United States
of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE *105th* CONGRESS, SECOND SESSION

Vol. 144 WASHINGTON, THURSDAY, SEPTEMBER 24, 1998 *No. 129*

House of Representatives

The House met at 10 a.m. and was called to order by the Speaker pro tempore (Mr. NEY).

DESIGNATION OF THE SPEAKER PRO TEMPORE

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

WASHINGTON, DC,
September 24, 1998.

I hereby designate the Honorable ROBERT W. NEY to act as Speaker pro tempore on this day.

NEWT GINGRICH,
Speaker of the House of Representatives.

PRAYER

The Reverend A. David Agro, Capitol Hill United Methodist Church, Washington, D.C., offered the following prayer:

O God of Abraham and Sarah, Hagar and Ishmael, Isaac and Rebekah, Esau and Jacob, Leah and Rachel, Zilpah and Bilhah, we ask for Your faithful presence in this place with these Your people who like our forebears chart the way for many. Enable these servants to follow Your call like Abraham and Sarah to a new land that You will show in order that we too may be a great nation. Hear, O God, the voice of those in the wilderness as You did Hagar and Ishmael and speak Your words of reassurance even as You guide decisions for the sake of those who are outcast and crying for justice. Grant courage that the wrestling in this Chamber will be marked by the fortitude of Rachel and Jacob in their struggle for new life and with familiar issues. May Your face be seen, O God, like Jacob, in the face of our brother and sister as we give thanks for the blessings received from Your hand. Amen.

THE JOURNAL

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

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

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentleman from Illinois (Mr. WELLER) come forward and lead the House in the Pledge of Allegiance.

Mr. WELLER 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.

MESSAGE FROM THE SENATE

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

H.R. 3150. An act to amend title 11 of the United States Code, and for other purposes.

The message also announced that the Senate insists upon its amendment to the bill (H.R. 3150) ''An Act to amend title 11 of the United States Code, and for other purposes,'' requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. HATCH, Mr. GRASSLEY, Mr. SESSIONS, Mr. LEAHY, and Mr. DURBIN to be the conferees on the part of the Senate.

WELCOME TO REV. A. DAVID AGRO

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

Mr. MILLER of Florida. Mr. Speaker, we welcome this morning the Reverend David Agro, who is the pastor of the Capitol Hill United Methodist Church just four short blocks from the Capitol here. Reverend Jim Ford, who is the House chaplain, is in surgery this morning and will be back with us next week. We wish him well and expect his speedy recovery.

Often on occasions we spend weekends here in Washington, and it is a pleasure to have the opportunity to attend services on Sunday morning. My wife and I have attended the Capitol Hill United Methodist Church on many of those occasions. It is a congregation that makes you feel welcome, has beautiful music and very inspirational sermons, so it is a pleasure to have the Reverend David Agro with us this morning and to have him share those inspirational words with us.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair will entertain 15 one-minutes from each side.

OPPOSING ANY DEAL TO SHORT-CIRCUIT THE CONSTITUTIONAL PROCESS REGARDING THE PRESIDENT

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

Mr. DELAY. Mr. Speaker, let us dispense with the notion that Congress can punish the President, punish either by a so-called censure, a fine, or any other punishment. Such a deal is unconstitutional, and anyone who believes in that kind of deal believes not in the rule of law but the rule of man, and needs to read the Constitution.

Impeachment is a process of deciding whether a President is fit for office.

The Founding Fathers did not give Congress the authority to punish the President. That is for the judicial system to decide. The question before the House is, is this President fit for office? Has he disqualified himself to continue to lead this Nation?

The decision for the House is whether to impeach or not to impeach. The decision for the Senate is to remove from office or not to remove. Any action to punish this President, any deal cut that short-circuits the constitutional process, is unconstitutional, and I will fight for the Constitution.

Mr. Speaker, this is not the time to abandon our Constitution. I urge my colleagues to read the Constitution, to support the process, and resist the temptation to cut a deal with the President.

TRIBUTE TO THE HONORABLE VIC FAZIO

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

Ms. WOOLSEY. Mr. Speaker, I would like to take this opportunity to pay tribute to the gentleman from California (Mr. VIC FAZIO), who has been a very effective Member of this institution, both as a leader and as a member of the Committee on Appropriations, and as a great Californian.

We have been very lucky in California to work with the gentleman from California (Mr. FAZIO), someone who has always been helpful in securing funding for our State, particularly for water projects. I know, because I have called on him for assistance many times in his role on the Committee on Appropriations. I thank the gentleman from California for being so respectful to all of our needs, for being receptive, hardworking, dedicated and fair in making sure our requests are fulfilled.

I thank him, too, for his hard work in fighting for women's rights. He has been a staunch defender on many fronts, supporting the Equal Rights Amendment, arguing for women's reproductive rights, and opposing discrimination against women in the work force, the military and the courts. As a member of the Democratic leadership, the gentleman's outspoken activism has brought needed attention to these causes.

I do not know what we will do without the gentleman from California (Mr. VIC FAZIO). He will be missed.

THE BEST USE OF THE BUDGET SURPLUS

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

Mr. SHIMKUS. Mr. Speaker, according to my colleagues, Republicans want to waste the budget surplus on tax cuts. But let us take a closer look.

The President announced in his State of the Union Address that every penny of the surplus is to be dedicated to saving Social Security. But what the President said does not appear to be what he is really doing.

In fact, the President has proposed to spend billions of dollars on more government programs and services with dollars from the budget surplus. He wants our troops in Bosnia paid with surplus dollars. He wants to replenish the IMF and address the Y2K problem with surplus dollars. He also wants to address embassy security with surplus dollars.

Mr. Speaker, I thought when the President pledged ''every penny'' of the surplus to Social Security he meant it. I guess his pledge really depends on his definition of the word ''penny.''

Republicans want to give the American people a tax cut, and we tell them our plan up front. Why cannot the President tell the American people the real funding source of his agenda? For those who think character does not matter, think again.

THE BUDGET SURPLUS SHOULD GO TO SOCIAL SECURITY

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

Mr. PALLONE. Mr. Speaker, the Republicans are moving full steam ahead with their plan to raid the budget surplus to pay for tax cuts, instead of putting that money where it rightly belongs, into Social Security.

Make no mistake about it, Mr. Speaker, the Republican tax bill is a direct assault on Social Security. The budget surplus the Republicans want to use to pay for their tax cuts do not exist. The only portion of the Federal budget that is in surplus is the Social Security Trust Fund. In fact, without Social Security, the Federal budget would still be in deficit this year.

Mr. Speaker, hardworking American families deserve tax relief, there is no doubt, but we should not be gambling with the Social Security Trust Fund to pay for it. Let us put every penny of this surplus back where it came from and keep it there until we are sure we have protected Social Security for the long haul.

Let us show seniors and future generations that we will be disciplined with the money Congress has been charged with managing for their retirement years. Let us stop the GOP's $80 billion assault on Social Security dead in its tracks. I would urge all my colleagues to vote no on this irresponsible Republican tax plan.

AN HISTORIC OPPORTUNITY FOR CONGRESS TO ABOLISH THE MARRIAGE TAX PENALTY

(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 Congress has an historic and exciting opportunity to do something it should have done a long time ago, abolish the marriage tax penalty. Many young couples are surprised to learn that government actually penalizes people for getting married; yes, an average of $1,400 per year for middle class income earners.

People have long known that government does not do a lot of smart things. In fact, it does a lot of dumb things. Even liberals have to admit that government has thousands of stupid regulations, programs that actually make things worse instead of better, and inefficiencies that seem to be immune from reform.

But the marriage tax penalty is just plain wrong. It stands as an ugly symbol of everything that is wrong about government that has gotten too big, too arrogant, and too out of touch with what it is like for an average person who struggles every day to get ahead, to make ends meet, to build a better life for themselves and their families.

Why does the government make it so much harder for people who want to get married? I urge Members on both sides of the aisle to do what is right to correct this wrong.

SOCIAL SECURITY TRUST FUNDS DIVERTED

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

Mr. DOGGETT. Mr. Speaker, with the national news media focused on ''all Monica all the time,'' any attempt here in Washington to address some of the real problems American families are facing is disdainfully disregarded as a mere diversion.

This week we actually have a diversion underway, a very real diversion. It is the diversion of Social Security trust funds to pay for Republican electioneering. With the Nation distracted, our Republican friends are seizing the moment to seize Social Security trust funds in order to provide election eve tax breaks. When will they learn that the Social Security trust fund is not a slush fund?

Let us keep the faith with the people that paid into the trust fund their payroll taxes and are paying in today, and apply any surplus that is finally generated after almost 30 years to save Social Security first.

Let us act to protect those who have paid into this trust fund, and avoid a Republican campaign ploy.

THE 90–10 PLAN SAVES SOCIAL SECURITY AND ENDS THE MARRIAGE TAX PENALTY

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

Mr. WELLER. Mr. Speaker, we have an opportunity this week to focus on the people's business. We have an opportunity to adopt what has already

been nicknamed the 90–10 plan, a double win, a win-win for the taxpayers, a plan that sets aside $1.4 trillion for Social Security, twice what the President originally asked for, and sets it aside for a long-term plan to save Social Security.

This plan also works to eliminate the marriage tax penalty. I have often asked, is it right, is it fair that under our tax code, that a married working couple with two incomes pays higher taxes than an identical couple that lives together outside of marriage; that they pay higher taxes just because they are married?

We know that is wrong. We have answered that with this 90–10 plan that saves Social Security, and of course, the centerpiece is an effort which will eliminate the marriage tax penalty for a majority of those who suffer.

Our friends on the other side of the aisle, they talk about the Social Security trust fund. Judith Chesser, deputy commissioner of the Social Security Administration, when asked in the Committee on Ways and Means last week if this tax cut impacts the Social Security trust fund, her answer was simple: No.

Let us pass it. It deserves bipartisan support.

SAVE SOCIAL SECURITY

(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, this Congress made a commitment to save and protect Social Security for the future. It is one of the most successful domestic programs that has ever been created, but now, according to my Republican colleagues, we have a surplus, which means that we can then provide a tax cut, while at the same time continue to hide the real deficit with Social Security funds.

To make matters worse, it is estimated that the proposed tax cut would benefit mostly those who earn over $100,000 a year. To spend this illusionary surplus is wrong. We need to remove Social Security from the budget and pay down the national debt.

Let us be honest, we do not have a surplus if we do not include Social Security in the budget. What we have is borrowed money from the Social Security trust fund, and this money will have to be paid back—every penny of it. This surplus should go to the Social Security trust fund and not a tax cut, because there is no surplus.

TIME FOR REFORM FOR THE SAVANNAH DISTRICT OF THE U.S. ARMY CORPS OF ENGINEERS

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

Mr. NORWOOD. Mr. Speaker, here we go again, a different constituent, but the same old shenanigans, the Savannah District of the U.S. Army Corps of Engineers.

Jim Davis buys a house on Lake Thurman, so he can enjoy the beauty and recreational opportunity that this part of Georgia has to offer. That sounds easy enough, does it not? Yet, when the Corps gets involved, it is never easy, it is a pain in the neck.

The Corps will not approve Dr. Davis's permit for lakeshore use until he replants trees within the underbrush area that was cut down some 25 years ago. It is not even his property, it is public property. That is fine, if Dr. Davis had been the one to cut down the trees, but he was not. He just bought the property. So the Corps, which obviously has nothing better to do than to harass my constituents, hassles a man who is simply trying to mind his own business and follow some commonsense rules.

Mr. Speaker, it is time for the Corps to reform its bully mentality and its ludicrous shoreline management plan. If they cannot manage people, they cannot manage property.

ILLEGAL TRADE PRACTICES BY THE CHINESE BALLOONS THEIR TRADE SURPLUS

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

Mr. TRAFICANT. Mr. Speaker, China's trade surplus has ballooned to over $1 billion a week, and China is doing it illegally: prison labor, slave wages at 17 cents an hour, illegal dumping, trade barriers. When confronted, China thumbs their nose right in our faces.

□ 1015

In fact, they now say the real trade deficit in America is only pennies on the dollar with China. I ask today, who is teaching those communist accountants? The Internal Revenue Service?

Beam me up.

Mr. Speaker, I say this: Congress should stop coddling China. This is not about trade anymore. It is about national security. And a communist nation is ripping off Uncle Sam.

90–10 TAX RELIEF

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

Mr. SAM JOHNSON of Texas. Mr. Speaker, right now, senior citizens are losing their Social Security benefits because they just want to work and earn a living. Right now, seniors can earn only up to $14,500 before they lose some of their benefits. This is an earnings limit that discriminates against senior citizens.

Is it not outrageous to penalize seniors for working? The Taxpayer Relief Act would raise the limits and give essential tax relief to working seniors. It also sets aside $1.4 trillion, which our colleagues fail to understand, to protect Social Security. That is 90 percent of the total surplus.

President Clinton does not want to help working citizens. He calls our plan ''a gimmick to please people.'' I urge my colleagues, do not believe him. The President has proposed to spend billions from the surplus on bigger government. He is the one with the gimmicks.

We can protect Social Security and give tax relief. Let us just do it.

NORTH KOREA'S RECENT TAEPODONG I MISSILE LAUNCH

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

Mr. UNDERWOOD. Mr. Speaker, on August 31 of this year, the government of North Korea tested its first three-stage missile over Japan. The missile, a modified Taepodong I, which traveled approximately 1,500 kilometers, landed in the Pacific, northwest of Misawa U.S. Air Force base in Japan.

Mr. Speaker, despite horrific famine, devastating floods and economic quarantine, North Korea has demonstrated its ability to strike targets in Japan and beyond. Missile defense experts have cited that this test is a key milestone in North Korea's efforts to develop their long-range ballistic missile that could conceivably place Alaska, Guam, and possibly Hawaii within the cross hairs of North Korean aggression.

Today, the gentleman from Alaska (Mr. YOUNG) and I are introducing a resolution which condemns North Korea for this act of international recklessness. Mr. Speaker, let us being honest here. This resolution will not stop North Korean missiles from being developed or exported. It will not compel an apology from Kim Jong Il. But what it does do is announce to the regime in Pyongyang, in no uncertain terms, that we are watching and we are taking notice of their actions. I urge my colleagues to please support this resolution.

IN SUPPORT OF RELIGIOUS LIBERTY IN THE MALDIVES

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

Mr. PITTS. Mr. Speaker, I rise today to speak on behalf of the persecuted Christians in the Republic of Maldives. Reports indicate that on June 18, 1998, police searched foreign workers' homes and confiscated passports, correspondence, books and other possessions.

Approximately 19 foreign Christians were forced to sign statements and were expelled for life from the Maldives. In addition, Christian Maldivian citizens have been arrested and put in prison. Authorities have denied these individuals visits from their

families and have subjected some of them to torture.

Despite government statements that, ''The Maldives respects all religion'', reports suggest the contrary.

Mr. Speaker, I urge the government of Maldives to protect the religious liberty of all of its citizens and release the individuals who have been arrested for their religious beliefs. Religious liberty should be a fundamental human right of all peoples of the world.

PROTESTING THE EXCLUSION OF DEMOCRAT MEMBERS OF CONGRESS FROM MEETING WITH COLOMBIAN PRESIDENT

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

Mr. ACKERMAN. Mr. Speaker, I rise today to bring to the attention of the House an event which I think is unwise and unprecedented.

Today, the new President of Colombia is visiting. But unlike previous visits of heads of state, only Republican Members have been invited to meet with him. In my 16 years in the House, I cannot remember a previous time when Members were excluded from such meetings based on party affiliation.

Mr. Speaker, there is no reason for our foreign policy to become so partisan that only one party is invited to meet with a visiting head of State.

We have always had an ''American'' foreign policy, and to indicate that this is starting to change to foreign leaders is certainly unwise and unwarranted and very, very unfortunate.

The issues to be discussed affect the interest of all Americans, not just Republican Americans. I believe, Mr. Speaker, that not allowing Democrats into the meeting today with President Pastrana makes the House look foolish in the eyes of our visitors and foreign leaders and diminishes our ability to be effective as policymakers.

Mr. Speaker, are we for the first time today going to change our policy and make foreign dignitaries choose between meeting with Democrats or Republicans, or having to come back and meet with all of us twice? It is an insult to us as Americans, as Democrats, and as representatives of the people.

AS ELECTION DAY DRAWS NEARER, TAX CUT RHETORIC GROWS

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

Mr. HAYWORTH. Mr. Speaker, as we can tell from the tone of the remarks and the date on the calendar, the rhetoric grows more and more pointedly partisan in this Chamber, and I guess that is a function again of time and of what transpires.

I have listened with interest this morning to my friends on the left continue to talk as if they are the saviors of Social Security. A couple of historic points might be in order.

First of all, for purposes of full disclosure, we should point out that our friends on the liberal side of the aisle over the 40 years of time when they were in control never set aside one penny to save Social Security. Zero point zero. Zilch. Nada.

On the other hand, the new majority embraces a plan that would take in excess of $1.4 trillion and use it to save Social Security and use a relatively meager $80 billion to allow the people of the United States to keep more of their hard-earned money.

What the left really tells us, Mr. Speaker, is: No tax cuts, no time, no how.

IN TRIBUTE TO VIC FAZIO

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

Ms. HARMAN. Mr. Speaker, representing the other tough-to-hold seat in California, I know how hard the gentleman from California (Mr. FAZIO) has worked for his constituents.

I know his courage in fighting for responsible gun control; a woman's right to choose; equal treatment for all Californians, regardless of sexual orientation; and responsible campaign finance reform. And I know his incredible personal courage in returning here after the untimely death 2 years ago of his daughter, Anne.

Losing an election, which VIC never did, is hard. Losing a child is infinitely harder. Yet VIC and Judy have rebounded, and I think the perfect tribute this institution could pay to him after 20 years is to behave in a sober, bipartisan and fair fashion as we consider the very difficult matter of the President which is before us.

I am pleased to join my colleagues in commending VIC for his distinguished public career and proud to call him a friend.

VIC, best wishes to you, Judy and your family.

DEMOCRATS ATTEMPT TO SCARE SENIORS

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

Mr. TIAHRT. Mr. Speaker, the liberals are making false and misleading arguments in their opposition to the Republican tax cut proposal. Every time we hear the other side accuse Republicans of raiding the Social Security Trust Fund or stealing from the Social Security Trust Fund, they are deliberately misrepresenting the truth in order to oppose tax cuts.

Just consider this. The liberals never accuse anyone of raiding the Social Security Trust Fund whenever it comes to spending. In fact, they have proposed billions and billions of new spending without a single thought about Social Security.

It is only when Republicans want to pass tax cuts that they use a bogus argument about Social Security in order to scare seniors, just like they did for 2 years about Medicare.

Mr. Speaker, the fact is, liberals simply oppose tax cuts. The American people should know the truth. Under their definition, all spending is a raid on the Social Security Trust Fund: education, welfare, the big bureaucracy here in Washington.

But now we do have a surplus and I think, yes, we do need to save Social Security with 90 percent of the surplus. But any surplus over that should go to hard-working Americans in the form of tax relief.

THANK YOU, VIC

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

Mrs. CAPPS. Mr. Speaker, I speak today in tribute to Congressman VIC FAZIO, one of the finest individuals I have ever known, a public servant who truly exemplifies the idea of ''citizen representative,'' a close friend and political mentor of mine and of my husband Walter.

Mr. Speaker, I will never forget the support and assistance he gave me and my family and staff after Walter's death. He is successful as a Congressman because, although a proud Democrat, he has the ability to work in a bipartisan manner. He is a wonderful Caucus Chair, because, again, he is a voice for unity and consensus within our party.

Mr. Speaker, he will be missed by his constituents and by us all, and he will always be my friend. I say to the gentleman, ''Thank you, VIC.''

FAST TRACK SHOULD BE PASSED

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

Mr. NETHERCUTT. Mr. Speaker, American farmers are facing a huge challenge of low commodity prices and unfair competition from foreign governments. Tomorrow, Congress will take up the issue of fast track authority for this administration. Even though I have serious questions about giving this administration any authority on trade issues, considering its record, I do support fast track authority because of the very important part of the bill that assures agriculture full participation in trade negotiations.

