLE I—DEMAND FOR QUALITY CHILD CARE

SEC. 101. EXPANSION OF DEPENDENT CARE TAX CREDIT.

(a) PERCENTAGE OF EMPLOYMENT-RELATED EXPENSES DETERMINED BY STATUS OF CARE GIVER.—Section 21(a)(2) of the Internal Revenue Code of 1986 (defining applicable percentage) is amended to read as follows:

''(2) APPLICABLE PERCENTAGE DEFINED.—

''(A) IN GENERAL.—For purposes of paragraph (1), the term 'applicable percentage' means—

''(i) in the case of employment-related expenses described in subsection (b)(2)(A)(ii) incurred for the care of a qualifying individual described in subsection (b)(1)(A) by an accredited child care center or a credentialed child care professional, the initial percentage reduced (but not below 12.5 percent) ratably for each $2,500 (or fraction thereof) by which the taxpayers's adjusted gross income for the taxable year exceeds $20,000, and

''(ii) in any other case, 30 percent reduced (but not below 10 percent) ratably for each $2,500 (or fraction thereof) by which the taxpayers's adjusted gross income for the taxable year exceeds $20,000 but does not exceed $70,000.

''(B) INITIAL PERCENTAGE FOR EXPENSES INCURRED FOR ACCREDITED OR CREDENTIALED PROVIDERS.—For purposes of subparagraph (A)(i), the initial percentage shall be determined in accordance with the following table:

''In the case of any taxable year beginning in—	The initial percentage is—
1998	31.5
1999	33
2000	34.5
2001	36
2002 and thereafter	37.5.''

(b) DEFINITIONS.—Section 21(b)(2) of the Internal Revenue Code of 1986 (relating to definitions of qualifying individual and employment-related expenses) is amended by adding at the end the following:

''(E) ACCREDITED CHILD CARE CENTER.—The term 'accredited child care center' means—

''(i) a center that is accredited, by a child care credentialing or accreditation entity recognized by a State, to provide child care to children in the State (except children who a tribal organization elects to serve through a center described in clause (ii));

''(ii) a center that is accredited, by a child care credentialing or accreditation entity recognized by a tribal organization, to provide child care for children served by the tribal organization;

''(iii) a center that is used as a Head Start center under the Head Start Act (42 U.S.C. 9831 et seq.) and is in compliance with any applicable performance standards established by regulation under such Act for Head Start programs; or

''(iv) a military child development center (as defined in section 1798(1) of title 10, United States Code).

''(F) CHILD CARE CREDENTIALING OR ACCREDITATION ENTITY.—The term 'child care credentialing or accreditation entity' means a nonprofit private organization or public agency that—

''(i) is recognized by a State agency or tribal organization; and

''(ii) accredits a center or credentials an individual to provide child care on the basis of—

''(I) an accreditation or credentialing instrument based on peer-validated research;

''(II) compliance with applicable State and local licensing requirements, or standards described in section 658E(c)(2)(E)(ii) of the Child Care and Development Block Grant Act (42 U.S.C. 9858c(c)(2)(E)(ii)), as appropriate, for the center or individual;

''(III) outside monitoring of the center or individual; and

''(IV) criteria that provide assurances of—

''(aa) compliance with age-appropriate health and safety standards at the center or by the individual;

''(bb) use of age-appropriate developmental and educational activities, as an integral part of the child care program carried out at the center or by the individual; and

''(cc) use of ongoing staff development or training activities for the staff of the center or the individual, including related skills-based testing.

''(G) CREDENTIALED CHILD CARE PROFESSIONAL.—The term 'credentialed child care professional' means—

''(i) an individual who is credentialed, by a child care credentialing or accreditation entity recognized by a State, to provide child care to children in the State (except children who a tribal organization elects to serve through an individual described in clause (i)); or

''(ii) an individual who is credentialed, by a child care credentialing or accreditation entity recognized by a tribal organization, to provide child care for children served by the tribal organization.

''(H) TRIBAL ORGANIZATION.—The term 'tribal organization' has the meaning given the term in section 658P of the Child Care and Development Block Grant Act (42 U.S.C. 9858n).''

(c) CREDIT MADE REFUNDABLE FOR LOW INCOME TAXPAYERS.—

(1) IN GENERAL.—Section 21 of the Internal Revenue Code of 1986 (relating to credit for household and dependent care services) is amended by redesignating subsection (f) as subsection (g) and by inserting after subsection (e) the following:

''(f) CREDIT MADE REFUNDABLE FOR LOW INCOME TAXPAYERS.—

''(1) IN GENERAL.—For purposes of this subtitle, in the case of an applicable taxpayer individual, the credit allowable under subsection (a) for any taxable year shall be treated as a credit allowable under subpart C of this part.

''(2) APPLICABLE TAXPAYER.—For purposes of this subsection, the term 'applicable taxpayer' means a taxpayer with respect to whom the credit under section 32 is allowable for the taxable year.

''(3) COORDINATION WITH ADVANCE PAYMENTS AND MINIMUM TAX.—Rules similar to the rules of subsections (g) and (h) of section 32 shall apply with respect to the portion of any credit to which this subsection applies.''.

(2) ADVANCE PAYMENT OF CREDIT.—

(A) IN GENERAL.—Chapter 25 of such Code (relating to general provisions relating to employment taxes) is amended by inserting after section 3507 the following:

''SEC. 3507A. ADVANCE PAYMENT OF DEPENDENT CARE CREDIT.

''(a) GENERAL RULE.—Except as otherwise provided in this section, every employer making payment of wages with respect to whom a dependent care eligibility certificate is in effect shall, at the time of paying such wages, make an additional payment equal to such employee's dependent care advance amount.

''(b) DEPENDENT CARE ELIGIBILITY CERTIFICATE.—For purposes of this title, a dependent care eligibility certificate is a statement furnished by an employee to the employer which—

''(1) certifies that the employee will be eligible to receive the credit provided by section 21 for the taxable year,

''(2) certifies that the employee reasonably expects to be an applicable taxpayer for the taxable year,

''(3) certifies that the employee does not have a dependent care eligibility certificate in effect for the calendar year with respect to the payment of wages by another employer,

''(4) states whether or not the employee's spouse has a dependent care eligibility certificate in effect,

''(5) states the number of qualifying individuals in the household maintained by the employee,

''(6) states whether a qualifying individual will be cared for by an accredited child care center or a credentialed child care professional, and

''(7) estimates the amount of employment-related expenses for the calendar year.

''(c) DEPENDENT CARE ADVANCE AMOUNT.—

''(1) IN GENERAL.—For purposes of this title, the term 'dependent care advance amount' means, with respect to any payroll period, the amount determined—

''(A) on the basis of the employee's wages from the employer for such period,

''(B) on the basis of the employee's estimated employment-related expenses included in the dependent care eligibility certificate, and

''(C) in accordance with tables provided by the Secretary.

''(2) ADVANCE AMOUNT TABLES.—The tables referred to in paragraph (1)(C) shall be similar in form to the tables prescribed under section 3402 and, to the maximum extent feasible, shall be coordinated with such tables and the tables prescribed under section 3507(c).

''(d) OTHER RULES.—For purposes of this section, rules similar to the rules of subsections (d) and (e) of section 3507 shall apply.

''(e) DEFINITIONS.—For purposes of this section, terms used in this section which are defined in section 21 shall have the respective meanings given such terms by section 21.''.

(B) CONFORMING AMENDMENT.—The table of sections for chapter 25 of such Code is amended by adding after the item relating to section 3507 the following:

''Sec. 3507A. Advance payment of dependent care credit.''.

(d) EFFECTIVE DATES.—

(1) APPLICABLE PERCENTAGE.—The amendments made by subsection (a) and (b) shall apply to taxable years beginning after December 31, 1997.

(2) CREDIT MADE REFUNDABLE.—The amendments made by subsection (c) shall apply to taxable years beginning after December 31, 2000.

SEC. 102. EXPANSION OF DEPENDENT CARE ASSISTANCE PROGRAM.

(a) IN GENERAL.—Section 129(a)(2)(A) of the Internal Revenue Code of 1986 (relating to limitation of exclusion) is amended to read as follows:

''(A) DOLLAR LIMITATION.—

''(i) IN GENERAL.—The amount which may be excluded under paragraph (1) for dependent care assistance with respect to dependent care services provided during a taxable year shall not exceed—

''(I) in the case of dependent care services provided by an accredited child care center or a credentialed child care professional for a qualifying individual described in section 21(b)(1)(A), an amount determined in accordance with the following table:

''In the case of taxable years beginning in:	For 1 qualifying individual, the amount is:	For 2 or more qualifying individuals, the amount is:
1998	$5,200	$6,700
1999	$5,400	$6,900
2000	$5,600	$7,100
2001	$5,800	$7,300
2002 and thereafter	$6,000	$7,500,

''(II) in the case of other dependent care services for a qualifying individual described in section 21(b)(1)(A) or payments described in subsection (e)(1)(B), an amount determined in accordance with the following table:

''In the case of taxable years beginning in:	For 1 qualifying individual, the amount is:	For 2 or more qualifying individuals, the amount is:
1998	$4,800	$6,300
1999	$4,600	$6,100
2000	$4,400	$5,900
2001	$4,200	$5,700
2002 and thereafter	$4,000	$5,500,

and

''(III) in the case of other dependent care services for a qualifying individual described in subparagraph (B) or (C) of section 21(b)(1), $5,000.

''(ii) AMOUNTS FOR MARRIED INDIVIDUALS FILING SEPARATE RETURNS.—In the case of a separate return by a married individual, clause (i) shall be applied by using one-half of any amount specified in such clause.

''(iii) PROVIDERS.—For purposes of clause (i)(I), the terms 'accredited child care center' and 'credentialed child care professional' have the meaning given such terms by subparagraphs (E) and (G) of section 21(c)(2), respectively.

(b) PAYMENTS FOR STAY-AT-HOME CARE ALLOWED.—

(1) IN GENERAL.—Section 129(e)(1) of the Internal Revenue Code of 1986 (relating to definitions and special rules) is amended to read as follows:

''(1) DEPENDENT CARE ASSISTANCE.—The term 'dependent care assistance' means—

''(A) the payment of, or provision of, those services which if paid for by the employee would be considered employment-related expenses under section 21(b)(2) (relating to expenses for household and dependent care services necessary for gainful employment), and

''(B) any payment to the employee from amounts contributed to the employee's account during the pregnancy of the employee paid within 1 year after such contribution and during the period in which—

''(i) the employee,

''(ii) the employee's spouse, or

''(iii) a parent of the employee or the employee's spouse,

stays at home to care for a qualifying individual described in section 21(b)(1)(A).''.

(2) CONFORMING AMENDMENTS.—

(A) Section 129(c) of such Code (relating to payments to related individuals) is amended by striking ''No amount'' and inserting ''Except in the case of payments described in subsection (e)(1)(B), no amount.''.

(B) Section 129(e)(9) of such Code (relating to identifying information required with respect to service provider) is amended by striking ''No amount'' and inserting ''Except in the case of payments described in paragraph (1)(B)(i), no amount.''.

(c) DEPENDENT CARE ASSISTANCE PROGRAM FOR FEDERAL EMPLOYEES.—Subpart G of part III of title 5, United States Code, is amended by inserting after chapter 87 the following:

''CHAPTER 88—DEPENDENT CARE ASSISTANCE PROGRAM

''§ 8801. Definitions

''(a) For the purpose of this chapter, 'employee' means—

''(1) an employee as defined by section 2105 of this title;

''(2) a Member of Congress as defined by section 2106 of this title;

''(3) a Congressional employee as defined by section 2107 of this title;

''(4) the President;

''(5) a justice or judge of the United States appointed to hold office during good behavior (i) who is in regular active judicial service, or (ii) who is retired from regular active service under section 371(b) or 372(a) of title 28, United States Code, or (iii) who has resigned the judicial office under section 371(a) of title 28 with the continued right during the remainder of his lifetime to receive the salary of the office at the time of his resignation;

''(6) an individual first employed by the government of the District of Columbia before October 1, 1987;

''(7) an individual employed by Gallaudet College;

''(8) an individual employed by a county committee established under section 590h(b) of title 16;

''(9) an individual appointed to a position on the office staff of a former President under section 1(b) of the Act of August 25, 1958 (72 Stat. 838); and

''(10) an individual appointed to a position on the office staff of a former President, or

a former Vice President under section 4 of the Presidential Transition Act of 1963, as amended (78 Stat. 153), who immediately before the date of such appointment was an employee as defined under any other paragraph of this subsection;
but does not include—

''(A) an employee of a corporation supervised by the Farm Credit Administration if private interests elect or appoint a member of the board of directors;

''(B) an individual who is not a citizen or national of the United States and whose permanent duty station is outside the United States, unless the individual was an employee for the purpose of this chapter on September 30, 1979, by reason of service in an Executive agency, the United States Postal Service, or the Smithsonian Institution in the area which was then known as the Canal Zone; or

''(C) an employee excluded by regulation of the Office of Personnel Management under section 8716(b) of this title.

''(b) For the purpose of this chapter, 'dependent care assistance program' has the meaning given such term by section 129(d) of the Internal Revenue Code of 1986.

''§ 8802. Dependent care assistance program

''The Office of Personnel Management shall establish and maintain a dependent care assistance program for the benefit of employees.''.

(d) EFFECTIVE DATE.—The amendments made by this section apply to taxable years beginning after December 31, 1997.

SEC. 103. INCLUSION OF CHILD CARE COSTS IN CHILD SUPPORT ORDERS.

(a) IN GENERAL.—Section 466(a) of the Social Security Act (42 U.S.C. 666(a)) is amended by inserting after paragraph (19) the following:

''(20) CHILD CARE COSTS.—

''(A) IN GENERAL.—Procedures under which all child support orders enforced under this part shall include in the case of a custodial parent who is employed or is actively seeking employment an amount equal to or more than the applicable payment rate for the type of child care services provided to that parent's child or children that is established in accordance with section 658E(c)(4) of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858c(c)(4)), increased by 50 percent of such rate if such services are provided by an accredited child care center or a credentialed child care professional.

''(B) DEFINITIONS.—In this paragraph, the terms 'accredited child care center' and 'credentialed child care professional' have the meaning given those terms in section 2 of the CIDCARE Act.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies to child support orders enforced or otherwise modified by a court on and after the date of enactment of this Act.

TITLE II—SUPPLY OF QUALITY CHILD CARE

Subtitle A—Tax Benefits for Quality Child Care

SEC. 201. ALLOWANCE OF CREDIT FOR EMPLOYER EXPENSES FOR CHILD CARE ASSISTANCE.

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to business related credits) is amended by adding at the end the following new section:

''SEC. 45D. EMPLOYER-PROVIDED CHILD CARE CREDIT.

''(a) ALLOWANCE OF CREDIT.—For purposes of section 38, the employer-provided child care credit determined under this section for the taxable year is an amount equal to 50 percent of the qualified child care expenditures of the taxpayer for such taxable year.

''(b) DOLLAR LIMITATION.—The credit allowable under subsection (a) for any taxable year shall not exceed $150,000.

''(c) DEFINITIONS.—For purposes of this section—

''(1) QUALIFIED CHILD CARE EXPENDITURE.—The term 'qualified child care expenditure' means any amount paid or incurred—

''(A) to acquire, construct, rehabilitate, or expand property—

''(i) which is to be used as part of a qualified child care facility of the taxpayer,

''(ii) with respect to which a deduction for depreciation (or amortization in lieu of depreciation) is allowable, and

''(iii) which does not constitute part of the principal residence (within the meaning of section 1034) of the taxpayer or any employee of the taxpayer,

''(B) for the operating costs of a qualified child care facility of the taxpayer, including costs related to the training of employees, to scholarship programs, and to the providing of increased compensation to employees with higher levels of child care training,

''(C) under a contract with a qualified child care facility to provide child care services to employees of the taxpayer,

''(D) under a contract to provide child care resource and referral services to employees of the taxpayer, or

''(E) for the costs of seeking accreditation from a child care credentialing or accreditation entity (as defined in section 21(b)(2)(F) with respect to a qualified child care facility.

''(2) QUALIFIED CHILD CARE FACILITY.—

''(A) IN GENERAL.—The term 'qualified child care facility' means a facility—

''(i) the principal use of which is to provide child care assistance, and

''(ii) which meets the requirements of all applicable laws and regulations of the State or local government in which it is located, including, but not limited to, the licensing of the facility as a child care facility.

Clause (i) shall not apply to a facility which is the principal residence (within the meaning of section 1034) of the operator of the facility.

''(B) SPECIAL RULES WITH RESPECT TO A TAXPAYER.—A facility shall not be treated as a qualified child care facility with respect to a taxpayer unless—

''(i) enrollment in the facility is open to employees of the taxpayer during the taxable year,

''(ii) the facility is not the principal trade or business of the taxpayer unless at least 30 percent of the enrollees of such facility are dependents of employees of the taxpayer, and

''(iii) the use of such facility (or the eligibility to use such facility) does not discriminate in favor of employees of the taxpayer who are highly compensated employees (within the meaning of section 414(q)).

''(d) RECAPTURE OF ACQUISITION AND CONSTRUCTION CREDIT.—

''(1) IN GENERAL.—If, as of the close of any taxable year, there is a recapture event with respect to any qualified child care facility of the taxpayer, then the tax of the taxpayer under this chapter for such taxable year shall be increased by an amount equal to the product of—

''(A) the applicable recapture percentage, and

''(B) the aggregate decrease in the credits allowed under section 38 for all prior taxable years which would have resulted if the qualified child care expenditures of the taxpayer described in subsection (c)(1)(A) with respect to such facility had been zero.

''(2) APPLICABLE RECAPTURE PERCENTAGE.—

''(A) IN GENERAL.—For purposes of this subsection, the applicable recapture percentage shall be determined from the following table:

''If the recapture event occurs in:	**The applicable recapture percentage is:**
Years 1–3	100
Year 4	85
Year 5	70
Year 6	55
Year 7	40
Year 8	25
Years 9 and 10	10
Years 11 and thereafter	0.

''(B) YEARS.—For purposes of subparagraph (A), year 1 shall begin on the first day of the taxable year in which the qualified child care facility is placed in service by the taxpayer.

''(3) RECAPTURE EVENT DEFINED.—For purposes of this subsection, the term 'recapture event' means—

''(A) CESSATION OF OPERATION.—The cessation of the operation of the facility as a qualified child care facility.

''(B) CHANGE IN OWNERSHIP.—

''(i) IN GENERAL.—Except as provided in clause (ii), the disposition of a taxpayer's interest in a qualified child care facility with respect to which the credit described in subsection (a) was allowable.

''(ii) AGREEMENT TO ASSUME RECAPTURE LIABILITY.—Clause (i) shall not apply if the person acquiring such interest in the facility agrees in writing to assume the recapture liability of the person disposing of such interest in effect immediately before such disposition. In the event of such an assumption, the person acquiring the interest in the facility shall be treated as the taxpayer for purposes of assessing any recapture liability (computed as if there had been no change in ownership).

''(4) SPECIAL RULES.—

''(A) TAX BENEFIT RULE.—The tax for the taxable year shall be increased under paragraph (1) only with respect to credits allowed by reason of this section which were used to reduce tax liability. In the case of credits not so used to reduce tax liability, the carryforwards and carrybacks under section 39 shall be appropriately adjusted.

''(B) NO CREDITS AGAINST TAX.—Any increase in tax under this subsection shall not be treated as a tax imposed by this chapter for purposes of determining the amount of any credit under subpart A, B, or D of this part.

''(C) NO RECAPTURE BY REASON OF CASUALTY LOSS.—The increase in tax under this subsection shall not apply to a cessation of operation of the facility as a qualified child care facility by reason of a casualty loss to the extent such loss is restored by reconstruction or replacement within a reasonable period established by the Secretary.

''(e) SPECIAL RULES.—For purposes of this section—

''(1) AGGREGATION RULES.—All persons which are treated as a single employer under subsections (a) and (b) of section 52 shall be treated as a single taxpayer.

''(2) PASS-THRU IN THE CASE OF ESTATES AND TRUSTS.—Under regulations prescribed by the Secretary, rules similar to the rules of subsection (d) of section 52 shall apply.

''(3) ALLOCATION IN THE CASE OF PARTNERSHIPS.—In the case of partnerships, the credit shall be allocated among partners under regulations prescribed by the Secretary.

''(f) NO DOUBLE BENEFIT.—

''(1) REDUCTION IN BASIS.—For purposes of this subtitle—

''(A) IN GENERAL.—If a credit is determined under this section with respect to any property by reason of expenditures described in subsection (c)(1)(A), the basis of such property shall be reduced by the amount of the credit so determined.

''(B) CERTAIN DISPOSITIONS.—If during any taxable year there is a recapture amount determined with respect to any property the basis of which was reduced under subparagraph (A), the basis of such property (immediately before the event resulting in such recapture) shall be increased by an amount equal to such recapture amount. For purposes of the preceding sentence, the term 'recapture amount' means any increase in tax (or adjustment in carrybacks or carryovers) determined under subsection (d).

''(2) OTHER DEDUCTIONS AND CREDITS.—No deduction or credit shall be allowed under any other provision of this chapter with respect to the amount of the credit determined under this section.

''(g) TERMINATION.—This section shall not apply to taxable years beginning after December 31, 1999.''

(b) CONFORMING AMENDMENTS.—

(1) Section 38(b) of the Internal Revenue Code of 1986 is amended—

(A) by striking out ''plus'' at the end of paragraph (11),

(B) by striking out the period at the end of paragraph (12), and inserting a comma and ''plus'', and

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

''(13) the employer-provided child care credit determined under section 45D.''

(2) The table of sections for subpart D of part IV of subchapter A of chapter 1 of such Code is amended by adding at the end the following new item:

''Sec. 45D. Employer-provided child care credit.''

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1997.

SEC. 202. CHARITABLE CONTRIBUTIONS OF SCIENTIFIC EQUIPMENT TO ACCREDITED AND CREDENTIALED CHILD CARE PROVIDERS AND TO ELEMENTARY AND SECONDARY SCHOOLS.

(a) IN GENERAL.—Subparagraph (B) of section 170(e)(4) of the Internal Revenue Code of 1986 (relating to special rule for contributions of scientific property used for research) is amended to read as follows:

''(B) QUALIFIED RESEARCH, CHILD CARE, OR EDUCATION CONTRIBUTION.—For purposes of this paragraph, the term 'qualified research, child care, or education contribution' means a charitable contribution by a corporation of tangible personal property (including computer software), but only if—

''(i) the contribution is to—

''(I) an organization described in section 501(c)(3) and exempt from taxation under section 501(a) which is an accredited child care center (as defined in section 21(c)(2)(E)) or a child care center actively seeking accreditation or certification of its employees by a child care credentialing or accreditation entity (as defined in section 21(c)(2)(F)) on the date of such contribution,

''(II) an organization described in section 501(c)(3) and exempt from taxation under section 501(a) which is a professional or educational support entity for accredited child care centers or credentialed child care professionals (as defined in subparagraphs (E) and (G) of section 21(c)(2), respectively),

''(III) an educational organization described in subsection (b)(1)(A)(ii),

''(IV) a governmental unit described in subsection (c)(1), or

''(V) an organization described in section 41(e)(6)(B),

''(ii) the contribution is made not later than 3 years after the date the taxpayer acquired the property (or in the case of property constructed by the taxpayer, the date the construction of the property is substantially completed),

''(iii) the property is scientific equipment or apparatus substantially all of the use of which by the donee is for—

''(I) research or experimentation (within the meaning of section 174), or for research training, in the United States in physical or biological sciences, or

''(II) in the case of an organization described in subclause (I), (II), (III), or (IV) of clause (i), use within the United States for educational purposes or support activities related to the purpose or function of the organization,

''(iv) the original use of the property began with the taxpayer (or in the case of property constructed by the taxpayer, with the donee),

''(v) the property is not transferred by the donee in exchange for money, other property, or services, and

''(vi) the taxpayer receives from the donee a written statement representing that its use and disposition of the property will be in accordance with the provisions of clauses (iv) and (v).''.

(b) DONATIONS TO CHARITY FOR REFURBISHING.—Section 170(e)(4) of the Internal Revenue Code of 1986 is amended by adding at the end the following:

''(D) DONATIONS TO CHARITY FOR REFURBISHING.—For purposes of this paragraph, a charitable contribution by a corporation shall be treated as a qualified research, child care, or education contribution if—

''(i) such contribution is a contribution of property described in subparagraph (B)(iii) to an organization described in section 501(c)(3) and exempt from taxation under section 501(a),

''(ii) such organization repairs and refurbishes the property and donates the property to an organization described in subparagraph (B)(i), and

''(iii) the taxpayer receives from the organization to whom the taxpayer contributed the property a written statement representing that its use of the property (and any use by the organization to which it donates the property) meets the requirements of this paragraph.''.

(c) CONFORMING AMENDMENTS.—

(1) Paragraph (4)(A) of section 170(e) of the Internal Revenue Code of 1986 is amended by striking ''qualified research contribution'' each place it appears and inserting ''qualified research, child care, or education contribution''.

(2) The heading for section 170(e)(4) of such Code is amended by inserting '', CHILD CARE, OR EDUCATION'' after ''RESEARCH''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1997.

SEC. 203. 2-PERCENT FLOOR ON MISCELLANEOUS ITEMIZED DEDUCTIONS NOT APPLICABLE TO ACCREDITATION AND CREDENTIALING EXPENSES OF CHILD CARE PROVIDERS.

(a) IN GENERAL.—Section 67(b) of the Internal Revenue Code of 1986 (relating to miscellaneous itemized deductions) is amended by striking ''and'' at the end of paragraph (11), by striking the period at the end of paragraph (12) and inserting '', and'', and by adding at the end the following:

''(13) the deduction allowable for accreditation and credentialing expenses of child care providers.''.

(b) DEFINITION.—Section 67 of the Internal Revenue Code of 1986 (relating to 2-percent floor on miscellaneous itemized deductions) is amended by redesignating subsections (e) and (f) as subsections (f) and (g), respectively, and by inserting after subsection (d) the following:

''(e) ACCREDITATION AND CREDENTIALING EXPENSES OF CHILD CARE PROVIDERS.—For purposes of this section—

''(1) IN GENERAL.—The term 'accreditation and credentialing expenses of child care providers' means direct professional costs and educational and training expenses paid or incurred by an eligible individual in order to achieve and remain qualified for service as an employee of an accredited child care center or as a credentialed child care professional (as defined in subparagraphs (E) and (G) of section 21(c)(2), respectively).

''(2) ELIGIBLE INDIVIDUAL.—The term 'eligible individual' means an individual 60 percent of the taxable income of whom for any taxable year is derived from service described in paragraph (1).''.

(c) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 1997.

SEC. 204. EXPANSION OF HOME OFFICE DEDUCTION TO INCLUDE USE OF OFFICE FOR DEPENDENT CARE.

(a) IN GENERAL.—Section 280A(c)(1) of the Internal Revenue Code of 1986 (relating to certain business use) is amended by adding at the end the following: ''A portion of a dwelling unit and the exclusive use of such portion otherwise described in this paragraph shall not fail to be so described if such portion is also used by the taxpayer during such exclusive use to care for a dependent of the taxpayer.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 1997.

Subtitle B—Child Care Quality Improvement Incentive Program

SEC. 211. DEFINITIONS.

In this subtitle:

(1) CHILD CARE PROVIDER.—The term ''child care provider'' means—

(A) a center-based child care provider, a group home child care provider, a family child care provider, or other provider of nonresidential child care services for compensation that—

(i) is licensed, regulated, registered, or otherwise legally operating under State law; and

(ii) satisfies the State and local requirements;

applicable to the child care services it provides; or

(B) a child care provider that is 18 years of age or older who provides child care services only to eligible children who are, by affinity or consanguinity, or by court decree, the grandchild, great grandchild, sibling (if such provider lives in a separate residence), niece, or nephew of such provider, if such provider does not reside with the child for whom they are providing care and if the provider complies with any applicable requirements that govern child care provided by the relative involved.

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

SEC. 212. ESTABLISHMENT OF STATE PROGRAM.

(a) IN GENERAL.—The Secretary shall establish a program to award competitive grants to eligible States to enable such States to carry out activities to improve the quality of child care for children in the States (except children who a tribal organization elects to serve under section 215(b)).

(b) AWARDING OF GRANTS.—

(1) DISTRIBUTION.—Amounts appropriated for a fiscal year under section 215(a) shall be distributed through competitive grants awarded to eligible States that apply for funds and that propose activities that meet the requirements of this subtitle.

(2) AMOUNT.—The amount of a grant awarded to a State under this section shall be determined by the Secretary on a competitive basis, except that the amount of any such grant for a fiscal year shall not be less than

an amount equal to .75 percent of the total amount appropriated for the fiscal year under section 215(a).

(c) LIMITATION ON ADMINISTRATIVE COSTS.—The Secretary shall not use in excess of 10 percent of the amount appropriated under section 215(a) for a fiscal year for the administrative costs associated with the administration of the program under this section.

SEC. 213. STATE ELIGIBILITY AND APPLICATION REQUIREMENTS.

(a) ELIGIBILITY.—To be eligible to receive a grant under this subtitle, a State shall certify to the Secretary that the State—

(1) has not reduced the scope of any State child care standards or requirements that were in effect in calendar year 1995;

(2) has not limited the State licensing requirements with respect to the types of providers that must obtain licenses in order to provide child care in the State as compared to the types of providers that were required to obtain licenses in calendar year 1995;

(3) has not otherwise restricted the application of State child care licensing requirements that were in effect in calendar year 1995;

(4) is in compliance with the requirements applicable to the State under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9801 et seq.); and

(5) has, with respect to the fiscal year involved, made available sufficient State matching funds to draw down at least 80 percent of the amount awarded to the State for the preceding fiscal year under a grant under section 418(a)(2) of the Social Security Act (42 U.S.C. 618).

(b) PRIORITY.—In awarding grants under this subtitle, the Secretary shall give priority to States that contribute an amount (generated from businesses or other private sources) equal to not less than 10 percent of the amount requested under the grant to the activities to be funded under the grant.

(c) APPLICATION.—To be eligible to receive a grant under this subtitle, a State shall prepare and submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary shall require, including—

(1) an assurance that the State will comply with the requirements applicable to States under this subtitle;

(2) an assurance that the State will annually conduct on-site monitoring of State licensed or regulated child care facilities, with at least 1 unannounced monitoring visit of each such facility every 3 years; and

(3) an assurance that the State will not use funds received under the grant to supplant or replace funds used by the State to improve the quality or increase the supply of child care as required under section 658G of the Child Care and Development Block Grants Act of 1990 (42 U.S.C. 9858e).

SEC. 214. USE OF FUNDS BY STATES.

(a) REQUIRED ACTIVITIES.—A State shall—

(1) use not less than 20 percent of the amounts received under a grant awarded to the State under this subtitle to establish a subsidy program to provide funds to child care providers who are credentialed in the State (as described in section 2(3));

(2) use not less than 20 percent of the amounts received under a grant awarded to the State under this subtitle to establish a grant program to assist small businesses located in the State in establishing and operating child care programs that may include—

(A) technical assistance in the establishment of a child care program;

(B) assistance for the start-up costs related to a child care program;

(C) assistance for the training of child care providers;

(D) scholarships for low-income wage earners;

(E) the provision of services to care for sick children or to provide care to school aged children;

(F) the entering into of contracts with local resource and referral or local health departments;

(G) assistance for any other activity determined appropriate by the State; or

(H) care for children with disabilities; and

(3) use amounts remaining after the State reserves funds for activities under paragraphs (1) and (2) to carry out one or more of the activities described in subsection (b).

(b) PERMISSIBLE ACTIVITIES.—A State may use amounts provided under a grant awarded under this subtitle to the State to—

(1) improve parental choice through consumer education efforts in the State concerning child care, including the expansion of resource and referral services and improving State child care complaint systems;

(2) establish a scholarship program for child care providers to assist in meeting the educational or training costs associated with the accreditation or credentialing;

(3) expand State-based child care training and technical assistance activities;

(4) develop criteria for State recognition of entities to accredit facilities, and credential child care providers, in the State, as described in section 2;

(5) provide increased rates of reimbursement under Federal or State child care assistance programs for child care that is provided by credentialed child care professionals or at accredited child care centers;

(6) provide differential rates of reimbursement under Federal or State child care assistance programs for children with special needs; or

(7) purchase special equipment or supplies or other provide for the payment of other extraordinary expenses required for the care of special needs (including disabled) children and the distribution of such equipment or supplies to child care providers serving special needs children.

(c) SMALL BUSINESS AND CHILD CARE GRANT PROGRAM.—

(1) APPLICATION.—To be eligible to receive assistance from a State under a grant program established under subsection (a)(2), a small business shall prepare and submit to the State an application at such time, in such manner, and containing such information as the State may require.

(2) PREFERENCE.—

(A) IN GENERAL.—In providing assistance under a grant program under this subsection, a State shall give priority to applicants that desire to form consortium to provide child care in geographic areas within the State where such care is not generally available or accessible.

(B) CONSORTIUM.—For purposes of subparagraph (A), a consortium shall be made up of 2 or more entities which may include businesses, nonprofit agencies or organizations, local governments, or other appropriate entities.

(3) LIMITATION.—With respect to grant funds received for purposes of this subsection, a State may not provide in excess of $50,000 in assistance from such funds to any single applicant. A State may not provide assistance under a grant to more than 10 entities.

(4) MATCHING REQUIREMENT.—To be eligible to receive funds for purposes of establishing a grant program under subsection (a)(2), a State shall provide assurances to the Secretary that, with respect to the costs to be incurred by an entity receiving assistance in carrying out activities under such program, such entity will make available (directly or through donations from public or private entities) non-Federal contributions to such costs in an amount equal to—

(A) for the first fiscal year in which the entity receives such assistance, not less than 25 percent of such costs ($1 for each $3 of assistance provided to the entity under the grant);

(B) for the second fiscal year in which an entity receives such assistance, not less than 33⅓ percent of such costs ($1 for each $2 of assistance provided to the entity under the grant); and

(C) for the third fiscal year in which an entity receives such assistance, not less than 50 percent of such costs ($1 for each $1 of assistance provided to the entity under the grant).

(5) REQUIREMENTS OF PROVIDERS.—To be eligible to receive assistance under a grant awarded under this subsection a child care provider shall comply with all applicable State and local licensing and regulatory requirements and all applicable health and safety standards in effect in the State.

(6) ADMINISTRATION.—

(A) STATE RESPONSIBILITY.—A State shall have responsibility for administering the grants awarded under this subsection and for monitoring entities that receive assistance under such grants.

(B) AUDITS.—A State shall require that each entity receiving assistance under a grant awarded under this subsection conduct of an annual audit with respect to the activities of the entity. Such audits shall be submitted to the State.

(C) MISUSE OF FUNDS.—

(i) REPAYMENT.—If the State determines, through an audit or otherwise, that an entity receiving assistance under a grant awarded under this subsection has misused such assistance, the State shall notify the Secretary of such misuses. The Secretary, upon such a notification, may seek from such an entity the repayment of an amount equal to the amount of any misused assistance plus interest.

(ii) APPEALS PROCESS.—The Secretary shall by regulation provide for an appeals process with respect to repayments under this subparagraph.

(d) LIMITATION ON ADMINISTRATIVE COSTS.—Not more than 10 percent of the aggregate amount of funds available to a State under this subtitle in each fiscal year may be expended for administrative costs incurred by such State to carry out activities under this subtitle. As used in the preceding sentence, the term ''administrative costs'' shall not include the costs of providing direct services (as such direct services costs are defined for purposes of the Child Care and Development Block Grant Act of 1990 42 U.S.C. 9801 et seq.)).

SEC. 215. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There is authorized to be appropriated to carry out this subtitle $260,000,000 for each of the fiscal years 1998 through 2002.

(b) RESERVATION.—The Secretary shall reserve not more than 1.5 percent of the funds appropriated under this section for a fiscal year to make grants under this subtitle to tribal organizations submitting applications under section 213(b) to be used in accordance with section 214.

Subtitle C—Distribution of Information About Quality Child Care

SEC. 221. EXPANSION OF ROLE OF THE DEPARTMENT OF HEALTH AND HUMAN SERVICES IN THE COLLECTION AND DISSEMINATION OF INFORMATION AND TECHNOLOGY.

(a) PROVISION OF INFORMATION.—The Secretary of Health and Human Services, directly or through a contract awarded on a competitive basis to a qualified entity, shall provide technical assistance and collect and disseminate information concerning the importance of high quality child care to States,

units of local government, private non-profit child care organizations, child care credentialing or accreditation entities, child care providers, and parents, including, in partnership with the Advertising Council or other professional advertising group, a public awareness campaign promoting quality child care.

(b) GRANT PROGRAM.—

(1) IN GENERAL.—The Secretary of Health and Human Services, acting through the National Child Care Information Center, shall award competitive grants to child care credentialing or accreditation entities (as defined in section 2(2)) that have been providing credentialing or accreditation services for child care providers for not more than 10 years.

(2) APPLICATION.—To be eligible to receive a grant under this subsection, a child care credentialing or accreditation entity shall prepare and submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary shall require.

(3) USE OF FUNDS.—Amounts provided under a grant awarded under paragraph (1) shall be used by grantees to refine and evaluate the procedures and methods used by such grantees in accrediting facilities as accredited child care centers or providing child care credentials to individual child care providers. Such procedures and methods shall be designed to ensure that the highest quality child care is provided by accredited child care centers and credentialed individuals, to provide information about the accreditation or credentialing process to providers, and to provide subsidies to needy individuals and organizations to enable such individuals and organization to participate in the accreditation or credentialing process.

(c) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $10,000,000 for each of the fiscal years 1998 through 2002.

SEC. 222. CHILD CARE TRAINING INFRASTRUCTURE.

(a) DEFINITIONS.—In this section:

(1) CHILD CARE PROVIDER.—The term ''child care provider'' has the meaning given the term in section 211.

(2) ELEMENTARY SCHOOL; SECONDARY SCHOOL.—The terms ''elementary school'' and ''secondary school'' have the meanings given the terms in section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8001).

(3) INSTITUTION OF HIGHER EDUCATION.—The term ''institution of higher education'' has the meaning given the term in section 1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1141(a)).

(4) SECRETARY.—The term ''Secretary'' means the Secretary of Health and Human Services.

(5) TRAINING SITE.—The term ''training site'' means a training site described in subsection (e)(1).

(b) GRANT.—The Secretary shall make a grant to an eligible organization to develop and operate a technology-based child care training infrastructure, in order to facilitate—

(1) the accreditation of facilities as accredited child care centers and accredited family child care homes;

(2) the credentialing of individuals as credentialed child care professionals; and

(3) the dissemination of child care, child development, and early childhood education information and research to child care providers.

(c) USE OF FUNDS.—An organization that receives a grant under subsection (b) shall use the funds made available through the grant to—

(1) develop partnerships, to the maximum extent possible, with elementary schools, secondary schools, institutions of higher education, Federal, State, and local government agencies, and private entities, to share equipment, technical assistance, and other technological resources, for the development of the infrastructure described in subsection (b);

(2) enter into arrangements with entities for the provision of sites from which the infrastructure will disseminate training;

(3) ensure the establishment of at least 2 of the training sites in each State, and additional training sites based on the populations and geographic considerations of States;

(4) enter into arrangements with child care credentialing or accreditation entities that are recognized (as described in section 2(2)) by more than 1 State agency or tribal organization, for the development of child care training to be disseminated through the infrastructure;

(5) provide, directly or through a contract (which may for good cause be a sole source contract), expertise to convert training courses for distance transmission, provide interactive environments, and conduct registration, testing, electronic storage of information, and such other technology-based activities to adapt and enhance training course content consistent with the medium of transmission involved through the infrastructure;

(6) provide, through a logistical scheduling mechanism, equitable access to the infrastructure for all child care credentialing or accreditation entities described in paragraph (4) that request an opportunity to disseminate child care training through the infrastructure and meet the requirements of this section;

(7) develop and implement a mechanism for participants in the training to evaluate the infrastructure, including providing comments on the accessibility and affordability of the training, and recommendations for improvements in the training;

(8) develop and implement a monitoring system to provide data on the training provided through the infrastructure, including data on—

(A) the number of facilities and individuals participating in the training;

(B) the number of facilities receiving accreditation (including a repeat accreditation) as accredited child care centers, and individuals receiving credentialing (including a repeat credentialing) as credentialed child care professionals, after fulfilling requirements that include participation in the training;

(C) the number of accredited child care centers, and credentialed child care professionals, participating in the training; and

(D) the number of sites in which the training is received, analyzed—

(i) by State; and

(ii) by location in an urban, suburban, or rural area; and

(9) establish and operate the child care training revolving fund described in section 223.

(d) ELIGIBILITY.—To be eligible to receive the grant, an organization shall be an organization that—

(1) is a private, nonprofit entity that is not—

(A) a child care credentialing or accreditation entity;

(B) a subsidiary or affiliate of a child care credentialing or accreditation entity; or

(C) an entity that has a subsidiary or affiliate that is a child care credentialing or accreditation entity;

(2) has experience in developing partnerships with child care credentialing or accreditation entities, institutions of higher education, and State and local governments, for the provision of child care training;

(3) has experience in providing and coordinating the provision of child care training to family child care providers and center-based child care providers;

(4) is related to child care provider support organizations in 35 or more States, through membership in a common organization, affiliation, or another mechanism;

(5) has experience in working with rural and urban child care provider support organizations and child care providers; and

(6) has experience in working with national child care groups and organizations, including Federal government agencies, providers of child care training, child care credentialing or accreditation entities, and educational groups.

(e) APPLICATION.—To be eligible to receive a grant under subsection (b), an organization shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require, including—

(1) information describing, and indicating a preliminary count of the number of, the sites from which the infrastructure will disseminate training;

(2) an assurance that the organization will require that—

(A) each child care credentialing or accreditation entity that disseminates training through the infrastructure will provide, during at least 60 percent of the dissemination period, an opportunity for participants in the training—

(i) to interact with an identified trainer or training leader at the training site; or

(ii) to elect to engage in other interactive training; and

(B) no child care credentialing or accreditation entity may collect fees for participation in the training that total more than—

(i) the cost to the entity for developing, conducting, and providing materials for, the training; minus

(ii) the amount that the entity receives under this section or from any other source to develop, conduct, and provide materials for, the training; and

(3) information demonstrating that the organization will comply with the organizational structure requirements of subsections (g) and (h), including a copy of the bylaws described in subsection (g)(2)(B).

(f) DEVELOPMENT AND OPERATION OF INFRASTRUCTURE.—

(1) CONTRACTS.—An organization that receives a grant under subsection (b) may use funds made available through the grant to enter into contracts, which may for good cause be sole source contracts, for the development of the technological and logistical aspects of the infrastructure. The organization shall enter into such a contract with an entity with experience in establishing technology-based interactive educational or training programs.

(2) TIME LINES.—

(A) BOARD, PERSONNEL, AND REVOLVING FUND.—Not later than 6 months after the date of receipt of the grant, the organization shall establish the governing board described in subsection (g), appoint a Chief Executive Project Officer described in subsection (h), and establish and operate the child care training revolving fund described in section 223. Not later than 1 year after the date of receipt of the grant, the Chief Executive Project Officer shall appoint the personnel described in subsection (h).

(B) TRAINING SITES.—

(i) 50 PERCENT OPERATIONAL.—Not later than 3 years after the date of receipt of the grant, the organization shall disseminate training at 50 percent of the sites described

in the information submitted under subsection (e)(1).

(ii) 75 PERCENT OPERATIONAL.—Not later than 4 years after the date of receipt of the grant, the organization shall disseminate training at 75 percent of the sites.

(iii) 90 PERCENT OPERATIONAL.—Not later than 5 years after the date of receipt of the grant, the organization shall disseminate training at 90 percent of the sites.

(C) EVALUATION.—The organization shall develop and implement the mechanism for conducting evaluations of the infrastructure described in subsection (c)(6) not later than 3 years after the date of receipt of the grant.

(g) GOVERNING BOARD.—

(1) IN GENERAL.—An organization that receives a grant under subsection (b) shall establish a governing board.

(2) COMPOSITION.—

(A) IN GENERAL.—The governing board shall be composed of representatives of child care credentialing or accreditation entities that are recognized (as described in section 2(2)) by more than 1 State agency or tribal organization. The representatives shall be appointed by the entities. The composition of the governing board shall be specified in the bylaws of the board.

(B) INITIAL BYLAWS.—The organization shall develop the initial bylaws of the board. The bylaws shall include provisions specifying the manner in which representatives of all child care credentialing or accreditation entities described in subparagraph (A) that are disseminating training through the infrastructure shall participate in the activities of the governing board. The provisions shall provide for the participation through rotation of the representatives in the membership of the board, involvement of the representatives in committees of the board, or through other mechanisms that ensure, to the maximum extent possible, fair and equal participation of the representatives.

(C) AMENDED BYLAWS.—The governing board may amend the bylaws with the consent of the chief executive officer of the organization receiving a grant under subsection (b). The chief executive officer shall give the consent unless the chief executive officer demonstrates good cause for refusal of the consent. Any amended bylaws shall provide for the participation of representatives of all child care credentialing or accreditation entities described in subparagraph (A) that are disseminating training through the infrastructure, as described in subparagraph (B).

(3) DUTIES.—The governing board, with oversight by the chief executive officer of the organization, shall—

(A) advise the organization on the development and operation of the child care training infrastructure;

(B) review and approve the strategic plan described in subsection (h)(2)(A) and annual updates of the plan;

(C) review and approve the proposal described in subsection (h)(2)(B), with respect to the contracts, financial assistance, standards, policies, procedures, and activities referred to in such subsection; and

(D)(i) review, and advise the Chief Executive Project Officer regarding, the actions of the Chief Executive Project Officer with respect to the personnel of the governing board, and with respect to such standards, policies, procedures, and activities as are necessary or appropriate to carry out this section; and

(ii) inform the Chief Executive Project Officer of any aspects of the actions of the Chief Executive Project Officer that are not in compliance with the annual strategic plan referred to in subparagraph (B) or the proposal referred to in subparagraph (C), or are not consistent with the objectives of this section.

(h) CHIEF EXECUTIVE PROJECT DIRECTOR AND PERSONNEL.—

(1) IN GENERAL.—

(A) CHIEF EXECUTIVE PROJECT DIRECTOR.—The chief executive officer of an organization that receives a grant under subsection (b) shall appoint, compensate, and terminate the employment of a Chief Executive Project Officer to enable the governing board to perform its duties. The chief executive officer of the organization shall consult with the governing board before appointing, changing the compensation of, or terminating the employment of, the Chief Executive Project Officer.

(B) PERSONNEL.—The Chief Executive Project Officer shall appoint, compensate, and terminate the employment of such additional personnel as may be necessary to enable the governing board to perform its duties.

(2) DUTIES OF CHIEF EXECUTIVE PROJECT OFFICER.—The Chief Executive Project Officer shall—

(A) prepare and submit to the governing board and the chief executive officer of the organization a strategic plan every 3 years, and annual updates of the plan, with respect to the development and major operations of the infrastructure;

(B)(i) prepare and submit to the governing board and the chief executive officer of the organization a proposal with respect to such contracts and other financial assistance, and such standards, policies, procedures, and activities, as are necessary or appropriate to carry out this section; and

(ii) after receiving and reviewing an approved proposal under subsection (g)(3)(C), enter into such contracts and award such other financial assistance, and establish and administer such standards, policies, procedures and activities, as are necessary or appropriate to carry out this section;

(C) prepare and submit to the governing board and the chief executive officer of the organization an annual report, and such interim reports as may be necessary, describing the major actions of the Chief Executive Project Officer with respect to the personnel of the governing board, and with respect to the standards, policies, procedures, and activities; and

(D) inform the governing board and the chief executive officer of the organization of, and provide an explanation to the governing board regarding, any substantial differences regarding the implementation of this section between—

(i) the actions of the Chief Executive Project Officer; and

(ii)(I) the strategic plan approved by the governing board and the chief executive officer of the organization under subsection (g)(3)(B); or

(II) the proposal approved by the governing board and the chief executive officer of the organization under subsection (g)(3)(C).

(i) CORPORATION.—The organization may establish a nonprofit corporation containing the governing board, Chief Executive Project Officer, and personnel, to carry out this section.

(j) ADMINISTRATIVE COSTS.—Prior to the date on which the organization disseminates training at 75 percent of the sites described in the information submitted under subsection (e)(1), the organization may use not more than 25 percent of the funds made available through the grant to pay for the administrative costs of carrying out this section. Effective on that date, the organization may use not more than 15 percent of the funds to pay for the administrative costs.

(k) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $50,000,000 for each of fiscal years 1998 through 2003.

SEC. 223. CHILD CARE TRAINING REVOLVING FUND.

(a) ESTABLISHMENT.—

(1) IN GENERAL.—The Chief Executive Project Officer described in section 222(h) shall use not less than 10 percent of the funds made available through the grant made under section 222 during the 5 years after the date of receipt of the grant to establish and operate a child care training revolving fund (referred to in this section as the ''Fund'')—

(A) from which the Chief Executive Project Officer shall make loans to eligible borrowers for the purpose of enabling the persons to purchase computers, satellite dishes, and other equipment that will be used to disseminate training through the infrastructure described in section 222; and

(B) into which all payments, charges, and other amounts collected from loans made under subparagraph (A) shall be deposited notwithstanding any other provision of law.

(2) SEPARATE ACCOUNT.—The Fund shall be maintained as a separate account. Any portion of the Fund that is not required for expenditure shall be invested in obligations of the United States or in obligations guaranteed or insured by the United States.

(3) INTEREST EARNED.—The interest earned on the investments shall be credited to and form a part of the Fund.

(b) ELIGIBLE BORROWERS.—To be eligible to receive a loan under subsection (a), a borrower shall be a child care provider who seeks to receive training through the infrastructure or an entity that has entered into an arrangement with the Chief Executive Project Officer to provide a training site (as defined in section 222) for the infrastructure.

(c) APPLICATION.—To be eligible to receive a loan under subsection (a), a borrower shall submit an application to the Chief Executive Project Officer at such time, in such manner, and containing such information as the Chief Executive Project Officer, in consultation with the governing board and the chief executive officer of an organization receiving a grant under section 222(b) may require. At a minimum, the application shall include—

(1) an assurance that the person shall use the equipment funded through the loan to receive or disseminate training through the infrastructure, for such period as the Secretary may by regulation prescribe; and

(2) an assurance that the person shall permit other persons to use the equipment to receive or disseminate training through the infrastructure, for such period as the Secretary may by regulation prescribe.

(d) LOANS.—In making loans under subsection (a), the Chief Executive Project Officer shall—

(1) to the maximum extent practicable, equitably distribute the loans among borrowers in the various States, and among borrowers in urban, suburban, and rural areas; and

(2) take into consideration the availability to the borrowers of resources from sources other than the Fund, including the availability of resources through the partnerships described in section 222(c)(1).

(e) TERMS AND CONDITIONS.—

(1) CONDITIONS.—The Chief Executive Project Officer may make a loan to a borrower under subsection (a) only if the Chief Executive Project Officer determines that—

(A) the borrower is unable to obtain resources from other sources on reasonable terms and conditions; and

(B) there is a reasonable prospect that the borrower will repay the loan.

(2) TERMS.—A loan made under subsection (a) shall be—

(A) for a term that does not exceed 4 years; and

(B) at no interest.

(3) COLLATERAL.—The Chief Executive Project Officer may require any borrower of a loan made under subsection (a) to provide such collateral as the Chief Executive Project Officer determines to be necessary to secure the loan.

(4) PROCEDURES AND DEFINITIONS.—Prior to making loans under subsection (a), the Chief Executive Project Officer shall establish written procedures and definitions pertaining to defaults and collections of payments under the loans which shall be subject to the review and approval of the Secretary. The governing board and chief executive officer of the organization involved shall provide to each applicant for a loan under subsection (a), at the time application for the loan is made, a written copy of the procedures and definitions.

(f) DEFAULTS.—

(1) NOTICE.—The Chief Executive Project Officer shall provide the governing board and the chief executive officer of the organization at regular intervals written notice of each loan made under subsection (a) that is in default and the status of the loan.

(2) ACTION.—

(A) NOTIFICATION.—After making reasonable efforts to collect all amounts payable under a loan made under subsection (a) that is in default, the Chief Executive Project Officer shall notify the governing board and the chief executive officer of the organization that the loan is uncollectable or collectible only at an unreasonable cost. The notification shall include recommendations for future action to be taken by the Chief Executive Project Director.

(B) INSTRUCTIONS.—On receiving the notification, the governing board and the chief executive officer of the organization shall advise the Chief Executive Project Officer—

(i) to continue with its collection activities;

(ii) to cancel, adjust, compromise, or reduce the amount of the loan; or

(iii) to modify any term or condition of the loan, including any term or condition relating to the time of payment of any installment of principal, or portion of principal, that is payable under the loan.

(g) ADMINISTRATION AND ASSISTANCE.—

(1) IN GENERAL.—Consistent with section 222(j), the Chief Executive Project Officer shall, out of funds available in the Fund—

(A) pay expenses incurred by the Chief Executive Project Officer in administering the Fund; and

(B) provide competent management and technical assistance to borrowers of loans made under subsection (a) to assist the borrowers to achieve the purposes of the loans.

(2) ASSISTANCE BY THE SECRETARY.—The Secretary shall provide to the chief executive officer of the organization and the Chief Executive Project Officer such management and technical assistance as the chief executive officer of the organization and the Chief Executive Project Officer may request in order to carry out the provisions of this section.

(h) REGULATIONS.—The Secretary may prescribe such regulations as may be necessary to carry out the objectives of this section, including regulations involving reporting and auditing.

Subtitle D—Quality Child Care Through Federal Facilities and Programs

SEC. 231. PROVIDING QUALITY CHILD CARE IN FEDERAL FACILITIES.

(a) DEFINITION.—In this section:

(1) ADMINISTRATOR.—The term ''Administrator'' means the Administrator of General Services.

(2) EXECUTIVE AGENCY.—The term ''Executive agency'' has the meaning given the term in section 105 of title 5, United States Code, but does not include the Department of Defense.

(3) EXECUTIVE FACILITY.—The term ''executive facility'' means a facility that is owned or leased by an Executive agency.

(4) FEDERAL AGENCY.—The term ''Federal agency'' means an Executive agency, a judicial office, or a legislative office.

(5) JUDICIAL FACILITY.—The term ''judicial facility'' means a facility that is owned or leased by a judicial office.

(6) JUDICIAL OFFICE.—The term ''judicial office'' means an entity of the judicial branch of the Federal Government.

(7) LEGISLATIVE FACILITY.—The term ''legislative facility'' means a facility that is owned or leased by a legislative office.

(8) LEGISLATIVE OFFICE.—The term ''legislative office'' means an entity of the legislative branch of the Federal Government.

(b) EXECUTIVE BRANCH STANDARDS AND ENFORCEMENT.—

(1) STATE AND LOCAL LICENSING REQUIREMENTS.—

(A) IN GENERAL.—The Administrator shall issue regulations requiring any entity operating a child care center in an executive facility to comply with applicable State and local licensing requirements related to the provision of child care.

(B) COMPLIANCE.—The regulations shall require that, not later than 6 months after the date of enactment of this Act—

(i) the entity shall comply, or make substantial progress (as determined by the Administrator) toward complying, with the requirements; and

(ii) any contract for the operation of such a child care center shall include a condition that the child care be provided in accordance with the requirements.

(2) ACCREDITATION STANDARDS.—

(A) IN GENERAL.—The Administrator shall issue regulations specifying child care center accreditation standards and requiring any entity operating a child care center in an executive facility to comply with the standards.

(B) COMPLIANCE.—The regulations shall require that, not later than 3 years after the date of enactment of this Act—

(i) the entity shall comply, or make substantial progress (as determined by the Administrator) toward complying, with the standards; and

(ii) any contract for the operation of such a child care center shall include a condition that the child care be provided by an entity that complies with the standards.

(C) CONTENTS.—The standards shall base accreditation on—

(i) an accreditation instrument described in section 2(2)(B);

(ii) outside monitoring described in section 2(2)(B), by—

(I) the Administrator; or

(II) a child care credentialing or accreditation entity, or other entity, with which the Administrator enters into a contract to provide such monitoring; and

(iii) the criteria described in section 2(2)(B).

(3) EVALUATION AND ENFORCEMENT.—

(A) IN GENERAL.—The Administrator shall evaluate the compliance of entities described in paragraph (1) with the regulations issued under paragraphs (1) and (2). The Administrator may conduct the evaluation of such an entity directly, or through an agreement with another Federal agency, other than the Federal agency for which the entity is providing child care. If the Administrator determines, on the basis of such an evaluation, that the entity is not in compliance with the regulations, the Administrator shall notify the Executive agency.

(B) TERMINATION OF AGENCY PROVISION OF CHILD CARE OR CONTRACT.—On receipt of the notification—

(i) if the entity operating the child care center involved is the agency, the agency shall terminate the direct provision of child care by the agency; and

(ii) if the entity operating the child care center is a contractor, the agency shall terminate the contract of the entity to operate the center.

(C) COST REIMBURSEMENT.—The Administrator may require Executive agencies to reimburse the Administrator for the costs of carrying out subparagraph (A) with respect to entities operating child care centers for the agencies. If an entity described in paragraph (1) operates a child care center for 2 or more Executive agencies, the Administrator shall allocate the costs of providing such reimbursement among the agencies in a fair and equitable manner, based on the extent to which each agency is eligible to place children in the center.

(c) LEGISLATIVE BRANCH STANDARDS AND ENFORCEMENT.—

(1) STATE AND LOCAL LICENSING REQUIREMENTS AND ACCREDITATION STANDARDS.—The Architect of the Capitol shall issue regulations for entities operating child care centers in legislative facilities, which shall be the same as the regulations issued by the Administrator under paragraphs (1) and (2) of subsection (b), except to the extent that the Architect may determine, for good cause shown and stated together with the regulations, that a modification of such regulations would be more effective for the implementation of the requirements and standards described in such paragraphs.

(2) EVALUATION AND ENFORCEMENT.—Subsection (b)(3) shall apply to the Architect of the Capitol, entities operating child care centers in legislative facilities, and legislative offices. For purposes of that application, references in subsection (b)(3) to regulations shall be considered to be references to regulations issued under this subsection.

(d) JUDICIAL BRANCH STANDARDS AND ENFORCEMENT.—

(1) STATE AND LOCAL LICENSING REQUIREMENTS AND ACCREDITATION STANDARDS.—The Director of the Administrative Office of the United States Courts shall issue regulations for entities operating child care centers in judicial facilities, which shall be the same as the regulations issued by the Administrator under paragraphs (1) and (2) of subsection (b), except to the extent that the Director may determine, for good cause shown and stated together with the regulations, that a modification of such regulations would be more effective for the implementation of the requirements and standards described in such paragraphs.

(2) EVALUATION AND ENFORCEMENT.—Subsection (b)(3) shall apply to the Director described in paragraph (1), entities operating child care centers in judicial facilities, and judicial offices. For purposes of that application, references in subsection (b)(3) to regulations shall be considered to be references to regulations issued under this subsection.

(e) APPLICATION.—Notwithstanding any other provision of this section, if 3 or more child care centers are operated in facilities owned or leased by a Federal agency, the head of the Federal agency may carry out the responsibilities assigned to the Administrator under subsection (b)(3)(A), the Architect of the Capitol under subsection (c)(2), or the Director described in subsection (d)(2) under such subsection, as appropriate.

(f) TECHNICAL ASSISTANCE.—The Administrator may provide technical assistance to Executive agencies, and to entities operating child care centers in executive facilities, in order to assist the entities in complying

with this section. The Architect of the Capitol and the Director of the Administrative Office of the United States Courts may provide, or request that the Administrator provide, technical assistance to legislative offices and judicial offices, respectively, and to entities operating child care centers in legislative facilities and judicial facilities, respectively, in order to assist the entities in complying with this section.

(g) COUNCIL.—The Administrator shall establish an interagency council, comprised of all Federal agencies described in subsection (e), to facilitate cooperation and sharing of best practices, and to develop and coordinate policy, regarding the provision of child care in the Federal Government.

(h) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $900,000 for fiscal year 1998 and each subsequent fiscal year.

SEC. 232. PROVIDING QUALITY CHILD CARE THROUGH FEDERAL PROGRAMS.

(a) CORPORATION FOR NATIONAL AND COMMUNITY SERVICE.—Effective October 1, 2001, the Chief Executive Officer of the Corporation for National and Community Service shall ensure that, to the maximum extent practicable, any child care made available under any Federal financial assistance program carried out by the Chief Executive Officer, directly or through a child care allowance, shall be child care provided by an accredited child care center or a credentialed child care professional, as the terms are defined in section 2.

(b) DEPARTMENTS OF EDUCATION, HOUSING AND URBAN DEVELOPMENT, JUSTICE, AND LABOR.—Effective October 1, 2001, the Secretary of Education, Secretary of Housing and Urban Development, Attorney General, and Secretary of Labor shall ensure that, to the maximum extent practicable, any child care made available under any Federal financial assistance program carried out by the Attorney General or Secretary involved, directly or through a child care allowance, shall be child care provided by an accredited child care center or a credentialed child care professional, as the terms are defined in section 2.

(c) SOCIAL SERVICES BLOCK GRANTS.—Section 2002(a) of the Social Security Act (42 U.S.C. 1397a(a)) is amended by adding at the end the following:

''(3) Effective October 1, 2001, child care services made available under this subsection shall, to the maximum extent practicable, be child care services provided by an accredited child care center or a credentialed child care professional, as the terms are defined in section 2 of the CIDCARE Act.''.

SEC. 233. USE OF COMMUNITY DEVELOPMENT BLOCK GRANTS TO ESTABLISH ACCREDITED CHILD CARE CENTERS.

Section 105(a) of the Housing and Community Development Act of 1974 (42 U.S.C. 5305(a)) is amended—

(1) in paragraph (22), by striking ''and'' at the end;

(2) in paragraph (23), by striking the period at the end and inserting a semicolon;

(3) in paragraph (24), by striking ''and'' at the end;

(4) in paragraph (25), by striking the period at the end and inserting ''; and''; and

(5) by adding at the end the following:

''(26) the establishment of accredited child care centers (as that term is defined in section 2 of the CIDCARE Act), by upgrading existing child care facilities to meet standards for accredited child care centers, or by renovating existing structures for use as accredited child care centers.''.

Subtitle E—Miscellaneous Provisions

SEC. 241. STUDENT LOAN REPAYMENT AND CANCELLATION FOR CHILD CARE WORKERS.

(a) STAFFORD LOAN REPAYMENT.—Section 428J of the Higher Education Act of 1965 (20 U.S.C. 1078–10) is amended—

(1) in the section heading by striking ''and nurses'' and inserting '', nurses and child care workers'';

(2) in subsection (a)(1), by striking ''and nursing profession'' and inserting '', nursing and child care professions'';

(3) in subsection (b)(1)—

(A) in subparagraph (B)(ii), by striking ''or'' after the semicolon;

(B) in subparagraph (C), by striking the period and inserting ''; or''; and

(C) by adding at the end the following:

''(D) is employed full time providing child care services, and possesses a certificate or degree in early childhood education or development.''; and

(4) in subsection (g)—

(A) in paragraph (1), by striking ''and community service'' and inserting ''community service, and child care''; and

(B) in paragraph (3)—

(i) in subparagraph (A), by striking ''and community service'' and inserting ''community service, and child care''; and

(ii) in subparagraph (D), by striking ''and community service'' and inserting ''community service, and child care''.

(b) PERKINS LOAN CANCELLATION.—Section 465(a)(2) of the Higher Education Act of 1965 (20 U.S.C. 1087ee(a)(2)) is amended—

(1) in subparagraph (H), by striking ''or'' after the semicolon;

(2) in subparagraph (I), by striking the period and inserting ''; or''; and

(3) by inserting after subparagraph (I) the following:

''(J) as a full-time employee who provides child care services and possesses a certificate or degree in early childhood education or development.''.

SEC. 242. EXPANSION OF COORDINATED ENFORCEMENT EFFORTS OF INTERNAL REVENUE SERVICE AND HHS OFFICE OF CHILD SUPPORT ENFORCEMENT.

(a) STATE REPORTING OF CUSTODIAL DATA.—Section 454A(e)(4)(D) of the Social Security Act (42 U.S.C. 654(e)(4)(D)) is amended by striking ''the birth date of any child'' and inserting ''the birth date and custodial status of any child''.

(b) MATCHING PROGRAM BY IRS OF CUSTODIAL DATA AND TAX STATUS INFORMATION.—

(1) NATIONAL DIRECTORY OF NEW HIRES.—Section 453(i)(3) of the Social Security Act (42 U.S.C. 653(i)(3)) is amended by striking ''a claim with respect to employment in a tax return'' and inserting ''information which is required on a tax return''.

(2) FEDERAL CASE REGISTRY OF CHILD SUPPORT ORDERS.—Section 453(h) of the such Act (42 U.S.C. 653(h)) is amended by adding at the end the following:

''(3) ADMINISTRATION OF FEDERAL TAX LAWS.—The Secretary of the Treasury shall have access to the information described in paragraph (2), consisting of the names and social security numbers of the custodial parents linked with the children in the custody of such parents, for the purpose of administering those sections of the Internal Revenue Code of 1986 which grant tax benefits based on support and residence provided dependent children.''

(c) MINIMUM PAST-DUE SUPPORT THRESHOLD FOR USE OF OFFSET PROCEDURE.—

(1) PART D FAMILIES.—Section 464(b)(1) of the Social Security Act (42 U.S.C. 664(b)(1)) is amended by inserting ''(not to exceed $150)'' after ''minimum amount''.

(2) OTHER FAMILIES.—Section 464(b)(2)(A) of such Act (42 U.S.C. 664(b)(2)(A)) is amended by striking ''$500'' both places it appears and inserting ''$150''.

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 1997.

Mr. DODD. Mr. President, it is my pleasure today to join my colleague from Vermont, Senator JEFFORDS, as we introduce the Creating Improved Delivery of Child Care: Affordable, Reliable, and Educational (CIDCARE) Act of 1997.

This legislation will go a long way toward giving parents peace of mind. Child care shouldn't be like going to Las Vegas—where you roll the dice and hope for the best. Parents should be confident that when they are not able to be with their children, their children will still be well cared for. We shouldn't be gambling with our children's health and safety.

Up to this point Mr. President, we in the federal government have largely deferred the issue of quality of child care to the states. The sole significant contribution of the federal government to improving the quality of this nation's child care is the modest 4% set-aside for quality improvement that we struggled to create within the child care development block grant. This lack of federal support for quality has not served children well.

A few years ago my good friend, Professor Ed Zigler of Yale University, did a survey of state child care regulations. He found, in short, that states are failing the ''quality test''—no state had child care regulations in place that could be characterized as good quality standards. Only a third of states had minimally acceptable regulations. Two-thirds of states had regulations that didn't even address the basics—caregiver training, safe environments, appropriate provider-child ratios.

Keep in mind, we're not even talking about how well or whether states actually enforced those standards. This study was simply asking a question about the first step in quality—whether states had basic child care quality standards on the books that providers could be held to. This legislation addresses, for the first time on a federal level, the issues of quality child care. We have safety standards for the food we eat and the cars we drive. Is it too much to have some basic standards for child care providers—individuals who literally hold a child's life in their hands? I think not, Mr. President. And even beyond basic health and safety standards, we must consider how we can assist caregivers in supporting children's growth and development.

Mr. President, this legislation will help working families afford child care. Specifically, this bill more equitably distributes the child care tax credit by making the credit refundable for lower income families, increasing the credit for families under $55,000, and phasing down the credit to a minimum of 10% for higher income taxpayers. Further, it increases the amount that employees can contribute to Dependent Care Assistance Plans (DCAP).

The CIDCARE bill further provides incentives for parents to choose high quality child care by providing a higher tax credit and larger DCAP allowances for families that use accredited or credentialed services, reflecting the higher expenses associated with higher quality care.

Additionally, this legislation encourages child care centers and providers to offer high quality child care. It gives child care providers a higher deduction for the educational expenses related to achieving or maintaining accreditation. It further provides $50 million to create and operate a technology-based training infrastructure, that builds upon existing distance learning, Internet, and satellite resources, to enable child care providers nationwide to receive training, education, and support. It also provides loan forgiveness for Perkins and Stafford educational loans for child care workers who obtain a degree in early childhood education or receive professional child care credentials. This bill would also require federal child care centers to meet all state and local licensing and other regulatory requirements related to the provision of child care.

This legislation will also give businesses incentives to support quality child care for their employees and the community at large. It will allow businesses a charitable deduction for donating educational equipment to nonprofit child care providers, support entities, and public schools and provides a tax credit for employers who develop child care centers for their employees.

Finally, Mr. President, the CIDCARE bill will provide grants to states to support quality child care. It establishes a $260 million competitive grant program to assist states in improving the quality of child care through mechanisms such as: salary increases for credentialed child care providers: developing standards for the accreditation and credentialing of child care providers; scholarship programs to help child care providers meet the costs of education and training; expanding training and technical assistance activities; consumer education efforts, and increased rates of reimbursement for the care of children with special needs.

Mr. President, quality child care can no longer be considered a luxury reserved for the very few. This should not be a partisan issue. All of us want the best for our children. And when they can't be with their parents, we want them to be in high quality care. This legislation will move us in that direction. I urge my colleagues to join Senator JEFFORDS and myself in support of the CIDCARE bill.

ADDITIONAL COSPONSORS

S. 22

At the request of Mr. MOYNIHAN, the name of the Senator from Delaware [Mr. BIDEN] was added as a cosponsor of S. 22, a bill to establish a bipartisan national commission to address the year 2000 computer problem.