Mr. Speaker, by this provision, trade agreements reached will be agriculture-sensitive. An ag representative, a trade representative, will monitor and report back to Congress whether such agreements and negotiation will help or hurt agriculture.

The key to agriculture's success is to open foreign markets so we can sell our commodities overseas. The fast track bill provides agriculture a seat at the tariff reduction table, all subject to final congressional approval. It should be passed.

SAVE SOCIAL SECURITY FIRST

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

Ms. MCCARTHY of Missouri. Mr. Speaker, the House is considering a Republican tax bill which spends the entire anticipated budget surplus on tax cuts instead of saving it for Social Security. It is a tax bill that violates the budget rules. That is bad public policy.

Mr. Speaker, I have sponsored and voted for specific tax cut proposals in the Taxpayer Relief Act of 1997 and capital gains tax reduction. I will support the Democratic alternative for tax cuts that take effect only when there is a budget surplus that does not include counting Social Security Trust Funds.

Save Social Security first, then offer tax cuts to hard-working people of America.

MEANINGFUL ASSISTANCE REQUIRED FOR AMERICAN AGRICULTURE

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

Mr. CHAMBLISS. Mr. Speaker, America is in danger of losing its number one industry, agriculture.

Mr. Speaker, 1998 has been a disastrous year for farmers all across this great country of ours. And after months of pressure from Congress, the answer of the current administration to this problem was to support a $500 million disaster package that originated across the way in the other body.

The Republican response to this has been much more meaningful and much more sensible. It is a plan that puts money in the pockets of farmers immediately to provide short-term relief. There is also a package to provide long-term relief in the form of tax incentives and tax relief to farmers. This is a meaningful solution to the current problem in ag country.

Now, the administration has come back with a plan that puts farmers and this country deeper in debt and will depress prices for the long-term.

Mr. Speaker, I urge the administration to cut out the political rhetoric and provide real, meaningful leadership in the arena of agriculture.

SAVE SOCIAL SECURITY FIRST

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

Mr. BERRY. Mr. Speaker, over 500,000 retired Arkansans depend on their Social Security monthly check as a necessary source to supplement their retirement income. In fact, the First Congressional District of Arkansas has the largest number of seniors for whom Social Security is their only source of income.

Right now, millions of working Americans are paying into the Social Security system and are counting on it for when they retire. This year, some have suggested that we have a budget surplus. That just simply is not so.

Of course, there is an enormous temptation to use the so-called surplus or the Social Security Trust Fund to cut taxes. I am all for tax cuts, but not on the backs of our children and grandchildren, not on the backs of our retirees who depend on Social Security as their only source of income.

Mr. Speaker, it must be there when we need it. Congress must save Social Security and not rob the Social Security Trust Fund.

□ 1030

DECEPTION

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

Mr. THUNE. Mr. Speaker, when the other side repeated over and over again during the 1996 campaign that the Republicans wanted to cut Medicare, it was a lie. Many people believed it and so they continued to say it.

When the other side repeated over and over again in 1995 that the Republicans wanted to cut the school lunch program, that was a lie. Yet that worked, too, to some degree. Now it is 1998. The other side has already started on another deception that lowering taxes on farmers and ranchers and families would threaten Social Security. That, too, is a lie.

How ironic that the party that did nothing, nothing for 40 years to fix a system they knew was going broke, is now attacking our commitment to use 90 percent of the surplus to fix Social Security while giving the remaining 10 percent back to the American people. How is it that billions of dollars in liberal spending do not threaten Social Security but lower taxes for farmers and ranchers somehow would?

America's farmers and ranchers need a break, and it is time to give them much-needed tax relief.

ON THE BUDGET SURPLUS AND SOCIAL SECURITY

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

Mr. BROWN of Ohio. Mr. Speaker, this year we have a great opportunity, a once-in-a-generation chance to really save Social Security. We can take our budget surplus and begin to pay back the IOUs into our Social Security system. Unfortunately, though, Republicans are putting politics first and Social Security second. They want to raid the surplus to fund their political agenda. They put fiscal irresponsibility first and Social Security second.

No piggy bank money should be used, Mr. Speaker, for election year giveaways. Instead let us bank all of the surplus to shore up Social Security today.

TAX CUTS

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

Mr. KIND. Mr. Speaker, the House this week is going to be considering an $80 billion tax cut. As far as tax cuts are concerned, the provisions contained in it would receive wide bipartisan support in this body. Perhaps it is not as pro-growth oriented as much as I would like to see, but as far as tax cuts, it is not bad.

The problem is, it is going to be relying on the so-called surplus to pay for it. The fact is, there is no surplus unless we are willing to borrow and steal from the Social Security trust fund.

I commend the leadership for being up front and honest about it, that they are intending to take the money from that trust fund to pay for this tax cut, but it is the wrong policy. It is the wrong thing to do for our seniors and children, and we should not engage in that election year tax cut in order to satisfy a certain constituency.

Alan Greenspan, Chairman of the Federal Reserve, was on the hill yesterday and when asked what would be the best use of the so-called surplus, he said, I will tell you what not to do. Do not use it for a permanent new spending program and do not use it for tax cuts when the surplus may never materialize in this very volatile international financial crisis which may have a devastating impact on the U.S. economy.

I encourage my colleagues to oppose the tax cut.

SOCIAL SECURITY

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

Ms. DELAURO. Mr. Speaker, over the past 6 years Democrats have worked extremely hard and pretty much on their own, I might add, to get our fiscal house in order. We have balanced the budget, created a better economy, and we have, in fact, generated the potential, the potential of a surplus to help pay back the debt that we owe to Social Security.

Let me tell my colleagues now about how that is being jeopardized. The Republican leadership in this House wants to take the surplus in the Social

Security system which, in fact, is generating that surplus that we have in our budget, they want to take that money and they want to raid it. They want to use it for tax cuts.

Social Security is one of the great success stories of this Nation. Two-thirds of our retirees depend on Social Security for over half of their income. It is bedrock. It has been there, and it needs to be protected. And it needs to be preserved for the future. It is now under a sneak attack. Make no bones about it. While the country is distracted, they want to take that money.

Are Democrats for tax cuts? You bet. But not at the risk of the Social Security trust fund.

CONFERENCE REPORT ON H.R. 4112, LEGISLATIVE BRANCH APPROPRIATIONS FOR FISCAL YEAR 1999

Mr. MCINNIS. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 550 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 550

Resolved, That upon adoption of this resolution it shall be in order to consider the conference report to accompany the bill (H.R. 4112) making appropriations for the Legislative Branch for the fiscal year ending September 30, 1999, and for other purposes. All points of order against the conference report and against its consideration are waived. The conference report shall be considered as read.

The SPEAKER pro tempore (Mr. NEY). The gentleman from Colorado (Mr. MCINNIS) is recognized for 1 hour.

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

Mr. MCINNIS. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to the gentleman from Ohio (Mr. HALL) pending which I yield myself such time as I might consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

Mr. Speaker, the proposed rule for the conference report to accompany H.R. 4112, the legislative branch appropriations for fiscal year 1999, waives all points of order against the conference report and against its consideration. The rule provides that the conference report will be considered as read.

Mr. Speaker, the underlying conference report for the legislative branch appropriations for fiscal year 1999 represents achievements towards a smaller and smarter government. It shows the progress that can be reached when the will and the effort to make necessary reforms are present.

Some of my colleagues Mr. Speaker, may point out that this conference report provides a slight 2.71 percent increase in spending over last year's level. I would like to note that, in fact, the fiscal year 1999 legislative branch appropriations are still $40.6 million less than fiscal year 1995 levels.

Next year Federal employees will receive a 3.6 percent cost of living adjustment. The legislative branch appropriations conference report only provides for a 2.71 percent increase overall. Of the whole legislative branch budget, 80 percent of the funding goes towards salaries. The increase of 2.71 percent in the fiscal year 1999 legislative branch appropriations conference report represents less of an increase in salaries than the Federal salary cost of living adjustments. Moreover, the legislative branch appropriations conference report reduces the employment level by 1.7 percent. In fact, since 1994, over 15 percent of the legislative branch has been downsized.

Mr. Speaker, no other branch of the Federal Government comes close to this amount of downsizing. The fiscal year 1999 legislative branch appropriations conference report does include some important spending increases where necessary. For example, the legislation will increase the level of our Capitol Police salaries and expenses, recognizing the important job the men and women who make up the Capitol Police force perform.

I would like to take this opportunity to commend the gentleman from New York (Mr. WALSH) and the ranking member, the gentleman from New York (Mr. SERRANO) for their bipartisan efforts to create a smaller, smarter government to provide leadership by example.

Mr. Speaker, this is a noncontroversial rule which the Committee on Rules reported by a voice vote.

The underlying legislation and conference report is bipartisan and financially responsible. The conferees did an excellent job of allocating scarce resources while building upon internal reforms we have adopted in recent years to improve congressional operations.

Mr. Speaker, I urge my colleagues to vote yes on this rule as well as to agree to the conference report.

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

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

I thank the gentleman from Colorado for yielding me the time. As he has explained, this is a rule that waives all points of order against the conference report on H.R. 4112, which is a bill that makes appropriations for the legislative branch for fiscal year 1999. The bill appropriates a total of $2.3 billion for the operations of Congress and other agencies in the legislative branch.

This amount is less than 3 percent, less than 3 percent higher than last year's appropriation. The measure substantially increases funding for the Capitol Police. This will provide police officers higher pay, especially if they work Sundays, holidays and nights. This is a fair increase for the men and women who are so important to the secure operations of the Capitol complex.

This bill represents the last legislative branch appropriation bill guided by our friend and colleague, the gentleman from California (Mr. FAZIO), who will be retiring at the end of this Congress.

The gentleman from California (Mr. FAZIO) and I both began our service with the 96th Congress back in 1979. Later he became chairman of the appropriations subcommittee on the legislative branch and then the ranking minority member.

In these roles, the gentleman from California (Mr. FAZIO) led passage of the appropriations bills. That was no easy task since anything connected with funding Congress has the potential for controversy.

Throughout his tenure, the gentleman from California (Mr. FAZIO) has been a credit to the residents of California's 3rd district and to the House of Representatives. He has accumulated a great deal of wisdom and experience that will be sorely missed especially in the difficult times ahead.

We need more Members like the gentleman from California (Mr. FAZIO) in the House.

Mr. Speaker, the rule was approved by the Committee on Rules on a voice vote with no objections. I urge adoption of the rule.

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

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

First of all, dittos on the remarks about the gentleman from California (Mr. FAZIO). I have appreciated his work and appreciated the service that he has given to us. Although I have often found myself on the other end of the voting scheme of the gentleman from California, I can say the gentleman from California has always acted with integrity and honor.

Mr. Speaker, I think an important thing about the legislative appropriation we have here is that this year still reflects a significant amount of money less than when we first took the House in 1995. I had heard earlier somebody on the other side of the aisle commenting about how this House had brought this House into fiscal order. In fact, I think Members will find that this House, speaking literally of the House, was brought into fiscal order when the Republicans took control.

We have had cooperation from the other side of the aisle. Clearly this rule indicates that we have cooperation as we put this budget together.

This House really a leaner and meaner machine. We have taken a look at all the different operations contained within the House. We have looked at where we have needs and, where we have needs, we have accommodated those needs. For example, this year in the Capitol Police force, I know that my colleague from Ohio is a big fan of the Capitol Police and has worked very hard for this appropriation. We have made that allocation. We know that we have one of the top police forces, but we know that we are also now providing the resources that they need.

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

Mr. HALL of Ohio. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio (Mr. TRAFICANT).

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

Mr. TRAFICANT. Mr. Speaker, I want to pay tribute to the gentleman from California (Mr. FAZIO) who will be leaving us. I did not agree with him all the time, but he is a great Member. He will be sorely missed. I want to thank the gentleman from New York (Mr. WALSH) and the gentleman from California (Mr. FAZIO) for incorporating most of my bill, H.R. 2828, that elevates the pay of the Capitol Police by some 12 percent.

I would also like to say to the Congress that I think we have to go a little further. I think that we have to incorporate in authorizing language some of the other structural changes that I offer in 2828 with my good friend the gentleman from California (Mr. NEY) who is in the chair today. That is, we must increase the size of the force, maybe up to 400, 600 personnel. We should change the mandatory retirement age from 57 to 60, as I had submitted, so we can retain our most experienced officers and handle some of the benefit problems they experience.

And finally, I think we need to give the chief flexibility to stop the erosion of the good, young officers that are being recruited by surrounding agencies, and I think the 12 percent pay increase does that.

I think we have to address some of the other issues. On balance, it is a good conference report. I want to thank the gentleman form New York (Mr. WALSH). I want to thank the gentleman from California (Mr. FAZIO).

I want to thank the gentleman from California (Mr. THOMAS), and I would hope that H.R. 2828, that the gentleman from California (Mr. NEY) and I have brought to the Congress, could in fact be brought out and handle some of those other problems for the Capitol Police, because I think it will serve the Nation well.

□ 1045

Mr. MCINNIS. Mr. Speaker, I yield such time as he may consume to the gentleman from New York (Mr. WALSH), and I want to acknowledge all his efforts. We appreciate them very much. It says something when one is able to work on this kind of basis, in a bipartisan way. What the gentleman has done with the legislative appropriation budget, coming into the Committee on Rules where he received a voice vote, not even contested up there, that says a lot.

Mr. WALSH. Mr. Speaker, I thank the gentleman from Colorado for yielding me this time and for his kind words and for the voice vote that we received in the Committee on Rules. It is somewhat unusual. But I think it reflects the approach that my very good friend and colleague, the gentleman from New York (Mr. SERRANO), and I have taken in this bill.

Our staffs work very, very closely together. We share ideas. We try to honor each party's requests. After all, this is the budget that funds the workings of this body and of the Senate. And what is in the interest of the Democratic Party is also in the interest of the Republican Party when it comes to making sure this House runs efficiently.

Bipartisanship is not always possible. In fact, the Founding Fathers set it up so that partisanship would be the catalyst that really makes this country move forward progressively. But in the case of this bill, I think bipartisanship is an important ingredient, and I am very pleased that we have been able to work together.

I would like to thank the Committee on Rules for honoring our request on the rule. I would also like to thank the gentleman from New York (Mr. SOLOMON), who has provided great leadership to the House and to the Committee on Rules over the years. This is the last legislative branch bill to come before him in his chairmanship, and I want to take this opportunity to thank him personally for all the good advice and counsel that he has provided to me over the years. He is one of our New York State leaders and has set a high standard for all of us.

I would also like to take this opportunity, and I will thank the other members of the subcommittee during the discussion of the bill, and the staff, but I would just like to take the opportunity to join with my colleagues in thanking the gentleman from California (Mr. VIC FAZIO) for the leadership that he has provided throughout the years on this sometimes most difficult of bills.

I remember when I first came to the Congress back in 1988, took office in 1989, there was a big to-do about a pay raise. Now, if one is going to go through hell in the legislative process, the pay raise is probably the best way to get there. Because it is never popular, no matter what. And people will say, well, we should have a pay raise when the country has a balanced budget. Well, we have a balanced budget, but I would suspect if we did a poll, most people would say Congress still does not deserve a pay raise. But the fact of the matter is, on occasion, all good workers should be compensated. VIC FAZIO took that challenge.

He also did this subcommittee a favor, by the way, by moving that from this subcommittee to another subcommittee so that the gentleman from New York (Mr. SERRANO) and I do not have to deal with that sticky issue anymore. But the fact of the matter is VIC FAZIO has been a leader, a stand-up guy for the Congress, and it is a tough role for anyone to fill, and it is not always politically popular. But he has never used the subcommittee to do anything but give credit to the Congress.

VIC is a good Democrat. As a Republican, I think I can say that. He is a partisan, but when it comes to the conduct of this office and the conduct of the subcommittee and the protection of this very important and integral body in our government, VIC FAZIO has shown real leadership over the years, and we are deeply indebted to him.

Mr. Speaker, I will save the remainder of my remarks for the bill, and I urge unanimous support of the rule.

Mr. HALL of Ohio. Mr. Speaker, I yield 2 minutes to the gentleman from Wisconsin (Mr. KIND).

Mr. KIND. Mr. Speaker, I rise today to take this moment to pay tribute to my friend, the gentleman from California (Mr. VIC FAZIO), and to congratulate him on a terrific career in public service, and to personally thank him for the leadership he has given our party and to me personally, as a freshman Member of this great democratic institution.

In fact, his retirement is not only a great loss to this House, but it is also a tremendous loss to future freshmen classes who will not benefit from his leadership, his wise counsel and advice, his timely wit, and the force of his example, which has been nothing less than the highest form of integrity and respect for this institution.

I have watched him time and time again unite our caucus and keep us from taking ourselves a little too seriously sometimes and unite this House by working in a bipartisan fashion. I know I have benefitted from his presence here, just from what I have learned from him. He is one of the great examples of why term limits would, on occasion, hurt the function of our democracy.

I know one of the secrets to VIC's effectiveness. It is not just the charm and the wit, the grace and the intelligence, but it is his smile. I have seen that in another great public servant in this country, my former boss, Senator Bill Proxmire, who recently wrote a book, ''The Joyride to Hell,'' in which he advocates smiling more for a healthy life. Well, VIC does not have to read the book. In fact, he could have written the book.

Keep on smiling, VIC. This body is going to miss you. I personally am going to miss you greatly. Have a great retirement.

Mr. HALL of Ohio. Mr. Speaker, I yield 1½ minutes to the gentleman from North Carolina (Mr. ETHERIDGE).

Mr. ETHERIDGE. Mr. Speaker, I thank the gentleman for yielding me this time, and I also rise this morning to pay tribute to a friend of this institution, a friend of the American people, and a dear friend of mine, the gentleman from California (Mr. VIC FAZIO). He is a dedicated public servant and a leader who not only has served as chair of our Democratic Caucus but as a senior member on the Committee on Appropriations in making sure that the people's business was done in an appropriate manner.

This year I had the privilege to serve as co-chair of the Education Task Force for our Caucus. I worked closely with the gentleman on our education reform plans to strengthen public education for our children.

VIC, I want to thank you for your leadership and putting together plans to build new schools for our children, to reduce class sizes, to improve the teacher quality all across this country and to increase academic standards for all children wherever they may happen to live.

As a member of the Juvenile Justice Task Force, the gentleman had the same kind of vision of making sure that we had tough but fair laws, that we had smart approaches to crack down on violent juvenile offenders and prevent juvenile crime before it occurred.

Even on issues that the gentleman and I did not agree on, that affected my State, he had the willingness to listen, which is a hallmark in the tradition he has had. As my colleagues have already heard, that is why he is so effective, not only in our caucus but in this body. His quick smile, his quick wit and his deep understanding of issues.

The American people owe the gentleman from California (Mr. VIC FAZIO) a debt of gratitude for his years of service to this Nation, and I give my deepest personal thanks and profound admiration for his unwavering friendship and outstanding service and leadership.

Mr. HALL of Ohio. Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. GREEN**).**

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

Mr. GREEN. Mr. Speaker, I want to join my colleagues in expressing my appreciation for my friend, the gentleman from California (Mr. VIC FAZIO). When this session ends, the Democratic Caucus and the House of Representatives will be losing one of our most respected Members. Vic has served with distinction as chairman of our Democratic Caucus, and although the times have not been the best for our Caucus, Vic has kept us focused on the issues that really are important to the American people. Since first coming to Washington in 1979, he earned a reputation as one of Capitol Hill's most effective legislators.

On a personal note, I want to thank the gentleman for his support and leadership as a member of the Subcommittee on Energy and Water Development of the Committee on Appropriations, in the expansion of the Port of Houston project that is so important to deepening and widening the channels. It is important to my community but also to my area.

This is one small effort of hundreds, both big and small, that VIC has worked on in his career here in Congress to make our country a much better place to live.

VIC, I have enjoyed working with you during my three terms and learning from you, and I wish you the best in your retirement.

Mr. MCINNIS. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. PACKARD).

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

Mr. PACKARD. Mr. Speaker, I appreciate the gentleman yielding me this time. I wish to come and pay tribute also to my dear friend and colleague, the gentleman from California (Mr. VIC FAZIO). VIC was chairman of the subcommittee that I have in the past chaired and is now chaired by the gentleman from New York.