S. 100

At the request of Mr. KERRY, the name of the Senator from Hawaii [Mr. AKAKA] was added as a cosponsor of S. 100, a bill to amend title 49, United States Code, to provide protection for airline employees who provide certain air safety information, and for other purposes.

S. 217

At the request of Mr. BIDEN, the name of the Senator from Delaware [Mr. ROTH] was added as a cosponsor of S. 217, a bill to amend title 38, United States Code, to provide for the payment to States of plot allowances for certain veterans eligible for burial in a national cemetery who are buried in cemeteries of such States.

S. 535

At the request of Mr. MCCAIN, the name of the Senator from Oklahoma [Mr. NICKLES] was added as a cosponsor of S. 535, a bill to amend the Public Health Service Act to provide for the establishment of a program for research and training with respect to Parkinson's disease.

S. 969

At the request of Mr. D'AMATO, the name of the Senator from Pennsylvania [Mr. SANTORUM] was added as a cosponsor of S. 969, a bill ordering the preparation of a Government report detailing injustices suffered by Italian Americans during World War II, and a formal acknowledgement of such injustices by the President.

S. 989

At the request of Mr. DORGAN, the names of the Senator from Georgia [Mr. CLELAND], the Senator from Louisiana [Ms. LANDRIEU], and the Senator from South Dakota [Mr. JOHNSON] were added as cosponsors of S. 989, a bill entitled the ''Safer Schools Act of 1997''.

AMENDMENT NO. 889

At the request of Mr. MCCONNELL the name of the Senator from Kansas [Mr. BROWNBACK] was added as a cosponsor of amendment No. 889 proposed to S. 955, an original bill making appropriations for foreign operations, export financing, related programs for the fiscal year ending September 30, 1998, and for other purposes.

AMENDMENT NO. 890

At the request of Mr. HUTCHINSON the name of the Senator from Wisconsin [Mr. FEINGOLD] was added as a cosponsor of amendment No. 890 proposed to S. 955, an original bill making appropriations for foreign operations, export financing, related programs for the fiscal year ending September 30, 1998, and for other purposes.

AMENDMENT NO. 892

At the request of Mr. BROWNBACK the names of the Senator from Arizona [Mr. MCCAIN], and the Senator from West Virginia [Mr. BYRD] were added as cosponsors of amendment No. 892 proposed to S. 955, an original bill making appropriations for foreign operations, export financing, related programs for the fiscal year ending September 30, 1998, and for other purposes.

At the request of Mr. MCCONNELL the name of the Senator from Washington [Mrs. MURRAY] was added as a cosponsor of amendment No. 892 proposed to S. 955, supra.

AMENDMENT NO. 896

At the request of Mr. BINGAMAN the name of the Senator from Nebraska [Mr. KERREY] was added as a cosponsor of amendment No. 896 proposed to S. 955, an original bill making appropriations for foreign operations, export financing, related programs for the fiscal year ending September 30, 1998, and for other purposes.

SENATE CONCURRENT RESOLUTION 40—EXPRESSING THE SENSE OF CONGRESS REGARDING THE OAS–CIAV MISSION IN NICARAGUA

Mr. HELMS submitted the following original concurrent resolution; which was reported from the Committee on Foreign Relations and placed on the calendar.

S. CON. RES. 40

Whereas the International Support and Verification Commission of the Organization of American States (in this resolution referred to as the ''OAS–CIAV'') was established in the August 7, 1989, Tela Accords by the presidents of the Central American countries and by the Secretary Generals of the United Nations and the Organization of American States for the purpose of ending the Nicaraguan war and reintegrating members of the Nicaraguan Resistance into civil society;

Whereas the OAS–CIAV, originally comprised of 53 unarmed Latin Americans, successfully demobilized 22,500 members of the Nicaraguan Resistance and distributed food and humanitarian assistance to more than 119,000 repatriated Nicaraguans prior to July 1991;

Whereas the OAS–CIAV provided seeds, starter plants, and fertilizer to more than 17,000 families of demobilized combatants;

Whereas the OAS–CIAV assisted former Nicaraguan Resistance members in the construction of nearly 3,000 homes for impoverished families, 45 schools, 50 health clinics, and 25 community multi-purpose centers, as well as the development of microenterprises;

Whereas the OAS–CIAV assisted rural communities with the reparation of roads, development of potable water sources, veterinary and preventative medical training, raising basic crops, cattle ranching, and reforestation;

Whereas the OAS–CIAV, together with the Pan-American Health Organization (PAHO), trained local paramedics to staff 22 health posts in the Atlantic and pacific regions of Nicaragua and provided medical supplies to treat mothers, young children, and cholera patients, among others, in a five-month program that benefited nearly 50,000 Nicaraguans;

Whereas the OAS–CIAV, with 15 members under a new mandate effective June 9, 1993, has investigated and documented more than 1,800 human rights violations, including 653 murders and has presented these cases to Nicaraguan authorities, following and advocating justice in each case;

Whereas, the OAS–CIAV has demobilized 20,745 rearmed contras and Sandinistas, as

well as apolitical criminal groups, and recently brokered and mediated the successful May 1997 negotiations between the Government of Nicaragua and the largest rearmed group;

Whereas the OSA–CIAV has resolved hostage crises successfully, including the 1993 abductions of UNO party Congressmen, the Vice President and the French military attache, and the 1996 kidnappings of an Agency for International Development contractor and 28 Supreme Electoral Council employees;

Whereas the OSA–CIAV created 86 peace commissions and has provided assistance and extensive training in human rights and alternative dispute resolution for their members, who are currently mediating conflicts, including kidnappings and demobilization of rearmed groups, in every municipality of the zones of conflict;

Whereas the OSA–CIAV assistance and training by the OSA–CIAV of rural Nicaraguans has led to a decrease in violence in the zones of conflict since 1994, in some areas as much as 85 percent;

Whereas the OSA–CIAV has assisted children wounded by land mines;

Whereas the OSA–CIAV has provided assistance to disabled war veterans and widows of combatants;

Whereas the OSA–CIAV provided and distributed 44,010 birth certificates to rural Nicaraguans in early 1996, allowing them to participate in the 1996 presidential and parliamentary elections; and

Whereas the OSA–CIAV provided transportation to and communication with remote areas or areas of conflict, assuring a secure climate for voter registration and the elections: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the Senate—

(1) commends and congratulates Santiago Murray and Sergio Caramagna, the first and current directors, respectively, of the OSA–CIAV and all members of the OSA–CIAV team for their tireless defense of human rights, promotion of peaceful conflict resolution, and, contribution to the development of freedom and democracy in Nicaragua; and

(2) expresses its support for the continuation of the role of the Organization of American States (OAS) in Nicaragua described in the resolution passed by the OAS General Assembly in Lima, Peru, on June 4, 1997.

SEC. 2. The Secretary of the Senate shall transmit a copy of this concurrent resolution to the President with the request that he further transmit such resolution to the Secretary General of the Organization of American States.

SENATE CONCURRENT RESOLUTION 41 RELATIVE TO A JUST AND PEACEFUL RESOLUTION OF THE SITUATION ON CYPRUS

Mr. HELMS submitted the following original concurrent resolution; which was reported from the Committee on Foreign Relations and placed on the calendar.

S. CON. RES. 41.

Whereas the Republic of Cyprus has been divided and occupied by foreign forces since 1974 in violation of United Nations resolutions;

Whereas the international community, Congress, and successive United States administrations have called for an end to the status quo on Cyprus, considering that it perpetuates an unacceptable violation of international law and fundamental human rights affecting all the people of Cyprus, and undermines significant United States interests in the Eastern Mediterranean region;

Whereas the international community and the United States Government have repeatedly called for the speedy withdrawal of all foreign forces from the territory of Cyprus;

Whereas there are internationally acceptable means to resolve the situation in Cyprus, including the demilitarization of Cyprus and the establishment of a multinational force to ensure the security of both communities in Cyprus;

Whereas during the past year tensions in Cyprus have dramatically increased, with violent incidents occurring along cease-fire lines at a level not reached since 1974;

Whereas recent events in Cyprus have heightened the potential for armed conflict in the region involving two North Atlantic Treaty Organization (NATO) allies, Greece and Turkey, which would threaten vital United States interests in the already volatile Eastern Mediterranean area and beyond;

Whereas a peaceful, just, and lasting solution to the Cyprus problem would greatly benefit the security, and the political, economic, and social well-being of all Cypriots, as well as contribute to improved relations between Greece and Turkey;

Whereas a lasting solution to the Cyprus problem would also strengthen peace and stability in the Eastern Mediterranean and serve important interests of the United States;

Whereas the United Nations has repeatedly stated the parameters for such a solution, most recently in United Nations Security Council Resolution 1092, adopted on December 23, 1996, with United States support;

Whereas the prospect of the accession by Cyprus to the European Union, which the United States has actively supported, could serve as a catalyst for a solution to the Cyprus problem;

Whereas President Bill Clinton has pledged that in 1997 the United States will ''play a heightened role in promoting a resolution in Cyprus''; and

Whereas United States leadership will be a crucial factor in achieving a solution to the Cyprus problem, and increased United States involvement in the search for this solution will contribute to a reduction of tension on Cyprus: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That Congress—

(1) reaffirms its view that the status quo on Cyprus is unacceptable and detrimental to the interests of the United States in the Eastern Mediterranean and beyond;

(2) considers that lasting peace and stability on Cyprus could be best secured by—

(A) a process of complete demilitarization leading to the withdrawal of all foreign occupation forces;

(B) the cessation of foreign arms transfers to Cyprus; and

(C) the provision of alternative internationally acceptable and effective security arrangements with guaranteed rights for both communities as negotiated by the parties;

(3) welcomes and supports the commitment by President Clinton to give increased attention to Cyprus and to make the search for a solution a priority of United States foreign policy, as witnessed by the appointment of Ambassador Richard Holbrooke as Special Presidential Emissary for Cyprus; and

(4) calls upon the parties to lend their full support and cooperation to United States, United Nations, and other international efforts to promote an equitable and speedy resolution of the Cyprus problem—

(A) on the basis of international law, the provisions of relevant United Nations Security Council resolutions, and democratic principles, including respect for human rights; and

(B) in accordance with the norms and requirements for accession to the European Union.

AMENDMENTS SUBMITTED

THE TREASURY AND GENERAL GOVERNMENT APPROPRIATIONS ACT FOR FISCAL YEAR 1998

CAMPBELL AMENDMENT NO. 921

Mr. CAMPBELL proposed an amendment to the bill (S. 1023) making appropriations for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain Independent Agencies, for the fiscal year ending September 30, 1998, and for other purposes; as follows:

At the appropriate place, insert the following:

SEC. . REGULATIONS CONCERNING THE IMPORTATION OF CERTAIN FISH.

(a) IMPORT COMPLIANCE.—Section 6(c) of the Atlantic Tuna Convention Act of 1975 (16 U.S.C. 971d(c)) is amended by adding at the end the following:

''(8)(A)(i) Not later than January 1, 1998, the Secretary, in consultation with the Secretary of the Treasury and the Secretary of State, shall promulgate regulations to ensure that fish in any form that are—

''(I) subject to regulation pursuant to a recommendation of the Commission; and

''(II) presented for entry into the United States;

have been taken and retained in a manner and under circumstances that are consistent with the recommendations of the Commission described in clause (ii).

''(ii) The recommendations described in this clause are recommendations of the Commission that are—

''(I) made pursuant to article VIII of the Convention; and

''(II) adopted by the Secretary in the regulations promulgated pursuant to this section.

''(B)(i) The regulations promulgated under this paragraph shall include, at a minimum, a requirement that the fish described in subparagraph (A)(i) are accompanied by a valid certificate of origin that attests that the fish have been taken and retained in a manner and under circumstances that are consistent with the recommendations described in subparagraph (A)(ii).

''(ii) A certificate described in clause (i) may be issued only by the government of the nation that has jurisdiction over—

''(I) the vessel from which the fish that is the subject of the certificate was harvested; or

''(II) any other means by which the fish that is the subject of the certificate was harvested.

''(C) The regulations promulgated under this paragraph may limit the entry into the United States of fish in any form if that limitation is necessary to carry out the purpose of this paragraph.

''(D) Beginning on February 1, 1998, the Secretary of the Treasury shall prohibit the entry into the United States of fish in any form that does not comply with the regulations promulgated pursuant to this paragraph.''.

(b) REPORTS.—Section 11 of the Atlantic Tuna Convention Act of 1975 (16 U.S.C. 971j) is amended—

(1) by redesignating paragraphs (3) and (4) as paragraphs (4) and (5), respectively; and

(2) by inserting after paragraph (2) the following:

''(3) lists each fishing nation from which fish in any form was prohibited entry into the United States pursuant to section 6(c)(8);''.

BROWNBACK (AND OTHERS) AMENDMENT NO. 922

Mr. BROWNBACK (for himself, Mr. CAMPBELL, Mr. WELLSTONE, and Mr. BAUCUS) proposed an amendment to amendment No. 921 proposed by Mr. CAMPBELL to the bill, S. 1023, supra; as follows:

At the appropriate place in the Amendment, insert the following new section:

SEC. . Notwithstanding any other provision of law, no adjustment shall be made under section 601(a) of the Legislative Reorganization Act of 1946 (2 U.S.C. 31) (relating to cost of living adjustments for Members of Congress) during fiscal year 1998.

CAMPBELL AMENDMENT NOS. 923–924

Mr. CAMPBELL proposed two amendments to the bill, S. 1023, supra; as follows:

AMENDMENT NO. 923

On page 71, lines 13 to 18, move Sec. 514 to page 93 and insert after the period on line 3.

AMENDMENT NO. 924

Page 49, strike all on lines 11–13, and on line 14, strike the words ''the private sector for'' and insert in lieu thereof the words ''the General Accounting Office shall conduct''.

THOMAS AMENDMENT NO. 925

(Ordered to lie on the table.)

Mr. THOMAS submitted an amendment intended to be proposed by him to the bill, S. 1023, supra; as follows:

At the appropriate place in the bill, insert the following new section and renumber any following sections accordingly:

SEC. . LIMITATION ON THE USE OF FUNDS TO PROVIDE FOR FEDERAL AGENCIES TO FURNISH COMMERCIALLY AVAILABLE PROPERTY OR SERVICES TO OTHER FEDERAL AGENCIES.

(a) Except as provided in subsection (b), none of the funds appropriated by this or any other Act may be used by the Office of Management and Budget, or any other agency, to publish, promulgate, or enforce any policy, regulation, or circular, or any rule or authority in any other form, that would permit any Federal agency to provide a commercially available property or service to any other department or agency of government unless the policy, regulation, circular, or other rule or authority meets the requirements prescribed under subsection (b).

(b)(1) Not later than 120 days after the date of the enactment of this Act, the Director of the Office of Management and Budget shall prescribe regulations applicable to any policy regulation, circular, or other rule or authority referred to in subsection (a).

(2) The requirements prescribed under paragraph (1) shall include the following:

(A) a requirement for a comparison between the cost of providing the property or service concerned through the agency concerned and the cost of providing such property or service through the private sector;

(B) a requirement for cost and performance benchmarks relating to the property or service provided relative to comparable services provided by other government agencies and contractors in order to permit effective oversight of the cost and provision of such property or service by the agency concerned or the Office of Management and Budget; and

(C) the regulation would not apply to contingency operations associated with national security or a national emergency.

MIKULSKI AMENDMENT NO. 926

Mr. CAMPBELL (for Ms. MIKULSKI) proposed an amendment to the bill, S. 1023, supra; as follows:

On page 71, line 16, strike ''or night differential''.

On page 71, line 18, strike ''or differential''.

FEINSTEIN (AND OTHERS) AMENDMENT NO. 927

Mrs. FEINSTEIN (for herself, Mr. CONRAD, Mr. HARKIN, Mr. INOUYE, Mr. FAIRCLOTH, Mr. FEINGOLD, Mr. JOHNSON, Mr. KERRY, Mr. MACK, Mr. REID, Mr. THURMOND, Mr. TORRICELLI, Ms. SNOWE, Ms. MOSELEY-BRAUN, Mr. COVERDELL, and Mr. SPECTER) , proposed an amendment to the bill, S. 1023, supra; as follows:

SEC. . (a) SPECIAL POSTAGE STAMPS.—In order to afford the public a convenient way to contribute to funding for breast-cancer research, the United States Postal Service shall establish a special rate of postage for first-class mail under this section.

(b) HIGHER RATE.—The rate of postage established under this section—

(1) shall be 1 cent higher than the rate that would otherwise apply;

(2) may be established without regard to any procedures under chapter 36 of title 39, United States Code, and notwithstanding any other provision of law; and

(3) shall be offered as an alternative to the rate that would otherwise apply.

The use of the rate of postage established under this section shall be voluntary on the part of postal patrons.

(c) USE OF FUNDS.—

(1) IN GENERAL.—

(A) PAYMENTS.—The amounts attributable to the 1-cent differential established under this section shall be paid by the United States Postal Service to the Department of Health and Human Services.

(B) USE.—Amounts paid under subparagraph (A) shall be used for breast-cancer research and related activities to carry out the purposes of this section.

(C) FREQUENCY OF PAYMENTS.—Payments under subparagraph (A) shall be paid to the Department of Health and Human Services no less than twice in each calendar year.

(2) AMOUNTS ATTRIBUTABLE TO THE 1-CENT DIFFERENTIAL.—For purposes of this subsection, the term ''amounts attributable to the 1-cent differential established under this section'' means, as determined by the United States Postal Service under regulations that it shall prescribe—

(A) the total amount of revenues received by the United States Postal Service that it would not have received but for the enactment of this section, reduced by

(B) an amount sufficient to cover reasonable administrative and other costs of the United States Postal Service attributable to carrying out this section.

(d) SPECIAL POSTAGE STAMPS.—The United States Postal Service may provide for the design and sale of special postage stamps to carry out this section.

(e) SENSE OF CONGRESS.—It is the sense of the Congress that—

(1) nothing in this section should directly or indirectly cause a net decrease in total funds received by the Department of Health and Human Services or any other agency or instrumentality of the Government (or any component or other aspect thereof) below the level that would otherwise have been anticipated absent this section; and

(2) nothing in this section should affect regular first-class rates or any other regular rate of postage.

(f) ANNUAL REPORTS.—The Postmaster General shall include in each annual report rendered under section 2402 of title 39, United States Code, information concerning the operation of this section.

CLELAND AMENDMENT NO. 928

(Ordered to lie on the table.)

Mr. CLELAND submitted an amendment intended to be proposed by him to the bill, S. 1023, supra; as follows:

On page 47, line 9, strike ''$145,300,000' and insert ''$210,300,000''.

On page 47, line 13, strike ''$110,000,000'' and insert ''$175,000,000''.

On page 51, line 15, strike ''$4,885,934,000'' and insert ''$4,820,934,000''.

THOMAS (AND OTHERS) AMENDMENT NO. 929

Mr. THOMAS (for himself, Mr. ENZI, Mr. BROWNBACK, and Mr. HAGEL) proposed an amendment to the bill, S. 1023, supra; as follows:

At the appropriate place in the bill, insert the following new section and renumber any following sections accordingly:

SEC. . LIMITATION ON THE USE OF FUNDS TO PROVIDE FOR FEDERAL AGENCIES TO FURNISH COMMERCIALLY AVAILABLE PROPERTY OR SERVICES TO OTHER FEDERAL AGENCIES.

(a) Except as provided in subsection (b), none of the funds appropaited by this or any other Act may be used by the Office of Management and Budget, or any other agency, to publish, promulgate, or enforce any policy, regulation, or circular, or any rule or authority in any other form, that would permit any Federal agency to provide a commercially available property or service to any other department or agency of government unless the policy, regulation, circular, or other rule or authority meets the requirements prescribed under subsection (b).

(b)(1) Not later than 120 days after the date of the enactment of this Act, the Director of the Office of Management and Budget shall prescribe regulations applicable to any policy regulation, circular, or other rule or authority referred to in subsection (a).

(2) The requirements prescribed under paragraph (1) shall include the following:

(A) a requirement for a comparison between the cost of providing the property or service concerned through the agency concerned and the cost of providing such property or service through the private sector;

(B) a requirement for cost and performance benchmarks relating to the property or service provided relative to comparable service provided by other government agencies and contractors in order to permit effective oversight of the cost and provision of such property or service by the agency concerned or the Office of Management and Budget; and

(C) the regulation would not apply to contingency operations associated with national security or a national emergency.

HATCH (AND OTHERS) AMENDMENT NO. 930

Mr. HATCH (for himself, Mr. LEAHY, Mr. DURBIN, and Mr. KOHL) proposed an amendment to the bill, S. 1023, supra; as follows:

At the appropriate place, insert the following:

SEC. . JUDICIAL SALARIES.

(a) JUDICIAL COST-OF-LIVING ADJUSTMENTS.—Section 461(a) of title 28, United States Code, is amended to read as follows:

''(a) Effective on the same date that the rates of basic pay under the General Schedule are adjusted pursuant to section 5303 of title 5, each salary rate which is subject to adjustment under this section shall be adjusted by the same percentage amount as provided for under section 5303 of title 5, rounded to the nearest multiple of $100 (or if midway between multiples of $100, to the next higher multiple of $100).''.

(b) AUTOMATIC ADJUSTMENTS WITHOUT CONGRESSIONAL ACTION.—Section 140 of the resolution entitled ''A Joint Resolution making further continuing appropriations for the fiscal year 1982, and for other purposes.'', approved December 15, 1981 (Public Law 97–92; 95 Stat. 1200; 28 U.S.C. 461 note) is repealed.

LOTT (AND DASCHLE) AMENDMENT NO. 931

Mr. CAMPBELL (for Mr. LOTT, for himself and Mr. DASCHLE) proposed an amendment to the bill, S. 1023; as follows:

At the appropriate place, insert the following:

SEC. . Section 302(g)(1) of the Federal Election Campaign Act of 1971 (2 U.S.C. 432(g)(1)) is amended—

(1) by striking ''and'' after ''Senator,''; and

(2) by inserting after ''candidate,'' the following: ''and by the Republican and Democratic Senatorial Campaign Committees''.

FAIRCLOTH (AND OTHERS) AMENDMENT NO. 932

Mr. FAIRCLOTH (for himself, Mr. SHELBY, and Mr. HAGEL) proposed an amendment to the bill, S. 1023, supra; as follows:

Insert at the appropriate section:

SEC. . PROHIBITION OF COMPUTER GAME PROGRAMS.

(1) DEFINITIONS.—In this section, ''agency'' means agency as defined under section 105 of title 5, United States Code;

(2) REMOVAL OF EXISTING COMPUTER GAME PROGRAMS.—Not later than 180 days after the date of enactment of this Act, the head of each agency shall take such actions as necessary to remove any computer game program not required for the official business of the agency from any agency computer equipment.

(3) PROHIBITION OF INSTALLATION OF COMPUTER GAME PROGRAMS.—The head of each agency shall prohibit the installation of any computer game program not required for the official business of the agency into any agency computer equipment.

(4) PROHIBITION OF AGENCY ACCEPTANCE OF COMPUTER EQUIPMENT WITH COMPUTER GAME PROGRAMS.—

(a) Title III of the Federal Property and Administrative Services Act of 1949 is amended by adding at the end the following:

''SEC. 317. RESTRICTIONS ON CERTAIN INFORMATION TECHNOLOGY.

''(a) DEFINITION.—In this section the term 'information technology' has the meaning given such term under section 5002(3) of the Clinger-Cohen Act of 1996 (40 U.S.C. 1401).

''(b) IN GENERAL.—The head of an executive agency may not accept delivery of information technology that is loaded with game programs not required for an official purpose under the terms of the contract under which information technology is delivered.

''(c) WAIVER.—The head of an executive agency may waive the application of this section with respect to any particular procurement of information technology, if the head of the agency—

''(1) conducts a cost-benefit analysis and determines that the costs of compliance with this section outweighs the benefits of compliance; and

''(2) submits a certification of such determination, with supporting documentation to the Congress.''.

(b) The table of contents in section 2(b) of the Federal Property and Administrative Services Act of 1949 is amended by inserting after the item relating to section 316 the following:

''Sec. 317. Restrictions on certain information technology.''.

(c) The amendments made by this section shall take effect 180 days after the date of enactment of this Act.

DASCHLE AMENDMENT NO. 933

Mr. KOHL (for Mr. DASCHLE) proposed an amendment to the bill, S. 1023, supra; as follows:

On page 22, lines 15 and 16, strike ''Notwithstanding any other provision of law,'' and insert ''Hereafter,''.

COLLINS (AND OTHERS) AMENDMENT NO. 934

Mr. CAMPBELL (for Ms. COLLINS, for herself, Mr. SHELBY, and Mr. GRASSLEY) proposed an amendment to the bill, S. 1023, supra; as follows:

On page 5, line 5, strike ''$30,719,000'', and insert in lieu thereof, ''$29,719,000''.

On page 39 after line 2, insert the following new section:

SEC. 121. None of the funds made available by this Act may be used by the Inspector General to contract for advisory and assistance services that has the meaning given such term in section 1105(g) of Title 31, United States Code.

KOHL (AND KENNEDY) AMENDMENT NO. 935

Mr. KOHL (for himself and Mr. KENNEDY) proposed an amendment to the bill, S. 1023, supra; as follows:

On page 12 line 2, strike ''$472,490,000'' and insert in lieu there of, ''$473,490,000; of which $1,000,000 may be used for the Youth Gun Crime Initiative.''

DEWINE AMENDMENT NO. 936

Mr. CAMPBELL (for Mr. DEWINE) proposed an amendment to the bill, S. 1023, supra; as follows:

At the end of title VI, insert the following:

SEC. . No funds appropriated by this Act shall be available to pay for an abortion, or the administrative expenses in connection with any health plan under the Federal employees health benefit program which provides any benefits or coverage for abortions.

SEC. . The provision of section shall not apply where the life of the mother would be endangered if the fetus were carried to term, or the pregnancy is the result of an act of rape or incest.

BINGAMAN AMENDMENT NO. 937

Mr. CAMPBELL (for Mr. BINGAMAN) proposed an amendment to the bill, S. 1023, supra; as follows:

On page 92, strike lines 6 through 16.

ABRAHAM AMENDMENT NO. 938

Mr. CAMPBELL (for Mr. ABRAHAM) proposed an amendment to the bill, S. 1023, supra; as follows:

At the appropriate place in the bill, insert the following new section:

SEC. . (a) The congressional ethics committees shall provide for voluntary reporting by Members of Congress on the financial disclosure reports filed under title I of the Ethics in Government Act of 1978 (5 U.S.C. App.) on such Members' participation in—

(1) the Civil Service Retirement System under chapter 83 of title 5, United States Code; and

(2) the Federal Employees Retirement System under chapter 84 of title 5, United States Code.

(b) In this section, the terms ''congressional ethics committees'' and ''Members of Congress'' have the meanings given such terms under section 109 of the Ethics in Government Act of 1978 (5 U.S.C. App.).

(c) This section shall apply to fiscal year 1998 and each fiscal year, thereafter.

CAMPBELL AMENDMENT NO. 939

Mr. CAMPBELL proposed an amendment to the bill, S. 1023, supra; as follows:

On page 3, line 2, insert the following after ''$6,745,000'': ''*Provided further,* That Chapter 9 of the Fiscal Year 1997 Supplemental Appropriations Act for Recovery from Natural Disasters, and for Overseas Peacekeeping Efforts, including those in Bosnia, Public Law 105–18 (111 Stat. 195–96) is amended by inserting after the ''County of Denver'' in each instance ''the County of Arapahoe''.''.

COVERDELL AMENDMENTS NO. 940–941

Mr. CAMPBELL (for Mr. COVERDELL) proposed two amendments to the bill, S. 1023, supra; as follows:

AMENDMENT NO. 940

At the appropriate place in the bill, insert the following new section:

SEC. . (a) A Federal employee shall be separated from service and barred from reemployment in the Federal service, if—

(1) the employee is convicted of a violation or attempted violation of section 201 of title 18, United States Code; and

(2) such violation or attempted violation related to conduct prohibited under section 1010(a) of the Controlled Substances Import and Export Act (21 U.S.C. 960(a)).

(b) This section shall apply during fiscal year 1998 and each fiscal year thereafter.

AMENDMENT NO. 941

At the appropriate place in the bill, insert the following:

SEC. . (a) COORDINATION OF COUNTERDRUG INTELLIGENCE CENTERS AND ACTIVITIES.—(1) Not later than 120 days after the date of enactment of this Act, the Director of the Office of National Drug Control Policy shall submit to the appropriate congressional committees a plan to improve coordination, and eliminate unnecessary duplication, among the counterdrug intelligence centers and counterdrug activities of the Federal Government, including the centers and activities of the following departments and agencies:

(A) The Department of Defense, including the Defense Intelligence Agency.

(B) The Department of the Treasury, including the United States Customs Service.

(C) The Central Intelligence Agency.

(D) The Coast Guard.

(E) The Drug Enforcement Administration.

(F) The Federal Bureau of Investigation.

(2) The purpose of the plan under paragraph (1) is to maximize the effectiveness of the centers and activities referred to in that

paragraph in achieving the objectives of the national drug control strategy. In order to maximize such effectiveness, the plan shall—

(A) articulate clear and specific mission statements for each counterdrug intelligence center and activity, including the manner in which responsibility for counterdrug intelligence activities will be allocated among the counterdrug intelligence centers;

(B) specify the relationship between such centers;

(C) specify the means by which proper oversight of such centers will be assured;

(D) specify the means by which counterdrug intelligence will be forwarded effectively to all levels of officials responsible for United States counterdrug policy; and

(E) specify mechanisms to ensure that State and local law enforcement agencies are apprised of counterdrug intelligence in a manner which—

(i) facilitates effective counterdrug activities by such agencies; and

(ii) provides such agencies with the information necessary to ensure the safety of officials of such agencies in their counterdrug activities.

(b) APPROPRIATE CONGRESSIONAL COMMITTEES DEFINED.—In this section, the term ''appropriate congressional committees'' means the following:

(1) The Committee on Foreign Relations, the Committee on the Judiciary, and the Select Committee on Intelligence of the Senate.

(2) The Committee on International Relations, the Committee on the Judiciary, and the Permanent Select Committee on Intelligence of the House of Representatives.

HATCH AMENDMENT NO. 942

Mr. CAMPBELL (for Mr. HATCH) proposed an amendment to the bill, S. 1023, supra; as follows:

At page 47, line 19, strike all after ''Appropriations'' to page 48, line 1 at ''*Provided*''.

In lieu thereof, insert ''and Judiciary of the House of Representatives and the Senate that includes (1) a certification, and guidelines to ensure that funds will supplement and not supplant current anti-drug community based coalitions; (2) a certification, and guidelines to ensure that none of the funds will be used for partisan political purposes; (3) a certification, and guidelines to ensure that no media campaigns to be funded pursuant to this campaign shall feature any elected officials, persons seeking elected office, cabinet-level officials, or other Federal officials employed pursuant to Schedule C of 5 Code of Federal Regulations, Section 213, absent notice to each of the Chairmen and Ranking Members of the House and Senate Committees on Appropriations and Judiciary; (4) a detailed implementation plan to be submitted to the Chairmen of the Committees on Appropriations and Judiciary for securing private sector contributions including but not limited to in kind contributions; (5) a quantifiable system to measure outcome of success of the national media campaign, including but not limited to total funds expended, to what, where, or whom such funds were expended, and the effect which such media campaign has had in reducing youth drug abuse.''

HUTCHISON AMENDMENT NO. 943

Mrs. HUTCHISON proposed an amendment to the bill, S. 1023, supra; as follows:

At the appropriate place, insert the following new section:

SEC. . PERSONAL ALLOWANCE PARITY AMONG NAFTA PARTIES.

(a) IN GENERAL.—The United States Trade Representative and the Secretary of the Treasury, in consultation with the Secretary of Commerce, shall initiate discussions with officials of the Governments of Mexico and Canada to achieve parity in the duty-free personal allowance structure of the United States, Mexico, and Canada.

(b) REPORT.—The United States Trade Representative and the Secretary of the Treasury shall report to Congress within 90 days after the date of enactment of this Act on the progress that is being made to correct any disparity between the United States, Mexico, and Canada with respect to duty-free personal allowances.

(c) RECOMMENDATIONS.—If parity with respect to duty-free personal allowances between the United States, Mexico, and Canada is not achieved within 180 days after the date of enactment of this Act, the United States Trade Representative and the Secretary of the Treasury shall submit recommendations to Congress for appropriate legislation.

NOTICE OF HEARING

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. CRAIG. Mr. President, I would like to announce for the public that a hearing has been scheduled before the Subcommittee on Forests and Public Land Management.

The hearing will take place Thursday, July 24, 1997, at 10 a.m. in room SD–366 of the Dirksen Senate Office Building in Washington, DC.

The purpose of this hearing is to receive testimony on S. 858 and S. 1028, to direct the Secretary of Agriculture to conduct a pilot project on designated lands within Plumas, Lassen, and Tahoe National Forests in the State of California to demonstrate the effectiveness of the resource management activities proposed by the Quincy library group and to amend current land and resource management.

Those who wish to submit written statements should write to the Committee on Energy and Natural Resources, U.S. Senate, Washington, DC 20510. For further information, please call Judy Brown or Mark Rey at (202) 224–6170.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ARMED SERVICES

Mr. CAMPBELL. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet on Thursday, July 17, 1997, at 9:30 a.m. in open session, to consider the nomination of Rudy F. De Leon, to be Under Secretary of Defense for Personnel.

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

COMMITTEE ON COMMERCE, SCIENCE AND TRANSPORTATION.

Mr. CAMPBELL. Mr. President, I ask unanimous consent that the Committee on Commerce, Science and Transportation be authorized to meet on Thursday, July 17, 1997 at 9:30 a.m. on S. 625—Auto Choice Reform Act.

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

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. CAMPBELL. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be granted permission to meet during the session of the Senate on Thursday, July 17, for purposes of conducting a full committee hearing which is scheduled to begin on 9:30 a.m. The purpose of this hearing is to consider the nominations of Patrick A. Shea to be Director of the Bureau of Land Management, Robert G. Stanton to be Director, National Park Service, Kneeland C. Youngblood to be a Member of the United States Enrichment Corporation, and Kathleen M. Karpan to be Director, Office of Surface Mining Reclamation and Enforcement, Department of the Interior.

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

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Mr. CAMPBELL. Mr. President, I ask unanimous consent that the Committee on Environment and Public Works be granted permission to conduct a hearing Thursday, July 17, 1997, at 10 p.m., to receive testimony on climate change.

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

COMMITTEE ON FOREIGN RELATIONS

Mr. CAMPBELL. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Thursday, July 18, 1997, at 10 a.m. to hold a business meeting.

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

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. CAMPBELL. Mr. President, I ask unanimous consent on behalf of the Governmental Affairs Committee special investigation to meet on Thursday, July 17, at 10 a.m., for a hearing on campaign financing issues.

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

COMMITTEE ON THE JUDICIARY

Mr. CAMPBELL. Mr. President, I ask unanimous consent that the Committee on the Judiciary, be authorized to hold an executive business meeting during the session of the Senate on Thursday, July 17, 1997, at 10 a.m., in room 226 of the Senate Dirksen Office Building.