The gentleman kind of broke the ice for me chairing a subcommittee and kind of taught me the ropes, and I just deeply appreciated the advice, the leadership, the example that he showed on quite a bipartisan subcommittee that we served on. It was the first subcommittee I served on as a member of the Committee on Appropriations, and I could not have had a better chairman and a better example, and I personally want to thank him for that.

He served for 2 years, or at least I served with him for 2 years as he chaired the subcommittee. I have always appreciated his friendship, and I will always appreciate the way he directed that committee. I could not have succeeded him in guiding the affairs of that committee had I not had the lessons I learned from him.

People sometimes say there is too much partisanship in Washington, and I am sure at times this is true, but I think that the gentleman from California (Mr. FAZIO) has remained one of the most respected Members of the Congress. His ability to work with everyone is legendary, and he has never let partisanship come before the interest of his constituents and the good of the Nation and I think is an example we could all follow.

I want to personally express my appreciation to his service in the Congress, to the great contribution he has made to California, to his district and to the Nation as a whole. I want to commend to the Members of the Congress for this bill and recommend that it be passed, and I support it.

Mr. HALL of Ohio. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. BERMAN).

Mr. BERMAN. Mr. Speaker, it is fitting that we take time in this particular appropriations bill to pay a small tribute to our retiring colleague, the gentleman from California (Mr. VIC FAZIO). Because while VIC's imprint is in so many areas of public policy in this institution, his work for this particular institution and this particular subcommittee has made all of our lives better and I believe has made the institution much stronger.

With all of the exhilarations of public office and the trials and tribulations, the reasons one thinks about leaving this place, whether it is the other party ending our entitlement program to control of the institution, whether it is even the kind of situation we are in now, the news that VIC FAZIO had decided to leave this institution, to no longer make the House his home, was perhaps, for me, the most unsettling of all.

I have known the gentleman from California for 25 years. He is a consummate political pro. He is a man of tremendous intelligence, incredible patience, great warmth and, as much as anything else, a man of total dependability. When VIC FAZIO tells you he will take care of something, he takes care of it.

I think the Almanac of American Politics put it well when they said about VIC, ''FAZIO is a consummate political insider. Always personable and articulate. Entirely presentable outside the back rooms and private hallways. Knowledgeable without being cynical. A sharp operator who keeps score and remembers friends. A politician who is anything but an innocent, but who retains an idealism and a willingness to take serious risks for what he believes.''

He is truly one of the great Members of this institution. We are going to miss him very much. I am going to miss him very much; and I wish him well in his pursuits, which I think will be many, as he leaves this institution.

Mr. MCINNIS. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. LEWIS).

(Mr. LEWIS of California asked and was given permission to revise and extend his remarks.)

Mr. LEWIS of California. Mr. Speaker, it is a very special moment for me to come to the floor and express both my appreciation for and my disappointment in VIC FAZIO, for I do not believe we have ever sent from California a finer Member of the House of Representatives: extremely decent, talented guy, who has made a huge difference the policy direction of the House, and in doing so has made a huge difference for our State.

□ 1100

I am disappointed because I never thought I would be here in the well having a discussion about the fact that he has chosen to leave.

VIC and I share a very special background together. We have interns all over this place these days but in the old days there were not such things as interns around. One of the original fellowship programs, the Coro Foundation, attempts to attract and train young people who may go into public affairs, and VIC was one of those Coro fellows some years ago. I first got to know him in the toughest of political arenas, in Sacramento, where he was on the staff during reapportionment in the early 1970s. I have had occasion to get to know him as a very tough and serious politician. But way beyond that, he is a very tough and serious policymaker.

If you will remember, the west steps of the Capitol were held up by 20-by-20 poles for something like 30 or 40 years. VIC FAZIO had the good sense and provided the leadership to produce the funding to put our Capitol back together again. When you go to the Library of Congress and see this fabulous building, an incredible monument, VIC FAZIO provided the leadership to make sure that that building was repaired and restored to the level it is presently.

Of all of the people I have dealt with in public affairs who live by a byline that is important to me, VIC FAZIO does, and, that is, ''If you don't have your word in this business, you don't have anything.'' Among the leaders of the country, VIC FAZIO stands out in my mind. In the future, the entire Congress will appreciate and understand the work that he has done.

Mr. HALL of Ohio. Mr. Speaker, I yield 1½ minutes to the gentleman from California (Mr. DOOLEY).

(Mr. DOOLEY of California asked and was given permission to revise and extend his remarks.)

Mr. DOOLEY of California. Mr. Speaker, it is a great honor for me to rise and pay tribute to my fellow Californian, VIC FAZIO. As Members of this institution, we have occasion to observe many of our colleagues and we learn from our colleagues. I can honestly say that in my tenure in Congress, I have learned from no other Member more than I have learned from VIC FAZIO. He epitomizes to me what it is to be a public servant, he epitomizes what it is to be an effective legislator, because VIC FAZIO understands that you have to have the commitment, you have to have the compassion, and you have to have the drive to move forward in trying to solve many of the challenges which are facing American families.

What VIC FAZIO has also demonstrated is that the way that you get things done is not simply by running out and getting in front of cameras. The way you get things done is by opening up the hood of the car and being one of the mechanics of the institution, understanding that you have got to get your hands dirty and that you have to be able to work with people from all factions of this institution to bring them together, to find those common values and those common threads which will allow us to move forward in addressing the important issues facing this country. VIC FAZIO has demonstrated that, I think, far better than any Member that has served in this institution, and he certainly has provided an excellent model for all of us.

While I have heard some of our colleagues say, VIC FAZIO, they are congratulating you and hoping the best for you on your retirement, what I am saying is that, VIC FAZIO, you are retiring from this institution but I know full well that you are not retiring from public service, and the American people are still going to benefit from your tremendous work in the years to come.

Mr. MCINNIS. Mr. Speaker, I yield 4 minutes to the gentleman from California (Mr. HERGER).

Mr. HERGER. Mr. Speaker, I rise today to express my sincere best wishes for VIC FAZIO who is departing the Chamber after many years of dedicated service. I have known VIC for over 20 years now, and I can say that I have genuine and the utmost of respect for VIC FAZIO. He is a man of intellect, a man of sincerity, a talented legislator, but above all VIC is a true gentleman. Although we have not always seen eye to eye on all the issues, we both share a bond, our love for northern California, and the recognition that our part of the State is truly a special place.

VIC has always been acutely aware of the relevant issues, whether we were dealing with agriculture, water issues or timber matters. VIC has an amazing insight into the needs and people of California.

I will truly miss you, VIC, and the examples you have set for other Members. Your leadership and dedication for the people of northern California is certainly appreciated. I always knew when I was working with VIC FAZIO that when you gave your word to me, I could trust you completely. I always knew I could count on you to be completely straightforward. That kind of honesty is refreshing.

Mr. Speaker, I am pleased we all have this opportunity today to bid farewell to a man who will be missed more than he knows. It is sometimes easy to forget that regardless of your political stances, we are all here to do the work of the American people.

VIC FAZIO, thank you for reminding us of that, and thank you for your hard work for northern California and for our Nation.

Mr. HALL of Ohio. Mr. Speaker, I yield 1½ minutes to the gentleman from California (Mr. FILNER).

Mr. FILNER. Mr. Speaker, I say to the gentleman from California (Mr. FAZIO), those of us in southern California love you, too.

When anybody ever thinks, as a Democrat certainly, of even the thought of running for Congress, everybody says, ''You've got to talk to VIC,'' because he knows the strategy, he knows the tactics, he knows the politics, he knows the fund-raising. We all have to learn from his wisdom. And we all went to VIC.

But he became our mentor and our friend when we got here not just because of all the politics and the fundraising and the strategy and the tactics that he is so great at but because that we understood his—your, VIC—your commitment to the working people, the families of California and this Nation. You really care about their jobs and their salaries, their health care, the education of their kids, the environment that they live in, the housing opportunities that they have, and it is because of your integrity and your commitment to the real issues that surround American families that we relied on you.

Yes, you are a great politician, but you are a great human being, you are a great friend. We are going to miss you. Thank you from all of us, especially in California.

Mr. MCINNIS. Mr. Speaker, I yield myself such time as I may consume. Having heard the gentleman from California just speak, I should probably note the first time I met the gentleman from California (Mr. FAZIO) was in the locker room of the gym when I was first elected. He came up, introduced himself, and when I told him where I was from, he said, ''Yes, we've done everything we can to beat you, but welcome.'' Ever since then I have only built my respect for you, despite the warm welcome.

But, Mr. Speaker, I should add to this that it is interesting, my colleagues on this side of the aisle, the level of respect that they do have for you. I really mean it. Your commitment to that project, to the Native Americans of this country and to the word that this Government gave to the Native Americans and you stood up in that storm and you reminded all of us on both sides of this aisle exactly what that commitment was to the Native Americans. I hope that your words live on, that at some point we can complete that as we promised we would. Certainly your integrity is well-known over here and well-respected.

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

Mr. HALL of Ohio. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. FARR).

Mr. FARR of California. Mr. Speaker, I thank the gentleman for yielding time. Thank you for this time, Members. I think we are recognizing today one of the finest people in public service in America in our time. I have known VIC for 30 years. I came to Sacramento as a young, ex-Peace Corps volunteer looking for work and one of the first staff members I met was a consultant to the committee, VIC FAZIO. VIC was a leader at that time. This is the activism of the 1960s. VIC was always concerned about how we can portray government in the best light, how can we get people to be participatory in this democracy. At the time he had come out of the Coro Foundation, very involved in this idea of internship and the ability to volunteer in learning how government works and how business works. He was instrumental in founding a magazine that could report about government, the California Journal. It is wonderful when you are a founder of a magazine that writes nice things about you. It describes VIC as one of the California delegation's most respected members. I think he is one of California's most respected politicians, because he is the role model for the youth that are around here today, of bright young kids that come into politics. He is the

role model for elected officials, whether it is at the State level where he rose to leadership positions very rapidly, served in the legislature, and then came to Congress where he rose to leadership positions in this House. VIC is a natural-born leader.

Of that I think in an era when people are questioning government, when there is a lot of cynicism about whether you ought to participate, we ought to turn in this Nation to VIC FAZIO and say, ''This is the kind of people we want in government and life.'' If you meet him, you will be engaged.

So I speak today as a person who has known him a long time and watched him in his early years. He was just as effective in his early years in youth as he is in his senior years here as a Member of Congress. This House, this institution and American politics will truly miss one of the great leaders in America today, VIC FAZIO.

Mr. MCINNIS. Mr. Speaker, I yield 1 minute to the gentleman from California (Mr. HORN).

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

Mr. HORN. Mr. Speaker, VIC FAZIO is a unique individual. He has had strong support from both Republicans and Democrats in the California delegation. He has tried to be helpful to all Members. He has been in key positions in this Chamber, positions that have showed the respect of his own party in electing him to Chamber-wide responsibilities as one of their leaders. He has certainly been in a great position to carry out the values he believes in, that many of us believe in, a decent and an improved environment, in water resources to help the arid places in the United States, including California. We thank you for your years of congressional service.

He was a highly respected State legislator in our own State. He carried those skills on. As you will notice, he has one of the great smiles in this Chamber. It reminds me about the other body and what was once said about Carl Hayden, who was also a great legislator involved in reclamation. Guy Cordon of Oregon observed, ''Carl Hayden has smiled more money through the United States Senate than any other Senator did in legitimate debate.'' I think we can say that about VIC. We thank you for all you have done.

Mr. HALL of Ohio. Mr. Speaker, I yield 1½ minutes to the gentlewoman from California (Mrs. TAUSCHER).

Mrs. TAUSCHER. Mr. Speaker, I am a new Member of Congress. I came here in January of 1997. Unlike many of my colleagues, I had never been elected before. I came out of the business world.

I have been very blessed in the past. When I had a seat on the New York Stock Exchange, I remember looking around at all the people down there and trying to find an anchor, trying to find some people that I could emulate, some people that I believed were worthy of having followers. Since I was one of the first women on the floor of the New York Stock Exchange, I did not have a lot of women to emulate. I found a very good gentleman that I followed.

When I came here, although I have a lot of wonderful colleagues in California that are women, NANCY PELOSI being one of them, I looked at VIC FAZIO and said, God never blessed me with a big brother. I still have my parents. But if I ever had to pick a big brother, it would be VIC FAZIO. VIC FAZIO's dedication to his constituents, to the State of California and to the golden rule of Congress is legendary, and his dedication to his family I think is even more important.

I want to offer you, VIC, and Judy and the rest of your family all the blessings. I know you are not retiring. I know you are going to be there for us. I thank you for all you have done.

Mr. MCINNIS. Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. THOMAS).

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

Mr. THOMAS. Mr. Speaker, I am tempted to begin this by saying that everything I have heard does not sound very familiar because I know VIC FAZIO, and VIC FAZIO is a friend of mine.

I first got to know VIC FAZIO before he was in elective office. Then when he was first elected in the California Assembly, I served with him as a colleague. We were both a little bit younger then, and we actually could play basketball as an exercise.

He and I have been on the opposite side of a number of issues over the years, and we both came back to Congress in the 96th Congress in 1978, he, as he was in the California Assembly, a member of the majority, and I was a member of the minority. For 16 years, that relationship continued.

□ 1115

During the 16 years, when he was in the majority and I was in the minority, he was always fair. We could always get the straight story. He would tell us what he could and then tell us, sometimes, if he could not tell us. But if he could, he would. In this business that is as good as gold. He was and is a professional.

Then in the 104th Congress something happened that probably neither he, nor I, if you really pushed me, thought would ever occur. He became a member of the minority, and I became a member of the majority. I became the chairman of a committee, and he was the ranking member, and I tried to treat him as fairly as he had treated me, and I hope he believes that in the sharing of information which was fairly volatile at the time when we were the new majority, I indicated to him that I trusted him implicitly, and of course I had no worry about that trust because he continued to carry himself as a professional.

It has been a pleasure, Mr. Speaker. The gentleman from California and I have not been on the same side on too many noninstitutional issues; I think on every institutional issue we have been on the same side. I had not thought that the gentleman would leave at this time. He is a valuable resource to this institution. He has decided to leave and the institution is a lesser place for it.

I look forward to seeing the gentleman from California (Mr. FAZIO) in our different capacities, Mr. Speaker, but I just want to say that, notwithstanding our inability to work together on a number of issues, our ability to work together as professionals in this body has been a very rewarding experience for me.

Mr. HALL of Ohio. Mr. Speaker, I yield 2 minutes to the gentleman from Oregon (Mr. BLUMENAUER).

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

Mr. Speaker, it was my experience to come to this body in the midst of the 104th Congress right after the government shutdown, and passions were high, and I was thrust into an interesting situation. I felt like I was a high school freshman in a body of 435 senior class presidents. The gentleman from California (Mr. FAZIO) was one of the bright spots for me, somebody who helped me understand what was going on, somebody who took the time and patience that was certainly not merited by anything on my part.

Mr. Speaker, I deeply appreciate what the gentleman from California (Mr. FAZIO) represents. I am only starting to understand what he has done for this institution, and I have enjoyed listening today to the testimonies of many of the gentleman's colleagues, and I am sure that I will continue, as time goes on, to understand what he has done to make this a better place.

But it is the gentleman from California (Mr. FAZIO), the man, in which I stand in awe. Despite difficult personal times, one of the more challenging districts in the United States and what I think most would regard as a near impossible task, chairing our caucus, he has always been a beacon of rationality, civility and thoughtfulness.

Life in this institution is not a life sentence. The gentleman from California has earned the right to accept new challenges and opportunities for himself and his family. But I know my constituents got a Congressperson who is a little better because of the gentleman's thoughtfulness and knowledge, and I know that we are all better by dint of his service.

Mr. HALL of Ohio. Mr. Speaker, I yield 2 minutes to the gentleman from California, (Mr. WAXMAN).

Mr. WAXMAN. Mr. Speaker, it is with a sense of sadness that I speak today because I am really sorry to see the gentleman from California (Mr.

FAZIO) leave this institution. I also rise with a great deal of appreciation for the work that he has done in his career in public service.

We first met each other when Vic was a staffer and I was a member of the State Assembly in California. Later he was elected to the Assembly, we served as colleagues there and for the past 20 years here.

I think the gentleman from California (Mr. FAZIO) is in the category of being someone who is absolutely indispensable. He is the Member who will always work hard, doing more than his fair share of the work. He will take on issues that others avoid, and he will be more interested in making sure that, at the end of the day, we have an accomplishment than the fact that he might get a moment or two on the national television network coverage.

The gentleman from California (Mr. FAZIO) is the kind of person that reminds us that we should be proud of those who seek a career in public service. He is a politician and he is a legislator, and in both of those areas he is a professional. This institution is going to miss him enormously.

I know that all of us have seen the deterioration of civility in this House, the People's House. We have differences of opinion. But we need Members like the gentleman from California (Mr. FAZIO) who can express the differences in a way that will look for accommodations, ways to build bridges to each other and ways to reach a point where we can have accomplishments.

When we think about the debates that we have had in politics in the last couple of years where people have prided themselves on inexperience, on not knowing how the system worked, on not being insiders, of not being professional politicians, the gentleman from California (Mr. FAZIO) stands out as a reason why they are wrong. He is a leader, he is an insider, he is respected, he is a pro. I want to say to him he has been a great friend to me and Janet, and I want to wish VIC and Judy all the very best.

Mr. HALL of Ohio. Mr. Speaker, I yield 2 minutes to the gentlewoman from California (Ms. PELOSI).

Ms. PELOSI. Mr. Speaker, as a friend and admirer of the gentleman from California (Mr. FAZIO), it is with mixed feelings that I rise today to congratulate him and wish him much success in what lies ahead for him and for Judy Fazio, but with some sadness and disappointment, of course, for this body because his departure is a tremendous loss to our Congress and to our country.

Others have talked about the gentleman's record in California, and I certainly, as former chair of the California Democratic Party many years ago, am well aware of that. I remember the gentleman from California (Mr. FAZIO) in the 1970s as a top-notch administrator to the California State Assembly, and then as a member of the Assembly himself, and then very quickly rising to become a Member of this body, all along the way gaining respect for his values and his principles.

It is just something one says in California about any issue: ''Have you spoken to Vic?'' No last name, just, ''Have you spoken to Vic?'', and that meant that that was the touchstone, that was the place we went, that he was the compass, he could give direction to us.

And others have talked about what a great party leader he has been as a Democrat, really with a large ''D'' and a small ''d.'' Certainly we are proud of him as a political leader of our party, but a small ''d'' of bringing people into participation and into leadership, Choral Foundation, talent scouting from the very young people and into his leadership in this body as chair of our caucus.

The sky is the limit for the gentleman from California (Mr. FAZIO). He has chosen to leave us now, but, of course, we all wish him much success.

But I want to talk about just one other phase, and that is the pride I take in the gentleman's service in Congress personally as a member of the Italian-American community. In his service here and in his service to our country he has always represented the values of our community, family values, a commitment to family, to education, to hard work, to commitment, to religion and to making the future brighter for our children. And it was this respect that he had for his own, this pride he had for his own heritage, that led him to respect the diversity in our country and the pride that all of those people took. So he is our all-American, Italian-American, great Democratic leader. We will miss him. Paul and I give our best regards to Judy for her contribution as well and to the gentleman from California (Mr. FAZIO) for much success in the future.

I thank the gentleman from California (Mr. FAZIO) on behalf of my constituents and personally.

Mr. HALL of Ohio. Mr. Speaker, I yield 2 minutes to the gentleman from North Carolina (Mr. PRICE).

Mr. PRICE of North Carolina. Mr. Speaker, I am pleased today to join in these tributes to the gentleman from California (Mr. FAZIO), a Member I regard as the model of what a Member of this body ought to be and a wonderful human being.

VIC FAZIO is a man of many facets. He is a fine legislator. He is skilled in the workings of this body. He does not have a match among us in his ability to work through difficult issues, to find a basis for accommodation. He looks out very, very effectively for California's interests, but he also helps all of us do our job for our constituents.