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

COMMITTEE ON LABOR AND HUMAN RESOURCES

Mr. CAMPBELL. Mr. President, I ask unanimous consent that the Committee on Labor and Human Resources be authorized to meet for a hearing on quality of child care during the session of the Senate on Thursday, July 17, 1997, at 2 p.m.

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

SUBCOMMITTEE ON EUROPEAN AFFAIRS

Mr. CAMPBELL. Mr. President, I ask unanimous consent that the Subcommittee on European Affairs of the

Committee on Foreign Relations be authorized to meet during the session of the Senate on Thursday, July 18, 1997, at 2 p.m. to hold a hearing.

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

SUBCOMMITTEE ON FINANCIAL INSTITUTIONS AND REGULATORY RELIEF

Mr. CAMPBELL. Mr. President, I ask unanimous consent that the Subcommittee on Financial Institutions and Regulatory Relief of the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate on Thursday, July 17, 1997, to conduct an oversight hearing on the HUD rebuilding and loan guaranty program for financial institutions created as part of last year's church burning legislation.

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

SUBCOMMITTEE ON FORESTRY, CONSERVATION, AND RURAL REVITALIZATION

Mr. CAMPBELL. Mr. President, I ask unanimous consent that the Committee on Agriculture, Nutrition, and Forestry's Subcommittee on Forestry, Conservation, and Rural Revitalization be allowed to meet during the session of the Senate on Thursday, July 17, 1997, at 2:30 p.m. in SR–328A to receive testimony regarding the State and private forestry programs and the Northern Forestry Stewardship Act.

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

SUBCOMMITTEE ON IMMIGRATION

Mr. CAMPBELL. Mr. President, I ask unanimous consent that the Subcommittee on Immigration of the Senate Committee on the Judiciary, be authorized to meet during the session of the Senate on Thursday, July 17, 1997, at 3 p.m. to hold a hearing in room 226, Senate Dirksen Building, on: the VISA Waiver Pilot Program.

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

SUBCOMMITTEE ON INTERNATIONAL FINANCE

Mr. CAMPBELL. Mr. President, I ask unanimous consent that the Subcommittee on International Finance of the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate on Thursday, July 17, 1997, to conduct a hearing on the reauthorization of the U.S. Export-Import Bank.

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

SUBCOMMITTEE ON NATIONAL PARKS, HISTORIC PRESERVATION AND RECREATION

Mr. CAMPBELL. Mr. President, I ask unanimous consent that the Subcommittee on National Parks, Historic Preservation, and Recreation of the Committee on Energy and Natural Resources be granted permission to meet during the session of the Senate on Thursday, July 17, for purposes of conducting a subcommittee hearing which is scheduled to begin at 2 p.m. The purpose of this hearing is to receive testimony on S. 895, to designate the reservoir created by Trinity Dam in the Central Valley project, California, as ''Trinity Lake''; S. 931, to designate the Marjory Stoneman Douglas Wilderness and the Ernest F. Coe Visitor Center; and S. 871, to establish the Oklahoma City National Memorial as a unit of the National Park System; to designate Oklahoma City Memorial Trust, and for other purposes.

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

ADDITIONAL STATEMENTS

FISCAL YEAR 1998 LEGISLATIVE BRANCH APPROPRIATIONS BILL

● Mr. MCCAIN. Mr. President, overall, this is a good bill. It shows that the Congress is concerned about finding savings in its own operations to contribute to deficit reduction.

The bill does reduce slightly the total number of employees in the Senate offices from last year's levels. It contains numerous reductions in unnecessary spending requested by various offices and affiliated organizations. Some of the more interesting examples of items requested by offices but which were very wisely not included in this bill are:

A seismic study of the Capitol Building for $75,000; $30,000 for maintenance of outdoor sculpture in the Peace and Garfield parks; and a study of electromagnetic fields in the Russell Building which would have cost $50,000.

The report also directs the General Accounting Office to place higher priority on Members' requests for audits. This has been a particular matter of concern to me, since the time the GAO sent auditors to middle of the gulf war to inspect Apache helicopters. I appreciate the committee's understanding and assistance in refocusing the efforts of the GAO on the work required by Congress, rather than self-initiated agendas.

Unfortunately, though, the bill increases funding for the Senate and joint Congressional operations by $51.6 million over last year's levels, for a total of $1.538 billion. For the Congress to approve an increase in spending for its own operations seems to me ill-advised, particularly as we continue to struggle to reach agreement on legislation to provide tax relief and reduce Federal spending.

In addition, there are several provisions in the bill language that I would ask the managers to clarify further.

For example, $100,000 is earmarked from the Library of Congress budget for an International Copyright Institute. Another $2,250 from the Library of Congress budget is set aside for official representational and reception expenses of the International Copyright Institute. My question is, what is this International Copyright Institute, and why is it singled out for an earmark of this sort?

The bill also provides $354.2 million for the General Accounting Office—an increase of $15.7 million over last year's level. This 4.6 percent increase is an unfortunate reversal of the trend to reduce the size and cost of the GAO.

The report states that this $345 million will pay for 3,500 full-time equivalent personnel. It is curious to me that the GAO can, in effect, hire 3,500 staffers, while all 100 Senators make do with just slightly more than 3,900 staffers, including our State offices.

The bill also earmarks an unlimited amount of GAO's funds to finance ''an appropriate share'' of the expenses of several different programs:

The Joint Financial Management Improvement Program, including the salary of the Executive Director and secretarial support; the National Intergovernmental Audit Forum or a Regional Intergovernmental Audit Forum, as determined by the respective forum, including necessary travel expenses of non-Federal participants; and the American Consortium on International Public Administration, including any expenses attributable to its membership in the International Institute of Administrative Sciences.

Again, I wonder why these particular institutions are deserving of an earmark for unlimited amounts of the GAO's budget.

In addition, the report language contains several funding and language provisions that cause me some concern. For example:

A provision for $118,000 increase in travel, consultant, and representational funding for the Secretary of the Senate.

A provision for $25,000 for training and travel expenses related to training for employees of the Senate Child Care Center. Shouldn't these employees already be well-trained in child care when they are hired?

A provision for $500,000 for improved lighting in the Senate Chamber. I hadn't noticed a particular problem with lighting in the Chamber.

A provision for $100,000 to design a new subway from the Russell Building to the Capitol Building. Mr. President, we have already spent huge amounts of money to install a new subway from the Dirksen and Hart buildings. Why do we need to spend more money on subways, and why does it cost a half-million dollars to design a subway when I assume it will be very similar to the one already built from Dirksen and Hart?

A provision for $550,000 to modernize elevators in the Hart Building. This building is relatively new and I wonder why a half-million dollars is needed at this time to upgrade the elevators.

Again, I congratulate the managers of the bill for their hard work and scrupulous attention to detail. This is, overall, a very good bill, but I hope that, in conference with the House, unnecessary spending can be dropped to bring the total back in line with current levels of spending.

I ask that list of objectionable items be printed in the RECORD.

The list follows:

BILL LANGUAGE

$100,000 from the Library of Congress budget for an International Copyright Institute.

$2,250 from the Library of Congress budget for official representational and reception expenses for activities of the International Copyright Institute.

$354.2 million for the General Accounting Office—an increase of $15.7 million over last year's level.

This 4.6 percent increase is an unfortunate reversal of the trend to reduce the size and cost of the GAO.

The report states that this will pay for 3,500 full-time equivalent personnel. It is curious to me that the GAO can, in effect, hire 3,500 staffers, while all 100 Senators make do with just slightly more than 3,900 staffers, including our state offices.

Earmark of unlimited amount of GAO's funds to finance ''an appropriate share'' of the expenses of the Joint Financial Management Improvement Program, including the salary of the Executive Director and secretarial support.

Earmark of unlimited amount of GAO's funds to finance ''an appropriate share'' of the costs of the National Intergovernmental Audit Forum or a Regional Intergovernmental Audit Forum, as determined by the respective forum, including necessary travel expenses of non-Federal participants.

Earmark of unlimited amount of GAO's funds to finance ''an appropriate share'' of the costs of the American Consortium on International Public Administration, including any expenses attributable to its membership in the International Institute of Administrative Sciences.

REPORT LANGUAGE

$118,000 increase in travel, consultant, and representational funding for the Secretary of the Senate.

Provides $25,000 for training and travel expenses related to training for employees of the Senate Child Care Center.

$500,000 for improved lighting in the Senate Chamber.

$100,000 to design a new subway from the Russell Building to the Capitol building.

$550,000 to modernize elevators in the Hart Building.●

ENERGY AND WATER APPROPRIATIONS BILL

● Mrs. BOXER. Mr. President, I would like to ask the ranking member on the Energy and Water Development Subcommittee, Senator REID of Nevada, a question regarding the funding for hydrogen research in the appropriations bill for fiscal year 1998.

Mr. REID. I would be pleased to answer a question from my colleague.

Mrs. BOXER. Thank you. As you well know, funding for the Department of Energy's Hydrogen Research Program is critical to the advancement of hydrogen technologies. The President's budget for fiscal year 1998 requested $15 million. The committee, through the efforts of the ranking member, increased the budget request by $4 million to $19 million. As we know, the Hydrogen Future Act that passed by the Congress last year authorized $25 million for fiscal year 1998.

As the ranking member of this appropriations subcommittee I sincerely appreciate his efforts to increase funding for hydrogen research in the energy and water development bill. As we know, the Department needs the funding that they have requested to pursue the furthering of hydrogen by working with the private-sector and our national laboratories to demonstrate the effectiveness as well as the safety of hydrogen. I know that my ranking member is as interested as I am in the demonstration and validation of hydrogen power technology. I support his request for a demonstration and evaluation at the Nevada test site as part of the Department of Energy's Hydrogen Research Program budget.

I would like to ask the distinguished ranking member if he would elaborate on the intentions of the committee report language as it relates to the Department allocating funds for a comprehensive validation program at the Nevada test site. If I understand this correctly, the distinguished Senator from Nevada is suggesting that the Department should begin phase 1 of a program in fiscal year 1998 that will establish at the Nevada test site a single location to administer testing and evaluation of industry-led hydrogen energy systems.

Mr. REID. Mr. President, that is correct. First, I am deeply concerned that increased consumption of refined petroleum products for transportation will continue to climb and the quality of the air we breath will continue to deteriorate. Additionally, our reliance on foreign oil can only aggravate our trade imbalance as well as jeopardize our national security.

Therefore, I felt it to be vitally important that we begin to move forward and establish, at least, one location to allow the Department of Energy the ability to begin the precommercialization of hydrogen technologies. And the Department should provide to the committee a plan for the furthering of this center at the Nevada test site in future years. Hopefully, their fiscal year 1999 request will mirror the authorization of $30 million contained in the Hydrogen Future Act in order to fully implement the center. Full funding at the authorized levels are the only way that we can begin to bring this technology to the marketplace. Furthermore, it is my hope that the administration will view our increased funding of the hydrogen research program as a clear indication that there is support for this technology in the U.S. Senate.

Mrs. BOXER. I thank you for clarifying this most important issue and will continue to look to your leadership in this area.●

EXPLANATION OF SELECTED VOTES ON SPENDING PORTION OF THE BALANCED BUDGET ACT

● Mr. ABRAHAM. Mr. President, recently, the Senate considered historic changes to preserve Medicare for future generations. I think it is important to outline my views in detail on a few of the key votes cast regarding these issues.

I voted to table an amendment by Senator MIKULSKI to reinstate the Boren amendment. In negotiating with the White House on this balanced budget agreement, we all agreed that the best way to reform Medicaid is to allow Governors the maximum flexibility to design programs that meet the unique needs of their States. The biggest barrier to this flexibility, according to the bipartisan National Governors Association, is the Boren amendment. The Boren amendment has allowed the court system to set reimbursement rates, and these rates have been inflated much higher than what the market would determine. These higher rates have cost the States millions of dollars a year and have inhibited the ability of States to implement real program reforms. For this reason, I supported the bipartisan budget agreement and the decision to revoke the Boren amendment.

I voted to table an amendment by Senator KENNEDY which would require specific health benefits for children with special needs. I believe that our package went a long way in meeting the important goal of providing health benefits to children in need. Mr. KENNEDY's amendment, however, would take away the flexibility that Governors need to develop the best possible plan for their States. Instead, Mr. KENNEDY's amendment would allow the Federal Government to mandate both what the benefits should look like and who should receive them. I believe this amendment represents movement in the wrong direction.

I voted against an amendment offered by Senator DURBIN and Senator WELLSTONE which would reinstate food stamp benefits to the children of legal immigrants. We have already negotiated certain changes in regard to services for legal immigrants in the bipartisan budget agreement. I am committed to upholding that agreement and believe that this amendment went outside the scope of the agreed to changes.

Senator D'AMATO offered an amendment to take the money saved by changing the Medicare and Medicaid Program and direct it to National Institutes of Health to provide medical research. While I wholeheartedly support increased funding for NIH, I do not believe this is an appropriate funding avenue and therefore opposed it. In fact, I believe that money saved through changes to Medicare should go toward maintaining the long-term solvency of the Medicare Program.

I voted against an amendment offered by Senator DODD which would add $100 million to provide health care to children who are severely disabled. While I believe this is an important goal, I maintain, and received assurances to that end, that the health needs of severely disabled children would be met through the additional $24 billion we will be spending on our children's health package already incorporated in this bill.

I supported Senator LEVIN's amendment which would allow vocational education training to count toward meeting the work requirement under the welfare reform law. The current welfare law limits the amount of time an individual can be on vocational education to 12 months. This amendment will increase that limit to 24 months. I believe this change will allow individuals the time necessary to engage in training programs to provide real work opportunities once they leave the welfare system.

I opposed an amendment offered by Senator SPECTER which would have provided $1.5 billion over 5 years to pay the Medicare premium for low-income seniors. I voted against this amendment because the budget reconciliation package provides $1.5 billion in new funds to assist Medicare beneficiaries between 120 and 150 percent of the poverty line with their Medicare premium. I believe the legislation already addresses this important need.

Finally, I voted in favor of waiving the Budget Act to include the Medicare Choice program as part of the budget reconciliation bill. I believe that this is one of the most important provisions of the Medicare bill. Our legislation will allow seniors a wide array of choices in care. Seniors will be able to choose from a variety of insurance plans including medical savings accounts [MSA] and private fee-for-service plans. It is critical to keep these provisions in the legislation to allow seniors a real choice in care and to protect seniors from rationing services in the future.●

REAUTHORIZING AMTRAK APPROPRIATIONS

● Mr. HOLLINGS. Mr. President, I support S. 961, the administration's bill to reauthorize appropriations for the National Rail Passenger Corporation, better known as Amtrak. Amtrak is a necessary part of a national transportation system. It has demonstrated its popularity with the traveling public and, more importantly, its ability to provide safe, efficient transportation at reasonable prices.

My South Carolina constituents have made it quite clear that they want Amtrak to prosper, and wish it expanded, not terminated or forced to operate under unreasonable restrictions or reduced to the status of a regional railroad. The citizens of South Carolina and the Nation demand a first class rail passenger transportation service. This is Amtrak's mission, and its promise.

S. 961 puts Amtrak on the path to fulfilling that promise. The bill concentrates on what is important, the operational and financial viability of Amtrak, and is not diverted from its goal by including provisions that are divisive and will not save Amtrak significant money or allow it to maximize its revenues.

Specifically, S. 961 does not include a provision which would impose so-called caps on the punitive damages available to passengers involved in accidents while aboard Amtrak trains. Other bills which purport to aid Amtrak would cap punitive damages to twice compensatory damages or $250,000, whichever is greater. While I understand the necessity of any business to reduce costs, placing liability caps against passengers will not significantly improve Amtrak's bottom line. The General Accounting Office's (GAO) highest estimate of savings from such caps is less than one percent of Amtrak's capital funding needs.

Moreover, the provision ignores the value of punitive damages to the public. With punitive damages a possibility, Amtrak has the incentive to properly train its personnel, invest in safe equipment, and reward safe operations. Finally, such a provision is unnecessary. Punitive damages have never been awarded against Amtrak.

S. 961 puts the emphasis where it should be, on authorizing appropriations of $5 billion for Amtrak over the next six years. It is this money that is needed to fund Amtrak operations, equipment purchases, much needed capital improvements, and expanded services, not the small amount any liability cap will provide the rail carrier. We would all like to avoid paying Government subsidies for this service, but we cannot ignore that the provision of transportation infrastructure is a necessary function of Government, whether involving highways, bridges, airports, mass transit, or rail. It should be noted that a 1994 study of central government subsidies of rail transportation showed that U.S. subsidy levels are 35th in the world, well below those of Europe.

S. 961 also avoids the unnecessary controversy brought about by an effort to provide indemnification for freight railroads over whose tracks Amtrak largely operates. Some argue that freight railroads need protection from accidents between their trains and Amtrak trains. Whatever the merits of indemnifying particular freight railroads in particular cases, what has been proposed in several bills is the complete indemnification of any freight railroad for any accident, regardless of cause or fault. In other words, if a freight railroad employee acts intentionally or with gross negligence and causes an accident, Amtrak would pay for that accident, most likely with tax dollars paid by the American people. The American people would be forced to pay for the mistakes of a multi-million dollar private corporation. This is indefensible.

In 1987, a Conrail engineer, after smoking marijuana, drinking beer, and disabling safety equipment, ran his Conrail locomotives into the rear of an Amtrak train near Chase, MD. The disaster cost 16 lives and 175 injuries. In the resulting litigation, a court found the conduct of the engineer to involve gross negligence. The accident cost $130 million. If the full indemnification provision had been in effect at that time, Amtrak, which was completely blameless, would have been required to pay all of the damages associated with that accident. Amtrak would have had to pay the cost of an accident beyond its control and that it was powerless to prevent. There is no more potent example of the unfairness of such a provision.

One other unacceptable provision that was wisely omitted from S. 961 is a so-called sunset trigger provision. Unfortunately, such a provision is contained in S. 738, the Amtrak bill recently ordered reported by the Commerce Committee. The provision establishes a new Amtrak Reform Council [ARC] to investigate Amtrak's financial condition, make a determination of Amtrak's ability to meet its financial goals, and present a report on Amtrak's condition to the Congress. If the ARC determination is negative, Amtrak is required to prepare a liquidation plan and the ARC is required to prepare a plan for restructuring Amtrak. Both plans are sent to Congress and if, within 90 days, the Congress does not enact the restructuring plan, the liquidation plan must be implemented. Thus, to kill Amtrak, any action to save it need only be delayed by its congressional opponents for 3 months.

Under this provision, Amtrak could be liquidated without either House of Congress taking any responsibility by voting for or against the liquidation plan. There would not have to be any debate in Congress on Amtrak or the liquidation plan. No questions of Amtrak's worth or importance and no indication of the consequences of eliminating Amtrak would have to be addressed. A transportation program of vital importance to millions of Americans would be eliminated without another word. This is nothing more than Congress evading its responsibilities and should not be allowed.

S. 961 is the right approach. We should insist that Amtrak run its operations in a business-like, efficient manner. And we should conduct vigorous oversight. However, we should not complicate its authorization legislation with extraneous provisions, and any decision to discontinue passenger rail service in this country must be made in full view and with complete information on the economic and social costs of doing so.●

CHEMICAL AND BIOLOGICAL DEFENSE RESEARCH

● Ms. SNOWE. Mr. President, on Monday, July 14, 1997, I offered an amendment to the fiscal year 1998 Department of Defense appropriations bill which specifically appropriated funds for a program of basic research in the area of chemical and biological defenses. I want to thank the distinguished chairman of the Defense Appropriations Subcommittee, Senator STEVENS, and the ranking minority

member, Senator INOUYE, for accepting this very important amendment.

This chemical and biological sensor research program was specifically authorized in the Defense authorization bill which was overwhelmingly passed by the Senate last week. The Senate Armed Services Committee recommended, and the Senate approved, an increase of $2 million in research and development funding for a joint service program to develop a prototype hybrid integrated sensor array for chemical and biological point detection.

The Senate Armed Services Committee's intent was to accelerate the development of small sensors which would detect, in real time, the presence of chemical or biological agents. These sensors would be based on metal oxide and biochemical film technologies. In its report, the Senate Armed Services Committee emphasized its support for this program and for expanding the knowledge in military relevant fields of chemical and biological research. Our soldiers in the field need this technology to protect them from the possible threat presented by chemical and biological agents.

Mr. President, I have reviewed the fiscal year 1998 Department of Defense appropriations bill which we are considering here in the Senate, and it is unclear as to whether the funding for this program, which was included in the Defense authorization bill, has sufficient appropriations. My intent, with this amendment, is to make clear that this bill appropriates funds for this very important program.

Mr. President, the threat from chemical and biological weapons that faces our Nation's troops is very real and very dangerous. During the Persian Gulf war, we witnessed just how dangerous the threat of chemical and biological weapons was during that crisis and how this threat continues today.

We must also consider the fact that chemical and biological weapons may also be a potential weapon of choice for use by terrorists. Continued research and development in the area of sensor development must continue in this field to counter these very real threats.

There is an urgent need to have effective chemical and biological weapon sensors that can detect the presence of these weapons in real-time or near-real-time. The Department of Defense needs to rapidly develop these kinds of sensors, and that is the intent of this amendment.

This amendment does not seek to go beyond the authorized funding amount. It seeks merely to insure that the program which the Senate has voted to authorize is fully funded in this bill. I thank my colleagues for their support of this amendment.●

EXECUTIVE BRANCH POLITICAL APPOINTEES

● Mr. FEINGOLD. Mr. President, as many in this body know, I have been concerned that while the total number of Federal employees has been reduced in recent years, the same cannot be said of executive branch political appointees.

Indeed, between 1980 and 1992 the number of political appointees grew 17 percent, three times as fast as the total number of executive branch employees.

Mr. President, let me emphasize that political appointees play a vital role in implementing those very policies for which an administration is elected in the first place. Political appointees often also bring backgrounds rich in experience as well as a fresh perspective that can strengthen our Government.

But as many distinguished observers have noted, too many political appointees may actually interfere with the efficient and effective implementation of administration policies. Author Paul Light has documented this problem in his book ''Thickening Government: Federal Government and the Diffusion of Accountability.''

Various public commissions and Government watchdog groups have also voiced concerns from the 1989 National Commission on Public Service, chaired by Paul Volcker, to the Congressional Budget Office, and most recently the Twentieth Century Fund Task Force on the Presidential Appointment Process, chaired by two former Members of this body, former Senators John Culver and Charles Mathias.

Mr. President, I have introduced legislation to cap the number of political appointees at 2,000, a level which represents a reduction of about 30 percent from current levels. That proposal is identical to the recommendation of both the Volcker Commission and the Twentieth Century Fund Task Force, and also mirrors a proposal by the Congressional Budget Office which is included in their publication of spending and revenue options to reduce the deficit. My bill would save taxpayers over $330 million during the next 5 years. Just as important, bringing the number of political appointees to a more manageable level will enhance flexibility and increase the ability of the President to implement administration policies.

Mr. President, this administration has a commendable record in bringing the overall growth of the Federal employees under control, and, in fact, beginning to reduce the number by several hundred thousand.

And recently, I was encouraged to see that work also began with respect to political appointees in the Commerce Department, an agency where the growing number of appointees has been a particular concern.

Mr. President, while I believe we have a long way to go in this area, there has been some progress made by the administration and I will not offer my legislation as an amendment to this particular bill as I have in the past.

I firmly believe further work is needed in this area, however, and I will be following the progress made by the administration in reducing the number of political appointees with great interest.●

IN REMEMBRANCE OF THE VICTIMS OF FLIGHT 800

● Mr. SANTORUM. Mr. President, I rise in remembrance of the 228 victims of the TWA airline crash off the Long Island coast which occurred just 1 year ago today. In that accident, the community of Montoursville, PA, lost 16 of its young citizens—students from the local high school who were traveling abroad as members of the school's french club—and 5 adult chaperones.

While its cause remains unknown, I believe it is critical that our remembrance of the accident not be defined by this uncertainty, difficult as it is for those who mourn the death of family and friends. Because we do know, with certainty, what we lost: sons, daughters, classmates, as well as mothers, fathers, and neighbors. We know of their contributions to their communities, schools, and professions. We know, especially in the cases of the youngest victims, of their promise and of their vitality. We know of their importance in the lives of their families. It is with this sure knowledge of who the victims were and of what they did in their lives that we should remember them.

The loss of the young Pennsylvania students—and all the members of that flight—to unexplained tragedy is terrible to bear. I know that the Montoursville students were the pride of their community. Responsible and accomplished students, cherished sons and daughters, they undertook the much-anticipated trip to France with gratitude, excitement and hope. By remembering them in this way perhaps we will always somehow know their presence in our lives.●

ONE YEAR AGO TODAY—TWA FLIGHT 800

● Mr. HOLLINGS. Mr. President, one year ago today, I spent the morning in a hearing on aviation safety arguing with the head of the Federal Aviation Administration that we needed higher safety standards and better safety inspections. We finished with the hearing at about the same time 230 people began to prepare for a flight to Paris.

As with most flights, I am sure that some people were a little nervous, while others were delighted to be on board and away from the heat and congestion in New York. Shortly after 8:30 p.m., the lives of the 230 people and their families changed forever.

Terrorism was the first focus of the National Transportation Safety Board, FBI, and others. It was, and remains, incredible that a perfectly able aircraft, with an experienced crew, would just explode. Yet it happened.

To the family of Matt Alexander, July 17 will always remain a tragic

memory. Matt was from Florence, South Carolina. He was a student at Wake Forest, going to spend a semester in France.

I want to make sure that the families of the victims realize that their losses have not been, and will not be, forgotten. Aviation safety changes will occur that are the direct result of the crash. While new safety measures cannot bring back loved ones, they can help prevent future losses.

We already have put in place new procedures to assist the families following aviation disasters. A Federal task force created as part of the Federal Aviation Reauthorization Act of 1996 continues to examine ways to make sure that families get needed information, assistance, and privacy following a disaster. None of this will bring back people like Matt, but we can make the process a more humane one.●

1997 MID YEAR REPORT

The mailing and filing date of the 1997 Mid Year Report required by the Federal Election Campaign Act, as amended, is Thursday, July 31, 1997. All Principal Campaign Committees supporting Senate candidates must file their reports with the Senate Office of Public Records, 232 Hart Building, Washington, DC 20510–7116. Senators may wish to advise their campaign committee personnel of this requirement.

The Public Records Office will be open from 8 a.m. until 7 p.m. on the filing date for the purpose of receiving these filings. For further information, please do not hesitate to contact the Office of Public Records on (202) 224–0322.

REGISTRATION OF MASS MAILINGS

The filing date for 1997 second quarter mass mailings is July 25, 1997. If your office did no mass mailings during this period, please submit a form that states ''none.''

Mass mailing registrations, or negative reports, should be submitted to the Senate Office of Public Records, 232 Hart Building, Washington, DC 20510–7116.

The Public Records Office will be open from 8 a.m. to 6 p.m. on the filing date to accept these filings. For further information, please contact the Public Records Office on (202) 224–0322.

ORDERS FOR MONDAY, JULY 21, 1997

Mr. STEVENS. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until the hour of 12 noon on Monday, July 21st.

I further ask that on Monday, immediately following the prayer, the routine requests through the morning hour be granted, the Senate then immediately proceed to a period of morning business, with Senators permitted to speak for up to 10 minutes.

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

Mr. STEVENS. Mr. President, I also ask unanimous consent that at 3 p.m., the Senate begin consideration of the VA-HUD appropriations bill.

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

Mr. STEVENS. I further ask unanimous consent at 5:15 p.m. on Monday, the Senate resume consideration of S. 1023, the Treasury and General Government appropriations bill, with a series of votes occurring on the remaining pending amendments, including a vote on final passage of this bill, S. 1023.

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

PROGRAM

Mr. STEVENS. For the information of all Members, Monday from noon until 3 p.m., the Senate will be in a period of routine morning business. By previous order, at 3 p.m., the Senate will begin consideration of the HUD–VA appropriations bill. Under the previous order, at 5:15 p.m., the Senate will resume consideration of S. 1023, the Treasury and General Government appropriations bill, with a series of votes occurring on the remaining pending amendments to the bill, including final passage of S. 1023. Following passage of the Treasury and General Government appropriations bill, the Senate will resume consideration of the VA-HUD appropriations bill. As a reminder to all Members, the Senate will not be in session on Friday. The next rollcall will be a series of votes, commencing at 5:15 on Monday afternoon.

ADJOURNMENT UNTIL MONDAY, JULY 21, 1997

Mr. STEVENS. Mr. President, if there is no further business to come before the Senate, I now ask that the Senate stand in adjournment under the previous order.

There being no objection, the Senate, at 8:25 p.m., adjourned until Monday, July 21, 1997, at 12 noon.

NOMINATIONS

Executive nominations received by the Senate July 17, 1997:

DEPARTMENT OF STATE

FELIX GEORGE ROHATYN, OF NEW YORK, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO FRANCE.

CONFIRMATIONS

Executive nominations confirmed by the Senate July 17, 1997:

DEPARTMENT OF JUSTICE

JOEL I. KLEIN, OF THE DISTRICT OF COLUMBIA, TO BE AN ASSISTANT ATTORNEY GENERAL.

ERIC H. HOLDER, JR., OF THE DISTRICT OF COLUMBIA, TO BE DEPUTY ATTORNEY GENRAL.

EXTENSIONS OF REMARKS

INTRODUCING HOUSE RESOLUTION 188 URGING THE EXECUTIVE BRANCH TO TAKE ACTION REGARDING THE ACQUISITION BY IRAN OF C–802 CRUISE MISSILES

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 17, 1997

Mr. GILMAN. Mr. Speaker, I am submitting today a resolution that calls upon the Clinton administration to take firm action against those responsible for providing dangerous C–802 cruise missiles to Iran.

The safety and security of American servicemen and women stationed in the Persian Gulf theater of operations are at stake. The acquisition of C–802 cruise missiles by Iran is a destabilizing development and constitutes a clear threat to peace in the region. This violates the provisions of the Iran-Iraq Arms Non-Proliferation Act of 1992, and, therefore, requires the President to levy sanctions against the provider of the cruise missiles—China. To date, the administration has done nothing. I urge my colleagues in the House of Representatives to join me in calling on the executive branch to enforce the law with respect to the acquisition by Iran of these cruise missiles, and to take appropriate action against China for providing the weapons.

We all remember the tragic and deadly attack against the naval escort vessel U.S.S. *Stark* that occurred in the Persian Gulf in May 1987. A single cruise missile slammed into the frigate and killed 37 American sailors.

Today, 15,000 members of the United States Armed Forces are stationed in the Persian Gulf area, carrying out a variety of important foreign policy objectives: enforcing economic sanctions against Iraq; protecting United States and European aircraft that are patrolling the no-fly zone over southern Iraq; and, maintaining open sea lanes through the gulf. We owe it to our troops to minimize to the extent possible the threat they face as they conduct their mission. Prohibiting rogue regimes such as Iran from acquiring advanced conventional weapons must be a high foreign policy objective for the United States, to ensure the safety of American Armed Forces in the region.

In 1996, the China National Precision Machinery Import-Export Corp., a state-run enterprise, delivered 60 C–802 model cruise missiles to Iran. These missiles are mounted on patrol boats for use by the Iranian Revolutionary Guard Navy. The China National Precision Machinery Import-Export Corp. markets the C–802 in its sales brochure as a missile with mighty attack capability and great firepower for use against escort vessels such as the U.S.S. *Stark.* This is the same company that supplied missile technology to Pakistan, a transaction that led the United States Government to impose economic sanctions for violating United States law and the international nonproliferation guidelines.

In addition, China reportedly is supplying Iran with a land-based version of the C–802 cruise missile. Iran has been constructing several sites along its coastlines to accommodate transporter-erector-launchers [TELs], from which the Iranian Revolutionary Guard can fire these cruise missiles at targets in both the Persian Gulf and the Gulf of Oman. The C–802 model cruise missile provides the Iranian military a weapon with greater range, accuracy, reliability, and mobility than it previously possessed.

In November 1996, Iran conducted land, sea, and air war games in the Persian Gulf and the Gulf of Oman and successfully test-fired a C–802 anti-ship cruise missile from one of its patrol boats. Adm. Scott Redd, the former commander-in-chief of the United States Fifth Fleet, said that the C–802 missiles give Iran a ''360-degree threat which can come at you from basically anywhere.'' Deputy Assistant Secretary of State Robert Einhorn told the Senate Governmental Affairs Committee on April 11, 1997, that the C–802 cruise missiles ''pose new, direct threats to deployed United States forces.''

The Iran-Iraq Arms Non-Proliferation Act of 1992—title XVI of the National Defense Authorization Act for Fiscal Year 1993—establishes United States policy to oppose any transfer to Iran of destabilizing numbers and types of advanced conventional weapons, including cruise missiles. The law requires the President to apply sanctions to ''those nations and persons who assist [Iran] in acquiring weapons.'' The sanctions include a 1-year suspension of U.S. assistance to the offending country and a 2-year ban on the import of any goods produced by the company found in violation of the statute.

We know that China is responsible for the transfer of these cruise missiles to Iran. The President must impose the sanctions that are stipulated in the law.

To my dismay, the administration has concluded that the known transfers of C–802 cruise missiles from China to Iran are not of a destabilizing number and type and, therefore, require no enforcement of sanctions against China. Instead, Secretary of State Madeleine Albright told a Senate Appropriations subcommittee in May 1997 that the administration has ''deep concerns'' about the acquisition of cruise missiles by Iran and will continue to review this development. I find this to be an unacceptable response.

While reasonable people can disagree over what constitutes destabilizing, there can be no argument that Iran has been engaged in a worrisome expansion of its conventional military capability, especially its navy. Iran has threatened to use its military power to close the Straits of Hormuz, disrupt international shipping, and challenge American forces active in the gulf. The Tehran government views the United States military as an unwelcome presence in the region. Our ships have had several close encounters with the Iranian navy in the past year. Fortunately these confrontations have remained small and contained.

As Elaine Sciolino points out in her April 20, 1997, article in the New York Times, the potential for real conflict between the United States and Iran is significant, ''when two enemy navies with vastly different military missions and governments that do not talk to each other are crowded into such a small, highly strategic body of water.'' The acquisition by Iran of advanced cruise missiles, like the C–802 model, must be considered a serious threat to stability, given the explosive situation that already exists. Iran's intent seems clear to me: to challenger the United States for predominance in the gulf.

Thus, the number of C–802 cruise missiles that Iran acquires becomes academic when considering application of the provisions of the Iran-Iraq Arms Non-Proliferation Act. Our men and women in uniform in the Persian Gulf now face a greater risk with at least 60 lethal cruise missiles targeted at them. The sailors aboard the U.S.S. *Stark* can remind us of the irreparable harm that one cruise missile can perform, let alone 60.

Other considerations aside, the law requires the administration to impose sanctions on China for its role in providing these weapons to Iran. I strongly recommend that the President consider applying sanctions against the Chinese Government, as spelled out in the statute, rather than only against the China National Precision Machinery Import-Export Corp. As a state-run enterprise, this company operates with Central Government complicity. Previous penalties by the U.S. Government against this corporation have not eliminated business dealings that are inimical to American security interests. The Chinese Government has sent us a message by permitting the sale of C–802 cruise missiles to Iran. It's time for the U.S. Government to deliver a crystal clear response.

Again, I urge my colleagues in the House of Representatives to support this resolution calling upon the Clinton administration to take appropriate action.

INTRODUCTION OF THE LOWER EAST SIDE TENEMENT MUSEUM BILL

HON. NYDIA M. VELÁZQUEZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 17, 1997

Ms. VELÁZQUEZ. Mr. Speaker, my colleagues, today I introduced a bill that would designate the Lower East Side Tenement Museum an affiliate of the National Park Service, The Tenement Museum is located at 97 Orchard Street in Manhattan's Lower East Side, the heart of America's immigrant tradition. This building was erected in 1863 and, over the course of 69 years, served as the first American home for thousands of immigrants from around the world.

Much of America's immigrant history begins in New York. The museum on Ellis Island explains how families from around the world

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

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

journeyed to and arrived in the United States. While many newcomers set out to settle our Nation's rural frontiers, many more became urban pioneers—men, women and children who settled in the city. For this reason the next chapter of the immigrant tale, their lives in America, deserves closer exploration and recognition. Thus, in seeking a home for this story, the Museum sought the quintessential expression of urban, immigrant life—the tenement.

The Lower East Side Tenement Museum bill recognizes the museum's efforts to preserve, maintain, and interpret the themes of early tenement life, the housing reform movement, and tenement architecture in the United States. Affiliate status would allow this private nonprofit museum to fully participate in the programs and activities of the National Park Service while complimenting the Park Services trinity of Ellis Island, Clinton Castle, and the Statute of Liberty at not cost to American taxpayers.

My colleagues, this legislation enjoys wide bipartisan support among the New York State delegation and is supported by the city and State of New York, as well as civic leaders, small business owners, organized labor, the Wall Street community, and the National Park. I urge all of you to support this national treasure.

TRIBUTE TO WJGA

HON. MAC COLLINS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 17, 1997

Mr. COLLINS. Mr. Speaker, I rise to recognize a small town, community-minded radio station. Every morning in my hometown of Jackson, GA, something happens that is as anticipated as the sunrise. In fact, this daily ritual is shared by most of the residents of Jackson, one which reflects the tightness of its community bonds. Friendship like this can be found in all the facets of Jackson life, but especially when citizens tune into local radio station 92.1 FM, WJGA each day.

When the hands of local Georgians turn their radio dials to this station, the two men they hear in the morning don't echo the usual shock-jock type material that has come to characterize talk radio. Instead, audience members are treated to the down-home kindness of hosts Don Earnhart and Walter Carmichael. From these two, listeners are not only treated to the local news of Butts and Jasper counties, but also to the intangibles not measured by watt meters or ratings scales, things like friendship and allegiance.

Earnhart recently explained, ''Our listeners get to know us.'' They do soon in much the same manner as two people sitting on a park bench talking about the day. Topics might concern the menu at a local cafe or the politics of a balanced budget. With a format that is comprised of completely live programming, these two wizards of the airwaves provide the one quality representative of friendship, personal attention. As Bill Osinski of the Atlanta Journal and Constitution recently said of this idea, ''A radio station that respects its listeners—how refreshing.'' His enthusiasm for work has not faded after all these years, and with his wife Susanne working as the station's business manager, the two not only make great radio, but a great team as well.

Now, as the world continues to move at such a brisk pace, it is also refreshing to note that there are some folks content to do things the old-fashioned way. They don't need flashy logos or slogans. They don't need absurd or appalling subject matter. They simply need people like Don Earnhart and Walter Carmichael, people who care enough to care for others. How refreshing indeed.

DEPOT-LEVEL MAINTENANCE

HON. MAX SANDLIN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 17, 1997

Mr. SANDLIN. Mr. Speaker, I rise today to introduce legislation that clarifies the definition of depot-level maintenance and repair as the definition applies to the Army. The definition of depot-level maintenance currently included in the Department of Defense authorization bill should include conversions and modifications and I ask your support for such a change.

Section 333 of the Department of Defense authorization bill states:

> Depot level maintenance and repair means material maintenance or repair requiring the overhaul, upgrading, or rebuilding of parts, assemblies, or subassemblies, and the testing and reclamation of equipment as necessary, regardless of the source of funds for the maintenance or repair.

I believe this definition is vague and unclear and could undermine current BRAC laws. Further, it could potentially be interpreted to change long-existing Army definitions, and devastate attempts to gain more workload at certain depots.

I cite an example of why this definition is necessary. In 1995 Red River Army Depot in my district was realigned by the base realignment and closure process. The BRAC law stated: ''Move all maintenance missions except for that related to the Bradley Fighting Vehicle series to other depot maintenance activities including the private sector . . .'', thus leaving all maintenance of the Bradley Fighting Vehicle at Red River Army Depot.

When I was elected to Congress, I sat down with the Army to discuss the situation at Red River. The Army told me that Red River was unable to perform conversions and modifications of the Bradley Fighting Vehicle because conversions and modifications are not part of depot maintenance. However, Army Regulation 750–2 of Army Materiel Maintenance Wholesale Operations defines depot maintenance as ''that maintenance performed on materiel requiring major overhaul or a complete rebuild of parts, assemblies, subassemblies, and end items, including the manufacture of parts, *modifications and conversions,* testing and reclamation, as required. Depot maintenance serves to support lower categories of maintenance by providing technical assistance and performing that maintenance beyond their responsibility. Depot maintenance provides stocks of serviceable equipment by using more extensive facilities or repair than are available in lower level maintenance activities.'' (Emphasis Added.)

Clearly the law states that depot maintenance of Bradley Fighting Vehicles is to be performed at Red River Army Depot. Since the Army definition of depot maintenance includes modification and conversions, any modification and/or conversion of the Bradley should be performed at Red River Army Depot. Mr. Speaker, this is why we need this legislation to clearly state what the Army can and cannot do and so it can follow its own regulations.

Depots are a vital part of our Nation's military and are essential to our military readiness. The Army currently has five maintenance depots, three of which are ground maintenance depots. More and more, each ground maintenance depot is becoming increasingly specialized.

Mr. Speaker, we need to make sure these depots operate efficiently, and that in a time of need we have dependable sources of repair for our military might.

It is clear that in the post-cold-war era our military readiness levels need to reflect the demise of the Warsaw Pact and other changes in the world. However, we need to fully assess the impact that closure and realignment decisions made to date have had on our current military readiness. To our knowledge, no report or complete assessment has been prepared on how base closures, which are currently being completed, have affected our military readiness. I believe that until such a report can be reviewed, it is unwise to recommend more base closures.

The four previous rounds of the base realignment and closure [BRAC] process have resulted in the closing of 97 defense installations in the United States. We are still unable to fully assess the actual savings, if any, generated from those base closures. For this reason, we know that if there are any savings generated from further rounds of base closures, those savings will not be realized for many years to come. Further, it is also necessary to realize the amount of money spent to close military facilities. By the year 2000, we will have spent approximately $23 billion in cleanup and other costs associated with the closure of military installations.

The Quadrennial Defense Review claimed that in order to preserve combat capability and readiness, the services must compete, outsource, or privatize military department infrastructure functions that are closely related to commercial enterprises. The Secretary of Defense recently stated that ''We need to deregulate defense just as we have deregulated many other American industries.'' However, our military is not just another American industry. The civilian and military employees who currently perform these functions are experienced, dedicated, and well-skilled individuals on whom our Nation can depend in time of war. The uncertainties we would face with an inexperienced, privatized work force, pressed into service on short notice, could be a tremendous detriment to our military readiness.

AMERICAN HEROES

HON. RON PACKARD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 17, 1997

Mr. PACKARD. Mr. Speaker, I rise today in recognition of two American heroes—retired Col. Mitchell Paige, of the U.S. Marines and retired Col. Frederick T. Flo of the U.S. Army.

The veterans of America are the men and women deeply responsible for the great Nation we live in. The bravery, honor and dignity in which they bestowed their service in the hope of preserving democracy puts all Americans forever in their debt. From the Revolutionary War to Desert Storm, our Nation has relied on our soldiers to keep peace and promote freedom.

I am privileged to honor two of these heroes today before this Congress and the American people.

Today, Col. Mitchell Paige is retired in the great State of California, but in October of 1942 he fought valiantly to stop the Japanese attacks on the Matanikau River during World War II. Col. Paige was rewarded for his heroic action with the Medal of Honor. This Marine was acknowledged in several papers as single handedly securing the perimeter and preserving the lives of many Americans.

Col. Frederick Flo is also an American champion. In World War II he was deployed with the Army to the front lines. Colonel Flo volunteered to lead a patrol on a 125-mile reconnaissance behind Japanese lines with only 13 men in his company. His successful mission provided important information for his superior, General Vandergift, that may well have saved the lives of many Americans.

Mr. Speaker, on behalf of the American people and this Congress, I would like to formally congratulate these two men. They are genuine American heroes and deserve our recognition and faithful appreciation. I am honored to have had the opportunity to recognize these two patriots today.

''REVERSE ROBIN HOOD BILL''

HON. DONNA M. CHRISTIAN-GREEN

OF THE VIRGIN ISLANDS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 17, 1997

Ms. CHRISTIAN-GREEN. Mr. Speaker and my colleagues, the Republican tax bill can only be viewed as a ''reverse Robin Hood'' bill, because it would hurt hard-working families, aspiring students, and the people of the territories of the United States.

Why is it that the deficit must only be reduced on the backs of those of us who are struggling everyday to survive, while those who could best afford to contribute more not only get away scot-free, but actually get more.

Mr. Speaker, the people whom I'm privileged to represent are among the 15 million who are cut out of the Republican led tax bill. Then, as if to add insult to injury, the tax bill further threatens to kill my district's struggling tourism industry which provides our economic base and on which many Virgin Islanders and residents of other territories depend for a livelihood.

On behalf of the people of the Virgin Islands and the majority of Americans, I plead with the conference committee, to uphold the commitment of the budget agreement, to reject the tax on the domestic portion of international flights, and freeze the departure tax for the smaller members of the American family at the present level so that we can continue to be a refuge for many of those same hard-working Americans who visit us for a well-deserved vacation.

My colleagues, the people of the Virgin Islands survived Hurricanes Hugo and Marilyn, but we could not withstand Hurricane airline tax.

HONORING ELIZABETH H. ''BETTY'' NORWORTH ON HER FIFTIETH ANNIVERSARY WITH THE FBI

HON. ED BRYANT

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 17, 1997

Mr. BRYANT. Mr. Speaker, I would like to take the time to honor Mrs. Elizabeth H. Norworth, or ''Betty,'' as she is known by me and all of her friends. For the past 50 years she has served as an asset to the FBI's Memphis office.

Betty began her service with the FBI on September 8, 1947 as a stenographer in Memphis, where she earned a $2,168.28 per year salary. In 1951, she was promoted to stenographic supervisor. That same year, she married Ned Norworth, who remains her husband. Her steadfast dedication and performance led to a series of promotions including the position of secretary for the special agent in charge, a job she has masterfully handled since 1960. Through the last 16 special agents in charge and the past 37 years, she has perfected her position and learned just about everything that there is to know about the FBI. According to John Hancock, the current special agent in charge of the FBI's Memphis office, Betty has basically been the sole trainer of all of the last 16 special agents in charge of the FBI's Memphis office. One of those she trained and worked under was Clarence M. Kelly, the former Director of the FBI.

Mr. Speaker, I know Betty. We worked in the same office building when I was U.S. attorney, so I know how dedicated she has been and continues to be and what an asset she is, not only to the FBI, but to this great Nation. I am proud to recognize her here today.

THE EXPLOSION OF TWA FLIGHT 800; REMEMBERING THE VICTIMS AND FAMILY, PAYING TRIBUTE TO OUR COURAGEOUS AND CARING VOLUNTEERS ON LONG ISLAND

HON. MICHAEL P. FORBES

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 17, 1997

Mr. FORBES. Mr. Speaker, I rise today to ask my colleagues in the U.S. House of Representatives to join me in prayerful remembrance of the 230 people who lost their lives when TWA flight 800 crashed off the south shore of Long Island, near the small town of East Moriches, 1 year ago today.

I also ask that all Americans join us as we pray for the families and friends of the passengers and crew members who perished in the crash, that they might gain some measure of solace and understanding about their profound and so very public loss.

In one tragic moment on an otherwise ordinary summer evening, the lives of the surviving families and friends were plunged into a tumult of grief and confusion. We cannot imagine the soul-wrenching heartache and numbing pain they faced in the minutes and days after news of their loss reached them. In the months that followed leading up to this anniversary, some have thankfully found healing grace they need in the personal bonds forged with the other surviving families.

We all grieve for their loss, but perhaps what still weighs most heavily on our hearts is that even after a year, there is still no clear answer as to what caused TWA flight 800 to explode in mid-air over the Atlantic Ocean. Since that fateful July evening, there have been several studies conducted and recommendations made about the ways we can make airline travel safer. Today, there is something that we, as a compassionate Congress, can do to spare the families any further pain. We can move quickly to approve the bill offered by our esteemed colleague from Pennsylvania, Mr. MCDADE, a bill that corrects an egregious injustice that prevents the survivors of this or any plane crash over international waters to seek compensation for the pain, suffering and loss of a loved one, as the family of other airline disasters may do. This is a simple matter of fairness and small measure of justice that we can provide, in the memory of those who died aboard TWA flight 800.

Though the headlines tell us that 230 human beings lost their lives in this crash, they are more than just numbers. Each one of those 230 were someone's son or daughter, wife or husband, brother, sister, and friend. And each of those abroad TWA flight 800 has a story. I would like to tell you about a few of my Long Island neighbors who perished abroad TWA flight 800.

Such as Eric and Virginia Holst, of Manorville. Just a few days away from their own sixth wedding anniversary they were on their way to Eric's brother Troy's Paris wedding. Eric was a dentist with a practice in the town of Center Moriches, just a few miles from the crash site. With special talent for easing the anxiety of a child's first trip to the dentist, Eric Holst decorated his office with the cards and greetings from his youngest patients, who adoring called him ''Dr. Eric.'' His parents, John and Joan Holst live in nearly St. James.

Virginia Holst was a partner with her mother, Luz Mari Pelaez, in a skin-care and nutritional products business that she operated out of her home. After having already bravely overcome thyroid cancer, Virginia, in the words of her mother,''got so strong, so full of energy and life, it was amazing. She had fought that war, and she won.''

Or the story of Beverly and Tracy Anne Hammer. Having just recently passed her stockbroker's exam, Beverly overcame her fear of flying to join her daughter Tracy Anne in Paris, where the veterinary student was to deliver a research paper. Richard Hammer did not join his wife and daughter so that they could spend time together on a once-in-a-lifetime vacation in Europe. Today, he lives in East Hampton, Long Island.

At age 37, Donna Griffith had just begun a new life for herself. The Westhampton Beach native decided to celebrate her recent college graduation by taking her first trip to Europe. The Brooklyn resident was to start classes at New York University's graduate school after her return.

Rico Puhlmann was an internationally renowned fashion photographer who split his

time between the bright lights of Manhattan and the quiet countryside of Water Mill, Long Island. A child film star in his native Germany, his oeuvre included 125 cover photographs for Harper's Bazaar and countless other covers for Gentlemen's Quarterly, Glamour, and Vogue.

In these tragic moments that TWA Flight 800 fell out of the sky, the communities of East Moriches and Montoursville, PA were inextricably linked. Aboard the flight were 16 high school students and five adult chaperons from the French club at Montoursville High School. Just minutes earlier, the students had embarked on the trip of their young lives as they headed off to Paris to test their hard-earned mastery of the French language and taste the rich French culture. Sadly, for the parents, family, and friends who said goodbye to them just a few minutes earlier, they never returned.

Though we can never forget those we lost aboard TWA flight 800, we can be proud of the many shining examples of humanity amidst this calamitous occurrence. The many local efforts on behalf of the search and rescue mission demonstrated to the entire world how Long Islanders respond in difficult times. It's sad that it takes these tragic events for use to see how selfless and enduring the human spirit can be.

From the moment the first calls came in from South Shore residents who witnessed the fiery explosion, hundreds of emergency service workers, Suffolk County police officers, firefighters, ambulance workers, Coast Guard personnel and units from the 106th New York Air National Guard unit in Westhampton Beach rushed to the scene in East Moriches, in a desperate search for survivors. Sadly, there were none.

Once the place crash had been confirmed, Suffolk County officials immediately went to a level two alert, notifying hospitals and public safety agencies. In the course of responding to the crash, Suffolk County and the towns of Brookhaven and Southampton incurred nearly $6 million in equipment and overtime expenses. Though these huge costs drained the small budgets of these local governments, County Executive Robert Gaffney and Town Supervisors Felix Grucci and Vincent Cannuscio never hesitated to commit their official resources to the rescue and recovery effort.

We can be most proud of the hundreds of volunteers of all stripes who left their homes in the dark of night to lend a hand to the effort. They included ambulance companies from 15 communities, volunteer firefighters from a dozen fire departments and even local residents in their own pleasure boats who pitched in to assist the fruitless search for survivors and recovery of plane parts.

I would also like to give notice to the men and women of the Coast Guard Group Moriches, at East Moriches. Led by Comdr. Elmo Peters, these Coast Guard personnel performed with the utmost professionalism and courage in handling the extensive search and rescue operations, and they deserve our thanks and prayers as well. Incredibly, just a few months earlier there was a proposal to eliminate the Coast Guard Rescue Unit at East Moriches, a plan that thankfully was never approved.

As we have come to expect when calamity strikes any corner of the world, Red Cross volunteers can be found, comforting the stricken while giving aid to the rescuers. From the early moments of this tragedy, Red Cross volunteers from across the New York metropolitan region were on the scene, delivering food and drink, medical care, cots, blankets, and tents. In the first week after the crash, the Red Cross served more than 19,000 meals to emergency workers, the media and others at the scene. Throughout this ordeal, these Red Cross volunteers showed once again why they are truly angels of mercy.

Red Cross grief counselors comforted the victim's family dealing with the sudden, tragic loss of a loved one. They arranged to have needed prescriptions delivered to where the families stayed, brought coloring books and games for the children and even provided notebooks for family members who wanted to express their feelings by keeping a journal. Volunteers also traveled with the families as they attended memorial services at Suffolk County's Smith Point Park and at JFK Airport.

There are so many others who deserve recognition for their tireless efforts in response to this tragic event. They include the New York City and State Police departments, Red Cross volunteers from throughout the New York metro region, the Suffolk County medicial examiners office, the Brookhaven Ambulance Corps, and many local churches and organizations, too numerous to mention.

The tremendous outpouring of love and support these great Americans showed in this desperate time of need provide us with one of the few measures of solace that we can take from this tragedy. All of us on Long Island should take special pride in the efforts shown by our local disaster officials and emergency personnel and the hundreds who volunteered their time to help find survivors and collect debris. Though our hearts break with the sorrow we feel for the victims and their grieving loved ones, we can be proud of these wonderful displays of humanity.

All of those emergency workers and caring volunteers responded to this tragedy in different ways, each with something special to offer. Some came to aid the recovery of victims or gather pieces of the wreckage, while others came to support those rescue workers with food and equipment. At the Coast Guard station, mental health professionals provided around the clock trauma counseling to help the crash-site personnel cope with the difficult task of recovering victims from the wreckage.

So many wanted to come to the scene in East Moriches and offer their help. But the only thing for them to do was to pray for the victims and their grieving loved ones. Ultimately, prayer was the most important thing they could offer. Gathering at several memorial services, our friends and neighbors on Long Island came to pray for those 230 victims and for their loved ones, who desperately needed time and God's healing power to overcome their deep sorrow and devastating loss.

The first memorial service was held in Montoursville just after the crash, as the citizens of this small Pennsylvania town said goodbye to their sons and daughters, their classmates, friends, and neighbors.

The Sunday following the crash, there were simultaneous memorial services held in East Moriches and at John F. Kennedy Airport in Queens, along with the thousands of people across the country who gathered in their own houses of worship to remember those who died in the sudden, furious explosion.

At Soldiers and Sailors Park in East Moriches, more than 400 people gathered to pay their final respects to those 230 passengers and crew members, including their neighbors Eric and Virginia Holst. The feelings of grief and loss were palpable among the mourners, but as Rev. James McDonald, who married Eric and Virginia 6 years ago, explained, despair will not vanquish their faith and love. As Reverend McDonald said: ''Nothing can separate us from the life of Christ, not even a broken heart. Are we hurting? Yes. Broken? Yes. Destroyed? Never.''

At JFK, more than 2,000 mourners, many of them family and friends awaiting news of loved ones, gathered in a sad, gray airplane hangar to say their goodbyes. One by one, the names of the 230 dead were read aloud as family and friends reached out to console each other in French, Hebrew, Italian, and English. As Rabbi Joseph Potasnik of the New York Board of Rabbis so eloquently put it: ''We may be of different bodies, but in this community today, we are of one soul.''

Mr. Speaker, as we stand here today a full year later, let us keep in our prayers the 230 lives that were lost on July 17, 1996. Just as importantly, let us remember the family, friends, and spouses that were left behind to cope with this senseless tragedy. May God bless every one of them.

JUVENILE CRIME CONTROL AND DELINQUENCY PREVENTION ACT OF 1997

SPEECH OF

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 15, 1997

Mr. STOKES. Mr. Speaker, I rise to express my support for H.R. 1818, the Juvenile Crime Control and Delinquency Prevention Act. This important bipartisan effort would reauthorize the Juvenile Justice Delinquency and Prevention Act of 1974 [Public Law 93–415]. H.R. 1818 represents a balanced approach to reducing juvenile crime.

The prevalence of violent crime among our Nation's youth is entirely too high. According to the Annie E. Casey Foundation, young people are committing violent crimes at a rate similar to 10 years ago—however, the violence has intensified and is causing more deaths. In fact, between 1991 and 1995, the number of juveniles arrested for violent crimes increased by 12 percent, yet violent crime arrests for all ages increased by 2.5 percent. And, between 1985 and 1994, the number of juveniles arrested for weapon violations, specifically related to increases in firearm usage in violent crimes, rose by 113 percent. Equally disturbing is the fact while African-Americans represent 12 percent of the United States' population, African-American youth are nearly 28 percent of all juvenile arrests.

Mr. Speaker, H.R. 1818 focuses in reducing the number of children and youth who commit criminal acts of violence. As such, it ensures that juvenile crime prevention efforts are targeted at communities experiencing a disproportionate representation of minorities in the juvenile justice system. It is well documented that programs that provide: Treatment to victims of child abuse or neglect, mentoring,

peer counseling and teaching, job training and employment, and other such services are an essential investment in the effort to prevent juvenile delinquency.

Mr. Speaker, I urge my colleagues to vote in favor of the Juvenile Crime Control and Delinquency Prevention Act. Vote ''yes'' for H.R. 1818.

IN HONOR OF THE SPONSORS OF PROJECT CHILDREN '97: LOCAL MESSENGERS OF PEACE

HON. ROBERT MENENDEZ

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 17, 1997

Mr. MENENDEZ. Mr. Speaker, I rise today to pay tribute to a unique group of people, the sponsors of Project Children '97 who have distinguished themselves with unwavering dedication to the promotion of peace in Northern Ireland. Through their generous spirit of compassion, the Project Children '97 sponsors exemplify the best that we as Americans have to offer: reverence for the rights and freedom of the individual citizens. For 22 years caring American families have welcomed children from Northern Ireland into their homes and hearts for 6 weeks during what is traditionally the most violent time of year in the children's homeland.

One year ago, the children who came to visit us from Northern Ireland faced an uncertain future. The cherished cease-fire, in effect for 18 months, had been shattered by a new round of violence. Though the past year has seen a continuation of the troubles, British Prime Minister Tony Blair's inclusion of Sinn Fein in peace talks, along with the cancellation of four of Northern Ireland's Orange Order parades are hopeful signs that we will soon see a return to a lasting ceasefire. This makes the time shared by the 56 families and 61 children participating in Project Children '97 even more valuable.

This year, the 56 families from my home State of New Jersey who have been so generous as to open their homes and their lives to these young people include: Kourosh and Rosemary Akhavan, Len and Kathy Ancuta, Sean and Beatris Ashe, Garry and Janet Baker, Gary and Linda Bardzell, Charles and June Bray, Michael and Elizabeth Cancian, Kevin and Patricia Comer, Robert and Barbara Comito, James and Patti Cunningham, Philip and Kathleen DiCicco, Donald and Irene Diverio, Robert And Brianna Donohue, Al and Ellen Dorso, Peter and Robin DuHaine, Brent and Lauren Elliot, Rick and Arlene Faustini, Raymond and Rosemary Ferraro, Robert and Elizabeth Gamble, Margaret Gilsenan, Michael and Pat Goodwin, William and Margaret Giaimo/Terry, Edward and Patricia Grzybowski, George and Margaret Hughes, Edwin and Patricia Jankowski, Nicholas and Patricia Kaminsky, Keith and Karen Kirby, Robert And Donna Lee, Michael and Kathleen McBride, John and Louise McGlinchey, Brian and Lori McGorty, Robert and Dyan Moore, Robert and Carole Nyman, Sean and Anne O'Neill, Kevin and Susan O'Shea, David and Cathleen Quinn, Stephen and Jean Revis, John and Lori Rose, James and Mary Ellen Ruitenberg, Paul and Candace Ruitenberg III, Donald and Patricia Ryerson, Guy and Patti Schweizer, Stephen and Catherine Simpson, Michael and Laura Sims, Cheryl Stone, Douglas and Susanna Stroud, James and Louise Sweeney, Robert and Denise Thompson, Jr., Michael and Anne Tizio, Edward and Judith Wagner, Joseph and Barbara Wells, Craig and Barbara Yeske, Anthony and Anita Zak, Rodney and Linda Bialko, and Grianna and Donald Wynne.

The 61 young people from Northern Ireland who we have been fortunate enough to visit New Jersey are: David Sterrett, John McIlveen, Alannah Massey, Gerald O'Reilly, Lesley Black, Steven Orr, Paul Mahony, Ryan Corbett, Kevin Nellins, Elaine Coyle, Charlene McWilliams, Lindsey Todd, Eilish Bradley, Joseph McGovern, Claire McKinley, Joseph Doak, Eva Taggart Laura Cairns, Linzi Graham, Joseph Gillen, Seamus Nellins, Michael Duffy, Catriona McCann, Ita Monaghan, Daniel Lynch, Christine Brown, Aislinn Devlin, Stephanie Rae, Aine Hargey, Natalia McKeown, Aisling Burns, Seadhna Billings, Dermot Hartigan, Nicola Catney, Leigh Martin, Mary Louise Heatley, Clara Mulvenna, Danielle Gorman, Brenda Austin, Barry Dobbin, David Goodall, Laura Baird, Paul Willis, Catherine Crawford, Sara Doherty, Kerry-Marie McCaugherty, Jennifer Dixon, Nicola McCabe, Kenneth Murphy, Marie Martin, Darren Diamond, David Diamond, Stephen Coyle, Robert O'Neill, James Moran, Elaine Murray, Margaret White, Mary Deery, Natasha McConnell, Michelle Donnelly, and Collette McTernan.

It is an honor to recognize the exceptional compassion of Project Children '97's sponsors. I hope that word of their steps toward peace will spread throughout Northern Ireland and the world. These exemplary individuals are truly local messengers of lasting peace.

INTRODUCTION OF HOUSE CONCURRENT RESOLUTION 112 IN SUPPORT OF HOLOCAUST SURVIVORS ON JULY 9, 1997

HON. CAROLYN B. MALONEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 17, 1997

Mrs. MALONEY of New York. Mr. Speaker, I rise today to call attention to the plight of Holocaust survivors around the world. More than 50 years ago, we witnessed one of the most tragic episodes in the history of man's inhumanity to man—the slaughter of 6 million Jews and millions of others in Eastern and Central Europe during World War II. Some were able to hide or escape death, many with lingering memories and medical conditions that will be with them for life.

There are currently more than 125,000 Holocaust survivors living in the United States and approximately 500,000 living around the world. It is these survivors who in many cases are still struggling to live out their remaining years with dignity. Many of them live in my district and have contacted me for help after being denied assistance from the current reparations' system set up to help Holocaust survivors.

Let me tell you about one of my constituents, a Holocaust survivor currently living in New York City. Dr. Hadassah Bimko Rosensaft survived concentration camps at both Auschwitz and Bergen-Belsen. While interned, she contracted malaria and hepatitis. Unfortunately, because these diseases were not treated at the time, Dr. Rosensaft now suffers from severe cirrhosis of the liver. Although several medical experts support her claim that the condition stems from her imprisonment in Nazi Germany, the German Government says she cannot sufficiently prove that her condition is a direct consequence.

Dr. Rosensaft is fortunate to be able to afford her needed medical care with the help of her family. But her story is somewhat unique. Many other victims of Nazi horrors have been deemed wholly ineligible for reparations, and cannot rely on their families to help support them. These include, people who were in forced-labor camps; people who were confined to areas not recognized by Germany as ghettos; people who hid under false names; and people who were in a concentration camp for fewer than 6 months. In fact, even if someone was interned in two separate camps for 3 and 4 months each, that person may not qualify. In many cases, it is impossible for Holocaust survivors to prove the circumstances under which they acted during the Holocaust. I believe it is unjust to ask elderly people—with permanent injuries, who suffered enormous emotional trauma—to document their life half a century ago.

Many Holocaust survivors who were fortunate enough to avoid death camps during World War II were forced into hiding. A second reparations' provision states that if you were forced into hiding, you are eligible for reparations only if you hid for 18 months, and only if you can document and support your claim.

Learning about these onerous restrictions and the ongoing denial of Holocaust survivors' claims led me to introduce legislation in the 104th Congress calling on the German Government to expand and simplify its reparations' system. I am encouraged by recent reports by the World Jewish Congress that the German Government has announced its willingness to reopen negotiations. This is a very encouraging step in the fight for justice for Holocaust survivors. But it is only a beginning.

I am also concerned about the so-called double victims, who are now living in the former Communist States of Eastern and Central Europe. For years as the reparations' system was developed, these double victims did not have access to the system, and have been victimized twice by being denied access to reparations' today. Many of these people were in hiding. Many used false names to escape from the Nazis. Today, in order to qualify for reparations under the current system, survivors must provide proof of what they did and how they escaped. Many are still living in this part of the world and many are suffering from severe medical ailments. Although some have received a token amount of reparations, tens of thousands of Holocaust survivors in Eastern and Central Europe have never received any reparations.

I am pleased to introduce House Concurrent Resolution 112, a resolution calling on the German Government to expand and simplify its reparations system, provide reparations to Holocaust survivors in Eastern and Central Europe, and set up a fund to help cover the medical expenses of Holocaust survivors. I am pleased to introduce this resolution with the support of International Relations Committee Chairman BENJAMIN GILMAN and committee

members ROBERT WEXLER of Florida, ILEANA ROS-LEHTINEN of Florida, and SAM GEJDENSON of Connecticut, along with Congressman MARTIN FROST of Texas.

To add insult to injury, recent news reports have uncovered that former members of the Nazi army, including non-German members of the SS, often receive far more generous pensions than do the victims they persecuted. Some of the people who receive German veteran pensions are known killers or were personally responsible in acts of genocide. Meanwhile, Holocaust survivors, many of whom are unable to afford the medical care they desperately need, must battle onerous restrictions and regulations in order to receive their meager benefits.

One example is the case of Wolfgang Lehnigk-Emden. This former Nazi guard murdered 15 women and children in Italy in 1943. Because he was later shot in the leg and suffers a mild disability, he now receives a generous pension—a pension three times what is given to Holocaust survivors—because he is considered a war victim. This is but one example of Germany's hypocrisy. Another example is the story of former SS Guard Wilhelm Mohnke.

According to the Department of Justice, Mr. Mohnke was personally involved in the massacre of 72 American POW's in 1944. Due to injuries he later sustained, the German Government gives Wilhelm Mohnke a war victim's pension equivalent to $560 per month.

Many people have been instrumental in the fight for justice for all Holocaust survivors around the world. Menachem Rosensaft, Founding Chairman of the International Network of Children of Jewish Holocaust Survivors and its president Rositta Ehrlich Kenigsberg have worked tirelessly on their crusade for survivors' rights. Benjamin Meed, president of the American Gathering of Jewish Holocaust Survivors has also worked tirelessly on behalf of Holocaust survivors worldwide. I am forever indebted to each of them for their hard work.

Mr. Speaker, Holocaust survivors are an aging, finite population, who are not asking for much. I believe that these survivors deserve sufficient reparations to ensure that no Holocaust survivors are forced to live in conditions worse than those generally enjoyed by the surviving former Nazis who persecuted them.

TEXT OF HOUSE CONCURRENT RESOLUTION 112, INTRODUCED BY REPRESENTATIVE CAROLYN B. MALONEY

A concurrent resolution expressing the sense of the Congress that the German Government should expand and simplify its reparations system, provide reparations to Holocaust survivors in Eastern and Central Europe, and set up a fund to help cover the medical expenses of Holocaust survivors

Whereas the annihilation of six million European Jews during the Holocaust and the murder of millions of others by the Nazi German state constituted one of the most tragic episodes in the history of man's inhumanity to man;

Whereas there are more than 125,000 Holocaust survivors living in the United States and approximately 500,000 living around the world;

Whereas aging Holocaust survivors throughout the world are still suffering from permanent injuries suffered at the hands of the Nazis and many are unable to afford critically needed medical care;

Whereas while the German government has attempted to address the needs of Holocaust survivors, many are excluded from reparations because of the onerous eligibility requirements imposed by the German government;

Whereas the German government routinely rejects survivors' claims on the ground that the survivor did not present the claim correctly or in a timely fashion, that the survivor cannot demonstrate to the Government's satisfaction that a particular illness or medical condition is the direct consequence of persecution in a Nazi-created ghetto or concentration camp, or that the German authorities do not consider the survivor is not considered sufficiently destitute;

Whereas tens of thousands of Holocaust survivors in the former Soviet Union and other formerly Communist countries in Eastern and Central Europe have never received reparations from Germany and a smaller number has received a token amount;

Whereas after more than 50 years, hundreds of thousands of Holocaust survivors continue to be denied justice and compensation from the German government;

Whereas the German government is paying generous disability pensions to veterans of the Nazi armed forces, including non-German veterans of the Waffen-SS.