The gentleman from California (Mr. FAZIO) is a guardian of this institution. He is eloquent, as any of us can testify, in rebuking those who would take cheap shots at this institution, attempting to polish their own reputations at the expense of the Congress. But he is not uncritical; he has his own agenda for change. He is a loving critic of this place and has been a leader in finance reform and ethics reform and making the Congress a more responsive, more effective institution. He has been a builder at a time when many were ready to destroy, and history will judge his role as a constructive and important one.

The gentleman from California (Mr. FAZIO) is a man of great personal strength and depth. He has endured a devastating loss in his own family and has, in turn, reached out to many others in this body in times of stress and grief, proving himself a true friend and a source of spiritual strength.

And I know staff feel that way, too. How many times have members of our staffs expressed their admiration for the gentleman from California (Mr. FAZIO) as one who respects them, who treats them as peers, who knows how to work with all kinds of people to make good and important things happen?

And, finally, the gentleman from California (Mr. FAZIO) is a treasured colleague. He has been a mentor for many of us; I have felt that way since the first day I arrived here. He is a source of good advice, a source of encouragement, a friend in good times and bad. I feel personally indebted to him for what he has meant to me and for many of my friends and colleagues.

We bid VIC FAZIO a very reluctant farewell today. We hope we will see a lot more of him, but we will miss the good work and good humor and good colleagueship that have contributed so much to our life in this House.

We bid farewell to the gentleman from California (Mr. FAZIO) with great admiration and affection, great personal indebtedness and all good wishes.

Mr. HALL of Ohio. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. MATSUI).

Mr. MATSUI. Mr. Speaker, I would like to thank Mr. HALL, the gentleman from Ohio, for yielding this time to me.

I was fortunate and honored to come in in 1979 with the gentleman from California (Mr. FAZIO). We were a class of 77 members, 44 Democrats and 33 Republicans. And last November, November of 1997, when the gentleman from California (Mr. FAZIO) told me, we were at McClelland Air Force Base. He wanted to call me later that night and asked where I was, and we spoke on the phone, and he said that he was retiring and leaving the Congress. I have to say that after I got over my shock it was probably one of the saddest occasions that I have had. And since that time I have had an opportunity to really think of his role in this institution and back home and as a colleague of mine, adjacent are our districts, and I have come to really believe that our constituents in Sacramento, northern California and all of California in January will really come to understand the value of the gentleman from California (Mr. FAZIO).

Mr. Speaker, we will not have his advice, we will not have his counsel, we

will not have his very powerful role in the House Committee on Appropriations. We will not have his ability to glue all of the California delegation, all the very diverse elements of the California delegations together. And I have to say that the gentleman from California (Mr. FAZIO) in my opinion is really one of the true giants and one of the true leaders, the Dick Bollings of the world, those that really gave stature to this institution. He will be remembered in that light.

From a personal level I just have to say that I want to thank the gentleman from California (Mr. FAZIO) very much because, over the 20 years that we have had the opportunity to serve together, through his example he really taught me and I have learned through him the real value of what it is to be a politician.

□ 1130

You, more than any other person, have given me really the kind of understanding what a noble profession it really could be through your example and through your leadership.

Personally, I am just going to really miss you a lot. We have become almost the best of friends. You and Judy, I have to say, are wonderful people, and you mean so much to Doris and myself and to all of us in this country. Thank you for your service.

Mr. HALL of Ohio. Mr. Speaker, I yield two minutes to the gentleman from Texas (Mr. EDWARDS).

Mr. EDWARDS. Mr. Speaker, along with my colleagues, I share the feeling that this is one of those moments where it is awfully difficult to explain our true feelings about a friend of ours and a true public servant.

I would imagine that these speeches will not make the national headlines tomorrow, because there is no controversy, there is nothing but unanimity in this House about the public service and the character of our friend and colleague, VIC FAZIO. I wish his life would be in the headlines tomorrow, because he would be a reminder to young people, from California to Maine to Texas, that it is a noble calling to be in public service.

Winston Churchill once said that we make a living by what we get, but we make a life by what we give. Based on the high standards of that statesman, the life of VIC FAZIO has been a rich life, and I am confident will continue to be a rich life, for what he has given, given to his district, given to the State of California and given to the Nation. There will be other occasions where I am sure we can list all of his many accomplishments.

Having served with him on the Subcommittee on Energy and Water Development of the Committee on Appropriations, I am grateful for what he has done to help save families all across this country from the devastation of future floods and for what he has done to preserve future generations in America by bringing about programs, important programs, to put aside the waste from nuclear power plants. There are millions of families who will benefit from VIC FAZIO'S life, but they will never know that, because their home will not be flooded, or perhaps there will not be a nuclear incident. But just as surely as we are here today to express our gratitude to VIC for his life of accomplishment, there are Americans all across this land of ours that should be and will be deeply grateful and will have benefitted from what he did.

Finally, in a body and in a process that usually rates people by the list of their accomplishments, I must say that while VIC'S list would be lengthy, the fact is that all of us respect him and will remember him even more for the kind of person that he is, for the character, the decency, that we could only dream about and want to have in public service.

So to our friend and colleague, we say God speed and wish you all the best in the years to come. Thank you for your great service to our country.

Mr. HALL of Ohio. Mr. Speaker, I yield one minute to the gentleman from Maryland (Mr. CARDIN).

Mr. CARDIN. Mr. Speaker, I want to thank my friend from Ohio for yielding me this time.

Mr. Speaker, what a great legacy VIC FAZIO will leave when he retires from this institution. I think we all could try to emulate what he has done as a Congressman.

Yes, VIC will be known for what he has done for the people of California, the economic programs he has brought forward and the effectiveness with which he has represented the people of California. He will be known in this Nation as a champion on environmental issues, on family and children issues, on human rights issues. But, Mr. Speaker, I would like to use the little time I have just to point out what a great legacy he has left on the love for this institution and trying to strengthen this institution.

He has served on our Committee on Standards of Official Conduct; he served as chairman of our Caucus, and he has always strengthened this institution and provided the integrity that is expected by the American people. He has strengthened the ability of everyone to have the voices of their constituents heard.

What a great record, what a great individual, what a great friend. He will be sorely missed. I can tell you there are not many like him. I am glad to call him my friend.

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

Mr. Speaker, before yielding back the balance of my time, I would just simply say that this has been a tremendous tribute to VIC FAZIO, and it has been impromptu. I have not seen anybody come over here with a written speech. It has been very, very bipartisan.

It is almost too bad that we wait until somebody's career is over in the Congress before we say these things. We ought to maybe start to figure out where we are when we have a great person here in the middle of their term and praise them right then. I think it would be so much better to let them know what we think of them.

We think a lot of VIC FAZIO, not only as a professional, as a legislator, but as a wonderful person, a good man. We will miss him, the country will miss him, and we appreciate him very much.

VIC, I know you are going to say a few things later on, so I look forward to listening to them.

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

Mr. MCINNIS. Mr. Speaker, the gentleman from Ohio (Mr. HALL), my colleague on the Committee on Rules, his words are well spoken.

Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. WALSH. Mr. Speaker, pursuant to H. Res. 550, I call up the conference report on the bill (H.R. 4112) making appropriations for the Legislative Branch for the fiscal year ending September 30, 1999, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER pro tempore (Mr. NEY). Pursuant to House Resolution 550, the conference report is considered as having been read.

(For conference report and statement, see proceedings of the House of September 22, 1998, at page H8085.)

The SPEAKER pro tempore. The gentleman from New York (Mr. WALSH) and the gentleman from New York (Mr. SERRANO) each will control 30 minutes.

The Chair recognizes the gentleman from New York (Mr. WALSH).

GENERAL LEAVE

Mr. WALSH. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the conference report to accompany H.R. 4112 and that I may include tabular and extraneous material.

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

There was no objection.

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

Mr. Speaker, today we bring before the House the conference report on the fiscal year 1999 Legislative Branch appropriations bill, H.R. 4112, and ask my colleagues for their support.

This conference report is a bipartisan agreement, worked out with our colleagues in the other body, with a unanimous vote among the conferees. Before I begin to highlight the agreement, I would like to recognize every member of the subcommittee for their contribution to this work product: On the majority side, the gentleman from Florida (Mr. YOUNG), the gentleman from California (Mr. CUNNINGHAM), the

gentleman from Tennessee (Mr. WAMP) and the gentleman from Iowa (Mr. LATHAM); from the minority side, my good friend and colleague, the ranking member, the gentleman from New York (Mr. SERRANO), along with the gentleman from California (Mr. FAZIO) and the gentleman from Maryland (Mr. HOYER). All of these Members worked as a team to produce this final conference report.

Our original bill, H.R. 4112, and now the conference report, reflect the hard work and the dedication of a tireless staff from both sides of the aisle. I would like to again thank Ed Lombard, Art Jutton, Tom Martin, Lucy Hand, Greg Dahlberg, and Johanna Kenny for their daily contributions needed to produce our final product.

Lastly, I believe it is of great importance to also thank every employee who serves here in the People's House, and we see them all around us. Without your dedication, this House simply could not function. On behalf of every Member honored to serve here, I want to say a simple but sincere thank you all for a job well done. We, the Members, deeply appreciate your efforts.

Mr. Speaker, let me begin to summarize the conference report. To summarize, the conference agreement appropriates $2.3 billion in new budget authority to the Congress and the support agencies and offices of the Legislative Branch. This amount is $116.8 million below the amount requested in the President's budget. That is a 4.7 percent reduction.

Compared to the current level, the $2.3 billion is a slight increase over the $2.28 billion appropriated last year. The 2.7 percent increase overall is below the prospective 3.6 percent cost of living allowance that will probably be given to all Federal employees, including the Legislative Branch staff.

This conference agreement appropriation level is $41 million below the amount appropriated for the Legislative Branch in 1995, four years later. So the downsizing program begun under the leadership of the gentleman from California (Chairman PACKARD) and the ranking member, the gentleman from California (Mr. FAZIO), in the 104th Congress, is still intact.

The House conferees were instructed to concur in the Senate amendment on the Capitol Police which restored $4,197,000 in reductions made by the House bill. The conferees did that. In fact, the conference agreement is above both the House and Senate amendment level with respect to the Capitol Police.

The House bill appropriated $76,381,000 for police salaries and expenses, the Senate appropriated $80,578,000 and the conference report is $83,081,000.

So we have complied with the House instructions to the conferees, and in the spirit of the instruction we have added additional amounts to fund the parity pay and longevity increases requested for the men and women of our police force who have served us so courageously.

A few other highlights, Mr. Speaker. The Legislative Branch jobs, the positions in the Legislative Branch have been reduced another 405 FTEs below the current year. The adjustment to the House-passed items agreed to include:

The conferees added $9.4 million above the House bill for the Architect of the Capitol, which will fund several security-related projects. Under the Architect, the funds to design an integrated security program and other security design costs for police activities, $1.5 million; funds to begin replacement of the aging chillers at the Capitol Power Plant, $5 million; and funds to uniform the workers of the Architect for security reasons, $193,000.

The conferees also agreed to language which makes permanent the authorization of the American Folk Life Center at the Library of Congress. The conferees also agreed to provide $1 million to be matched by 1 million private dollars raised by the National Trust for Historic Preservation to maintain in perpetuity the Congressional Cemetery. The Congressional Cemetery was determined to be one of the 11 most endangered historic sites in America. Our subcommittee, working together with the Senate, decided that we would appropriate $1 million of taxpayer funds to be used as matching funds to maintain this by setting up a trust fund.

The cemetery, as I mentioned before, is not a place where we are entitled to go when we pass on to our final reward. Members of Congress are not buried there by entitlement. If we wish to be, we can be, as have other members of the Legislative and Executive Branch, individuals who have worked in all capacity for the government, and private citizens.

It is run as any other cemetery is. It is just that given its historic nature, we felt that a commitment should be made, since it had fallen into disrepair. We are very proud of this, Mr. Speaker, and hopefully this will be a contribution that this subcommittee has made to our posterity.

Again, I thank my good friend and colleague, the gentleman from New York (Mr. SERRANO), who I look forward to working with on a bipartisan basis when the New York Yankees win this year's world series.

Mr. Speaker, it is a pleasure to present the conference report on the FY1999 legislative branch appropriations bill, H.R. 4112.

To summarize, the conference agreement appropriates $2.3 billion ($2,349,937,100) in new budget authority to the Congress and the support agencies and offices of the legislative branch. This amount is $116.8 million ($116,829,500) below the amount requested in the President's budget. That is a 4.7% cutback.

Compared to the current level, the $2.3 billion is a slight increase over the $2.28 billion appropriated for fiscal 1998. The 2.7% increase is below the prospective 3.6% cost of living adjustment that will probably be given to all Federal employees—including the Legislative branch staff.

This conference agreement appropriation level is $41 million below the amount appropriated for the legislative branch in 1995. So, the downsizing program begun in the 104th Congress is still intact.

The House conferees were instructed to concur in the Senate amendment on the Capitol Police which restored $4,197,000 in reductions made by the House bill. The conferees did that. In fact, the conference agreement is above both the House bill and the Senate amendment with respect to the Capitol Police.

The House bill appropriated $76,381,000 for Police Salaries and Expenses, the Senate appropriated $80,578,000, and the conference agreement provides $83,081,000.

So, we have complied with the instruction of the House to the House conferees, and in the spirit of the instruction, we have added additional amounts to fund the parity pay and longevity increases requested for the men and women of our police force.

Highlights of the conference report: Operations of the Senate: $469.4 million ($469,391,000); operations of the House: $734.1 million ($734,107,700); joint items (Joint committees, Capitol police, guide service, etc.): $96.1 million ($96,134,400); Architect of the Capitol: $201.9 million ($201,910,000), including the Botanic Garden and Library buildings; Library of Congress: $363.6 million ($363,640,000), including the Congressional Research Service; Congressional Budget Office: $25.7 million ($26,671,000); Office of Compliance: $2.1 million ($2,086,000); Government Printing Office: $103.7 million ($103,729,000); and General Accounting Office: $354.3 million ($354,268,000), plus a transfer of unexpended balances of FY1998 funds.

I will include a table showing details and a list of the highlights of the conference agreement.

It may be of some interest to compare the conference agreement to the bill that passed the House on June 25. As is customary, that bill did not contain funds for the operations of the Senate.

The House bill, without the Senate, was $1.8 billion. For those same items, the conferees agreed to a level of $1.82 billion. The House came up by $21.7 million, in order to pay for some urgently needed projects. That is an increase of only 1.2%. So, the House conferees did well.

The result is an increase of $61.6 million over the current year for House-considered items. That is 2.7% above the FY1998 level and well within the prospective 3.6% staff cost of living increase that we are told will be granted by the Administration.

In addition, Legislative Branch jobs have been reduced 405 FTE's below the current year.

The adjustments to House-passed items agreed to include:

The conferees added $9.4 million above the House bill for the Architect of the Capitol which will fund several security-related projects.

Under the Architect: Funds to design an integrated security program and other security design costs for Police activities ($1.5 million); funds to begin replacement of the aging chillers at the Capitol Power Plant ($5 million); and funds to uniform the workers of the Architect for security reasons ($193,000).

At the Library: $2.25 million to digitize the collections and commemorate two important aspects of this country's history; and $993,000 for theft detection tags for materials in the Library's collections

Another item of concern to the conferees was the funding for the Capitol Police. The conferees agreed to provide additional funds for pay initiatives requested by the Capitol Police Board. However, the funds remain fenced, pending approval of the appropriate authorities.

Several legislative matters were agreed to in conference. For congressional printing, a longstanding provision (carried in the House bill) on availability of funds to pay printing costs has been retained. The conferees agreed to a modification of Senate language that relates to billing procedures.

There is an administrative provision that provides for investment on National Garden gift funds in Federal securities.

Under title III of the bill, the House agreed to drop a provision for the Architect to use energy savings contracts for capital projects. We understand that the energy savings already in place reduce the appeal of the Capitol campus for such approaches. In addition, the conferees agreed to language for the buyout programs for the Architect and Public Printer. The language requires each agency to pay into the Civil Service Retirement Fund to offset the cost of early retirements. This is similar to other Federal buyout programs. The conferees have retained a provision added as a House Floor amendment requiring the Architect to develop an energy savings strategy.

The conferees agreed to language which makes permanent the authorization of the American Folklife Center at the Library of Congress. The conferees also agreed to an amendment of a Senate provision relating to charges to the Government Printing Office by the Employee's Compensation Fund at the Department of Labor. The amended language removes GPO as an agency responsible for administrative costs of the fund, in accord with an opinion issued by the Comptroller General.

Two House housekeeping provisions were also added, at the request of the House Oversight Committee.

SUMMARY

In summary, the bill provides $2.3 billion ($2,349,937,100). It is 4.7% ($116.8) million below the requests in the President's budget. FTE levels have been reduced by 405.

The bill maintains a smaller legislative branch as established by the policies set in the 104th Congress. And it provides stability to those operations that must support our legislative needs.

I urge the adoption of the conference report.

LEGISLATIVE BRANCH APPROPRIATIONS BILL, 1999 (H.R. 4112)

	FY 1998 Enacted	FY 1999 Estimate	House	Senate	Conference	Conference compared with enacted
TITLE I - CONGRESSIONAL OPERATIONS						
SENATE						
Expense Allowances						
Expense allowances:						
Vice President	10,000	10,000		10,000	10,000	
President Pro Tempore of the Senate	10,000	10,000		10,000	10,000	
Majority Leader of the Senate	10,000	10,000		10,000	10,000	
Minority Leader of the Senate	10,000	10,000		10,000	10,000	
Majority Whip of the Senate	5,000	5,000		5,000	5,000	
Minority Whip of the Senate	5,000	5,000		5,000	5,000	
Chairman of the Majority Conference Committee	3,000	3,000		3,000	3,000	
Chairman of the Minority Conference Committee	3,000	3,000		3,000	3,000	
Subtotal, expense allowances	56,000	56,000		56,000	56,000	
Representation allowances for the Majority and Minority Leaders	30,000	30,000		30,000	30,000	
Total, Expense allowances and representation	86,000	86,000		86,000	86,000	
Salaries, Officers and Employees						
Office of the Vice President	1,612,000	1,659,000		1,659,000	1,659,000	+47,000
Office of the President Pro Tempore	371,000	402,000		402,000	402,000	+31,000
Offices of the Majority and Minority Leaders	2,388,000	2,436,000		2,436,000	2,436,000	+48,000
Offices of the Majority and Minority Whips	1,221,000	1,416,000		1,416,000	1,416,000	+195,000
Committee on Appropriations				6,050,000	6,050,000	+6,050,000
Conference committees	2,122,000	2,184,000		2,184,000	2,184,000	+62,000
Offices of the Secretaries of the Conference of the Majority and the Conference of the Minority	409,000	570,000		570,000	570,000	+161,000
Policy Committees	2,155,000	2,218,000		2,218,000	2,218,000	+63,000
Office of the Chaplain	260,000	276,000		267,000	267,000	+7,000
Office of the Secretary	13,306,000	13,694,000		13,694,000	13,694,000	+388,000
Office of the Sergeant at Arms and Doorkeeper	33,037,000	34,359,000		33,805,000	33,805,000	+768,000
Offices of the Secretaries for the Majority and Minority	1,165,000	1,200,000		1,200,000	1,200,000	+35,000
Agency contributions and related expenses	19,208,000	19,332,000		21,332,000	21,332,000	+2,124,000
Total, salaries, officers and employees	77,254,000	79,746,000		87,233,000	87,233,000	+9,979,000
Office of the Legislative Counsel of the Senate						
Salaries and expenses	3,605,000	3,753,000		3,753,000	3,753,000	+148,000
Office of Senate Legal Counsel						
Salaries and expenses	966,000	1,004,000		1,004,000	1,004,000	+38,000
Expense Allowances of the Secretary of the Senate, Sergeant at Arms and Doorkeeper of the Senate, and Secretaries for the Majority and Minority of the Senate: Expenses allowances	12,000	12,000		12,000	12,000	
Contingent Expenses of the Senate						
Inquiries and investigations	75,600,000	74,649,000		66,800,000	66,800,000	-8,800,000
Expenses of United States Senate Caucus on International Narcotics Control	370,000	370,000		370,000	370,000	
Secretary of the Senate	1,511,000	1,511,000		1,511,000	1,511,000	
Sergeant at Arms and Doorkeeper of the Senate	64,833,000	63,511,000		60,511,000	60,511,000	-4,322,000
Miscellaneous items	7,905,000	7,905,000		8,655,000	8,655,000	+750,000
Senators' Official Personnel and Office Expense Account	228,600,000	243,681,000		239,156,000	239,156,000	+10,556,000
Stationery (revolving fund)	13,000					-13,000
Official Mail Costs						
Expenses	300,000	300,000		300,000	300,000	
Total, contingent expenses of the Senate	379,132,000	392,127,000		377,303,000	377,303,000	-1,829,000
Total, Senate	461,055,000	476,728,000		469,391,000	469,391,000	+8,336,000
HOUSE OF REPRESENTATIVES						
Payments to Widows and Heirs of Deceased Members of Congress						
Gratuities, deceased Members	270,300	133,600	136,700	136,700	136,700	-133,600
Salaries and Expenses						
House Leadership Offices						
Office of the Speaker	1,590,000	1,705,000	1,686,000	1,686,000	1,686,000	+96,000
Office of the Majority Floor Leader	1,626,000	1,669,000	1,652,000	1,652,000	1,652,000	+26,000
Office of the Minority Floor Leader	1,652,000	1,696,000	1,675,000	1,675,000	1,675,000	+23,000
Office of the Majority Whip	1,024,000	1,053,000	1,043,000	1,043,000	1,043,000	+19,000
Office of the Minority Whip	998,000	1,026,000	1,020,000	1,020,000	1,020,000	+22,000
Speaker's Office for Legislative Floor Activities	397,000	406,000	397,000	397,000	397,000	
Republican Steering Committee	736,000	753,000	738,000	738,000	738,000	+2,000
Republican Conference	1,172,000	1,205,000	1,199,000	1,199,000	1,199,000	+27,000