Whereas in 1996, the German government paid $7.7 billion in such pensions to 1.1 million veterans, including 3,000 veterans and their dependents now living in the United States;

Whereas such pensions are a veteran's benefit provided over and above the full health coverage that all German citizens, including veterans of the Waffen-SS, receive from their government; and

Whereas it is abhorrent that Holocaust survivors should live out their remaining years in conditions worse than those enjoyed by the surviving former Nazis who persecuted them;

Therefore be it resolved that it is the sense of the Congress that:

The German government should expand and simplify its system of reparations so that all survivors of the Holocaust can receive reparations, regardless of their nationality, length or place of internment, or their current financial situation;

The German government should provide reparations to Holocaust survivors in the former Soviet Union and other former Communist countries in Eastern and Central Europe;

The German government should fulfill its responsibilities to victims of the Holocaust and immediately set up a comprehensive medical fund to cover medical expenses of Holocaust survivors worldwide; and

The German government should help restore the dignity of Holocaust survivors by paying them sufficient reparations to ensure that no Holocaust survivor be forced by poverty to live in conditions worse than those enjoyed by the surviving former Nazis who persecuted them.

AMIA TERRORIST BOMBING ANNIVERSARY

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 17, 1997

Mr. GILMAN. Mr. Speaker, this week is the third anniversary of the terrible destructive AMIA terrorist bombing of the Jewish community center in Buenos Aires, Argentina. This deadly international terrorist attack, directed at the very heart of the Jewish center of life in Argentina, took 86 lives, and wounded more than 300 innocents. It has badly shaken the confidence of the largest Jewish community in Latin America on the critical issue of their very safety and security.

It is essential for the Argentine authorities, the U.S. Government, and the world community to do all we can both individually and collectively to bring to justice those who undertook this deadly and cowardly terrorist act.

Hizballah, with its known links to Iran, and which our Government and others have indicated were responsible for this AMIA attack, is now clearly operating in our own hemisphere. We are all at risk. We must all work to insure that those responsible for this terrorist act are brought to justice and that the message is clearly sent that terrorism, no matter where or why, will not go unpunished by civilized society.

Our International Relations Committee staff have visited Argentina in an effort to see what more the United States can do to help solve this terrorist bombing. Based on our staff inquiry, the committee asked that the State Department, which runs a very effective international terrorist rewards program, have its experts visit Argentina and offer assistance. We now have offered to help the Argentine authorities develop a meaningful and effective publicity program for their own already announced terrorist reward for help in solving this deadly AMIA attack.

We anxiously await the further publication and distribution of additional material and efforts by Argentina to publicize the reward on the AMIA attack. As we know, our own reward efforts along these lines have played a critical role in solving or bringing to justice individuals from around the globe involved in international terrorist attacks directed at the United States.

COMMEMORATING THE BIRTH OF MEGAN ILYSSA LEON

HON. JOSEPH P. KENNEDY II

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 17, 1997

Mr. KENNEDY of Massachusetts. Mr. Speaker, I rise to congratulate the Leon family on the birth of their daughter, Megan Ilyssa. She was born July 10, weighing 8 pounds 10 ounces. I am sure that Megan's parents and grandparents are excited to see that she is a healthy, happy child.

Megan's family has been in Massachusetts for more than a century now and were often involved in the world of politics. Her great, great, great grandfather, John Joseph Tobin, was one of the first Irishmen ever elected to the Boston City Council. Megan's great grandfather, John Michael Downing, served as the court officer of the Massachusetts State Senate for many years. Her grandmother, Kathleen Patricia Leon, was appointed to the Massachusetts Equal Educational Opportunity Commission by Gov. Michael Dukakis.

I offer my warmest wishes to Megan for a happy and healthy life. And, I look forward to one day seeing her involved in our Nation's political process.

TRIBUTE TO THE 7TH GREAT DOMINICAN PARADE AND CARNIVAL OF THE BRONX

HON. JOSÉ E. SERRANO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 17, 1997

Mr. SERRANO. Mr. Speaker, it is an honor for me to recognize the Great Dominican Parade and Carnival of the Bronx on its seventh year of celebrating Dominican culture in my South Bronx congressional district.

Under its founder and president Felipe Febles, the parade has grown in size and splendor. It now brings together an increasing number of participants from all five New York City boroughs and beyond.

On Sunday, thousands of members and friends of the Dominican community will march along the grand concourse in honor of Juan Pablo Duarte, the father of the independence of the Dominican Republic.

The event will feature a wide variety of entertainment for all age groups. This year's festival includes the performance of Merengue and Salsa bands, crafts exhibitions, and food typical of the Dominican Republic.

In addition to the parade, President Febles and many organizers have provided the community with nearly 2 weeks of activities to commemorate the contributions of the Dominican community, its culture, and history.

Mr. Speaker, it is with enthusiasm that I ask my colleagues to join me in paying tribute to this wonderful celebration of Dominican culture, which has brought much pride to the Bronx community.

TRIBUTE TO JOHN NEFF

HON. ROBERT A. BORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 17, 1997

Mr. BORSKI. Mr. Speaker, I rise today in honor of my friend and associate, Mr. John Neff. I would like to acknowledge John on his retirement after 32 years of dedicated service to Frankford Hospital John has truly reshaped the hospital, and moved it to the forefront of modern health care.

When John first came to Frankford Hospital in 1965, it consisted of a single, extremely outdated facility. As he retires, we can see the transformation that he has created. Thirty-two years later, the hospital is a contemporary health system, with five state-of-the-art facilities. Throughout his tenure, John focused on using change as a catalyst to see the hospital's objective of service come to fruition. With his fingers on the pulse of innovation, he is leaving Frankford Hospital poised to meet the demands of a new era in health care.

John has always agreed with me that the needs of seniors in Philadelphia are of utmost importance, and has continued to work to provide quality health care for seniors in our community. As a member of the Hospital and Healthsystem Association of Pennsylvania, he has worked in conjunction with this group to see that health care in Philadelphia maintains the necessary components of superior care for its patients.

Not only has John changed the care side of the hospital, but he has also changed the way in which it dealt with employees. When employees of the hospital speak about John, they often use the words kind, compassionate, and open. He has developed a feeling of fellowship and community within the hospital, with the staff describing John and other members as family.

As John moves on to a time in his life where he can devote himself to his other great passions: family, grandchildren, flying, and golf, I congratulate him on 32 years of unwavering service and dedication to Frankford Hospital and the people of Philadelphia. John is a model of perseverance and true dedication. He has taken the lead without apprehension, and challenged the status quo. With great respect, I wish to honor and applaud my friend and colleague. May he have continued success.

IN HONOR OF BILL COBANE: AN EXEMPLARY INDIVIDUAL; A DEDICATED PUBLIC SERVANT

HON. ROBERT MENENDEZ

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 17, 1997

Mr. MENENDEZ. Mr. Speaker, I rise today to pay tribute to William Cobane, a special gentleman who has distinguished himself through his outstanding dedication to my district. He served as an intern in my office, and excelled to become a congressional staff member who served my constituents earnestly and without desire of reward. In recognition of his dedicated service, I would like to honor Mr. Cobane for his exceptional voluntary service and efforts on behalf of the Sixth Annual Project Children Luncheon on July 21, 1997 at O'Donoghue's Pub in Hoboken, NJ.

Tradition and excellence are key words describing this truly dedicated citizen. Mr. Cobane has worked extensively on the Project Children benefit—an organization committed to promoting peace in Northern Ireland. This organization annually brings children from Northern Ireland to spend part of their summer in America with host families. Driven by his Irish roots, Bill Cobane works to make sure these children have the wonderful opportunity to experience and enjoy this time in America, and away from the violence in their homeland.

His hard work and commitment to the event has benefited the lives of many young children from Northern Ireland. He has dedicated much of his time and efforts toward the success of this special event.

Mr. Cobane's work and dedication are an example of his loyal and committed service to others. His volunteerism demonstrates his dedication to his community and his stature as a model citizen. His service to my district will always stand as a shining example for others. I am proud to have such a caring individual work on the Project Children Luncheon.

WAS JOHN HUANG DEBRIEFED?

HON. GERALD B.H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 17, 1997

Mr. SOLOMON. Mr. Speaker, our worst fears about the depth and significance of the administration's scandals are being realized.

Is there anyone who still thinks this is just about campaign finance reform? We read in today's Washington Post column of Robert D. Novak the headline ''Was John Huang Debriefed?'' Was he, indeed? I raised this question quite some time ago with Commerce Secretary Daley and was met with the delays and stonewalling that have characterized this administration. What else are we to conclude, but that at the very least when it comes to Mr. Huang and security matters this administration has something to hide.

I place the Novak column in today's RECORD.

[From the Washington Post, July 17, 1997]

WAS JOHN HUANG DEBRIEFED?

(By Robert D. Novak)

A previously missing government form that should have indicated whether John Huang was debriefed by a security officer before he left the Commerce Department two years ago turned up last Friday. But the place where the now infamous Democratic fund-raiser was supposed to have signed is blank.

Any government official with top-secret access—Deputy Assistant Secretary of Commerce Huang included—must attest to the return of all classified information when debriefed as he leaves the government. But Huang's unsigned debriefing document underlines questions about what he did with government secrets and how well they were protected.

Complete answers can come only from investigators with subpoena powers. Contrary to the White House mantra, current Senate hearings concern much more than campaign finance reform—such as Huang's security clearance, dubious on its face. Immediately following CIA briefings, Huang would regularly contact the Chinese Embassy. Yet, even after resigning from the government and going to the Democratic National Committee (DNC), he received another security clearance. The CIA, which had given him documents, was not alerted to Huang's change of status.

Under the Freedom of Information Act, the conservative weekly Human Events several weeks ago obtained from the Commerce Department Huang's ''Separation Clearance Certificate,'' noting that his ''effective date of separation'' was Jan. 17, 1995 (though he actually went to the DNC in December). Commerce officials signed the document on Jan. 22, noting Huang's return of government charge cards, his parking permit and his diplomatic passport. ''Security debriefing and credentials'' was noted and signed by a Commerce Department security officer named Robert W. Mack.

At that debriefing, Huang should have signed a Standard Form 312 acknowledging return of classified material. But an official Commerce spokesman told Human Events editor Terrence Jeffrey two weeks ago: ''The recollection of our security personnel is that he [Huang] was debriefed but that a Standard Form 312 has not been located.''

What's more, there are indications it was never given to congressional investigating committees. On July 3, Rep. Jerry Solomon (R–N.Y.), chairman of the House Rules Committee, wrote Commerce Secretary William Daley demanding the Form 312 by July 9.

That deadline came and went, but late on Friday, July 11, the piece of paper was dispatched to Solomon. It showed that on July 18, 1994, Huang signed for his security briefing. But Huang never signed the debriefing acknowledgment that ''I have returned all classified information in my custody.''

If security officer Mack signed off for the debriefing, why didn't Huang? ''For reasons

that we have not determined,'' Commerce press officer Maria Cardona told me. I called Mack himself, but he said he could not reply. ''When you're as low on the totem pole as I am . . .'' he said, trailing off.

However, an unsigned Commerce document of Dec. 9, 1996, supplied to Solomon earlier this year, quotes Mack as saying that ''he personally briefed Huang and had him sign a SF–312'' in July 1994 but adds: ''Mack has no recall of the debriefing'' the following January. The memorandum continues that ''he does recall'' a call from a high-ranking official ''to make sure that Huang did not lose his top-secret clearance'' but kept it as a ''consultant.''

''Mack said to the best of his knowledge, Huang never worked as a consultant, but DISCO [Defense Industrial Security Clearance Office] did issue a top-secret clearance to Huang. . . . DISCO has never been notified to cancel the clearance,'' the memo continued. The memo writer said the clearance, issued on Dec. 14, 1995, was still valid on Dec. 9, 1996.

Yet another mysterious document: Commerce security officer Richard Duncan—Mack's colleague—on Feb. 13, 1995, wrote an internal memo listing Huang among other officials as signing SF–312s. Was this an attempt to create a paper trail?

This is the curious conclusion of John Huang's access to secret information. It began with the official request Jan. 31, 1994 that the required background investigation for Huang be waived because of ''the critical need for his expertise . . . by Secretary [Ron] Brown.'' When Huang resigned a year later, Assistant Secretary Charles Meissner proposed the consultant's role, in order for Huang to retain access to classified documents. Brown and Meissner both perished in the tragic plane crash in Croatia, but their patronage of John Huang remains a fit subject for scrutiny.

THE ON-LINE COPYRIGHT LIABILITY LIMITATION ACT

HON. HOWARD COBLE

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 17, 1997

Mr. COBLE. Mr. Speaker, the On-Line Copyright Liability Limitation Act is being introduced in response to concerns raised by a number of on-line service and Internet access providers regarding their potential liability for copyright infringement when infringing material is transmitted on-line through their services. While several judicially created doctrines currently address the question of when liability is appropriate, providers have sought greater certainty through legislation as to how these doctrines will apply in the digital environment. Undoubtedly, service providers will be concerned that the exemption contained in this bill does not go far enough and copyright owners will be concerned that it goes too far. This bill is meant to be a new starting point for discussion among the groups affected by its provisions.

BOB GOODLATTE of Virginia invested months of his time in the last Congress leading negotiation sessions between on-line service and Internet access providers, telephone companies, libraries, universities, and copyright owners. He will continue to steer the negotiation process in this Congress as the parties involved begin discussions starting from the framework established in the On-Line Copyright Liability Limitation Act.

GENERAL APPROACH

The general approach of the bill is to be as simple and streamlined as possible. It provides a single exemption, written broadly so as to cover a range of acts dealt with in separate exemptions in drafts under discussion last year. The availability of the exemption depends on the actor's level of control, participation, and knowledge of the infringement, rather than on the particular type of technology used or the particular type of business being conducted. Similarly, the exemption is available to any person engaging in the covered activity, not limited to those falling within a defined category of ''service provider.''

A decision was made not to attempt to codify industry-specific codes of conduct or detailed notification procedures at this time. The bill does not foreclose these possibilities, however, should the parties who will be affected directly by the provisions of this bill concur that they are desirable. It also provides certain legal protections for parties who act responsibly to assist in preventing infringement.

SECTION BY SECTION ANALYSIS

SEC. 1 SHORT TITLE

This act may be referred to as the ''On-Line Copyright Liability Limitation Act''.

SEC. 2. LIMITATIONS ON LIABILITY

Paragraph (a) would amend Chapter 5 of Title 17, U.S. Code, the chapter setting out what constitutes infringement and establishing remedies, to add a new section 512, entitled ''Limitations on liability relating to material on-line.'' Paragraph (a) contains the substance of the new exemption.

Paragraph (a)(1) provides an exemption from both liability for direct infringement and vicarious liability, based solely on acts of transmitting or otherwise providing access to material online, if certain criteria are met. The exemption does not specify any particular right of the copyright owner under section 106; it would excuse the infringement of any of the rights.

If a person making use of copyrighted material on-line does not qualify for the exemption because of a failure to fall within one or more of the criteria, that does not mean that the person is necessarily liable for infringement. If the exemption does not apply, the doctrines of existing law will come into play, and liability will only attach to the extent that the court finds that the requirements for direct infringement, contributory infringement or vicarious liability have been met, and the conduct is not excused by any other exception or limitation.

''Transmitting'' refers to moving material from one place to another so that it is received beyond the place from which it is sent. ''Providing access'' is a broader term; it could be accomplished by transmitting or by otherwise placing material on-line in a location where individuals may gain access to it on demand. The terms ''transmitting'' and ''providing access'' are intended to cover any means of accomplishing these acts. Such means could include any of the following: the carriage and routing of telecommunications signals; the services of on-line service providers or Internet access providers; the operation of bulletin boards; and the sending of private electronic or real-time communications.

The term ''solely'' is intended to make clear that the exemption applies only to the acts of transmission or providing access in themselves. If the person engaging in these acts also makes further use of the copyrighted material, such as making additional copies or using copies for other purposes, the exemption will not apply.

CRITERIA

The exemption is aimed essentially at passive, intermediary types of conduct. The criteria determining its applicability are adapted from a combination of case law and prior discussions of the issue in Congress in the last session. Some of the concepts are similar to those specified in the ''passive carrier'' exemption in section 111(a)(3) of the Copyright Act.[1] The overall goal is to exempt conduct where liability does not seem appropriate because of a low level of participation, control and knowledge, while at the same time ensuring that adequate incentives remain to assist copyright owners in preventing infringement, without ensuring that adequate incentives remain to assist copyright owners in preventing infringement, without obligating service providers generally to monitor or police communications over the Internet.

The failure to meet any one of the criteria would disqualify a person from the benefit of the exemption, since the person would then be performing a more active or knowledgeable role in distributing the infringing material. The ordinary rules of respondeat superior and enterprise liability would determine whether conduct by someone acting on behalf of the person seeking the exemption is attributed to that person.

The first three criteria all relate to the concept of acting as an intermediary in the chain of dissemination, rather than an initiator or director of the dissemination of the material.

Subparagraph (A)

The first criterion is that the person seeking the exemption did not initiate the circulation of the infringing material. Someone else was responsible for placing it on-line. For example, a service provider would not be disqualified under this criterion where a work was placed on-line by a subscriber.

Subparagraph (B)

The second criterion is that the person has no control over the content of the material: he or she did not create the material, choose it, or make any changes in it.

Subparagraph (C)

The third criterion requires that the person not be the one to decide who will receive the material. The fact that the person may have control over the universe of possible recipients, for example by controlling the list of subscribers to an on-line service or a bulletin board, would not disqualify him or her, since the choice of all subscribers does not determine which subscriber receives which material.

Subparagraph (D)

The fourth criterion rules out the possibility of receiving a financial benefit directly from a particular act of infringement. It would prevent someone who obtained a percentage of the revenue on each piece of pirated software transmitted from claiming the benefit of the exemption. It would not, however, bar someone whose financial benefit consisted of charging users of its service by the length of the message (per number of bytes, for example) or by time unit.

[1] That section exempts from liability secondary transmissions made by a carrier who ''has no direct or indirect control over the content or selection of the primary transmission or over the particular recipients of the secondary transmission, and whose activities consist solely of providing wires, cables, or other communications channels for the use of others: *Provided*, That the provisions of this clause extend only to the activities of said carrier with respect to secondary transmissions and do not exempt from liability the activities of others with respect to their own primary or secondary transmissions.'' 17 U.S.C. §111(a)(3).

Subparagraph (E)

The fifth criterion requires that the person not play an active role in encouraging others to use the infringing material. The exemption would not be available to one who affirmately sponsored, endorsed or advertised the material—acts that are likely to lead to greater dissemination to a wider audience, and therefore greater harm to the copyright owner. Accordingly, such acts should engender some degree of responsibility, and it is reasonable to expect the actor to check the material being recommended (which would not be necessary if the exemption applied). Hyperlinking in and of itself would not be disqualifying under this criterion, to the extent that it is purely informational and directional. If, however, the context or presentation indicates an affirmative recommendation, a higher level of care would be appropriate, and the exemption would not apply.

Subparagraph (F)

The sixth and final criterion is a knowledge standard. If the person knows of the infringement, he or she should not be entirely exempt. The level of knowledge required is critical. If the exemption were limited to actual knowledge, it would provide an incentive to look the other way and deliberately avoid learning of the infringement. At the other extreme, a general negligence standard would be too broad to the extent that it could be interpreted to impose an affirmative duty to investigate, since service providers should not have a duty to investigate every transmission taking place through their services.

Subparagraph (F) therefore adopts an intermediate standard: if a person becomes aware of information that causes suspicion, he or she should have some obligation to check further. Such information may be obtained through the receipt of a notice from a copyright owner, or may be provided independently in the course of ordinary business. For example, a service provider who learns that a subscriber is operating a bulletin board called ''PIRATES-R-US,'' or ''POP MUSIC FOR FREE,'' and makes no inquiries and takes no further action should not obtain the benefit of this exemption. On the other hand, the service provider should not have to check sites or transmissions in the absence of obtaining such information. In other words, a red flag should not be ignored, but a provider should not ordinarily be required to go out and search for red flags.

The bill incorporates these concepts in two clauses within paragraph (a)(1). Clause (i) of subparagraph (F) sets a general standard of ''does not know, and is not aware by notice or other information indicating, that the material is infringing.'' The language ''is not aware'' is a higher standard than ''is in possession of facts,'' since a person may have facts within his possession, for example in a file somewhere, without being aware of them. The information need only indicate that the material is infringing, however; this would cover the type of red flag discussed above, and would not require such evidence as would be sufficient to establish infringement in a court of law. A separate sentence at the end of paragraph (a) states explicitly that ''[n]othing in [that clause] shall impose an affirmative obligation to seek information described in such clause.'' In other words, the knowledge standard in the clause does not itself impose any obligation to monitor for infringement or to search out suspicious information. Once one becomes aware of such information, however, one may have an obligation to check further.

The other way to meet the subparagraph (F) criterion is if the person is prohibited by law from accessing the material. For example, the Electronic Communications Privacy Act makes it unlawful to access private e-mail communications. 18 U.S.C. §2510 *et seq.* In such circumstances, the exemption would be available without reference to the person's level of knowledge.

Many of the circumstances proposed for exemptions last year in the course of negotiating draft bill language would fall within the scope of this general exemption. The exemption would clearly cover the mere provision of physical facilities, such as lines or cables. It would also cover various activities that have been referred to as ''mere conduit services,'' including the provision of local access, local exchange, telephone toll, trunk line, or backbone services, since the concept of ''mere conduit'' was similarly based on the passive, non-participatory nature of the activity. In addition, acts of hosting or operating bulletin boards and web pages would fall within the scope of the exemption where the operator does not have the requisite level of control or knowledge of infringing postings or content. The transmission of private or real time electronic communications such as e-mail would be exempted where the law does not permit the service provider to access the communication.

Paragraph (a)(2) deals with contributory infringement. Because contributory infringement, unlike direct infringement and vicarious liability, contains a knowledge requirement, it is treated separately. This subparagraph substantially limits remedies available for contributory infringement for conduct that qualifies for the exemption from liability for direct infringement or vicarious liability under subparagraph (1). In such cases, no monetary remedies will be available, and a court could issue an injunction requiring acts such as removing or blocking access to infringing material, only to the extent such acts are technically feasible and economically reasonable. The rationale for not barring injunctive relief is that a person who knows or should know of the infringement, and can reasonably do something to prevent it, should continue to have some legal incentive to do so. In many cases, a service provider may be the only person capable as a practical matter of preventing infringing material from being transmitted around the world, or the only one over whom a copyright owner can obtain jurisdiction.

Paragraphs (b) through (d) are intended to protect providers when they remove, disable or block access to material and remove possible disincentives to cooperate with copyright owners by taking steps to prevent infringement. These paragraphs ensure that a person who responds to information indicating infringement by removing, disabling or blocking access to material will not be penalized for having done so.

Paragraph (b) is essentially a ''Good Samaritan'' defense. It ensures that a person who acts responsibly upon obtaining information indicating an infringement, whether by receiving a notice or otherwise, and removes, disables or blocks access to the relevant material, cannot be held liable for having done so. This section would block claims by anyone based on the take-down itself (e.g., interference with contract claims).

Paragraph (c) preserves potential legal defense. It ensures that whatever decision is made by a person who has obtained information indicating infringement, whether to remove, disable or block access to the material, or not to do so because of a potential defense, cannot be used against that person in an infringement suit.

Paragraph (d) protects against losses caused by reliance on false information. It provides penalties for knowing material misrepresentations that material on-line is infringing, allowing the recovery of any damages incurred by a person who relies on such misrepresentations in removing, disabling or blocking access to such material.

COMPARISON TO EXISTING LAW

This exemption supplements doctrines of existing law, including contributory infringement and vicarious liability; it does not supersede or alter them. In some circumstances, it would exempt a person from liability where these doctrines would lead to the same result. In other circumstances, it would provide greater immunity, exempting a person where existing law would impose liability. While some of the criteria in paragraph (a)(1) are similar to some of the requirements for contributory infringement or vicarious liability, they are also narrower in certain respects, as described below. This exemption is not intended to indicate to the courts that the elements of contributory infringement or vicarious liability should be narrowed generally, or interpreted in accordance with the language of this provision. The intent is to continue the common law doctrines unchanged, and allow the courts to continue to develop them.

Direct infringement

Under current law, a person is liable for direct infringement who engages in an act within section 106 without authorization, with or without knowledge of infringement. The exemption would remove liability for a person who engages in such acts in the course of transmitting or otherwise providing access to material on-line in a passive, limited way, without the defined level of knowledge.

Vicarious liability

Under current law, a person is vicariously liable for the infringement of another if he has the right and ability to control the infringement, and receives a direct financial benefit, with or without knowledge of infringement. The exemption would add an element of actual control, require a more direct link to an infringement, and add a knowledge requirement. It would thus remove liability for a person who has no actual control of the placement of the material on-line, its content, or its particular recipients, if he or she receives no direct financial benefit attributable to a particular infringement, and does not have the defined level of knowledge.

Contributory infringement

Under current law, a person is liable for contributory infringement who induces, causes or materially contributes to another's infringement, knowing or having reason to know of the infringement. The exemption would remove monetary liability, and place some limits on injunctive relief, where the contribution to the infringement is of a passive nature and where the person has no actual knowledge and is not aware of information indicating infringement (but meets the lower standard of having reason to know).

Hearings on this bill will be conducted in the Judiciary Subcommittee on Courts and Intellectual Property, which I chair, simultaneously with a bill to implement the WIPO treaties negotiated in Geneva, Switzerland in December, 1996. The implementation legislation will be introduced soon after the introduction of this bill. It is my intent to move the bills together.

TRIBUTE TO COL. THOMAS F. GIOCONDA, U.S. AIR FORCE

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 17, 1997

Mr. MURTHA. Mr. Speaker, I rise today to pay tribute to a dedicated U.S. Air Force officer as he departs from his post as the legislative assistant for the Chairman of the Joint Chiefs of Staff to become the Principal Deputy Secretary of Energy, and U.S. Military Representative for Defense Programs.

Col. Thomas F. Gioconda deserves our tribute. He has been connected with the Congress in one position or another for over 8 years of his distinguished 27 year Air Force career. His career accomplishments reflect the type of leader this Nation has depended upon for over 200 years during peace and conflict. I would like to take a moment to highlight Tom's career milestones.

A native of Philadelphia, PA, Colonel Gioconda is a graduate of St. Joseph's University, Philadelphia, PA, class of 1970. Colonel Gioconda also earned a master's degree in school administration from Seton Hall University, and a masters degree in business administration from the University of Montana. His military career began in 1970 with his first assignment to Malstrom AFB, MT, where he served as a missile launch officer. After 4 years as a wing missile operations crew instructor, he served as an AFROTC instructor at his alma mater for 2 years, followed by another 2 years at New Jersey Institute of Technology. He then served as a missile operations instructor and section chief at the 4315th Combat Crew Training Squadron, Vandenberg AFB, CA.

Recognizing his leadership skills, he was assigned to headquarters, Strategic Air Command, as a plans and programs officer, and later became the Congressional Liaison Branch Chief. His exceptional performance in this assignment lead to a follow on tour to headquarters, U.S. Air Force at the Pentagon where he served as a Congressional Affairs Action Officer for the Air Force Deputy Chief of Staff for Plans and Operations. During this tour he was selected for squadron command. Colonel Gioconda assumed command of the 510th Strategic Missile Squadron at Whiteman AFB, MO. His squadron was charged with the one-of-a-kind Emergency Rocket Communication System [ECRS] mission. While in command, Colonel Gioconda and his unit hosted the first visit of the Commander in Chief of the Soviet Rocket Forces to an operational U.S. missile launch control center. After successfully completing his command tour, Colonel Gioconda was hand picked to be a legislative assistant to the chairman and vice-chairman.

He has been the principal liaison officer to Congress for both General Powell and General Shalikashvili during momentous times in our Nation's history—the end of the cold war, Operations Desert Storm, Provide Promise, Provide Hope, Provide Comfort, Southern Watch, Deny Flight, and Restore Democracy, Joint Endeavor, as well as countless other military operations and deployments. Tom has accompanied me on factfinding visits to the former Republic of Yugoslavia. Tom was always on top of the issues of the day. I and many others of this body have depended on him for complete, timely, sound, and accurate information and advice.

Colonel Gioconda has been awarded the Defense Distinguished Service Medal, the Defense Meritorious Service Medal, the Meritorious Service Medal (four oak leaf clusters), three Air Force Commendation Medals, the Air Force Achievement Medal, the Combat Readiness Medal, the Outstanding Voluntary Service Medal, and the Command Missile Badge. He is married to the former Anita Pamenter of Great Falls, MT, and has three sons, Thomas, Tony, and T.J.

In December 1995, Colonel Gioconda was selected for promotion to brigadier general. He will be promoted on August 1, 1997.

Mr. Speaker, it is a great honor and personal privilege for me to present his credentials and this tribute to Col. Thomas F. Gioconda before the Congress today. It is clear, through his record of accomplishment and his command assignments, that he is someone dedicated to the peace and freedom this Nation enjoys today. All his actions reflect a professional Air Force officer with the clear sense of honor, integrity, and purpose found in the finest military officers of this Nation. We wish him every success in what I know will be a bright future. May he always have fair winds and blue skies.

TRIBUTE TO DR. BOB GRAVES

HON. BOB SCHAFFER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 17, 1997

Mr. BOB SCHAFFER of Colorado. Mr. Speaker, I rise today to pay tribute to Dr. Bob Graves. Casual acquaintances knew Bob as a dairy farmer from an old Colorado family. His early days were spent on a cattle ranch in Bellvue, CO. He became a veterinarian, worked to increase the family herd and operation, and built Graves Dairy. Many knew him for early mornings spent having breakfast at Vern's in LaPorte, dressed in Levi's, eyes shaded by bushy gray eyebrows. He always had a ready and realistic comment on the subject of the day. Others knew him as a savvy and tenacious opponent in local political battles. He stood up for private property rights, farming and ranching interests, and other ideals he held high. If you fought with him, you did so with admiration. If you fought against him, you did so with trepidation.

But most don't know the Bob who turned a personal tragedy—his daughter's death from leukemia—into hope and a future for thousands and thousands of people around the world. His daughter was one of the recipients of a bone marrow transplant before the medical community understood how critical it was to match donor and recipient marrow. While the operation was not successful, the Laura Graves Foundation, founded in her memory, has become a $50 million research organization that has greatly improved the chances for leukemia patients. He and the foundation created the matching bone marrow donor program in this country and across the world.

Although grieving over his own loss, he and his wife, Sherry, devoted their lives to this priceless project. Bringing together scientists, politicians, public relations experts, and cancer victims, he worked to improve what had already been started. Building upon the sponsorship of the American Red Cross, he managed to create a board of directors who were household names. Their reputations, the progress of better funded research, and constant persistence, created the life-saving bone marrow program. He brought together Senator Kennedy and Admiral Zumwalt, Nobel Prize winners and corporations, the American Navy and Russian Chernobyl victims. He and the foundation brought common goals and methods to the scientific community in China, England, Russia, the United States, and elsewhere. After a politically prominent and wealthy American family circumvented the donor system and bought their way to the front of the line, Bob demanded a fool-proof system that would treat all victims equally.

We all enjoy knowing about people who strive to make the news, those who fight for their 15 minutes for fame, but we don't often know about people who just quietly persevere in order to save us and our loved ones. That was Bob Graves. He had a brilliant mind surpassed only by his compassionate heart. When he died, he was creating another foundation—the Transmissible Spongiform Encephalopathies Foundation to bring together the worldwide scientific community working on ''chronic wasting disease'' in wildlife, ''mad cow'' disease in livestock, and Creutzfeldt-Jakob disease in people. Again, he was starting the project with his own money in order to benefit people and industry.

Bob Graves, D.V.M., was one person who left the world a better place.

REPORTING REQUIREMENTS ON CHINESE INTELLIGENCE ACTIVITIES

HON. BILL McCOLLUM

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 17, 1997

Mr. McCOLLUM. Mr. Speaker, I rise today in support of a bill I am introducing today. It is quite simple in that it would require the Director of Central Intelligence and the Director of the Federal Bureau of Investigation to jointly prepare an annual report on the intelligence activities of the People's Republic of China—and most specifically, those which are directed against or affect the interests of the United States.

Some of the news reports on the fundraising scandal suggest that the People's Republic of China has apparently decided to take a more aggressive approach toward influencing American politics. This is occurring at all levels of our political system through the use of legitimate means such as lobbying as well as covert influence operations. At the same time, the Chinese are also relying heavily on the success of their economic espionage efforts to make their economy more competitive with ours. We also have concerns, that I think most Americans share, with the increasing buildup of the Chinese military operations and capabilities, and the potential that that poses a threat to our national security interests in the Pacific rim region.

A China specialist at the Department of Defense, summarized the growing threat posed by China's intelligence agencies by saying:

The Ministry of State Security is an aggressive intelligence service which is coming

of age in the international arena. The combination of a relatively stagnant economy and an increasingly competitive global economic environment will force China to rely more heavily on the illegal acquisition of high technology modernization—Arms production and sales are increasingly being used to gain hard currency and expand global political influence. The MSS will be required to produce intelligence to support this assertive role in the global, commercial and political environments—Western democracies such as the U.S. must adjust the focus of their clandestine intelligence and counterintelligence operations if they are to meet the MSS's forward posture effectively.

The annual report would document significant developments involving China's Ministry of State Security, the Military Intelligence Department of the People's Liberation Army, and other Chinese intelligence entities operating against the United States. The report is specifically intended to cover trends in the following areas: first, political, military, and economic espionage by Chinese intelligence services; second, intelligence activities designed to gain political influence, including activities undertaken or coordinated by the United Front Works Department of the Chinese Communist Party; third, efforts to gain direct or indirect influence through commercial or noncommercial intermediaries subject to control by the People's Republic of China, including enterprises controlled by the People's Liberation Army; and fourth, disinformation and press manipulation by the Government of the People's Republic of China against the United States.

Various agencies from the intelligence and law enforcement communities will be tasked to provide input on Chinese intelligence activities within the United States and elsewhere. Some of the agencies being asked to contribute to the annual report will include the following: Central Intelligence Agency, Department of Defense, Department of Justice, National Security Agency, Defense Intelligence Agency, Department of State, and the Department of the Treasury.

The classified version of the annual report will be provided to both the House and Senate. An unclassified version will be prepared so that the American public can be provided with a general summary of the nature of the Chinese intelligence threat to the United States.

Mr. Speaker, this bill is very crucial yet very simple. It is not one that requires anything more than a gathering of information for us, but I think it is critical information for us. I urge my colleagues to support this legislation.

PERSONAL EXPLANATION

HON. ELIOT L. ENGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 17, 1997

Mr. ENGEL. Mr. Speaker, I was necessarily absent during rollcall vote 267. If present, I would have voted ''aye'' on rollcall 267.

APPOINTMENT OF DAVID STRAUSS TO BE EXECUTIVE DIRECTOR OF THE PENSION BENEFIT GUARANTY CORPORATION

HON. EARL POMEROY

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 17, 1997

Mr. POMEROY. Mr. Speaker, I rise today to applaud the appointment of David Strauss, a fellow Valley City, ND, native and close friend, as Executive Director of the Pension Benefit Guaranty Corporation [PBGC].

I couldn't be more pleased to see such a good friend named to such an important Government post. Throughout his career, David has been an outstanding public servant deeply devoted to advancing the interests of working families. In this exciting new position, David will continue that work as the Government's top official responsible for protecting the pension security of 42 million American workers and retirees participating in about 50,000 private-sector pension plans.

David comes to the PBGC with extensive management and policy experience as deputy chief of staff to Vice President AL GORE since 1994. In that position, he played a major management role, developed policy options and advised the Vice President on a broad range of economic and domestic policy issues including wage and workplace protection, retirement security, health care, welfare, and trade.

Ensuring that Americans can look forward to a financially secure retirement has emerged as one of the most important public policy issues of the day. As head of the PBGC, David will be a leader in crafting our Nation's response to this retirement security challenge. And with his unique background as a top-notch manager and policymaker, it's hard to imagine someone better suited to this role.

Prior to his position with the Vice President, David served as chief of staff for the late Senator Quentin Burdick of North Dakota and then as staff director of the Senate Environment and Public Works Committee, which Senator Burdick chaired.

Previously, as North Dakota State Executive Director for the U.S. Department of Agriculture's Stabilization and Conservation Service—now the Farm Service Agency—he directed an agency with 53 county offices and 1,200 employees, which administered $1.3 billion in loans and direct payments to the farmers of North Dakota. During this period, he was recognized with a Special Achievement Award from the Secretary of Agriculture for his managerial skill and for reducing administrative costs despite a workload increase.

David Strauss is a superb choice to head the PBGC and I look forward to working with him on a broad range of retirement security issues. Mr. Speaker, I also submit for the RECORD an article from the Fargo Forum on David's appointment.

[From the Fargo Forum, July 3, 1997]

STRAUSS IN LINE FOR PENSION POSITION

(By Mikkel Pates)

David Strauss, a North Dakota native and deputy chief of staff to Vice President Al Gore, has been picked to be executive director of the government's Pension Benefit Guaranty Corp.

Pensions & Investments, the Washington trade paper which broke the story, said the announcement will come any day.

Strauss, 47, was a chief of staff for the late Sen. Quentin Burdick, D-N.D., through most of the 1980's and later for the Senate Committee on Environment and Public Works for which Burdick was chairman.

He also served briefly as chief of staff for Sens. Jocelyn Burdick, D-N.D., and John Breaux, D-La., before going to his current job in 1994.

Through an aide, Strauss declined to be interviewed about the new post because no official announcement has been made. Sources say the announcement could come later this week or next week.

The PBGC is a non-profit corporation wholly owned by the federal government. The corporation regulates and monitors pension plan insurance programs.

Among other things, it steps in if a pension plan fails and can't pay benefits. It makes up the difference in assets, administers the fund, and distributes the basic benefits.

The agency covers all single-employer and private defined pension plans and some plans between unions and employers. It is administered by a board, of which the Secretary of Labor is chairman, and includes the secretaries of commerce and treasury.

Sources at Pensions & Investments called Strauss a good choice for the job, despite his lack of hands-on experiences in pensions. The post does not require Senate confirmation.

The story quoted Rep. Earl Pomeroy, D-N.D., also from Valley City, who said the appointment of a top political aide showed the Clinton administration's commitment to retirement income security.

Officials from the Teamsters, the AFL–CIO, and business lobbyists all sang his praises.

''David Strauss' appointment will provide the PBGC with the kind of political leadership it has never had,'' said Mark J. Ugoretz, president of the ERISA Industry Committee, a Washington trade group representing the nation's biggest companies.

ERISA is the Employee Retirement Income Security Act of 1974.

As Gore's aide, Strauss helped develop White House policy options on a range of economic and domestic policies.

He was involved in working on the Retirement Protection Act, signed by Clinton in December 1994.

In a 1994 interview with The Forum Strauss said that his career hinged to some degree on Gore's future.

'If Al Gore is re-elected vice president and then runs for president in the year 2000, I very much would want to be a part of all of that,'' he said at the time.

Strauss grew up in Harvey and Valley City, and in the 1970's became one of the state's most successful political strategists.

Among other things, he was executive director of the Democratic-NPL party from 1975 to 1977.

In 1977, he was named North Dakota executive director of the Agricultural Stabilization and Conservation Service (now the Farm Service Agency).

At the time he was criticized for a lack of farming background for the job.

He later took great pride in winning achievement awards in the agency.

NATIONAL HISTORIC TRAILS CENTER, CASPER, WY

HON. BARBARA CUBIN

OF WYOMING

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 17, 1997

Mrs. CUBIN. Mr. Speaker, over a century and a half has now passed since the historic

overland migrations of people across America's Western frontier began. Their stories of hardship, perseverance, and courage are legendary, and they figure prominently in the history of the West. The trails they traveled, especially in Wyoming, still remain a visible testimony to the great struggles of these early American pioneers.

During the mid-1800's, Casper, WY, was the only geographic location in the Western United States where the Oregon, Mormon, California, and Pony Express trails, as well as many Indian trails converged. A fork of the Bozeman Trail and the beginnings of the Bridger Trail also originated in Casper. These trails are a distinctive part of our Nation's past and they possess important historical and cultural values representing themes of migration, settlement, transportation, and commerce that shaped the landscape of the West.

Congress has recognized the historical significance of these trails. The National Trails Systems Act, as amended in 1978 and 1992, designates the Oregon, Mormon Pioneer, California, and Pony Express Trails as ''National Historic Trails.'' The act also directs the Secretary of the Interior to protect, interpret, and manage the remnants of these trails on Federal lands.

While large segments of these trails, and their associated historic sites lie on Bureau of Land Management [BLM] lands in Wyoming, no interpretive center is available in Wyoming, or any adjacent State, to educate the public on the role of these trails in our Nation's history.

In an effort to preserve and interpret this important history, today I am introducing legislation to establish the National Historic Trails Interpretive Center [NHTIC] in Casper, WY. The bill encompasses a unique partnership of Federal and non-Federal interests to jointly construct and operate this Center. These interests include the BLM, the city of Casper, and the nonprofit National Historic Trails Foundation. These entities came together in 1992 to build a center to memorialize and interpret the national historic trails in the West.

The interpretive and educational programs that will be associated with the Trails Center in Casper will enable visitors to discover and appreciate the miles of untouched trails that lie on public lands in the West. The Center will identify and help protect sensitive historic trail remnants to prevent degradation. The National Historic Trails Centers will also provide an opportunity for the BLM to showcase public lands emphasizing the Bureau's commitment to preserve lands of historical value.

Under the cooperative agreement, there is a clear commitment of non-Federal partners to share costs to construct, maintain, and operate the Trails Center. City, State, foundation, and private interests will bear approximately half of the total costs of the project. The city of Casper provided funds to initiate work on the Center. The city has also donated more than 10 acres of prime land overlooking the site of the North Platte River crossings of the historic trails for the Center. Furthermore, the citizens of Casper increased local sales taxes and have raised the required 1.5 million of construction dollars to meet their financial commitment under the cooperative agreement. The State of Wyoming has joined the partnership by giving $700,000 for the Center. The cooperative agreement also requires non-Federal entities to establish a $1 million endowment, the interest thereof to maintain exhibits for the life of the Center. The overwhelming amount of non-Federal support for the Center is precisely the kind of cooperation Congress intended in managing and interpreting the historic trails of the Nation.

Under the cooperative agreement, the BLM has an important but limited role in establishing and operating the National Historic Trails Interpretive Center. The BLM has already completed a striking design as well as the engineering blueprints of the Center. With this work completed, the land available, and most of the non-Federal funds in hand, the Center is now ready to construction. This legislation provides congressional authorization of funds for the BLM to do so. Once the Center is completed, the BLM will own and operate the facility. However, with the endowment, the authorization to charge visitors a modest entrance fee, and commitments for volunteer staffing, the facility will be largely self-sustaining from a financial perspective. This is important in view of the present and anticipated future funding restrictions of the Federal Government.

In Wyoming, we are experiencing great interest in the historic trails that cross the State. In 1992, a year when visitation to Yellowstone National Park and Grand Teton National Park was down, the Wyoming Department of Tourism reported an increase in tourism along the Oregon Trail route during the sesquicentennial of that trail. This year is the sesquicentennial of the Mormon Pioneer Trail. BLM officials have estimated that between 200,000 and 1 million visitors participated in trials events in Wyoming this year. We expect similar interest in trails during the sesquicentennials of the California and Pony Express historic trails. In truth, an increasing number of Americans are discovering, enjoying, and learning the history of these treks and are seeking to experience natural settings, landmarks, and physical remains of the trails.

I am pleased with the broad level of support the National Historic Trails Interpretive Center enjoys. As noted earlier, the city of Casper and the State of Wyoming have provided tremendous assistance to this effort—for that I thank them. The Governor of Wyoming, Jim Geringer, as well as Wyoming's former Governor, Mike Sullivan, have endorsed the Center from the beginning. Wyoming's U.S. Senators, MIKE ENZI and CRAIG THOMAS, support the project. Especially gratifying has been the support and encouragement from interests outside of Wyoming, such as the Oregon-California Trails Association. I deeply appreciate the support of my respected colleague from Utah, Representative JIM HANSEN, who is cosponsoring this legislation.

Mr. Speaker, the establishment of the National Historic Trails Interpretive Center is in the public interest. The project contains the best elements of private and public cooperation. The construction and operation of this Trails Center is altogether consistent with the BLM's criteria for projects of this kind. I urge my colleagues to help advance our efforts to preserve and interpret a significant chapter of American history by lending their support for this legislation.

A TRIBUTE TO THE ANDERSON MONARCHS BASEBALL TEAM

HON. THOMAS M. FOGLIETTA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 17, 1997

Mr. FOGLIETTA. Mr. Speaker, I rise today to pay tribute to a group of young athletes from south Philadelphia who have just returned from a barnstorming baseball tour in tribute to the late, great Jackie Robinson. The Anderson Monarchs are a team of 15 boys between the ages 8 and 12 who play in the RBI, Reviving Baseball in the Inner Cities, League of Philadelphia. The team is named for Jackie Robinson's Negro League team, the Kansas City Monarchs, and plays its home games at the Marian Anderson Recreation Center in the heart of south Philadelphia.

Leaving Philadelphia last week in a restored 1947 bus, the team drove west to participate in the Kansas City Royal's celebration of the 50th Anniversary of Jackie Robinson's entry into the Major Leagues. The team, sponsored by the Philadelphia Phillies, Mellon PSFS and Acme Markets, embarked on a 13-day journey that began with a game in Brooklyn, NY, the former home of Jackie Robinson's Dodgers. From Brooklyn, the Monarchs traveled to Cleveland, where they participated in All-Star game festivities, then played a game against a local team. From there it was off to Detroit, Chicago, and Iowa, where they visited the site of the Field of Dreams, made famous by the movie of that name. Many of these youngsters have never been far from the urban landscape of Philadelphia, so traveling through the rural Midwest was quite an experience for them.

In Kansas City, the Monarchs visited the Negro Leagues Baseball Museum, where they were introduced to Hall-of-Famer, Buck O'Neill, a former Monarchs teammate of Jackie Robinson. Meeting this living legend and hearing his bittersweet tales of the Negro Leagues was the high point of the trip for many of the young ballplayers.

From Kansas City the team bus wound its way back, with stops for games in St. Louis, Louisville, and Pittsburgh, before returning to Philadelphia. Mr. Speaker, these youngsters are more than just ballplayers, they are ambassadors for Philadelphia, and I have received reports that they have represented our city with great honor throughout their travels. They have learned about the legacy of segregation in baseball, and they have taught others of these lessons along the way. In honoring the anniversary of Jackie Robinson's entry into the Major Leagues, the Monarchs have been a major success. They have demonstrated admirably the sentiment engraved on Jackie Robinson's gravestone that, ''A life is not important except in the impact it has on other lives.'' In recognition of their successful tour, I ask that my colleagues join me today in honoring Philadelphia's Anderson Monarchs.

IN MEMORY OF DAVID L. CINI

HON. SAM GEJDENSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 17, 1997

Mr. GEJDENSON. Mr. Speaker, I rise today with great sadness to pay tribute to David L.

Cini, a man who will long be remembered for his service to his family, to Connecticut, and to his beloved town of East Lyme. Mr. Cini passed away yesterday after a long illness.

The incredible courage he showed these last years has truly been inspiring. Despite physical challenges that would daunt most people, Mr. Cini never stopped working. Just last month I joined him on the town's waterfront to announce that a long-held goal of securing funding for a boardwalk had finally been achieved. For years he has worked to bring sensible development to the waterfront area of East Lyme. When we finally open the boardwalk, it will be with great sorrow that he will not be there to open it with us. I hope that the town will see fit to build that boardwalk in his honor.

Mr. Cini was not well, but he never stopped. He conducted the town's business and worked to ensure that everyone he came into contact with agreed with him that East Lyme was the best place to live. He passed away while still first selectman, which is, I think, how he preferred it.

His legacy in the town will be one of sound management, low taxes, and sensible improvements. He has been a tireless fighter for his community, representing it since 1980 as a board of education member, a selectman, and for the last eight years, first selectman. During part of that time, he was active with the Council of Governments, a regional coordinating group on Connecticut's south shore, even serving as chair at one point. He brought good honor to the town of East Lyme every day he came to work.

Certainly we will all miss David, but those who will miss him most—and in whom his legacy will endure—will be his wife Sally and his children: Heather, Holly, and Matt. Matt is following in his father's footsteps by serving eastern Connecticut's community as a valued member of my staff. When I see Matt at work, I see a bit of David; he is certainly his father's son.

Mr. Speaker, on Saturday David L. Cini will be laid to rest in his beloved town. Reqiescat in pace.

DEPARTMENTS OF VETERANS AFFAIRS AND HOUSING AND URBAN DEVELOPMENT, AND INDEPENDENT AGENCIES APPROPRIATIONS ACT, 1998

SPEECH OF

HON. BILL BARRETT

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 16, 1997

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 2158) making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, commissions, corporations, and offices for the fiscal year ending September 30, 1998, and for other purposes:

Mr. BARRETT of Nebraska. Mr. Chairman, I'd like to share with my colleagues a small town's recent experience with the Environmental Protection Agency [EPA] which serves up yet another reason why the Comprehensive Environmental Response, Compensation, and Liability Act [CERCLA], commonly called Superfund, must be reformed and reformed soon.

Recently, EPA advised a community in the south-central part of my congressional district, Hastings, NE, that it intends to present the city and three or four potentially responsible parties [PRP's] with a bill for the costs EPA incurred at the Hastings Groundwater Contamination Site. EPA's Region 7 Administrator has confirmed that in the next 2 to 3 months EPA intends to demand payment for costs incurred between 1983 and 1994. EPA incurred these costs in its investigation, analysis, and study of contamination in Hastings. The bill apparently even will include EPA's indirect expenses, such as employee benefits, office costs, expenses, travel, and lodging—Believe it or not!

As you can imagine, this situation greatly alarms Hastings and me, since past costs for the site amount to more than $20 million. EPA estimates the city would be responsible for $1 to $1.5 million, and the PRP's would be responsible for the balance. Unfortunately, EPA is not expected to allocate responsibility for these past costs among the various PRP's. Thus, the PRP's and the city will need to voluntarily allocate or litigate. As you know, litigation has been much more common under Superfund. Given the large amounts of money at stake, this could become a fight for survival.

You're probably thinking, so what's the big deal? I'll tell you—Hastings is a small town with a population of 23,000! The city collects approximately $5 million in sales and property taxes annually. The city can't afford a $1 to $1.5 million bill. It can't raise taxes because the Nebraska legislature has placed a zero-spending lid on all Nebraska cities in an effort to curb taxes, and it can't afford to engage in costly litigation with the other PRP's. The city can ill-afford to lose its business base because it was forced to sue to reduce its liability.

The PRP's can't afford to pay the balance of the bill. It could bankrupt them. I don't know exactly what dollar amount would force the PRP's out of business, but any large bill—even if it does not amount to $20 million—could severely hamper future business expansion and new job creation in the community.

This is a perfect example of why Superfund, and especially retroactive liability, needs to be reformed. Many communities are familiar with similar situations—a large portion of the pollution at Hastings occurred early in the century, and any pollution that did occur happened after hazardous waste laws were enacted. The disposal of the responsible materials was done according to the law of the day. Since then, companies have been bought and sold, the city's management has come and gone, and as a result, there are no real polluters now in Hastings—despite EPA's efforts to identify them.

This should be a warning to all of us. This is not an isolated case. This could happen in any district.

But what makes me so frustrated, Mr. Chairman, is that it's our fault. Congress passed Superfund. Congress has not been able to reform it, even though many of my colleagues have been working with each other and the administration to reform it for many years. It's a complex issue, but it shouldn't take this long or be this hard to do.

Often I question EPA's judgment, especially in Hastings' situation, and know the agency has been overzealous or irrational with its regulations and enforcement of Superfund. However, I realize EPA has a bad law to enforce. But why should Congress keep giving EPA funds to implement a bad law? And what incentive does EPA have to work with Congress to reauthorize Superfund if we keep it so well funded? Congress must stand up to the pressure to simply throw money at a problem without understanding what we are dealing with. For example, why haven't we asked about the true nature of risk from hazardous waste sites, and why haven't we had a national dialogue on how to prioritize spending on Superfund sites?

It's time to ask these questions and to reform Superfund. The Bipartisan Budget Agreement requires that Congress enact comprehensive reform before there is any increase in funding. I urge my colleagues to resist efforts to increase funding for this program and to support Superfund reform.

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS ACT, 1998

SPEECH OF

HON. DENNIS J. KUCINICH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 15, 1997

The House in Committee of the Whole House of the State of the Union had under consideration the bill, H.R. 2107, making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1998, and for other purposes:

Mr. KUCINICH. Mr. Chairman, I rise today to recognize the good work of a local organization in my congressional district, the Greater Cleveland Chapter of the Korean War Veterans Association, and the contribution they have made to one of our Nation's memorials. Included in this bill are funds for the National Park Service, which oversees our national memorials, including the Korean War Veterans' Memorial here in Washington, DC.

The Cleveland Chapter of the KWVA has an active membership and its leadership includes Mr. Joe Shearer, who serves as second vice president. Recently, Mr. Shearer brought to my attention and to the attention of Senator GLENN and others in the Ohio congressional delegation the troubling story of the condition of the Korean War Veterans' Memorial. Apparently the memorial was in a state of disrepair due to problems associated with poor construction and engineering.

In true American ''can-do'' spirit, Mr. Shearer and some of his fellow veterans drove to Washington, DC, to personally inform me of this situation. Letters were sent to the Department of the Interior and the National Park Service expressing concerns about the memorial. Due to the efforts of Mr. Shearer and other veterans, I have been assured by the National Park Service that repairs are currently underway and adequate funds needed to repair the Korean War Memorial have been made available.

The Korean War Veterans Memorial is a tribute to those who served in ''the forgotten war.'' Our Korean war veterans deserve our utmost respect and deserve a memorial in

which they can be proud. I applaud Mr. Shearer and his colleague's efforts in helping to memorialize the sacrifice that was made by our Korean war veterans. I am proud to stand in salute of a veteran who continues to honor the memories of those soldiers who gave their lives in the Korean war.

DEPARTMENTS OF VETERANS AFFAIRS AND HOUSING AND URBAN DEVELOPMENT, AND INDEPENDENT AGENCIES APPROPRIATIONS ACT, 1998

SPEECH OF

HON. WALTER H. CAPPS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 16, 1997

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 2158) making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, commissions, corporations, and offices for the fiscal year ending September 30, 1998, and for other purposes:

Mr. CAPPS. Mr. Chairman, I rise in support of this bill and would like to commend Chairman LEWIS and the ranking member, Mr. STOKES, for their diligent work on the important programs covered in this legislation.

As a strong supporter of NASA's Mission to Planet Earth, I am very pleased that the bill before us provides full funding for this critically important program.

Mission to Planet Earth will expand our knowledge of ourselves, our Earth and its incredibly complex environmental systems. I am convinced that we should never shrink from the opportunity to grasp such critically important information.

But MTPE will be more than a search for knowledge. With its series of orbiting satellites, set to begin launching next year, Mission to Planet Earth's ability to accurately monitor and predict long-term climate variability will have great benefits for large sectors of our economy, including such diverse industries as agriculture, financial services, insurance, and disaster management.

The ability to predict droughts, floods, and other cataclysmic natural events will reap huge benefits in lives and dollars for years to come. MTPE information will not only be useful for long-range forecasting, but will have daily applications as well. In agriculture, to use one example, farmers will be better able to anticipate irrigation and harvesting needs, and disease control and eradication requirements.

As NASA programs add to our knowledge of the entire solar system—with the spectacular exploits on Mars by *Sojourner* as the most recent example—we must not lose sight of all that we still do not know about our own glorious world. MTPE will help fill in some of those gaps about our environmental systems, improving our quality of life here on Earth while we continue our exploration of the stars and planets

Thursday, July 17, 1997

Daily Digest

HIGHLIGHTS

Senate passed Foreign Operations Appropriations, 1998.

House Committee ordered reported the following appropriations for fiscal year 1998: Energy and Water Development; and Legislative Branch.

Senate

Chamber Action

Routine Proceedings, pages S7623–S7741

Measures Introduced: Twelve bills and two resolutions were introduced, as follows: S. 1026–1037, and S. Con. Res. 40–41. **Page S7710**

Measures Reported: Reports were made as follows:

Special Report entitled ''Further Revised Allocation to Subcommittees of Budget Totals from the Concurrent Resolution for Fiscal Year 1998''. (S. Rept. No. 105–50)

S. 1033, making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 1998. (S. Rept. No. 105–51)

H.R. 2016, making appropriations for military construction, family housing, and base realignment and closure for the Department of Defense for the fiscal year ending September 30, 1998, with amendments. (S. Rept. No. 105–52)

S. 1034, making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, commissions, corporations, and offices for fiscal year ending September 30, 1998, and for other purposes. (S. Rept. No. 105–53)

S. 1032, to amend the Foreign Assistance Act of 1961 with respect to the authority of the Overseas Private Investment Corporation to issue insurance and extend financing.

S. Con. Res. 40, expressing the sense of Congress regarding the OAS-CIAV Mission in Nicaragua.

S. Con. Res. 41, calling for a United States initiative seeking a just and peaceful resolution of the situation on Cyprus. **Pages S7708–09**

Measures Passed:

Foreign Operations Appropriations, 1998: By 91 yeas to 8 nays (Vote No. 185), Senate passed S. 955, making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 1998, after taking action on further amendments proposed thereto, as follows:

Pages S7623–50

Rejected:

By 38 yeas to 61 nays (Vote No. 183), Bingaman Amendment No. 896, to provide for Cuban-American family humanitarian support and compassionate travel. **Pages S7623–24, S7629**

By 22 yeas to 77 nays (Vote No. 184), Hutchinson Amendment No. 890, to express the sense of the Senate that Most Favored Nations trade status for China should be revoked. **Pages S7623–31**

During consideration of this measure today, Senate also took the following action:

By unanimous-consent agreement, Amendment No. 915, agreed to on Wednesday, July 16, 1997, was modified. **Pages S7632–33**

Treasury/Postal Service Appropriations, 1998: Senate passed S. 1023, making appropriations for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain Independent Agencies, for the fiscal year ending September 30, 1998, after taking action on amendments proposed thereto, as follows:

Pages S7652–69, S7689–S7704

Adopted:

Campbell Amendment No. 921, to establish regulations concerning the importation of certain fish, as amended. **Pages S7653–58, S7691**

Brownback Amendment No. 922 (to Amendment No. 921), to provide that Members of Congress shall not receive a cost of living adjustment in pay during fiscal year 1998. **Page S7654**

Campbell Amendment No. 923, of a technical nature. **Pages S7658–59**

Campbell Amendment No. 924, of a technical nature. **Page S7659**

Campbell (for Mikulski) Amendment No. 926, to exclude night differential pay from the prohibition of pay for hours not worked. **Page S7660**

By 83 yeas to 17 nays (Vote No. 186), Feinstein Amendment No. 927, to allow postal patrons to contribute to funding for breast-cancer research through the voluntary purchase of certain specially issued United States postage stamps. **Pages S7661–67**

Thomas Modified Amendment No. 929, to limit the use of funds to provide for Federal agencies to furnish commercially available property or services to other Federal agencies. **Pages S7666, S7668–69**

Hatch Amendment No. 930, to establish the procedure for adjusting future compensation of justices and judges of the United States. **Page S7668**

Campbell (for Lott/Daschle) Amendment No. 931, to amend the Federal Election Campaign Act of 1971. **Page S7669**

Kohl (for Daschle) Amendment No. 933, to clarify the limitation on undertaking a field support reorganization in Aberdeen, South Dakota. **Pages S7691–92**

Campbell (for Collins) Amendment No. 934, to reduce certain funding for the Office of Inspector General, Department of the Treasury, and to prohibit the use of funds for the Inspector General for certain advisory and assistance services. **Page S7692**

Kohl Amendment No. 935, to provide funds for the Youth Gun Crime Initiative. **Page S7694**

Faircloth/Shelby Amendment No. 932, to remove computer games from government computers. **Pages S7694–95**

Campbell (for Abraham) Amendment No. 938, to provide for Members of Congress to voluntarily disclose participation in Federal retirement systems in the annual financial disclosure forms. **Page S7698**

Campbell Amendment No. 939, to provide disaster assistance to the County of Arapahoe, Colorado. **Pages S7698–99**

Pending:

Campbell (for DeWine) Amendment No. 936, to prohibit the use of funds to pay for an abortion or pay for the administrative expenses in connection with certain health plans that provide coverage for abortions. **Page S7694**

Kohl (for Bingaman) Amendment No. 937, to strike provisions prohibiting the use of appropriated funds for the sole source procurement of energy conservation measures. **Pages S7695–98**

Campbell (for Coverdell/Feinstein) Amendment No. 940, to provide that Federal employees convicted of certain bribery and drug-related crimes shall be separated from service. **Page S7699**

Campbell (for Coverdell) Amendment No. 941, to require a plan for the coordination and consolidation of the counterdrug intelligence centers and activities of the United States. **Page S7699**

Campbell (for Hatch) Amendment No. 942, to provide for a national media campaign focused on preventing youth drug abuse. **Pages S7703–04**

Hutchison Amendment No. 943, to establish parity among the countries that are parties to the North American Free Trade Agreement with respect to the personal allowance for duty-free merchandise purchased abroad by returning residents. **Page S7704**

A unanimous-consent agreement was reached providing that S. 1023 remain at the desk pending receipt of the House companion measure, that all after the enacting clause be stricken and the text of S. 1023, as passed by the Senate, be inserted in lieu thereof, that the bill be passed, the Senate insist on its amendment, request a conference with the House thereon, the Chair be authorized to appoint conferees on the part of the Senate, that the passage of S. 1023 be vitiated, and S. 1023 be indefinitely postponed. **Page S7669**

A unanimous-consent agreement was reached providing for further consideration of the bill and amendments pending thereto, on Monday, July 21, 1997, with a vote on final passage to occur thereon. **Page S7741**

VA/HUD Appropriations—Agreement: A unanimous-consent agreement was reached providing for the consideration of S.1034/H.R. 2158, making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, commissions, corporations, and offices for the fiscal year ending September 30, 1998, at 3 p.m. on Monday, July 21, 1997. **Page S7741**

Nominations Confirmed: Senate confirmed the following nominations:

By 88 yeas to 11 nays (Vote No. 187 EX), Joel I. Klein, of the District of Columbia, to be an Assistant Attorney General. **Pages S7669–88, S7741**

By unanimous vote of 100 yeas (Vote No. 188 EX), Eric H. Holder, Jr., of the District of Columbia, to be Deputy Attorney General. **Pages S7688–89, S7741**

Nominations Received: Senate received the following nomination:

Felix George Rohatyn, of New York, to be Ambassador to France. **Page S7741**

Messages From the House: **Page S7708**

Measures Placed on Calendar: **Page S7708**

Communications: **Page S7708**

Executive Reports of Committees: **Pages S7709–10**

Statements on Introduced Bills: **Pages S7710–32**

Additional Cosponsors: Page S7732
Amendments Submitted: Pages S7733–36
Notices of Hearings: Page S7736
Authority for Committees: Pages S7736–37
Additional Statements: Pages S7737–41

Record Votes: Six record votes were taken today. (Total—188) Pages S7629, S7631, S7634, S7688–89

Adjournment: Senate convened at 9:30 a.m., and adjourned at 8:25 p.m., until 12 noon, on Monday, July 21, 1997. (For Senate's program, see the remarks of the Acting Majority Leader in today's Record on page S7741.)

Committee Meetings

(Committees not listed did not meet)

NORTHERN FOREST STEWARDSHIP ACT

Committee on Agriculture, Nutrition, and Forestry: Subcommittee on Forestry, Conservation, and Rural Revitalization concluded hearings on S. 546, to authorize the Secretary of Agriculture to provide technical assistance for sustainable forest management, assist in coordinating ecological and economic research and implementation of interstate and Northern Forest Lands Council policies, and provide technical and financial assistance for State conservation land planning and acquisition and rural community assistance, after receiving testimony from James R. Lyons, Under Secretary of Agriculture for Natural Resources and Environment; John P. Cahill, New York State Department of Environmental Conservation, Albany; Brendan J. Whittaker, Vermont Natural Resources Council, Guildhall; Stephen W. Schley, Pingree Associates, Inc., Bangor, Maine, on behalf of the Maine Forest Products Council; John E. Sargent, Chichester, New Hampshire; and David W. Guernsey, Kingfield, Maine.

APPROPRIATIONS—AGRICULTURE/VA/HUD/MILITARY CONSTRUCTION

Committee on Appropriations: Committee ordered favorably reported the following bills:

An original bill (S. 1033) making appropriations for agriculture programs, conservation programs, rural economic and community development, domestic food programs, foreign assistance and related programs, and the Food and Drug Administration for the fiscal year ending September 30, 1998;

An original bill (S. 1034) making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry agencies, commissions, corporations, and offices for the fiscal year ending September 30, 1998; and

H.R. 2016, making appropriations for military construction, family housing, and base realignment and closure for the Department of Defense for the fiscal year ending September 30, 1998, with amendments.

APPROPRIATIONS—AMTRAK

Committee on Appropriations: Subcommittee on Transportation and Related Agencies concluded hearings on proposed budget estimates for fiscal year 1998 for the National Railroad Passenger Corporation (Amtrak), focusing on the calculation of ''excess'' railroad retirement payments, after receiving testimony from Steven A. Bartholow, Deputy General Counsel, and Frank Buzzi, Chief Actuary, both of the U.S. Railroad Retirement Board; Jacob J. Lew, Deputy Director, Office of Management and Budget; Mortimer L. Downey, Deputy Secretary of Transportation; and Thomas M. Downs, President and Chairman, and Thomas J. Gillespie, Jr., Vice President, Government Affairs, both of the National Railroad Passenger Corporation (Amtrak).

NOMINATION

Committee on Armed Services: Committee concluded hearings on the nomination of Rudy deLeon, of California, to be Under Secretary of Defense for Personnel and Readiness, after the nominee testified and answered questions in his own behalf.

AUTHORIZATION—EXPORT/IMPORT BANK

Committee on Banking, Housing, and Urban Affairs: Subcommittee on International Finance concluded hearings on S. 1026, authorizing funds for the Export-Import Bank of the United States, after receiving testimony from James A. Harmon, President and Chairman, Export-Import Bank of the United States; Stuart E. Eizenstat, Under Secretary of State for Economic and Business Affairs, on behalf of the Trade Promotion Coordinating Committee; JayEtta Hecker, Associate Director, International Relations and Trade Issues, National Security and International Affairs Division, General Accounting Office; Noor Doja, Minnesota Export Finance Authority, on behalf of the National Association of State Development Agencies and Minnesota Trade Office, and Richard P. Ferris, Norwest Bank Minnesota, National Association, both of Minneapolis, Minnesota; Gary W. Groom, Raytheon Engineers & Constructors International, Lexington, Massachusetts, on behalf of the National Association of Manufacturers; William M. Murray, Fuller Company, Bethlehem, Pennsylvania, on behalf of the National Foreign Trade Council, Inc.; Ian Vasquez, Cato Institute, Washington, D.C.; and Edward F. Carter, Harza Engineering Company, Chicago, Illinois.

HUD REBUILDING AND LOAN GUARANTY PROGRAM

Committee on Banking, Housing, and Urban Affairs: Subcommittee on Financial Institutions and Regulatory Relief concluded hearings to examine the status of Federal efforts to investigate and prosecute individuals responsible for church arson, focusing on the implementation of the Department of Housing and Urban Development rebuilding and loan guaranty program which guarantees private sector loans to assist nonprofit organizations, including churches, in financing the rebuilding of facilities damaged or destroyed by arson or terrorism, after receiving testimony from Andrew Cuomo, Secretary of Housing and Urban Development; James E. Johnson, Assistant Secretary of the Treasury for Enforcement, and Isabelle Katz Pinzler, Acting Assistant Attorney General, Civil Rights Division, Department of Justice, both on behalf of the National Church Arson Task Force; Mark Logan, Special Agent in Charge (Charlotte Field Division), Bureau of Alcohol, Tobacco and Firearms, Department of the Treasury; Albert M. Pennybacker, National Council of the Churches of Christ in the U.S.A., and Sullivan Robinson, Congress of National Black Churches, Inc., both of Washington, D.C.; Larry Hill, Matthews Murkland Presbyterian Church, Charlotte, North Carolina; and Shirley F. Hines, Greater Mount Zion Tabernacle Church Rebuilding Project, Portsmouth, Virginia.

AUTO CHOICE REFORM ACT

Committee on Commerce, Science, and Transportation: Committee held hearings on S. 625, to provide for competition between forms of motor vehicle insurance, to permit an owner of a motor vehicle to choose the most appropriate form of insurance, to guarantee affordable premiums, and to provide for more adequate and timely compensation for accident victims, receiving testimony from Senators Lieberman, McConnell, and Moynihan; Representatives Armey and Saxton; Jeffrey O'Connell, University of Virginia Law School, Charlottesville; Harvey Rosenfield, Proposition 103 Enforcement Project, and Stephen Carroll, Rand, both of Santa Monica, California; Peter Kinzler, Coalition for Auto-Insurance Reform, Alexandria, Virginia; Tim Ryles, Ryles Resource Group, Newborn, Georgia; and Andrew Tobias, New York, New York.

Hearings were recessed subject to call.

NOMINATIONS

Committee on Energy and Natural Resources: Committee concluded hearings on the nominations of Patrick A. Shea, of Utah, to be Director of the Bureau of Land Management, Robert G. Stanton, of Virginia, to be Director of the National Park Service, and Kathleen M. Karpan, of Wyoming, to be Director of the Office of Surface Mining Reclamation and Enforcement, all of the Department of the Interior, and Kneeland C. Youngblood, of Texas, to be a Member of the Board of Directors of the United States Enrichment Corporation, after the nominees testified and answered questions in their own behalf. Mr. Shea was introduced by Senators Hatch and Bennett, Mr. Stanton was introduced by Senators Sarbanes and Warner, and Ms. Karpan was introduced by Senator Thomas.