LEGISLATIVE BRANCH APPROPRIATIONS BILL, 1999 (H.R. 4112)— continued

	FY 1998 Enacted	FY 1999 Estimate	House	Senate	Conference	Conference compared with enacted
Democratic Steering and Policy Committee	1,277,000	1,310,000	1,295,000	1,295,000	1,295,000	+18,000
Democratic Caucus	631,000	648,000	642,000	642,000	642,000	+11,000
Nine minority employees	1,190,000	1,218,000	1,190,000	1,190,000	1,190,000	.....
Training and Development Program:						
Majority	.....	.....	290,000	290,000	290,000	+290,000
Minority	.....	.....	290,000	290,000	290,000	+290,000
Subtotal, House Leadership Offices	12,293,000	12,689,000	13,117,000	13,117,000	13,117,000	+824,000
Members' Representational Allowances						
Expenses	379,789,000	412,964,000	385,279,000	385,279,000	385,279,000	+5,490,000
Committee Employees						
Standing Committees, Special and Select (except Appropriations)	86,268,000	90,608,000	89,743,000	89,743,000	89,743,000	+3,475,000
Committee on Appropriations (including studies and investigations)	18,276,000	19,731,000	19,373,000	19,373,000	19,373,000	+1,097,000
Subtotal, Committee employees	104,544,000	110,339,000	109,116,000	109,116,000	109,116,000	+4,572,000
Salaries, Officers and Employees						
Office of the Clerk	16,804,000	15,817,000	15,365,000	15,365,000	15,365,000	-1,439,000
Office of the Sergeant at Arms	3,564,000	3,611,000	3,501,000	3,501,000	3,501,000	-63,000
Office of the Chief Administrative Officer	50,727,000	58,829,000	57,211,000	57,211,000	57,211,000	+6,484,000
Office of Inspector General	3,808,000	4,379,000	3,953,000	3,953,000	3,953,000	+145,000
Office of General Counsel	.....	840,000	840,000	840,000	840,000	+840,000
Office of the Chaplain	133,000	136,000	133,000	133,000	133,000	.....
Office of the Parliamentarian	1,101,000	1,106,000	1,106,000	1,106,000	1,106,000	+5,000
Office of the Parliamentarian	(852,000)	(904,000)	(904,000)	(904,000)	(904,000)	(+52,000)
Compilation of precedents of the House of Representatives	(249,000)	(202,000)	(202,000)	(202,000)	(202,000)	(-47,000)
Office of the Law Revision Counsel	1,821,000	1,957,000	1,912,000	1,912,000	1,912,000	+91,000
Office of the Legislative Counsel	4,827,000	4,980,000	4,980,000	4,980,000	4,980,000	+153,000
Corrections Calendar Office	791,000	810,000	799,000	799,000	799,000	+8,000
Other authorized employees	780,000	191,000	191,000	191,000	191,000	-589,000
Former Speakers	(594,000)	.....	.....	.....	.....	(-594,000)
Technical Assistants, Office of the Attending Physician	(186,000)	(191,000)	(191,000)	(191,000)	(191,000)	(+5,000)
Subtotal, Salaries, Officers and Employees	84,356,000	92,656,000	89,991,000	89,991,000	89,991,000	+5,635,000
Allowances and Expenses						
Supplies, materials, administrative costs and Federal tort claims	2,225,000	2,706,000	2,575,000	2,575,000	2,575,000	+350,000
Official mail (committees, leadership, administrative and legislative offices)	500,000	500,000	410,000	410,000	410,000	-90,000
Government contributions	124,390,000	132,949,000	132,832,000	132,832,000	132,832,000	+8,442,000
Miscellaneous items	641,000	651,000	651,000	651,000	651,000	+10,000
Subtotal, Allowances and expenses	127,756,000	136,806,000	136,468,000	136,468,000	136,468,000	+8,712,000
Total, salaries and expenses	708,738,000	765,454,000	733,971,000	733,971,000	733,971,000	+25,233,000
Total, House of Representatives	709,008,300	765,587,600	734,107,700	734,107,700	734,107,700	+25,099,400
JOINT ITEMS						
Joint Economic Committee	2,750,000	2,796,000	2,796,000	2,796,000	3,096,000	+346,000
Joint Committee on Printing	804,000	804,000	352,000	202,000	352,000	-452,000
Joint Committee on Taxation	5,815,500	6,018,000	6,018,000	5,965,400	5,965,400	+149,900
Office of the Attending Physician						
Medical supplies, equipment, expenses, and allowances	1,266,000	1,383,000	1,383,000	1,415,000	1,415,000	+149,000
Capitol Police Board						
Capitol Police						
Salaries:						
Sergeant at Arms of the House of Representatives	34,118,000	36,603,000	35,022,000	35,770,000	37,037,000	+2,919,000
Sergeant at Arms and Doorkeeper of the Senate	36,837,000	39,505,000	37,593,000	38,511,000	39,807,000	+2,970,000
Subtotal, salaries	70,955,000	76,108,000	72,615,000	74,281,000	76,844,000	+5,889,000
General expenses	3,099,000	8,361,000	3,766,000	6,297,000	6,237,000	+3,138,000
(By transfer)	(4,000,000)	.....	.....	.....	.....	(-4,000,000)
Subtotal, Capitol Police	74,054,000	84,469,000	76,381,000	80,578,000	83,081,000	+9,027,000
Capitol Guide Service and Special Services Office	1,991,000	2,195,000	2,110,000	2,195,000	2,195,000	+204,000
Statements of Appropriations	30,000	30,000	30,000	30,000	30,000	.....
Total, Joint items	86,710,500	97,695,000	89,070,000	93,181,400	96,134,400	+9,423,900
OFFICE OF COMPLIANCE						
Salaries and expenses	2,479,000	2,286,000	2,086,000	2,286,000	2,086,000	-393,000

LEGISLATIVE BRANCH APPROPRIATIONS BILL, 1999 (H.R. 4112)— continued

	FY 1998 Enacted	FY 1999 Estimate	House	Senate	Conference	Conference compared with enacted
CONGRESSIONAL BUDGET OFFICE						
Salaries and expenses	24,797,000	25,938,000	25,671,000	25,671,000	25,671,000	+874,000
ARCHITECT OF THE CAPITOL						
Capitol Buildings and Grounds						
Capitol buildings, salaries and expenses	44,477,000	55,342,000	40,347,000	44,641,000	43,683,000	-794,000
Capitol grounds	25,116,000	26,623,000	5,803,000	6,055,000	6,046,000	-19,070,000
Senate office buildings	52,021,000	55,756,000	.....	53,644,000	54,144,000	+2,123,000
House office buildings	36,610,000	43,798,000	42,139,000	42,139,000	42,139,000	+5,529,000
Capitol Power Plant	37,932,000	44,379,000	37,145,000	42,222,000	42,174,000	+4,242,000
Offsetting collections	-4,000,000	-4,000,000	-4,000,000	-4,000,000	-4,000,000	.....
Net subtotal, Capitol Power Plant	33,932,000	40,379,000	33,145,000	38,222,000	38,174,000	+4,242,000
Total, Architect of the Capitol	192,156,000	221,898,000	121,434,000	184,701,000	184,186,000	-7,970,000
LIBRARY OF CONGRESS						
Congressional Research Service						
Salaries and expenses	64,603,000	68,461,000	66,688,000	67,877,483	67,124,000	+2,521,000
GOVERNMENT PRINTING OFFICE						
Congressional printing and binding 1/	81,669,000	84,000,000	74,465,000	75,500,000	74,465,000	-7,204,000
Total, title I, Congressional Operations	1,622,477,800	1,742,593,600	1,113,521,700	1,652,715,583	1,653,165,100	+30,687,300
TITLE II - OTHER AGENCIES						
BOTANIC GARDEN						
Salaries and expenses	3,016,000	3,235,000	3,032,000	3,180,000	3,052,000	+36,000
LIBRARY OF CONGRESS						
Salaries and expenses	227,504,000	239,415,000	234,822,000	239,176,542	238,373,000	+10,869,000
Authority to spend receipts	-7,869,000	-6,500,000	-6,850,000	-6,500,000	-6,850,000	+1,019,000
Net subtotal, Salaries and expenses	219,635,000	232,915,000	227,972,000	232,676,542	231,523,000	+11,888,000
Copyright Office, salaries and expenses	34,361,000	35,269,000	33,897,000	35,269,000	34,891,000	+530,000
Authority to spend receipts	-22,426,000	-21,170,000	-21,170,000	-21,170,000	-21,170,000	+1,256,000
Net subtotal, Copyright Office	11,935,000	14,099,000	12,727,000	14,099,000	13,721,000	+1,786,000
Books for the blind and physically handicapped, salaries and expenses	46,561,000	48,145,000	46,824,000	46,895,000	46,824,000	+263,000
Furniture and furnishings	4,178,000	5,712,000	4,178,000	4,458,000	4,448,000	+270,000
Total, Library of Congress (except CRS)	282,309,000	300,871,000	291,701,000	298,128,542	296,516,000	+14,207,000
ARCHITECT OF THE CAPITOL						
Congressional cemetery	.....	.....	1,000,000	.....	1,000,000	+1,000,000
Library Buildings and Grounds						
Structural and mechanical care	11,573,000	16,139,000	11,933,000	12,566,000	12,672,000	+1,099,000
GOVERNMENT PRINTING OFFICE						
Office of Superintendent of Documents						
Salaries and expenses	29,077,000	30,200,000	29,264,000	29,600,000	29,264,000	+187,000
Government Printing Office Revolving Fund						
GPO revolving fund	.....	6,000,000	.....	.....	.....	.....
Total, Government Printing Office	29,077,000	36,200,000	29,264,000	29,600,000	29,264,000	+187,000
GENERAL ACCOUNTING OFFICE						
Salaries and expenses	346,903,000	369,728,000	356,238,000	365,298,000	356,268,000	+9,365,000
Offsetting collections	-7,404,000	-2,000,000	-2,000,000	-2,000,000	-2,000,000	+5,404,000
Total, General Accounting Office	339,499,000	367,728,000	354,238,000	363,298,000	354,268,000	+14,769,000
Total, title II, Other agencies	665,474,000	724,173,000	691,168,000	706,772,542	696,772,000	+31,298,000
TITLE IV - TRADE DEFICIT REVIEW COMMISSION						
Sec. 409 Trade commission appropriation	.....	.....	.....	2,000,000	.....	.....
Grand total	2,287,951,800	2,466,766,600	1,804,689,700	2,361,488,125	2,349,937,100	+61,985,300
TITLE I - CONGRESSIONAL OPERATIONS						
Senate	461,055,000	476,728,000	.....	469,391,000	469,391,000	+8,336,000
House of Representatives	709,008,300	765,587,600	734,107,700	734,107,700	734,107,700	+25,099,400
Joint Items	86,710,500	97,695,000	89,070,000	93,181,400	96,134,400	+9,423,900

LEGISLATIVE BRANCH APPROPRIATIONS BILL, 1999 (H.R. 4112)— continued

	FY 1998 Enacted	FY 1999 Estimate	House	Senate	Conference	Conference compared with enacted
Office of Compliance	2,479,000	2,286,000	2,086,000	2,286,000	2,086,000	-393,000
Congressional Budget Office	24,797,000	25,938,000	25,671,000	25,671,000	25,671,000	+874,000
Architect of the Capitol	192,156,000	221,898,000	121,434,000	184,701,000	184,186,000	-7,970,000
Library of Congress: Congressional Research Service	64,603,000	68,461,000	66,888,000	67,877,483	67,124,000	+2,521,000
Congressional printing and binding, Government Printing Office	81,669,000	84,000,000	74,465,000	75,500,000	74,465,000	-7,204,000
Total, title I, Congressional operations	1,622,477,800	1,742,583,600	1,113,521,700	1,652,715,583	1,653,165,100	+30,687,300
TITLE II - OTHER AGENCIES						
Botanic Garden	3,016,000	3,235,000	3,032,000	3,180,000	3,052,000	+36,000
Library of Congress (except CRS)	282,309,000	300,871,000	291,701,000	298,128,542	296,516,000	+14,207,000
Architect of the Capitol (Congressional Cemetery and Library buildings and grounds)	11,573,000	16,139,000	12,933,000	12,566,000	13,672,000	+2,099,000
Government Printing Office (except congressional printing and binding)	29,077,000	36,200,000	29,264,000	29,600,000	29,264,000	+187,000
General Accounting Office	339,499,000	367,728,000	354,238,000	363,298,000	354,268,000	+14,769,000
Total, title II, Other agencies	665,474,000	724,173,000	691,168,000	706,772,542	696,772,000	+31,298,000
TITLE IV - TRADE DEFICIT REVIEW COMMISSION						
Sec. 409 Trade commission appropriation	.....	.....	.....	2,000,000	.....	.....
Grand total	2,287,951,800	2,466,756,600	1,804,689,700	2,361,488,125	2,349,937,100	+61,985,300

1/ Includes transfer from revolving fund of $11,017,000.

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

□ 1145

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

Mr. Speaker, first let me thank my friend, the gentleman from New York (Mr. JIM WALSH) for those kind words about the Yankees. I am just afraid about the Texas Rangers first.

This is a good conference report. It was a good bill to begin with, Mr. Speaker, and more work has been done on it, especially the work concerning the Capitol Police and some other items that were put in here. I want to take very little time discussing the bill, because the gentleman from New York (Mr. WALSH) has made all the statements that are necessary, and secondly, I will be submitting a statement for the RECORD.

To make sure that I do not run into the same problem he did of getting a note about leaving somebody out, let me just say that I also want to thank the staff on both sides, both the committee and subcommittee and personal staff, that have done such a great job in making this bill what it is, and making our lives much easier. Of course, I would single out Lucy Hand, the person who knows more about this bill than I do, which is the case around here most of the time.

The bill I think speaks to something that the gentleman from New York (Mr. JIM WALSH) and I believe in very seriously. That is the fact that in order to be proud of this government, in order to be proud of this democracy, we also have to make sure that we maintain the grounds and the buildings and the institution itself. One is not separate from the other.

Many times I am terrified of the fact, I hear people boast, as we all should, about our great democracy, and then always try to knock down the government and the institutions involved in it, as if a computer or something else ran this democracy.

When I see the work we do in this bill to make sure that we set a good tone and a bipartisan tone, we are setting the right tone, and especially in what we did for the Capitol Police, we know the tragedy we had here, and the statement that we are making in saying that we support them in the work they do, we support them in the future, we support them today in this conference report.

With that, Mr. Speaker, I would hope that all Members would support this conference report.

Let me move on now, Mr. Speaker, and speak about my friend, the gentleman from California (Mr. VIC FAZIO).

I was thinking, as I was hearing all of the comments being made about the gentleman from California (Mr. VIC FAZIO), and I know he is paying attention, because he wants to hear what I have to tell him. I may break into Spanish at any minute, and the gentleman will be terribly confused.

I was thinking, as I was listening to all the tributes, how I know the gentleman from California. It dawned on me that if we were to have taken photographs of the gentleman from New York (Mr. JOSÉ SERRANO) and the gentleman from California (Mr. VIC FAZIO) throughout the 9 years that I have been here, we would find that most of these photographs would be of me leaning over at a subcommittee or committee meeting or on the floor asking him something, and the gentleman from California (Mr. VIC FAZIO) advising me. That probably would be our photo album. I don't know how far he would get showing that to his grandchildren, but that would be the photo album.

The most important thing that I can say, and that that I have found to be the gentleman's strength, is that he fully understands all of the differences that make up not only the Democratic Party, but both parties.

In other words, when we come here, especially as a freshman, we believe we know everything there is to know about our districts, about our States, and certainly about everything that should happen in Congress. What I have found is that there was really one person here, the gentleman from California (Mr. VIC FAZIO), who knew exactly where every Member came from. That is really important. He knew every district, he knew every need, he knew everyone. He knew every desire of the Member.

When we talk about leadership and the ability of talking to newcomers, that ability to say, you are from New York; you are from New York City, you are not from upstate; you are from the Bronx; your district is primarily Hispanic and African American; language is an issue, immigration is an issue, the gentleman from California knows that about just about every single district in the Nation. That I feel is what prepares him, then, to talk to people.

On top of that, he happens to be something which is great, he happens to be a great human being. He happens to be a friendly person who is always ready to talk to someone and to smile.

He also taught me something else, which I am trying to do. That is, how do we pay our dues when we are members of the Committee on Appropriations? We our dues by playing a role in the legislative branch appropriations subcommittee, because what we do here is not popular all the time, and everybody supports it but nobody wants to vote for it.

We are the only subcommittee that has the support of the House, and then has to go around rounding up votes, and he did it year after year after year, with the kind of tone that got people to respect the work and respect the subcommittee.

Now, as the ranking member of this subcommittee, and hopefully chairman of this subcommittee in the future, I take very seriously what he taught me. He taught me by voice, he taught me by advice, but mostly, he taught me by example.

Let me be perhaps the last one today who pays tribute to the gentleman from California (Mr. VIC FAZIO) by just simply doing something that comes easy to me, and that is to quote a phrase in Spanish that we use every so often on this House floor. That is to say, (Member spoke in Spanish); tell me who you walk with, and I will tell you who you are. For 9 years I have walked with the gentleman from California (Mr. VIC FAZIO), and therefore, I am part of him, and that is not too bad. I thank the gentleman for his friendship.

Mr. Speaker, I rise in strong support of the conference report on H.R. 4112, making appropriations for the Legislative Branch for fiscal year 1999.

Chairman WALSH, the other subcommittee Members, and I share a belief in and commitment to Congress as an institution. This is the People's branch of our national government. Thousands of people work here. Constituents come here to petition their government or see how their laws are made. Tourists from all over the Nation and the world, officials of government at all levels, and international leaders, such as President Nelson Mandela yesterday, visit here.

We must, in this bill, ensure that Congress can operate efficiently, preserve and enhance the Capitol complex, and protect the health, safety, and security of all.

Mr. Speaker, I believe this conference agreement improves on a good bill and provides the resources needed to run this enterprise.

Chairman WALSH has explained the agreements in detail, but I will add a couple of comments.

The conference agreement is more than half a billion dollars above the House-passed bill, but this is almost entirely because the House bill, in keeping with the traditional comity between House and Senate, contained no funds for the Senate. Excluding Senate items, the conference agreement is really only about $11 million above the House bill, and part of this is due to the fact that we have provided funds to improve the pay structure for the Capitol Police—weekend, holiday, and night differentials, and an extension of the longevity schedule.

For Congressional operations, the conference agreement includes $1.7 billion, just $31 million, or about two percent above last year.

This covers the operations of House and Senate Member and Committee offices, administrative offices, and the legislative support activities of the Congressional Budget Office, Congressional Research Service, and the Architect of the Capitol.

The agreement also includes $697 million for other agencies, such as the Library of Congress, the General Accounting Office, and the Government Printing Office.

As in the House bill, it provides buyout authority to the Architect and the GPO so they can manage staff reductions and restructuring. Buyouts are less expensive, less disruptive, and less harmful to the affected workers than the alternative, reductions-in-force.

Mr. Speaker, I repeat that this conference agreement is a good one. However, there are a couple of concerns on our side that must be expressed.

First, however modest the increase in total spending over last year is, it is still an increase. In contrast, other appropriations bills contain drastic cuts and even terminations in programs of great importance to the American people, especially the most vulnerable Americans.

Second, the conference agreement, like the House bill, provides funding for only one quarter for the Joint Committee on Printing. This assumes that Title 44 reform, including disposition of JCP's functions, will be completed by the end of 1998. However, there are few legislative days left in this session and there has been no progress on reform since this bill passed the House in June. I believe it is irresponsible to leave oversight of GPO after December 31 unresolved.

To repeat what I have said again and again, it has been a great personal pleasure for me to work on this bill with our Chairman, JIM WALSH. He is an old friend of mine, and I am a long-time fan of his. He is hard-working and knowledgeable, totally fair and bipartisan.

Of course, we have a very able staff. Ed Lombard's experience and knowledge and Greg Dahlberg's skill and expertise are matchless. Tom Martin has provided valuable service, and each Member's staff has contributed to this process.

The other Members of the Subcommittee, too, have worked well together—Mr. YOUNG, Mr. CUNNINGHAM, Mr. WAMP, and Mr. LATHAM, and the Chairman of the full Committee, Mr. LIVINGSTON. On our side, we have the Ranking Democrat of the full Committee, Mr. OBEY, and Mr. HOYER, and Mr. FAZIO, whose combined knowledge of the Legislative Branch is staggering.

This institution and all of us will miss VIC FAZIO very much. Other Members have talked about VIC's many talents and qualities—his experience, his insight, his wisdom, his fairness—but let me add that no one has been more consistently devoted to this place, or had more knowledge of its inner workings than VIC. His retirement will leave an enormous gap that we must struggle to fill.

Mr. Speaker, Chairman WALSH has done a good job and this is a good bill. I will vote for it and I urge my colleagues to do the same.

Mr. Speaker, I yield such time he may consume to the gentleman from California (Mr. FAZIO).

Mr. FAZIO of California. I thank the gentleman very much, Mr. Speaker. It has been a great honor to sit here and listen to my colleagues on both sides of the aisle comment about someone that they have gotten to know in whatever time we have spent together here in this institution.

I guess the first thing I want to do is say that I rise in support of the legislative branch bill. That will be the last time I will have the privilege of doing that, and I certainly owe it to my wonderful successors in this role, the gentleman from New York (Mr. JIM WALSH) and the gentleman from New York (Mr. JOSÉ SERRANO), who have done such a great job of upholding a tradition that a number of us, the gentlemen from California, Mr. JERRY LEWIS and Mr. RON PACKARD, Mr. YOUNG of Florida, and myself, attempted to put in place here, with the able assistance of some great staff, my good friend, Ed Lombard perhaps most prominent.

I will put my remarks in the RECORD that go into great detail as to why the Members should support this bill on this occasion. However, I want to take just a few minutes, if the Members are willing to provide some time, perhaps not as much as I might have taken but just a little, to indicate how much my opportunity for public service in this institution has meant to me.

I suppose I could begin by referring to my father and mother. My mother is a great egalitarian, a person who believes in equality and loves the public arena, while she never served in it, she was always a person interested in current events; and my dad, who came through World War II, having spent most of his youth in military service in the South Pacific, came back to school on the G.I. Bill, not really having his first full job until he was 29 years old, when his children were already 6 and 4; who founded the Little League and served on the school board and ran for the city council, and did all those things that people still do when they believe that they have a role in giving back to the public something that they have received. I think my dad paid back his G.I. Bill a lot earlier than some other people might have done.

That led me to public service. I remember John Kennedy's campaign for Vice President in 1956. I think I caught a little bit of the political bug in my early teen years. The next thing I know, I am in California participating, as my good friend, the gentleman from California (Mr. JERRY LEWIS) said, in the CORO program; and before long in Sacramento, and a member of the Assembly; and before I had even had a chance to really understand that institution I became a member of this body for 20 years.

So for 33 years I have been privileged to be a public servant. Believe me, one of the hardest things about leaving Congress will be to reorient my life for at least a while to something other than the public side of life, because for me, it has meant a great deal.

I am not going to, on this occasion, say some of the things I want to say about service here. Suffice it to say I think we have some work to do. We need to attend to the requirement of building friendship and cohesiveness, and to the extent possible, bipartisanship among ourselves. Perhaps on another occasion I will dig deeper into those issues, because I think we have got to deal with them. We know that over the next several weeks and months it will be even more important that we succeed in the goals that our constituents need us to succeed in, our constitutional responsibilities with regard to impeachment.

Suffice it to say, today an opportunity for me has come along to say thank you. First and foremost, I need to thank my family. My wife Judy, is here and I want to tell her how much I appreciate her being my partner, and how much I love her. Judy, thank you.

I want to tell my children, Anne and Dana and Kevin and Kristie, how much I appreciate their sacrifices on my behalf, letting me do what I have done for so long. Anne's loss has been referenced here today. Those 8 years that she had after being diagnosed with leukemia gave us all a great insight into her courage and the spirit that moved her.

I was just reminded earlier about my good friend, the gentleman from California (Mr. JERRY LEWIS) asking the Pope to pray for her. I am sure that contributed greatly to her having that extra time. It really is an example of the way in which Members here can interact and go beyond partisanship and really be friends. JERRY has been a great one.

I remember one day when he stood here in this well attempting to put a model of the Capitol together while I described it. It was during the debate on the future of the west front. It was one of the more farcical moments in congressional history, but a good example of what we were willing to risk in order to make a point.

I think of my friend, the gentleman from California (Mr. HOWARD BERMAN), who would have been perhaps Speaker in the California Assembly, but some of us, like the gentleman from California (Mr. JULIAN DIXON) and I left and came back here and abandoned him. I think of all those others who have been part of the team, part of the group of people trying to move our common purpose along.

I think of the many people who worked with and for me, people on this floor, people on my District's staff, like Ann and Andy Karperos, who are here today with Judy, people who work in my office in the Capitol. We have so many who have come and contributed and remain friends. Those people have made a difference in issues large and small.

Most of all, I have to thank those people who have given me the privilege of allowing me to represent them. I came from Massachusetts and New Jersey to California at 22, and by 33, a group of people in the Sacramento Valley had let me represent them. It was a great gift they gave me, a gift that I am about to give back to them so they can pass it on to someone else.

These are diverse people, representing perhaps 1 million now; at one point or another over the last 20 years, as my district has moved all over the map, cattlemen and orchardists and farmworkers and State workers, people who teach at the University of California; people who have given me the privilege of, for a brief period in our history, of being their voice, their outlet to the democratic process.

I owe them the ultimate in thanks. I appreciate the gift they have given me, and I know that when I give it back to them, as I will in a few months, it will be intact and in the kind of shape where they can proudly pass it on to the next person who will have, I think, the greatest honor any American politician can ever have. That is being

elected to the people's House, the House of Representatives. I thank them very much and I thank all of my colleagues.

Mr. Speaker, I rise today for the last time in support of a legislative branch appropriations bill.

I have enjoyed working with Chairman JIM WALSH and ranking member JOSÉ SERRANO, as well as the other members of the subcommittee this year. We are charged with a great responsibility, but often an unrecognized one—that of being the keepers of this great House by drafting legislation that insures that we always will have a roof over our head—or at least a dome—and gives our branch of government the tools to run effectively.

I have taken great pride in serving 18 years on this subcommittee and 14 years as the chairman. In fact, the only person who exceeds my current tenure on this subcommittee is Ed Lombard, whose assistance and guidance over my tenure as chairman and as a member of the subcommittee has been invaluable. Ed has served as the subcommittee's clerk since 1977. I hope that every Member of the House recognizes Ed's dedication to the legislative branch and to this process each year. He truly is the one that keeps this bill moving. With him here, I know that in the years after I leave this House that it will still be kept in order.

In 1981, as a new member of the Appropriations Committee, I was thrust in the position of chair of the Legislative Subcommittee. Ed Lombard and other observers may have considered my performance a little uneven those first few years. But I quickly understood, as every member of this subcommittee does, the significance of our work, and I became committed to a bipartisan approach for seeing this bill through the legislative process.

Fortunately, I was assisted in that endeavor for many years by the good humor of my friend, JERRY LEWIS, and then BILL YOUNG and RON PACKARD after him. I never ceased to be amazed at how the defense bill, with its hundreds of billions, would rocket through the House in an afternoon, while we labored—sometimes for two or three days—on sums that amounted to DOD rounding errors.

Yes it was a necessary if time-consuming annual ritual—the many floor amendments and the protracted debate about how to spend money on ourselves. And perhaps, in some years, the occasional unpleasantness of the experience was balanced by realizing that Members were becoming engaged in this important decision-making process.

There have been some victories, and there have been some defeats.

For nearly a decade, I have been working through this subcommittee on the possibility of building a visitors' center on Capitol Hill. Not only would this center add to the experience of visiting our Capitol Building, but it would be a great security enhancement.

We have appropriated funds for a feasibility study. We have appropriated funds for a design, which was unveiled three years ago. We have the cost estimates. All we need now to do is build it.

I am frustrated with the House Republican leadership, which has not been willing to move this needed construction forward for the four years in their charge. In light of the tragic violence that we were witness to on July 24 of this year that left two U.S. Capitol Police officers mortally wounded, we need to act and we need to act now. This tragic event, more than any other reason, speaks volumes toward the need for this facility and the need to move forward quickly.

The Architect of the Capitol, Alan Hantman, testified last year that the center would improve the physical and educational facilities for visitors, enhance the appearance of the East Plaza, and permit the adoption of measures that would ''strengthen the security of the Capitol while ensuring the preservation of the feeling of open access.''

The House Sergeant at Arms, Bill Livingood, is also a supporter of the construction of the Capitol Visitors Center. He testified in the same hearing that it would resolve many of the sensitive security issues that exist in the current security plan. He further testified that using a visitors center as the primary entrance and exit for the Capitol, would enable the Capitol police to regulate the number of people inside the Capitol building at a given time and allow them to be better prepared for an evacuation should an emergency arise.

In July, we saw why there is a need to improve security around the Capitol. Now is the time to demonstrate that we have responded to this tragedy and have done all we can to prevent it happening again in the future.

There have been some victories, too. Some are mundane, like energy efficient lighting. Some were massive construction projects, like the Hart Senate Office Building and the Madison Building to the Library of Congress. Some are historically significant, like the restoration of the Capitol's West Front and the restoration of the Jefferson Building, the original Library of Congress. I am glad to have played a small roll in all of them.

Now it's time to say goodbye to this bill and this institution. But I leave it in the capable hands of JIM WALSH, JOSÕSERRANO and the next generation of Members who will wrestle with these institutional issues on behalf of all their colleagues and on behalf of all Americans.

I wish them the best—may their efforts meet with every success.

Mr. WALSH. Mr. Speaker, I yield such time as he may consume to my good friend, the distinguished gentleman from California (Mr. JERRY LEWIS), chairman of the subcommittee on VA, HUD, and Independent Agencies of the Committee on Appropriations, and friend of the gentleman from California (Mr. VIC FAZIO).

Mr. LEWIS of California. Mr. Speaker, I appreciate my colleague's yielding time to me. I hope my colleagues who are not on the floor but listening from their offices will make note of this passing, for we have heard today some of those words which will be the last words we hear from a man of the House, the gentleman from California (Mr. VIC FAZIO).

☐ 1200

He is a man of the House, because like very few Members, he understands and believes in this institution.

While VIC and Judy are dear friends of Arlene's and mine, I must say that to see him leaving this place is a great blow to all of us who believe in the future of our democracy. For VIC, like very few Members, truly understands that politics is indeed a part of our life, but our work involves this institution and the people's business.

He recognizes that most of the solutions that come forth to this well do not come forth in the form of partisan politics, but that major solutions and public policy are best melded by men and women working together on behalf of their people.

So, Mr. Speaker, we should all recognize today, as the likes of VIC come, very few come with that quality. As they leave the House, the House is lesser because of it. I would hope we would come together then bonded in our commitment to make certain that we do all that we can to preserve the government's work as we preserve this institution.

Mr. SERRANO. Mr. Speaker, I yield 2 minutes to the gentleman from North Carolina (Mr. HEFNER).

Mr. HEFNER. Mr. Speaker, I regret that I was not able to be here to commend our colleague. I would like to say this. Today there are two gentlemen in this House, both of them from California, who in my view epitomize what government is all about: the gentleman from California (Mr. LEWIS), has been a friend for a lot of years. We worked together on the Committee on Appropriations on projects; and, VIC FAZIO, who has been my friend. I do not know if I have been his friend, but he has been my friend for a long while.

Mr. Speaker, these are two of the men that are responsible sometimes when tempers get hot and when the rhetoric gets high; two guys that can cross this aisle and talk to people and get some balance back into the argument.

Mr. Speaker, I would say to the gentleman: VIC, I do not know what you are going to do, but I wish you Godspeed. As a very dear friend of mine always said, I hope you live as long as you want, and you never want as long as you live. I am retiring too, so I want you to come by the home and visit me from time to time.

Mr. Speaker, I would say to the gentleman from California (Mr. LEWIS), Jerry, I want to thank you for being my friend over the years and working with me. I commend people such as yourself and VIC FAZIO for being a calm voice many times when all the storm clouds gather. You are a voice of reason, and that gives us some hope for the future for the body politic and for democracy in our great Nation. I wish the same thing for you.

Mr. SERRANO. Mr. Speaker, I yield 2 minutes to the gentleman from Arkansas (Mr. BERRY).

Mr. BERRY. Mr. Speaker, I rise today to pay tribute also to a remarkable Member of the House, Congressman VIC FAZIO of California.

VIC has announced his retirement after 20 years in the U.S. House of Representatives. When he leaves this body at the end of the year, we will miss his leadership and his friendship tremendously.

I salute one of my party's leaders as the Chair of the Democratic Caucus who has led our party with outstanding leadership and integrity. He has also served as a great leader on the Democratic Health Care Task Force, bringing the caucus together around a terrific bill.

Personally, I came here 2 years ago and VIC has provided me with reliable and friendly mentorship and guidance on how the House of Representatives works and how it should work. He has always been a good listener, someone who always has time for junior Members such as myself, and has been there when a lot of us needed some good advice.

Congressman FAZIO'S insight into the issues and problems we address in this House have made him a valuable and trusted Member of this body. Our leadership, the House, and most of all the Third District of California have greatly benefited from his service.

Mr. Speaker, I believe I speak for all of my colleagues when I say that the departure of VIC FAZIO will leave a void in this institution. As he approaches retirement, I want to thank VIC for the guidance and leadership and congratulate him for his extraordinary career. I wish him excellent health and happiness in his retirement.

Mr. ROMERO-BARCELO. Mr. Speaker, it is with profound regret that I am unable to be in the floor of the House of Representatives to extend a fond farewell to and honor VIC FAZIO, our distinguished Democratic Caucus Chairman and Representative of the Third Congressional District in California. However, the will of nature being what it is, I am in Puerto Rico overseeing relief and cleanup actions to ensure our recovery from the devastation caused by Hurricane Georges. I must declare that this is one of the worst storms to hit Puerto Rico this century, similar to Hurricane San Felipe (St. Philip) in 1928. My priority is to get Puerto Rico back on its feet.

VIC, on behalf of the 4 million U.S. citizens in Puerto Rico, I want to express our deeply felt appreciation for your responsiveness and willingness to champion our cause in the Congress. We are proud to call you our friend.

You have done an excellent job in meeting the challenges facing the Congress throughout this past decade. I salute your equanimity under particularly difficult situations and admire your efforts to place the interests of the American people ahead of party and personal ambitions.

I appreciate the support you have provided me as the elected representative of the people of Puerto Rico to the U.S. Congress since November 1992. I am particularly pleased that you were able to be with us during this crucial year when we commemorate a century of United States-Puerto Rico relations.

You have helped Congress face some of the most controversial issues, allowing everyone an opportunity to express their views and opinions, while bringing a healthy dose of common sense to the discussions. I wish you the best as you make your plans for the future and undertake a new course in life. It has been a privilege to serve with you and an honor to call you my friend.

Godspeed and best wishes.

Ms. SANCHEZ. Mr. Speaker, I rise today to honor a dear friend, Congressman VIC FAZIO. Mr. FAZIO is retiring from Congress after 20 years of public service to the constituents of the Third District of California.

Congressman FAZIO leaves a legacy of hard work and dedication to his constituents, as well as the entire country. He provided leadership, guidance, and support to Members of Congress by serving as the Chairman of the Democratic Caucus.

His knowledge and reverence of government has made him a role model for all Members of this House, and those who aspire to be leaders.

Mr. FAZIO is a devoted public servant who has dedicated his life to making a difference in our society and our nation. He truly enjoys coming to work each morning and does each task with great passion. You will often find him working late into the evening hours assisting a constituent, colleague, staff member, or friend.

Mr. FAZIO, thank you for your leadership, guidance, and kind words of wisdom. It has been an honor to serve in Congress with you. I wish you the best of luck in your future endeavors. You will truly be missed.

Mrs. KENNELLY of Connecticut. Mr. Speaker, when Congress adjourns for the year we will be bidding farewell to a number of very fine members who represent the best that this Nation has to offer. Today, we are honoring one of the best of the best, VIC FAZIO.

I have known VIC since I came to Congress in 1982. He has helped me in many ways; in fact, judging from these tributes, there are few in this Chamber who have not been helped by VIC. He has been a superior leader of the Democratic Caucus—always fair, always judicious, always working to bring about a consensus.

We know VIC as someone who loves the people of his district. He has worked exceptionally long hours doing the very best job he could for them. We know VIC as someone who loves his Appropriations Committee work, helping all Members whenever he could, Democrat and Republican alike. And we have all seen him working the House floor during a vote.

But let me tell you that none of that compares to what I have learned about him since he became Chair of the Democratic Caucus and I became Vice Chair—his honor, his gentle character, his warmth, his outstanding personal friendship. I will miss VIC, but more importantly this House will miss VIC, as will his constituents. At least we have the comfort of knowing that whatever he does, he will do it exceptionally well.

Ms. EDDIE BERNICE JOHNSON of Texas. I rise to offer my best wishes of success to the future endeavors of our departing Democratic Caucus chair, VIC FAZIO. More important, I join my colleagues, particularly those of the Democratic Caucus, in thanking Congressman FAZIO for the direction, strategy and guidance that he has lent to us.

That our caucus is more unified and accommodating of different viewpoints is due to Congressman FAZIO's ability to listen to all opinions of the caucus. That our caucus at the same time is focused on the unified Democratic agenda is due to his great working relationship with our Democratic leader and whip.

In addition, we are focused because from the time that he served as chair in 1994, he possessed a clear vision of what we should be doing to help America's working families.

However, it is not just the members of the Democratic Caucus who will miss his work ethic, intelligence, integrity and respect for this institution. I am sure that our colleagues in the Republican Conference will appreciate and miss his pragmatism and ability to forge bipartisanship out of the most partisan matters.

During his tenure as vice-chair of the Democratic Caucus, Congressman FAZIO was also chair of the Democratic Congressional Campaign Committee, helping many of us here today reach Capitol Hill and serve our districts. He has been the true party stalwart and soldier.

Nevertheless, he has shown the same effective dedication to his legislative work to help the Third District of California, serving on the Appropriations Committee, ranking Democrat on its Subcommittee on the Legislative Branch and ranking Democrat on the Appropriations Subcommittee on Energy and Water Development.