OKLAHOMA CITY MEMORIAL/TRINITY LAKE DESIGNATION/EVERGLADES WILDERNESS

Committee on Energy and Natural Resources: Subcommittee on National Parks, Historic Preservation, and Recreation concluded hearings on S. 871, to establish the Oklahoma City National Memorial at the site of the bombing incident at the Alfred P. Murrah Federal Building, to designate the memorial a unit of the National Park Service, and establish the Oklahoma City Memorial Trust to oversee the development and operation of the memorial, S. 895, to designate the reservoir created by Trinity Dam in the Central Valley project, California, and designated as ''Clair Engle Lake'' is redesignated as ''Trinity Lake'', and S. 931, to designate the Marjory Stoneman Douglas Wilderness and the Ernest F. Coe Visitor Center in Everglades National Park, after receiving testimony from Katherine H. Stevenson, Associate Director of Cultural Resource Stewardship and Partnerships, National Park Service, Department of the Interior; and Joseph B. Browder, Friends of the Everglades, Washington, D.C.

GLOBAL WARMING

Committee on Environment and Public Works: Committee concluded hearings to examine the causes, impacts, and uncertainties of global climate change, after receiving testimony from Timothy E. Wirth, Under Secretary of State for Global Affairs; Janet Yellen, Chair, Council of Economic Advisers; Kevin J. Fay, International Climate Change Partnership, Arlington, Virginia; and William O'Keefe, Global Climate Coalition, Washington, D.C.

BUSINESS MEETING

Committee on Foreign Relations: Committee ordered favorably reported the following business items:

An original bill (S. 1032) to amend the Foreign Assistance Act of 1961 with respect to the authority of the Overseas Private Investment Corporation to issue insurance and extend financing;

S. Res. 98, expressing the sense of the Senate regarding the conditions for the United States becoming a signatory to any international agreement on greenhouse gas emissions under the United Nations Framework Convention on Climate Change;

An original concurrent resolution (S. Con. Res. 40) expressing the sense of the Congress that the OAS–CIAV Mission in Nicaragua is to be congratulated for its defense of human rights, promotion of peaceful conflict resolution, and contribution to the development of freedom and democracy in Nicaragua;

An original concurrent resolution (S. Con. Res. 41) calling for a United States initiative seeking a just and peaceful resolution of the situation in Cyprus; and

The nominations of A. Peter Burleigh, of California, to be the Deputy Representative of the United States of America to the United Nations, with the rank and status of Ambassador, Ralph Frank, of Washington, to be Ambassador to the Kingdom of Nepal, Gordon D. Giffin, of Georgia, to be Ambassador to Canada, John C. Holzman, of Hawaii, to be Ambassador to the People's Republic of Bangladesh, Karl Frederick Inderfurth, of North Carolina, to be Assistant Secretary of State for South Asian Affairs, David J. Scheffer, of Virginia, to be Ambassador at Large for War Crime Issues, Richard Sklar, of California, to be Representative of the United States to the United Nations for U.N. Management and Reform, with the rank of Ambassador, Linda Jane Zack Tarr-Whelan, of Virginia, for the rank of Ambassador during her tenure of service as United States Representative to the Commission on the Status of Women of the Economic and Social Council of the United Nations, and two Foreign Service Officer promotion lists.

BOSNIA PEACE AGREEMENT

Committee on Foreign Relations: Subcommittee on European Affairs concluded hearings to examine the current situation in Bosnia-Herzegovina and United States and international efforts to implement the 1995 Dayton peace accords, after receiving testimony from Robert S. Gelbard, Special Representative of the President and the Secretary of State for Implementation of the Dayton Peace Accords; Harold J. Johnson, Associate Director, International Relations and Trade Issues, National Security and International Affairs Division, General Accounting Office; and Morton I. Abramowitz, International Crisis Group, and John W. Heffernan, Coalition for International Justice, both of Washington, D.C.

CAMPAIGN FINANCING INVESTIGATION

Committee on Governmental Affairs: Committee continued hearings, in open and closed sessions, to examine certain matters with regard to the committee's special investigation on campaign financing, receiving testimony from John H. Cobb, Counsel to Special Investigation, Committee on Governmental Affairs; and Paula V. Greene, Stephens Inc., Washington, D.C.

Hearings will continue on Wednesday, July 23.

BUSINESS MEETING

Committee on the Judiciary: Committee resumed mark up of S. 10, to reduce violent juvenile crime, promote accountability by juvenile criminals, and punish and deter violent gang crime, but did not complete action thereon, and will meet again on Wednesday, July 23.

VISA WAIVER PILOT PROGRAM

Committee on the Judiciary: Subcommittee on Immigration concluded hearings on proposals to extend the Visa Waiver Pilot Program established by the Immigration Reform and Control Act of 1986, including S. 290, to establish a visa waiver pilot program for nationals of Korea who are traveling in tour groups to the United States, after receiving testimony from Senators Murkowski and Inouye; Representative Kim; Mary A. Ryan, Assistant Secretary of State for Consular Affairs; Michael D. Cronin, Assistant Commissioner for Inspections, Inspections Division, Immigration and Naturalization Service, Department of Justice; Virginia Governor George Allen, Richmond; Hawaii Lieutenant Governor Mazie K. Hirono, Honolulu; and Janet Thomas, Air Transport Association of America, Washington, D.C.

CHILD CARE QUALITY

Committee on Labor and Human Resources: Committee held hearings on proposals to improve the quality of child care in the United States, including the proposed Creating Improved Delivery of Child Care: Affordable, Reliable, and Educational Act of 1997, receiving testimony from Senators Mack and Graham; Representatives Gilman and Deutsch; Ted Childs, Jr., IBM Corporation, North Tarrytown, New York; William Waldman, New Jersey Department of Human Services, Trenton; Deborah Lowe Vandell, University of Wisconsin, Madison, on behalf of the NICHD Early Child Care Research Network; James M. Poole, Raleigh, North Carolina, on behalf of the American Academy of Pediatrics; Lynn Behrmann, Manchester, Connecticut; and Mark and Julie Fiedelholtz, Plantation, Florida.

Hearings were recessed subject to call.

House of Representatives

Chamber Action

Bills Introduced: 23 public bills, H.R. 2180–2202, and 3 resolutions, H. Con. Res. 117, and H. Res. 188 and 190, were introduced. **Pages H5485–87**

Reports Filed: Reports were filed today as follows:

H. Res. 189, providing for consideration of H.R. 2169, making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1998 (H. Rept. 105–189); and

Supplemental Report on the Revised Subdivision of Budget Totals for Fiscal Year 1998 (H. Rept. 105–185 Part II). **Page H5485**

Intelligence Authorization Act: The House passed S. 858, to authorize appropriations for fiscal year 1998 for intelligence and intelligence-related activities of the United States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, after amending it to contain the text of H.R. 1775, a similar House-passed measure. Subsequently, H.R. 1775 was then laid on the table. **Pages H5410–13**

The House then insisted on its amendment to S. 858 and requested a conference with the Senate. Appointed as conferees from the Permanent Select Committee on Intelligence for consideration of the Senate bill, and the House amendment, and modifications committed to conference: Representatives Goss, Young of Florida, Lewis of California, Shuster, McCollum, Castle, Boehlert, Bass, Gibbons, Dicks, Dixon, Skaggs, Pelosi, Harman, Skelton, and Bishop. And, as conferees from the Committee on National Security, for consideration of defense tactical intelligence and related activities: Representatives Spence, Stump, and Dellums. **Page H5413**

Carl D. Perkins Vocational-Technical Education Act: The House completed debate and began considering amendments to H.R. 1853, to amend the Carl D. Perkins Vocational and Applied Technology Education Act. Further consideration of the bill will continue at a later date. **Pages H5413–40**

Agreed To:

The Goodling amendment that changes the within state funding formula to distribute funds to school districts; raises the minimum grant amount for various programs; and makes other changes relating to rural area reserves, allotment for urban areas, parental involvement, vocation education performance standards, and assessments to include vocational proficiencies. **Pages H5428–32**

Amendment Pending:

The Mink amendment was offered that seeks to require states that fund programs for homemakers, single parents, and pregnant women and programs that promote gender equity to be funded at the same level as in fiscal year 1997. **Pages H5432–40**

H. Res. 187, the rule that is providing for consideration of the bill was agreed to earlier by a voice vote. **Pages H5413–14**

Agriculture Appropriations: The House continued consideration of H.R. 2160, making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 1998. The House completed general debate on Wednesday, July 16. Further consideration of the bill will continue at a later date. **Pages H5441–48**

Agreed by a yea and nay vote of 259 yeas to 165 nays, Roll No. 281, to resolve into the Committee of the Whole for the further consideration of H.R. 2160. Subsequently, agreed to table the motion to reconsider by a recorded vote of 238 ayes to 188 noes, Roll No. 282. **Pages H5441–42**

Agreed To:

The Stenholm amendment that strikes language relating to conveyance of the Pecan Genetics and Improvement Research Laboratory; and **Pages H5445–46**

The Callahan amendment that increases Cooperative State Research, Education, and Extension Service Research and Education Activities funding by $500,000 for a agricultural research project dealing with forestry and water quality at Auburn University. **Page H5447**

Rejected the motion that the Committee rise by a recorded vote of 191 ayes to 233 noes, Roll No. 283. **Pages H5443–44**

Rejected the motion that the Committee rise by a recorded vote of 189 ayes to 232 noes, Roll No. 284. **Page H5446**

Agreed to the motion that the Committee rise by a recorded vote of 344 ayes to 73 noes, Roll No. 285. **Page H5448**

Meeting Hour—Monday, July 21: Agreed that when the House adjourns today, it adjourn to meet at noon on Monday, July 21. **Page H5448**

Meeting Hour—Tuesday, July 22: Agreed that when the House adjourns on Monday, it adjourn to meet at 12:30 on Tuesday, July 22, for Morning Hour debate. **Page H5448**

Calendar Wednesday: Agreed that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday, July 23. Page H5448

Amendments: Amendments ordered printed pursuant to the rule appear on page H5488.

Quorum Calls—Votes: One yea-and-nay vote and four recorded votes developed during the proceedings of the House today and appear on pages H5441, H5441–42, H5443–44, H5446, and H5448. There were no quorum calls.

Adjournment: Met at 10:00 a.m. and adjourned at 7:40 p.m.

Committee Meetings

USDA'S CIVIL RIGHTS ACTION TEAM REPORT

Committee on Agriculture: Held a hearing to review the USDA's Civil Rights Action Team Report. Testimony was heard from Representatives Waters and Conyers; and Dan Glickman, Secretary of Agriculture.

ENERGY AND WATER DEVELOPMENT AND LEGISLATIVE BRANCH APPROPRIATIONS

Committee on Appropriations: Ordered reported the following appropriations for fiscal year 1998: Energy and Water Development; and Legislative Branch.

DISTRICT OF COLUMBIA APPROPRIATIONS

Committee on Appropriations: Subcommittee on the District of Columbia continued appropriation hearings. Testimony was heard from Members of Congress and public witnesses.

FINANCIAL SERVICES COMPETITIVENESS ACT

Committee on Commerce: Subcommittee on Finance and Hazardous Materials held a hearing on H.R. 10, Financial Services Competitiveness Act of 1997. Testimony was heard from Arthur Levitt, Jr., Chairman, SEC; Alan Greenspan, Chairman, Board of Governors, Federal Reserve System; the following officials of the Department of the Treasury: John D. Hawke, Under Secretary, Domestic Finance; Eugene A. Ludwig, Comptroller and Nicolas Retsinas, Director, Office of Thrift Supervision; William J. Baer, Director, Bureau of Competition, FTC; Andrew C. Hove, Jr., Chairman, FDIC; and public witnesses.

Hearings continue July 25th.

HIGHER EDUCATION AMENDMENTS

Committee on Education and the Workforce: Subcommittee on Postsecondary Education,Training and Life-Long Learning continued hearings on H.R. 6, Higher Education Amendments of 1997, with emphasis on Campus Crime and Regulatory Reform. Testimony was heard from public witnesses.

Hearings continue July 22.

NATIONAL DRUG CONTROL POLICY

Committee on Government Reform and Oversight: Subcommittee on National Security, International Affairs, and Criminal Justice continued hearings on National Drug Control Policy: Drug Interdiction Efforts in Florida and the Caribbean. Testimony was heard from Speaker Gingrich; the following officials of the U.S. Customs Service, Department of the Treasury: Samuel Banks, Deputy Commissioner; Peter Girard, Group Supervisor for Cargo Theft Miami Seaport, Office of Investigations; and Mike Sinclair, Chief of Miami Seaport Cargo, Inspection Team; James Milford, Deputy Administrator, DEA, Department of Justice; Rear Adm. Norman Saunders, USCG, Commander, Seventh Coast Guard District, U.S. Coast Guard, Department of Transportation; James H. Wallwork, Commissioner, Waterfront Commission of New York Harbor; and public witnesses.

INSPECTOR GENERAL'S OVERSIGHT—STATE DEPARTMENT AND AID

Committee on International Relations: Held a hearing on Inspector General's Oversight of the Department of State and Agency for International Development. Testimony was heard from Jacquelyn L. Williams-Bridgers, Inspector General, Department of State; Jeffrey Rush, Inspector General, AID, U.S. International Development Cooperation Agency; and a public witness.

INTERNET TAX FREEDOM ACT

Committee on the Judiciary: Subcommittee on Commercial and Administrative Law held a hearing on H.R. 1054, Internet Tax Freedom Act. Testimony was heard from Senator Wyden; Representative Cox of California; and public witnesses.

OVERSIGHT—U.S. COMMISSION ON CIVIL RIGHTS

Committee on the Judiciary: Subcommittee on the Constitution held an oversight hearing on the U.S. Commission on Civil Rights. Testimony was heard from Cornelia Blanchette, Associate Director, Employment and Education Issues, GAO; the following officials of the U.S. Commission on Civil Rights: Mary Frances Berry, Chairperson; and Carl Anderson, Commissioner; and public witnesses.

OVERSIGHT—FAIRNESS IN MUSIC LICENSING

Committee on the Judiciary: Subcommittee on Courts and Intellectual Property held an oversight hearing

on Fairness in Music Licensing. Testimony was heard from Robert Stoll, Administrator, Office of Legislative Affairs, Patent and Trademark Office, Department of Commerce; Marybeth Peters, Register of Copyrights, Library of Congress; and public witnesses.

NATO EXPANSION

Committee on National Security: Held a hearing on NATO expansion. Testimony was heard from Walter Slocombe, Under Secretary, Policy, Department of Defense; John Kornblum, Assistant Secretary, European and Canadian Affairs, Department of State; and public witnesses.

OVERSIGHT

Committee on Resources: Subcommittee on Fisheries Conservation, Wildlife & Oceans held an oversight hearing to review the final outcome of the Tenth Meeting of the Conference of the Parties to the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES). Testimony was heard from Donald J. Barry, Acting Assistant Secretary, Fish and Wildlife and Parks, Department of the Interior.

OVERSIGHT

Committee on Resources: Subcommittee on Water and Power held an oversight hearing on Compliance by certain Departments with the Government Performance and Results Act. Testimony was heard from Susan D. Kladiva, Acting Associate Director, Energy Resources, and Science Issues, GAO; the following officials of the Department of the Interior: Eluid L. Martinez, Commissioner, Bureau of Reclamation; and Gordon P. Eaton, Director, U.S. Geological Survey; and Robert Sanmartin, Executive Director, Energy and Resources Board, Department of Energy.

TRANSPORTATION APPROPRIATIONS

Committee on Rules: Granted, by voice vote, an open rule providing 1 hour of debate on H.R. 2169, making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1998. The rule waives clause 2(I)(6) of rule XI (relating to the 3-day availability of the report), clause 7 of rule XXI (relating to the 3-day availability of printed hearings), and section 401(a) (prohibiting consideration of legislation containing contract authority not previously subject to appropriation) of the Congressional Budget Act of 1974 against consideration of the bill.

The rule waives clause 6 of rule XXI (prohibiting reappropriations in an appropriations bill) against provisions in the bill and clause 2 of rule XXI (prohibiting unauthorized and legislative provisions in an appropriations bill) against provisions in the bill except as otherwise specified in the rule.

The rule provides that the amendment printed in section 2 of the resolution shall be considered as adopted. The rule authorizes the Chair to accord priority in recognition to Members who have pre-printed their amendments in the Congressional Record. The rule allows the Chairman of the Committee of the Whole to postpone votes during consideration of the bill, and to reduce to five minutes on a postponed question if the vote follows a fifteen minute vote. Finally, the rule provides one motion to recommit, with or without instructions. Testimony was heard from Representatives Wolf, Shuster, Sabo and Oberstar.

ECONOMIC DEVELOPMENT ADMINISTRATION AND APPALACHIAN REGIONAL COMMISSION REAUTHORIZATIONS

Committee on Transportation and Infrastructure: Subcommittee on Public Buildings and Economic Development concluded hearings on the Reauthorization of the Economic Development Administration and the Appalachian Regional Commission. Testimony was heard from Representatives Kanjorski and McGovern; and public witnesses.

AGGRESSIVE DRIVING

Committee on Transportation and Infrastructure: Subcommittee on Surface Transportation held a hearing on Road Rage: Causes and Dangers of Aggressive Driving. Testimony was heard from Ricardo Martinez, M.D., Administrator, National Highway Traffic Safety Administration, Department of Transportation; and public witnesses.

SEXUAL HARASSMENT WITHIN VA

Committee on Veterans' Affairs: Subcommittee on Oversight and Investigations continued hearings on sexual harassment issues involving senior career managers within the Department of Veterans Affairs and H.R. 1703, the Department of Veterans Affairs Employment Discrimination Prevention Act. Testimony was heard from Senator Faircloth and the following officials of the Department of Veterans Affairs: Hershel W. Gober, Acting Secretary; and William T. Merriman, Deputy Inspector General.

HCFA'S FINANCIAL STATEMENTS AUDIT

Committee on Ways and Means: Subcommittee on Health held a hearing on the Inspector General's Audit of Health Care Financing Administration's Financial Statements. Testimony was heard from the following officials of the Department of Health and

Human Services: June Gibbs Brown, Inspector General; and Bruce Vladeck, Administrator, Health Care Financing Administration.

COMMITTEE MEETINGS FOR FRIDAY, JULY 18, 1997

(Committee meetings are open unless otherwise indicated)

Senate

Committee on Appropriations, Subcommittee on Interior, business meeting, to mark up proposed legislation making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1998, 10 a.m., SD–124.

House

No committee meetings are scheduled.

CONGRESSIONAL PROGRAM AHEAD

Week of July 21 through 26, 1997

Senate Chamber

On *Monday*, Senate will consider S. 1034/H.R. 2158, VA/HUD Appropriations, and resume consideration of S. 1023, Treasury/Postal Service Appropriations, with a vote on final passage to occur thereon.

During the week, Senate expects to consider the following appropriations bills:

H.R. 2016, Military Construction Appropriations;

S. 1033, Agriculture Appropriations; and

S. 1022, Commerce, Justice, State Appropriations; and may consider S. 39, International Dolphin Conservation Program Act, and S. 830, FDA Modernization and Accountability Act.

Senate will also consider any cleared legislative and executive business.

(Senate will recess on Tuesday, July 22, 1997 from 12:30 p.m. until 2:15 p.m. for respective party conferences.)

Senate Committees

(Committee meetings are open unless otherwise indicated)

Committee on Agriculture, Nutrition, and Forestry: July 22, to hold hearings to examine certain clean air issues with regard to agriculture, 9:30 a.m., SR–332.

July 23, Full Committee, to hold hearings on the nominations of Catherine E. Woteki, of the District of Columbia, to be Under Secretary of Agriculture for Food Safety, and Shirley Robinson Watkins, of Arkansas, to be Under Secretary of Agriculture for Food, Nutrition, and Consumer Services, 9 a.m., SR–332.

Committee on Appropriations: July 22, Subcommittee on Labor, Health and Human Services, and Education, business meeting, to mark up proposed legislation making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies for the fiscal year ending September 30, 1998, 9 a.m., SD–192.

July 22 and 24, Full Committee, Tuesday, business meeting, to mark up proposed legislation making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1998, and H.R. 2107, making appropriations for the Department of the Interior for the fiscal year ending September 30, 1998, 2:30 p.m.; Thursday, business meeting, to mark up proposed legislation making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies for the fiscal year ending September 30, 1998, 9:30 a.m.; SD–106.

July 23, Subcommittee on District of Columbia, to resume hearings on proposed budget estimates for fiscal year 1998 for the government of the District of Columbia, focusing on the Departments of Health, Human Services, and Public Works, 10 a.m., SD–192.

Committee on Armed Services: July 24, to hold hearings on the nomination of John J. Hamre, of South Dakota, to be Deputy Secretary of Defense, 9:30 a.m., SR–222.

Committee on Commerce, Science, and Transportation: July 24, to hold hearings to review a General Accounting Office report relating to program efficiencies at the National Aeronautics and Space Administration (NASA) and the National Science Foundation (NSF), 9:30 a.m., SR–253.

Committee on Energy and Natural Resources: July 22, to hold hearings to review the Department of the Interior's handling of the Ward Valley land conveyance, S. 964, proposed Ward Valley Land Transfer Act, and related matters, 9 a.m., SD–366.

July 23, Full Committee, business meeting, to consider pending calendar business; to be followed by hearings to examine natural gas issues, focusing on the world energy supply and demand to the year 2015, the role of government in large scale gas projects in foreign countries, and emerging technologies in gas field development that are making natural gas more economical to market, 9:30 a.m., SD–366.

July 24, Subcommittee on Forests and Public Land Management, to hold hearings on S. 1028 and H.R. 858, bills to direct the Secretary of Agriculture to conduct a pilot project on designated lands within Plumas, Lassen, and Tahoe National Forests in California to demonstrate the effectiveness of the resource management activities proposed by the Quincy Library Group and to amend current land and resource management plans for these national forests to consider the incorporation of these resource management activities, 10 a.m., SD–366.

July 24, Subcommittee on National Parks, Historic Preservation, and Recreation, to hold hearings to review the process by which the National Park Service determines the suitability and feasibility of new areas to be added to the National Park System, and to examine the criteria used to determine national significance, 2 p.m., SD–366.

Committee on Environment and Public Works: July 24, business meeting, to consider the nomination of Jamie Rappaport Clark, of Maryland, to be Director of the

United States Fish and Wildlife Service, 9:30 a.m., SD–406.

July 24, Subcommittee on Clean Air, Wetlands, Private Property, and Nuclear Safety, to hold hearings to examine ozone and particulate matter standards promulgated by the Environmental Protection Agency, 9:45 a.m., SD–406.

Committee on Foreign Relations: July 22, to hold hearings on the nomination of Stanley O. Roth, of Virginia, to be Assistant Secretary of State for East Asian and Pacific Affairs, 10 a.m., SD–419.

July 22, Full Committee, to hold hearings to examine U.S. foreign policy in the South Caucasus and Central Asia, 2 p.m., SD–419.

July 24, Full Committee, to hold hearings on the nomination of George Munoz, of Illinois, to be President of the Overseas Private Investment Corporation, United States International Development Cooperation Agency, 11 a.m., SD–419.

Committee on Governmental Affairs: July 21, Subcommittee on International Security, Proliferation and Federal Services, to hold hearings to examine the Department of Defense compliance review process to determine whether theater missile defense and systems comply with treaty obligations, 2:30 p.m., SD–342.

July 23, 24 and 25, Full Committee, to resume hearings to examine certain matters with regard to the committee's special investigation on campaign financing, 10 a.m., SH–216.

Committee on the Judiciary: July 21, to hold hearings to review the FBI crime laboratory, 10 a.m., SD–226.

July 22, Full Committee, to hold hearings to examine federal antitrust policy in the healthcare marketplace, 10 a.m., SD–226.

July 22, Full Committee, to hold hearings on pending judicial nominations, 2 p.m., SD–226.

July 23, Full Committee, to hold hearings on proposed legislation to authorize funds for the Office of National Drug Control Policy, 10 a.m., SD–226.

July 23, Full Committee, business meeting, to resume markup of S. 10, to reduce violent juvenile crime, promote accountability by juvenile criminals, and punish and deter violent gang crime, and to mark up S. 53, to require the general application of the antitrust laws to major league baseball, 2 p.m., SD–226.

July 24, Full Committee, business meeting, to resume markup of S. 10, to reduce violent juvenile crime, promote accountability by juvenile criminals, and punish and deter violent gang crime, and to mark up S. 53, to require the general application of the antitrust laws to major league baseball, 9 a.m., SD–226.

July 24, Subcommittee on Antitrust, Business Rights, and Competition, to hold hearings to examine proposals on defense consolidation, focusing on antitrust and competitions issues, 2 p.m., SD–226.

Committee on Labor and Human Resources: July 22, to hold hearings to examine women's health issues, 10 a.m., SD–430.

July 23, Full Committee, business meeting, to mark up S. 1020, proposed Arts and Humanities Amendments of 1997, proposed National Science Foundation Authorization of 1997, proposed Workforce Improvement Partnership Act, and to consider pending nominations, 9:30 a.m., SD–430.

July 24, Full Committee, to hold hearings on proposed legislation authorizing funds for programs of the Higher Education Act, focusing on title IV, 10 a.m., SD–430.

July 24, Subcommittee on Public Health and Safety, to hold hearings on proposed legislation authorizing funds for the National Institutes of Health, Department of Health and Human Services, 2 p.m., SD–430.

Committee on Veterans Affairs: July 23, to hold hearings on pending legislation, 9 a.m., SR–418.

Select Committee on Intelligence: July 24, to hold closed hearings on intelligence matters, 2 p.m., SH–219.

House Chamber

Monday, No legislative business

Tuesday, Consideration of certain measures under Suspension of the Rules;

Complete consideration of H.R. 1853, Carl D. Perkins Vocational-Technical Education Act (open rule); and

Complete consideration of H.R. 2160, Agriculture, Rural Development, Food and Drug Administration and Related Agencies Appropriations Act for Fiscal Year 1998.

Wednesday, Thursday, and Friday: Consideration of H.R. 2159, Foreign Operations, Export Financing and Related Programs Appropriations for Fiscal Year 1998 (Modified open rule, 1 hour of debate);

H.R. 2003, Budget Enforcement Act of 1997 (subject to a rule);

H.R. 2169, Transportation Appropriations Act for Fiscal Year 1998 (subject to a rule);

H.R. , Legislative Branch Appropriations Act for Fiscal Year 1998 (subject to a rule);

H.R. , Energy and Water Appropriations Act for Fiscal Year 1998 (subject to a rule);

H.R. 2015, Balanced Budget Act of 1997 Conference Report (subject to a rule); and

H.R. 2014, Taxpayer Relief Act of 1997 Conference Report (subject to a rule).

House Committees

Committee on Agriculture, July 22, Subcommittee on Forestry, Resource Conservation, and Research, hearing on reauthorization proposals in agricultural research, 9:30 a.m., 1300 Longworth.

July 23, Subcommittee on Risk Management and Specialty Crops, hearing on the Commodity Futures Trading Commission's proposal to lift the prohibition on agricultural trade options, 1:30 p.m., 1300 Longworth.

Committee on Appropriations, July 22, to markup the following appropriations for fiscal year 1998: Defense; Labor, Health and Human Services, and Education; and Commerce, Justice, State, and Judiciary, 9:30 a.m., 2359 Rayburn.

Committee on Banking and Financial Services, July 22, Subcommittee on Domestic and International Monetary

Policy, hearing on the Conduct of Monetary Policy, 2 p.m., 2128 Rayburn.

July 23, full Committee, hearing on the Conduct of Monetary Policy, 10 a.m., 2128 Rayburn.

July 24, Subcommittee on Capital Markets, hearing on the GAO Report on the Merger of OFHEO and the Federal Housing Finance Board, 10 a.m., 2128 Rayburn.

Committee on Commerce, July 25, Subcommittee on Finance and Hazardous Materials, to continue hearings on H.R. 10, Financial Services Competitiveness Act of 1997, 10 a.m., 2123 Rayburn.

Committee on Education and the Workforce, July 22, Subcommittee on Postsecondary Education, Training and Life-Long Learning, to continue hearings on H.R. 6, Higher Education Amendments of 1998, 9:30 a.m., 2175 Rayburn.

July 23, Subcommittee on Workforce Protections, hearing to examine the Occupational Safety and Health Administration's reinvention project, 10 a.m., 2175 Rayburn.

July 24, Subcommittee on Early Childhood, Youth and Families, hearing on Focus on Fatherhood, 9:30 a.m., 2175 Rayburn.

July 24, Subcommittee on Oversight and Investigations, hearing on the Accounting and Management Practices of the Corporation for National Service, 9:30 a.m., 2261 Rayburn.

Committee on Government Reform and Oversight, July 24, Subcommittee on Human Resources, oversight hearing on issues concerning the National Labor Relations Board, including its mission, management and performance results, 11 a.m., 2247 Rayburn.

July 25, Subcommittee on Government Management, Information and Technology, hearing on Oversight of OMB Directive 15, 9:30 a.m., 2154 Rayburn.

Committee on International Relations, July 22, to markup H.R. 695, Security and Freedom Through Encryption (SAFE) Act, 3 p.m., 2127 Rayburn.

July 23, hearing on Iran Libya Sanctions Act—One Year Later, 10 a.m., 2172 Rayburn.

July 24, hearing on Global Climate Negotiations, 10 a.m., 2172 Rayburn.

Committee on the Judiciary, July 22, Subcommittee on the Constitution, hearing on H.J.Res. 78, proposing an amendment to the Constitution of the United States restoring religious freedom, 9 a.m., 2141 Rayburn.

July 22, Subcommittee on Crime, to markup the following: the Law Enforcement and Community Protection Act of 1997; H.R. 218, Community Protection Act of 1997; and H.R. 339, to amend title 18, United States Code, to provide a national standard in accordance with which nonresidents of a State may carry certain concealed firearms in the State, and to exempt qualified current and former law enforcement officers from State laws prohibiting the carrying of concealed handguns, 1 p.m., 2237 Rayburn.

July 24, Subcommittee on Crime, hearing on the nature and extent of domestic and international money laundering, its role in the international drug trade, and methods of combating the problem, 9:30 a.m., 2141 Rayburn.

July 24, Subcommittee on Immigration and Claims, hearing on the following bills: H.R. 967, to prohibit the use of United States funds to provide for the participation of certain Chinese officials in international conferences, programs, and activities and to provide that certain Chinese officials shall be ineligible to receive visas and be excluded from admission to the United States; H.R. 1543, to amend the Immigration and Nationality Act to permit certain nonimmigrant aliens to study in publicly funded adult education programs if the alien provides reimbursement for such study; H.R. 2172, to amend the Immigration and Nationality Act to make the restrictions on foreign student study at a public elementary or secondary school inapplicable in cases where the school evidences a desire for such result, and to prohibit the use of Federal funds to pay the cost of such study; and H.R. 1493, to require the Attorney General to establish a program in local prisons to identify, prior to arraignment, criminal aliens and aliens who are unlawfully present in the United States, 9:30 a.m., 2226 Rayburn.

Committee on National Security, July 22, Subcommittee on Military Readiness, hearing on the operation and maintenance financial management, 2:00 p.m., 2212 Rayburn.

Committee on Resources, July 22, Subcommittee on Forests and Forest Health, hearing on the following bills: H.R. 1309 to provide for an exchange of lands with the city of Geeley, CO and the Water Supply and Storage Company to eliminate private inholdings in wilderness areas; and H.R. 1843 to amend title 31, United States Code, to address the failure to appropriate sufficient funds to make full payments in lieu of taxes under chapter 69 of such title by exempting certain users of the National Forest System from fees imposed in connection with such use, 2 p.m., 1334 Longworth.

July 22, Subcommittee on National Parks and Public Lands, hearing on the following bills: H.R. 1635, to establish within the United States National Park Service the National Underground Railroad Network to Freedom Program; H.R. 755, to amend the Internal Revenue Code of 1986 to allow individuals to designate any portion of their income tax overpayments, and to make other contributions for the benefit of units of the National Park System; H.R. 1718, to provide for the conveyance of certain lands in Wyoming to the County of Park, WY; and H.R. 708, to require the Secretary of the Interior to conduct a study concerning grazing use of certain land within and adjacent to Grand Teton National Park, Wyoming and to extend temporarily certain grazing privileges, 10 a.m., 1324 Longworth.

July 23, full Committee, to consider business pending, 11 a.m., 1324 Longworth.

July 24, Subcommittee on Energy and Mineral Resources, to consider pending business, 2 p.m., 1324 Longworth.

July 24, Subcommittee on Fisheries Conservation, Wildlife & Oceans, to mark up pending business; followed by an oversight hearing on review of the authority and decision making processes of the National Marine Fisheries Service Northwest Region, 10 a.m., 1334 Longworth.

Committee on Science, July 22, Subcommittee on Technology, hearing on the Prohibition of Federal Funding for Human Cloning Research, 2 p.m., 2318 Rayburn.

July 23, full Committee, hearing on Science, Math Engineering and Technology Education, 1 p.m., 2318 Rayburn.

July 24, Subcommittee on Technology, mark up the following bills: H.R. 1903 Computer Security Enhancement Act of 1997; and H.R. 92, Human Cloning Research Prohibition Act, 11 a.m., 2325 Rayburn.

Committee on Small Business, July 24, Subcommittee on Empowerment, hearing on the impact proposed tax changes will have on minority owned businesses, 10:00 a.m., 2359 Rayburn.

Committee on Transportation and Infrastructure, July 23, Subcommittee on Aviation, hearing on Merger of Boeing and McDonnell-Douglas, 2 p.m., 2167 Rayburn.

Committee on Veterans' Affairs, July 24, Subcommittee on Health and the Subcommittee on Oversight and Investigations, joint hearing to review the process by which VA is consolidating VA medical facility managements and their clinical and support services, and the results of such initiatives, 9:30 a.m., 334 Cannon.

Committee on Ways and Means, July 22, Subcommittee on Trade, hearing on Free Trade Area of the Americas, 10 a.m., 1100 Longworth.

July 23 and 24, Subcommittee on Social Security, hearings on Barriers Preventing Social Security Disability Recipients from Returning to Work, 10:00 a.m., 1100 Longworth on July 23, and 1 p.m., B–318 Rayburn on July 24.

July 23, Subcommittee on Trade, hearing on the New Transatlantic Agenda, 2:00 p.m., B–318 Rayburn.

July 24, Subcommittee on Oversight, hearing on the Report of the National Commission on Restructuring the Internal Revenue Service, 10:00 a.m., 1100 Longworth.

Permanent Select Committee on Intelligence, July 22, executive, briefing on information operations, 2:00 p.m., H–405 U.S. Capitol.

Next Meeting of the SENATE

12 noon, Monday, July 21

Senate Chamber

Program for Monday: After the transaction of any morning business (not to extend beyond 3 p.m.), Senate will begin consideration of H.R. 2158, VA/HUD Appropriations, 1998, and resume consideration of S. 1023, Treasury/Postal Service Appropriations, 1998, with a vote on final passage to occur thereon.

Next Meeting of the HOUSE OF REPRESENTATIVES

12 noon, Monday, July 21

House Chamber

Program for Monday: No legislative business.

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