It goes without saying that his accomplishments cannot be summarized in two minutes. What I can say to Congressman FAZIO before I conclude is that on behalf of the Democratic Caucus, the entire House and your constituents of third district that you served with such distinction . . . is that we will miss your dedication and wish you all the success.

Ms. LOFGREN. Mr. Speaker, I want to join in the chorus of voices paying tribute to my good friend and colleague, VIC FAZIO. With the end of this session, Congress will lose one of its brightest lights.

Perhaps, the best thing I can say is the simplest—thank you.

When I came to Congress in 1995, it was immediately clear VIC FAZIO was someone to turn to when gridlock seemed inevitable or a solution impossible. VIC stood out as a role model, as an example of how to act effectively, with integrity and with dignity. It's easy to understand why he has commanded so much respect from both sides of the aisle.

I know I share the conviction of many when I say that VIC FAZIO has defined what it means to be a public servant—always keeping the common interest in the forefront. Just to cite one example, in his key role on the Appropriations committee, I don't know how many times he labored quietly to ensure that Northern California was treated fairly.

VIC, I will deeply miss your leadership, and your good counsel. You have left a great legacy for our institution.

Mr. DICKS. Mr. Speaker, I am very pleased to join my colleagues today to bid farewell to my good friend, Congressman VIC FAZIO of California, whose departure from this institution will certainly be a great personal loss for all of us and for the House itself. Having known VIC since his election to Congress in 1978, I have appreciated many things about our service together. But most of all VIC has impressed me as a member who deeply cares about the integrity of this institution, and about the people who serve here. He has been a ''member's member,'' in the sense that he has always tried to represent the very best of Congress and to stand up for the institution against the criticisms that have come our way, particularly in recent years.

VIC FAZIO and I have served on the Appropriations Committee during his time here in the House, and I have appreciated his help and support on the Energy and Water Development Subcommittee, where he has always

taken a balanced approach to the many difficult power and resource issues that affect the Western States most particularly. He has been a valuable ally on several issues of importance to my constituents, and I have counted on his help and his support.

VIC has also been a member who has always had a clear sense of direction for the Democratic Party in the House, serving as the Caucus Chairman and speaking out strongly in support of the causes and positions that form the foundation of our party's political philosophy here in this chamber. He is able to communicate from the very soul of our Democratic Party, and we will all miss his spirit, his leadership, and certainly his friendship.

As he leaves this body and ends a 33-year career in public service, I think it is important for the Members of the House to pay tribute to VIC FAZIO who has represented the very best ideals of our institution and who has truly been a model public servant.

Mr. TORRES. Mr. Speaker, I rise today to honor my colleague and friend, VIC FAZIO.

VIC has decided to retire from this institution to pursue new adventures. Normally, this would be a sad occasion. But from where I stand, this is a time to celebrate. You see, like VIC, I have chosen retirement—not to settle into sedentary retirement or to vacate the public arena, but to explore new opportunities.

So for me, witnessing the end of this phase of VIC's career as a statesman does not make me sad.

But for this institution and for the American people, this is indeed a sad occasion. I know VIC very, very well. We are from the same State and the same party and serve together in our party's leadership structure and on the Appropriations Committee. I know that VIC has served all his constituents with distinction.

And when I refer to his constituents, I speak not only of the people of California's Third District, who have kept VIC in Congress for 20 years. I speak also of his colleagues in this body, because if anyone around here can be considered ''our Congressman,'' it is VIC.

In an era where Congress-bashing has become a national spectator sport, VIC FAZIO has been courageous in his defense of this body and the men and women who comprise it. As ranking Democrat and past chairman of the Legislative Branch Appropriations Subcommittee, VIC has not been shy about saying what is right and good about the United States Congress.

VIC has been tenacious in making sure that the men and women who have chosen public service over personal gain can serve proudly, even in the face of increasing partisan turmoil. He has worked hard to see that the legislative branch receives adequate funding and he has championed pay raises for legislative branch personnel, even when that is not politically popular.

VIC realizes that we are people, we are human, and we work hard to represent real people across America. VIC has never been afraid to stand up and speak the truth, even when the truth is the politically incorrect thing to say.

As VIC begins the next phase of his life, I salute him and know that he will be guided by the principles of fairness and justice that have made him such a respected colleague in this chamber.

Good luck to you, VIC, and thanks for all you have done for me, the people of California, and the American people.

Mr. FROST. Mr. Speaker, I rise today to honor Representative VIC FAZIO, who is leaving us after an exemplary career of service to our country. For 10 terms in Congress, Representative FAZIO has tirelessly served this body with the greatest of honor and dedication. I would like to thank VIC for all the years of hard work and determined effort he has given to the Democratic Party and to the U.S. House of Representatives.

VIC your model behavior in leadership and direction has been an inspiration to all of us. You have guided so many of us through both good and difficult times. We thank you for your loyalty to this institution and the guidance you have bestowed upon us over your many years of service.

The time and energy you have invested throughout the years warrants the utmost respect and regard from this entire body. Congressman FAZIO, thank you for all of the intelligence and integrity you have demonstrated throughout your years in Congress. This Congress will miss you and your devoted commitment to the entire country.

Mr. LEE. Mr. Speaker, I rise today to pay tribute to my California colleague, hall mate/neighbor, friend, roll model, and mentor, VIC FAZIO. Long admired for his legislative and political knowledge and ability, as well his leadership capacity and style, he will be, in my mind, the consensus builder and public servant extraordinaire.

VIC was one of the first people I spoke with upon my arrival on Capitol Hill. His advice, counsel and guidance have made a tremendous impact on the path I now follow in this institution.

Thank you VIC for all you had done for California, especially northern California. Your commitment to our State on the issues that are important to people is commendable because you truly care.

VIC FAZIO has made an indelible mark on this institution and will be sorely missed. Your career has been exemplary and we are privileged to have had benefit of your insight, knowledge and positive energy.

Your distinguished leadership, combined with integrity and hard work, has been an inspiration to many. Those on both sides of the isle seek have sought your counsel on a myriad of issues. Your tireless work as Democratic caucus chair has provided us a vehicle to share concerns, air opinions and develop consensus on a host of issues important to this institution and ultimately to the Nation.

I will miss your warmth and caring, and most of all you smile.

VIC, may you, Judy, and the family enjoy all the happiness and blessings life has to offer. You deserve only the best.

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

Mr. WALSH. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER pro tempore (Mr. NEY). The question is on the conference report.

Pursuant to clause 7 of rule XV, the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 356, nays 65, not voting 13, as follows:

[Roll No 457]

YEAS—356

Abercrombie
Ackerman
Aderholt
Allen
Andrews
Archer
Armey
Bachus
Baesler
Baker
Baldacci
Ballenger
Barcia
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Becerra
Bentsen
Bereuter
Berman
Berry
Bilbray
Bilirakis
Bishop
Blagojevich
Bliley
Blumenauer
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boswell
Boucher
Brady (PA)
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Bunning
Burr
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Capps
Carson
Castle
Chabot
Chambliss
Clay
Clayton
Clement
Clyburn
Coble
Coburn
Collins
Combest
Cook
Cooksey
Costello
Coyne
Cramer
Cubin
Cummings
Cunningham
Danner
Davis (FL)
Davis (IL)
Davis (VA)
Deal
DeFazio
DeGette
Delahunt
DeLauro
DeLay
Dickey
Dicks
Dingell
Dixon
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Emerson
Engel
English
Eshoo
Etheridge
Evans
Everett
Ewing
Farr
Fattah
Fawell
Fazio
Foley
Forbes
Ford
Fossella
Fowler
Fox
Franks (NJ)
Frelinghuysen
Frost
Furse
Gallegly
Ganske
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goodling
Gordon
Graham
Granger
Greenwood
Gutierrez
Gutknecht
Hall (OH)
Hamilton
Hansen
Harman
Hastert
Hastings (FL)
Hastings (WA)
Hayworth
Hefner
Hill
Hilliard
Hinchey
Hinojosa
Hobson
Hoekstra
Holden
Hooley
Horn
Houghton
Hoyer
Hunter
Hutchinson
Hyde
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson (WI)
Johnson, E. B.
Johnson, Sam
Jones
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kildee
Kilpatrick
Kim
King (NY)
Kingston
Kleczka
Klug
Knollenberg
Kolbe
Kucinich
LaFalce
LaHood
Lampson
Lantos
Largent
Latham
LaTourette
Lazio
Leach
Levin
Lewis (CA)
Lewis (KY)
Lipinski
Livingston
LoBiondo
Lowey
Lucas
Maloney (CT)
Maloney (NY)
Manton
Manzullo
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDade
McDermott
McHale
McHugh
McInnis
McIntosh
McIntyre
McKeon
McNulty
Meek (FL)
Meeks (NY)
Menendez
Metcalf
Mica
Millender-McDonald
Miller (FL)
Mink
Moakley
Mollohan
Moran (VA)
Morella
Murtha
Myrick
Nadler
Neal
Nethercutt
Ney
Northup
Norwood
Oberstar
Obey
Ortiz
Owens
Oxley
Packard
Pallone
Pappas
Parker
Pascrell
Pastor
Paxon
Pease
Pelosi
Peterson (MN)
Peterson (PA)
Pickering
Pickett
Pitts
Pombo
Pomeroy
Porter
Portman
Price (NC)
Quinn
Radanovich
Rahall
Ramstad
Redmond
Regula
Reyes
Riggs
Riley
Rivers
Rodriguez
Rogan
Rogers
Rohrabacher
Roukema
Roybal-Allard
Rush
Ryun
Sabo
Sanchez
Sanders
Sandlin

Sawyer	Spence	Walsh
Saxton	Spratt	Wamp
Schaefer, Dan	Stabenow	Watkins
Schumer	Stark	Watt (NC)
Scott	Stokes	Watts (OK)
Serrano	Strickland	Waxman
Sessions	Stupak	Weldon (FL)
Sherman	Sununu	Weldon (PA)
Shimkus	Talent	Weller
Shuster	Tauscher	Wexler
Sisisky	Tauzin	Weygand
Skaggs	Taylor (NC)	White
Skeen	Thomas	Whitfield
Skelton	Thompson	Wicker
Slaughter	Thornberry	Wilson
Smith (MI)	Thune	Wise
Smith (NJ)	Thurman	Wolf
Smith (OR)	Tiahrt	Woolsey
Smith (TX)	Torres	Wynn
Smith, Adam	Towns	Yates
Snowbarger	Traficant	Young (AK)
Snyder	Turner	Young (FL)
Solomon	Upton	
Souder	Visclosky	

NAYS—65

Barr	Herger	Petri
Barrett (WI)	Hilleary	Roemer
Blunt	Hostettler	Rothman
Boyd	Hulshof	Royce
Chenoweth	Inglis	Salmon
Christensen	Kind (WI)	Sanford
Condit	Klink	Scarborough
Conyers	Lee	Schaffer, Bob
Cox	Lewis (GA)	Sensenbrenner
Crane	Lofgren	Shadegg
Crapo	Luther	Shays
Deutsch	McGovern	Smith, Linda
Doggett	McKinney	Stearns
Ensign	Meehan	Stenholm
Filner	Miller (CA)	Stump
Frank (MA)	Minge	Tanner
Gejdenson	Moran (KS)	Taylor (MS)
Goode	Neumann	Tierney
Goodlatte	Nussle	Velazquez
Green	Olver	Vento
Hall (TX)	Paul	Waters
Hefley	Payne	

NOT VOTING—13

Brady (TX)	Goss	Rangel
Burton	Kennelly	Ros-Lehtinen
Cardin	Linder	Shaw
Diaz-Balart	Poshard	
Ehrlich	Pryce (OH)	

□ 1225

Messrs. ROTHMAN, HALL of Texas, INGLIS of South Carolina, HERGER, and HEFLEY changed their vote from ''yea'' to ''nay.''

Ms. PELOSI changed her vote from ''nay'' to ''yea.''

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. DIAZ-BALART. Mr. Speaker, I was absent on rollcall 453, the LaHood motion to table H. Res. 545, impeaching Kenneth Starr; rollcall 454, H. Res. 144, expressing support for the Bicentennial of the Lewis and Clark Expedition; rollcall 455, H. Res. 505, expressing the sense of the House with respect to Diplomatic Relations with Pacific Island Nations; rollcall 456, H. Con. Res. 315, Condemning Atrocities by Serbian Police against Albanians; and rollcall 457, the Conference Report to accompany H.R. 4112, the Legislative Branch Appropriations for FY 99, due to official business. Had I been present, I would have voted ''Aye'' on all of these votes.

PERSONAL EXPLANATION

Ms. ROS-LEHTINEN. Mr. Speaker, I was unavoidably detained and wish to be recorded as an ''aye'' vote on H.R. 4112, the Legislative Branch Appropriations Conference Report (Roll Call 457).

GENERAL LEAVE

Mr. SERRANO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H. Res. 550, and include extraneous material.

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

There was no objection.

CONFERENCE REPORT ON H.R. 3616, STROM THURMOND NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1999

Mr. SOLOMON. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 549 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 549

Resolved, That upon adoption of this resolution it shall be in order to consider the conference report to accompany the bill (H.R. 3616) to authorize appropriations for fiscal year 1999 for military activities of the Department of Defense, to prescribe military personnel strengths for fiscal year 1999, and for other purposes. All points of order against the conference report and against its consideration are waived. The conference report shall be considered as read.

The SPEAKER pro tempore (Mr. LATOURETTE). The gentleman from New York (Mr. SOLOMON) is recognized for 1 hour.

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

Mr. FROST. Mr. Speaker, will the gentleman yield?

Mr. SOLOMON. I yield to the gentleman from Texas.

Mr. FROST. Mr. Speaker, I would like at this point, before we begin debate, to acknowledge the presence on the floor of our colleague, the dean of the Texas delegation (HENRY GONZALEZ) who has been ill for the last year but who has returned to be with us during these closing days of the session.

Mr. SOLOMON. Mr. Speaker, from this side of the aisle, we would like to say hello to the dean of the Texas delegation and welcome him back. He is one of the most respected Members of this body.

□ 1230

Mr. Speaker, for purposes of debate only, I yield half our time 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 resolution makes in order the consideration of the conference report to accompany H.R. 3616, the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999. The rule waives all points of order against the conference report and against its consideration, and it provides that the conference report shall be considered as read.

Mr. Speaker, the rule will enable the House to proceed with the expeditious consideration of the conference report for the Defense Authorization Act for Fiscal Year 1999, the most important bill that Congress is called upon to enact each and every year.

I do note right here at the outset, Mr. Speaker, that the conferees have dedicated this legislation to Senator STROM THURMOND. And that, I believe, is something unprecedented, to name a bill after a Member who is still in office.

The preamble to this conference report cites Senator THURMOND's various services to the Nation, and he is certainly deserving of this singular honor. Here is a man who went into Normandy with the 82nd Airborne Division on D-Day, back during World War II, and still, today, 54 years later, he continues to serve our country as chairman of the very important Senate Committee on Armed Services, a committee on which he has been a member for 40 years. Forty years. STROM THURMOND has truly had a unique and influential career in service to the country, and we salute him here today.

Mr. Speaker, I would also like to pay tribute to our colleague from South Carolina (Mr. SPENCE), the chairman of the Committee on National Security, and equally commend the gentleman from Missouri (Mr. SKELTON), the ranking member of the committee. They are truly two of the most respected, outstanding Members of this body. They do, year in and year out, yeoman work on this extremely, extremely important measure. These gentlemen have served our country with distinction. Not for as long as STROM THURMOND has, but nobody else has, but they are certainly no less able and certainly no less dedicated. We appreciate the outstanding work that they and the conferees have done on this report.

And their staffs are to be commended as well. A lot of people do not know how much staff work goes into something as important as this, and on both sides of the aisle they are truly outstanding. They have made the very most of what they were given to work with, the budget ceilings being what they are, which we all object to.

This conference report is the product of a genuine bipartisan effort. It has, I am informed, been signed by every conferee, and that is highly unusual in itself.

Mr. Speaker, I, for one, want to pay particular tribute to what the conferees have done in addressing the readiness problem. I know there are people who question how a $270 billion budget, when we are spending that much money, how it could still leave

us with a hollow military. And hollow it is, and getting worse by the day. Consider this: In a span of 31 years, from 1960 to 1991, the United States military conducted only 10 so-called operational events, deployments that took place outside our normal alliance and training-related obligations. Only 10 in that 31-year period. But in only the last 7 years—and this is what is so, so cogent—since 1991, our military has conducted 26 operational events. The Marine Corps alone has conducted 62 contingency operations in the decade of the 1990s, compared to only 15 such operations in the decade of the 1980s.

The ever-accelerating number of demands placed on our Armed Forces has occurred at a time when the military has been experiencing its most significant reductions since the end of World War II. Ten years ago we had over 2.2 million American men and women in uniform, over 2 million. By the end of 1999, that number will be less than 1.4 million. In the last 10 years, the number of Army divisions and Air Force fighter wings has been reduced by nearly half. The Navy has been reduced in size by more than one-third.

Mr. Speaker, we all recognize that the strategic environment is significantly different today than it was a decade ago. But let us never, never be lulled into complacency or a false sense of security. We must never, ever allow our military to hollow out, as what happened in the 1970s. Many of my colleagues will recall, if they were here then, that we had American hostages being held in a place called Iran, and we attempted to rescue those hostages. To do that, the military equipment being in such bad condition, we had to cannibalize about 10 helicopter gunships to get five that would work. Four of those failed, and so did the mission, and the rescue attempt went down the drain. That is the condition we were in in the 1970s.

This is the third year in a row that the defense bill conferees have had to find additional funds for the important readiness accounts. On top of that, they have had to face enormous pressures in balancing the need between short-term readiness and the critical modernization and procurement requirements for which the administration has consistently requested funding that is well below its own forecast of what is necessary to keep our forces prepared and to give our young men and women the best possible strategic weaponry they can have if, God forbid, they ever have to be put in harm's way again. And we all know that that is inevitable. It always happens.

And, finally, Mr. Speaker, let us never forget that we rely today on an all-voluntary military force. That is not going to change. Morale and quality of life are matters of vital importance to the young men and women in uniform today. Quality of life.

I recall in the Marine Corps, when I served 40 years ago, 90 percent of us were single. We did not have families. Today, that is absolutely reversed. Most of the men and women today in the military are married, and we have to provide decent living quarters and decent standards of living for these young men and women.

And, frankly, my colleagues, the combination of shrinking force structures, declining defense budgets, and the increased pace of operations is taking its toll. If Members will just go to any of the recruiting offices in any of their congressional districts, they will see that today we are having a problem recruiting a real cross-section of America to serve. And the reason is because they cannot depend on the military as a career. When we reduce our overall numbers from over 2 million down to 1.4 million, where is the career for these young men and women? Where are we going to get this real cross-section of America to serve in our military? It is not easy. Go and check with the recruiters.

The conferees are to be congratulated for addressing head-on the issues of health care, of retirement and compensation benefits, and living facilities that are of such concern to the all-voluntary force. Again, with what they were given to work with, with these budget limitations, they have done just an outstanding job. Our forces must be able to keep pace with their counterparts in civilian life if we are ever going to be able to maintain the kind of military that we want.

So, Mr. Speaker, I would urge strong support for the rule and for the conference report. Once again, the conferees are to be thanked for a job well, well done.

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 strong support of this rule and this vital conference report. Providing for our common defense is one of the primary constitutional duties of the Congress, and this conference agreement seeks to fulfill that obligation within the constraints imposed by the balanced budget agreement. But as the ranking member of the Committee on National Security said last night when the Committee on Rules met to grant this rule, the task of trying to address the many issues affecting our Armed Forces was much more difficult this year than it has been in years past.

The gentleman from Missouri (Mr. SKELTON) makes a very good and very important point. Mr. Speaker, last week the Joint Chiefs and the unified combat commanders told the President that their increasing duties at home and abroad have placed enormous strains on each of the branches of the Armed Services and that the readiness and operational capabilities of the Services are suffering.

As it was reported in The New York Times yesterday, the commanders told the President that funding shortfalls have eroded their readiness to fight and win the next war, have led to shortages of spare parts for war planes, cuts in training, and difficulties in recruiting and keeping qualified troops. Mr. Speaker, this bill attempts to address those shortfalls, but it is abundantly clear that defense spending must increase in future years.

I am especially pleased to learn that the administration has taken the warnings of the Joint Chiefs to heart and that the President intends to propose adding $1 billion to the emergency supplemental to address some of the shortfalls outlined to him, and that the President has also indicated his support for a significant increase in military spending in the coming fiscal year.

I would certainly endorse those increases in military spending to ensure that our military might and superiority does not suffer needlessly. I want to congratulate Secretary Cohen and General Shelton for their ongoing commitment to the men and women in uniform who serve our Nation and their commitment to a strong and vital military.

Mr. Speaker, the conference report does a good job within the constraints of the Balanced Budget Act, which has capped spending for the Department of Defense. The conference report addresses pressing needs in improvement in pay and allowances, family and troop housing, improved medical care and education for military dependents. These improvements are key if we are to keep family men and women in our Armed Forces.

This conference report increases funding for several categories of operations and maintenance as well as readiness and recruiting. These funding increases are critical to maintaining our military superiority in all corners of the globe.

This conference report also provides $279.9 million in funding for post-production support of the B–2 bomber fleet, $2.2 billion for research and development, and advance procurement for the F–22 Raptor fighter. The Raptor is the 21st century attack fighter that will ensure the air superiority and maintain the air dominance of the Air Force.

The conference agreement also authorizes $742.8 million for the acquisition of 8 V–22s, which will replace the aging Marine Corps helicopter fleet to ensure our combat troops can be ferried quickly and efficiently to combat situations.

Mr. Speaker, this is a good bill that deserves the support of the House. The men and women who serve their country deserve the best this Congress can give them. While these funding limits may not be able to give the Department of Defense everything it needs, this conference agreement does a great deal to ensure our most critical priorities are addressed. I urge adoption of this rule and the conference report.

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

Mr. SOLOMON. Mr. Speaker, I yield 5 minutes to the gentleman from San Diego, California (Mr. DUKE CUNNINGHAM).

He is a true patriot. He was a naval aviator fighter pilot in Vietnam, and the movie Top Gun was based on his heroic deeds. I do not mind leaving this Congress at the end of this year because we are going to have people like him here. He is a great American.

Mr. CUNNINGHAM. Mr. Speaker, I thank the gentleman from New York for yielding me this time, my Marine Corps friend, but let me state one thing in correction. The movie Top Gun was not based on my life. There were several of the scenes based on real-life events. We never overstate in this business our qualifications. But I thank the gentleman.

Mr. Speaker, I would like to talk about a few things, and I think 99⁹⁄₁₀ percent is positive. There are some things in here on a bipartisan basis. I left the Committee on National Security, the authorization committee. It is show-me-the-dollars to the Committee on Appropriations, for defense. But the two committees work hand-in-hand. And one of the biggest reasons I hated leaving the Committee on National Security was my friend, the gentleman from Missouri (Mr. IKE SKELTON), and the work we did there.

But let me tell my colleagues a couple of things that we did, and I think things we need to do in the future as well. The gentleman from Oklahoma (Mr. J.C. WATTS), the gentleman from Texas (Mr. MAC THORNBERRY), the gentleman from Virginia (Mr. JIM MORAN), the gentlemen I just spoke of, the gentleman from Missouri (Mr. IKE SKELTON), and myself fought to get FEHBP for our veterans. A worker in the Pentagon that is nonmilitary, after they retire, during Medicare they qualify for FEHBP. Someone we ask to fight our battles does not qualify, and that is wrong, Mr. Speaker, and we need to change that. But the folks I mentioned before fought for that.

And I would also like to give thanks to a gentleman that we lost this year, and that is General Jim Pennington, who passed away, and this was one of his dreams, to bring FEHBP to veterans. He lived long enough to see this come to fruition in a pilot program, and we need to carry on with that as well.

□ 1245

After the Committee on National Security heard the classified briefings on Long Beach Naval Shipyard and the Communist Chinese Shipping Company, COSCO, there was a vote, I believe it was 45–4, to keep the Communist Chinese from taking over Long Beach. Now, I have never been against them staying as a tenant just like they are in other ports, but to give them absolute control when the reason we went into Afghanistan and some of our other sites, it was COSCO that shipped those chemical and biological and in some cases nuclear parts to those things from China, to give them access to Long Beach Naval Shipyard was just wrong, not access but complete control. That is in this bill.

Something we worked on very diligently from a very bipartisan group called the Sportsmen's Caucus was the disabled sportsman. What we found is that a lot of our military bases are now opening up to disabled sportsmen. You can imagine being in a wheelchair and wanting to go fishing and you go out on a dock that does not have a handrail. This was also in the bill, in the disabled sportsman portion of it.

Let me speak and say something to my colleagues. Very bipartisan committees, both the authorization and appropriation. Where we get outside of that is where I would like to speak to my friends that do not believe that we need more defense spending. We could survive under the balanced budget agreement with defense spending. But we cannot survive with that limited budget and then take 300 percent, the overseas deployments, and take those funds out of that already limited bill. The reason that we only have 24 percent of our military, of our enlisted staying in is family separation, and pilots are leaving in droves, the economy is good and they can get jobs on the outside. That experience is going. We are going to lose great numbers of airplanes over the next five years, even if we invest now. Because when you have your experience going out of your enlisted, your pilots are gone, you are having to take cannibalization. Oceana has four up jets, they normally have 45, because they are cannibalizing parts. So your training back here in the United States for your brand new pilots is very limited. All of these are factors in this readiness.

I am happy that the President is going to put a billion dollars into the emergency supplemental. But the Joint Chiefs told him he needs $15 billion over a period of time, and Shalikashvili said that we need to increase procurement spending by up to $60 billion. A billion dollars just will not do it over the long haul. I am thankful that the President and some of my colleagues realize that the Cold War is not totally over. I would like to thank both sides of the aisle for the bipartisan work on this bill.

Mr. FROST. Mr. Speaker, I yield 3 minutes to the gentleman from Missouri (Mr. SKELTON).

Mr. SKELTON. Mr. Speaker, I thank the gentleman from Texas for yielding time. First let me compliment the chairman of the Committee on Rules. This is the last time that the gentleman from South Carolina (Mr. SPENCE) and I will be before the committee with the gentleman from New York as the presiding chairman. We wish him well and we thank him for his many, many efforts on behalf of the young men and women in uniform. We extend our heartfelt thanks to the gentleman from New York.

Regarding the gentleman from California (Mr. CUNNINGHAM), I thank him for his kind words. We know and hope that his work on the Committee on Appropriations will reflect the work that we on the authorization committee will do as it precedes the work on the appropriation efforts.

The gentleman from Texas (Mr. FROST) mentioned the fact that the President has recognized that we need additional funding for our military. I am in receipt yesterday of a letter from the President wherein he stated that there will be the $1 billion in emergency recommendations. He also added that in the long run, there will be additional necessary funds for readiness.

Let me share with this body that I am not a newcomer to this issue. I was concerned about readiness shortfall, concerned about spare part problems and concerned about some research and development and procurement several years ago. I embarked on a major effort to put together a military bill, a defense bill, from scratch. On March 22, 1996, I appeared before the Committee on the Budget recommending additional funds for fiscal years 1997, 1998 and 1999. But of course those figures were not adopted. I am sending that budget to the President, to the Secretary and to the Chairman of the Joint Chiefs, because it might reflect what well is needed now, because there were shortfalls in those years and we find ourselves in a position of young people leaving, and spare parts and readiness is down. We need to do something about it. Now is the time for us to fulfill the pledge. We must take care of the troops. We must let them know we appreciate them, that we back what they are doing in their efforts, we will back their families, and we will allow there to be sufficient funds for training so they can be ready for any contingency that comes along. That is our job. We should not have to wait for the President to make the recommendation. It is good that one is coming forth. I have suggested to him a figure which I hope he will look to.

Mr. SOLOMON. Mr. Speaker, I yield 3 minutes to the gentleman from Colorado Springs, CO (Mr. HEFLEY) another outstanding member of the Committee on National Security who has served on that committee for more than 10 years now.

Mr. HEFLEY. Mr. Speaker, no Member in this House has been more supportive of a strong national defense than the chairman of the Committee on Rules has been since he has been here. We are going to miss him in that role. I am including even those of us who serve on the Committee on National Security. He has been such a stalwart. We appreciate that greatly. I think we should make the gentleman an honorary member of the Committee on National Security, if nothing else.

Mr. Speaker, I rise in support of H.R. 3616, the National Defense Authorization Act for Fiscal Year 1999, and for

this good rule. The legislation is critically important to the defense of the Nation. It contains a needed military pay raise of 3.6 percent, an issue on which I am proud to say the Committee on National Security has been a leader. This legislation supports the readiness of the armed forces by providing an additional $900 million above the President's request to bolster underfunded training and readiness requirements. This bill would also strengthen export controls on extremely sensitive satellite and missile technology. This is a good bill. It is a good rule.

I want to focus some attention on the part of the bill that I have worked the most on, and, that is, the military construction authorizations for the coming year. There is no question that the poor condition of military infrastructure continues to affect readiness and quality of life for military personnel and their families. This bill would authorize $8.4 billion for the military construction and family military housing programs of the Defense Department and the military services. This amount is $666 million more than the President's request and over 52 percent of that funding is dedicated to improving troop housing, military family housing, child development centers, physical fitness and other facilities that significantly affect the quality of life of military personnel and their families. The remainder supports either critical enhancements for training and readiness or to improve basic working conditions. This bill fully supports the MILCON appropriations agreement which passed the House 417–1 and was signed by the President over the weekend.

For too long, military infrastructure has been ignored. It has been far too easy to put off needed investment in infrastructure on the assumption that one more year will not make a difference, that we can get by. The result of years of this neglect is a crumbling infrastructure which undermines readiness and housing that no one in this House would want their son or daughter living in. Over the past four years, Congress has struggled to find ways to fix the problem but from year to year we have been met by administration budget requests that continue to decline. The problem cannot be fixed by wishing it away.

Earlier this week the President indicated a willingness to join those of us in Congress who have argued that defense spending must increase to meet critical shortfalls such as these. I hope we have finally turned the corner on shortfalls in the defense budget.

I urge all Members to support this bipartisan legislation and to vote for a strong defense bill and to support this rule.

Mr. SOLOMON. Mr. Speaker, I yield 3 minutes to the gentleman from San Diego, CA (Mr. HUNTER) another outstanding Member and an 18-year member of the Committee on National Security.

Mr. HUNTER. Mr. Speaker, I want to thank the gentleman from New York (Mr. SOLOMON) for turning the Committee on Rules into an Armed Services Committee and then a National Security Committee. It has always been, I think, reassuring to Members on both sides of the aisle when we have had our bill moving through the process to know that the Committee on Rules was going to take up our bill under the leadership of a Member of Congress who finds that the constitutional duty to protect this country is of primacy. Whether he is in a Republican Conference, in an in-house conference or speaking to the full House or making sure that some important mission of the Committee on National Security works and is successful, the gentleman from New York has been a real fighter for a strong national defense.

Along those lines, I think we are in some danger in this country. We have been telling the President as we boosted his defense budget every year on the Committee on National Security and then in the full body, we have increased President Clinton's budget, we have been telling him every year that we do not have enough, that we are losing people, that we have got pilot shortages, that we have got technical shortages. We now have sailor shortages in the Navy. We are losing people. We are building a navy at a rate which if you consider new construction will give us a 200-ship navy when we had a 600-ship navy just a few years ago. We are seeing the North Koreans now achieving ballistic missile capability that the CIA said they would not have for years, achieving that right now, and we have no defense against it. We have an army that has been cut from 18 to 10 divisions. We see a desperate need for stealthy, tactical aircraft and we do not have them. Yet we are trying to move that program along. I think we have cut defense perilously. Yet the President has rejected our overtures for the last four years.

This year, I notice, if you read the papers now, President Clinton is now writing letters saying defense has been cut too much, that we have to do something about it. Mr. Speaker, we have done something about it in this bill with the very limited dollars that we have. Our great leader the gentleman from South Carolina (Mr. SPENCE) on the Committee on National Security has assigned us all our various areas. I have worked on modernization. We have tried to increase the tactical fighter program. We have tried to put money in the Joint Strike Fighter, the F–22. We have added extra shipbuilding money. We desperately need more. We have moved out on missile defense. We have tried to take steps, although they have been small steps, in a number of areas that are absolutely national priority with respect to national defense. The best thing we can do right now is pass this conference report and then regroup and put an additional 10 or 20 or $30 billion a year in our national defense, do what we have to do to remain the supreme military power in the world and also have the ability to meet the new threat of terrorism.

Mr. FROST. Mr. Speaker, I yield 2 minutes to the gentlewoman from the District of Columbia (Ms. NORTON).

Ms. NORTON. Mr. Speaker, I thank the gentleman for yielding time. I come to the floor with a sense of both relief and concern, relief that this bill, this rule, the bill underlying this rule no longer requires sex segregation in the armed forces; concern that it does express a sense of the House that sex segregation return to the armed forces of the United States.

Mr. Speaker, there is an old saying that says ''if you don't know something, you better ask somebody.'' I hope we will listen to those who do know something about this complicated issue. A report is due in March from military experts. Meanwhile, the armed services have told us that sex-integrated training is safest and best for our country. Perhaps that is to be turned around. We certainly should not move in advance of that. Training, it seems to me, is precisely where women and men should first meet. Delay puts both at risk if for the first time you meet the opposite sex after you have been trained when you may be in a theater of war or elsewhere in danger.

□ 1300

Mr. Speaker, I hope that our country has learned after all these years that there ought to be a profound presumption against segregation based on race or sex. The Armed Services deserves credit for the great success they have made of gender-integrated training. The top enlisted men of all four Armed Services opposed gender-segregated training, and I want to quote the Chief Master Sergeant of the Armed Forces who says, we have done the job and we have done it with men and women serving together. I am confounded as to what the problem is.

I am, too, Mr. Speaker, and I hope we will stick with what we have.

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

Mr. Speaker, just briefly let me say that the previous speaker is held in the highest esteem by me. But she and I certainly differ, as my colleagues know, on this issue.

As my colleagues know, our military is there to fight a war, and our military does not come under the laws of the land. They come under the Military Code of Justice, and there is a reason for that.

There are exceptions when men and women can train together. There are those of us that believe that women should never be put in combat under any circumstances, and some of us will never change our mind on that.

But the truth of the matter is we cannot take young men and women, 18 years old, first time away from home and integrate them into training. It just does not work, and I think the bill

speaks to that, although not as much as I would like to see.

And, having said that, I am going to yield to the next speaker, who is someone I deeply admire and respect.

Mr. Speaker, I yield 5½ minutes to the gentleman from Monticello, Indiana (Mr. BUYER), who is young, a relatively new Member of our Congress. He is a subcommittee chairman on the Subcommittee on Military Personnel and has done such an outstanding job in working with the private sector commissions that have been looking into this matter, and he is also a Major in the Army Reserve, and I salute him.

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

Mr. Speaker, I just would like to share with everyone there is a reason, as chairman of the Subcommittee on Military Personnel, as we have looked into this issue on the separation of gender, whether it is the small unit level or in training, the gentlewoman who just spoke before me used the word ''segregation.'' She used the word ''segregation'' for a reason, to taint the argument and to go back to the issues on segregation, on race.

The issue here is separation of gender at the small unit level. We sought to return the Air Force back to the way they had been doing it for over 20 years. Just this past July when, in fact, those of whom argued for integration of the sexes have held out the Air Force as the model, we sought to take them back to the model, and for some reason now they are overembellishing in their argument on saying we have somehow taken steps back, that this will be a segregation of the sexes just as though it has been segregation of the races. That is ba-looie. I do not even have the word to properly describe that.

We sought the Kassebaum-Baker. This was a bipartisan panel. Individuals of great diversity in their ideology looked at this and said unanimously that we need to separate at the small unit level, which means flights in the Air Force, platoons in the Army, divisions in the Navy, and we sought to follow the Kassebaum panel, and I applaud this is the sense of this House, to follow the Kassebaum panel.

Now there is in law with regard to the separation by a permanent wall of the gender. As my colleagues know, for some reason, it has lost America's attention here all of a sudden. Great Lakes, where they do naval training, just had a conviction, and it was very ugly, no different than what had happened at Aberdeen, where we had a drill sergeant that was preying upon young women. This has to cease in America's Armed Forces.

And I will tell my colleagues I will not, and I am very careful because I know that there are some who are using that as saying, well, that is the reason we need women out of the military, and I will tell my colleagues what. That is false. So long as I chair the Subcommittee on Military Personnel we cannot deploy without women in the ranks. The issue goes to at what level and under what requirements can they serve, whether it is the ground combat function.

Now let me address the issues that are of concern to me. Right now, I applaud the President stepping forward and giving a recommendation about the plus-up of $1 billion, but I would disagree with my good friend, the gentleman from Missouri (Mr. SKELTON), who just said on the House floor that we should not have to wait for the President to recommend. Excuse me. This is the President responding to Congress who is taking the lead, who is alerting America about the depletions of our military readiness and our capabilities to respond to the national military strategy of two nearly simultaneous major regional conflicts. Let us be up front with our allies throughout the world right now.

I just returned from San Diego a couple of weeks ago. My colleagues, we have ships that are being deployed at what is called C–2 readiness levels. It used to be ships would go out as C–1, fully manned. They are C–2 plus one sailor, which means when somebody gets hurt in the workplace they are really under C–3 status.

So what we are doing here is we say we have a problem with regard to recruiting in the Navy. No kidding. We have a problem with recruiting in the Navy. It happens when we are asking our sailors to do more with less, when we have 10 people that may have worked in a particular room, now there are five, and they are working longer hours, and there is a spiral here. Some are saying, well, I am out of here; I am out of the Navy.

Well, I tell my colleagues what. When people are leaving the Navy, those are the best recruiters that we have, and when we lose those quality of individuals, they are returning to their communities, and we want them to tell the good sailor story, not the bad sailor story.

So part of that billion dollars, I say to the gentleman from Missouri (Mr. SKELTON), and I know he will be a strong advocate, will stop this downward spiral to improve recruiting and retention in the Navy.

But now let me share with my colleagues here 3 o'clock this afternoon the gentleman from Mississippi (Mr. TAYLOR) and I have to hold a Subcommittee on Military Personnel hearing. Why? The ink is not even dry on this conference report, and the Surgeon Generals have alerted me that there is a $600 million shortfall in the medical readiness budget. We are about to vote on this, and people are going to claim, well, this is an adequate budget. Now, and I can hardly believe this, my colleagues, now I am being alerted that there is a $600 million shortfall in the medical budget.

Now the DOD, the administration's position is, well, it is not that bad, it is around 200 million, depends on what modeling of budgeting being used. Two hundred million, 600 million, one cannot run a business this way. So I am very distressed.

So when the President says, here is a billion dollars, a billion just is not going to cut it. This readiness shortfall on the hollowing out of the force is much greater, and let us not kid anyone.

So I want to work with the gentleman from Missouri (Mr. SKELTON), and I will work with the chairman with regard to the medical readiness shortfall. I will get to the bottom of this this afternoon, and the gentleman from Mississippi (Mr. TAYLOR) and I both will report to our colleagues on our findings from this hearing.

But there is a good story to tell, and I agree with the gentleman from Missouri (Mr. SKELTON). I love to hear him talk about his warmth and his compassion and his sympathy for those who are burning the night oil, who stand on watch so that we can enjoy our peace and freedoms, and God bless him so long as he is in this position because he tells a great soldier story along with the chairman.

There is something else I have to share with my colleagues. I have had the true pleasure of having a dear friend on the Armed Services Committee, now the Committee on National Security, in the gentleman from Pennsylvania (Mr. MCHALE). He has been my dear friend since I first walked into this institution, perhaps because we are both comrades from the Gulf War experience. He now is a lieutenant colonel as a Marine reservist.

As my colleagues know, the gentleman from Pennsylvania (Mr. MCHALE) has been under attack by the administration. That has been unfortunate. But the gentleman from Pennsylvania, when Sonny Montgomery left, he and I stepped forward into the breach and formed a Reserve Components Caucus, and we were able to make great strides in working with the administration over some disagreements between whether it is the National Guard and the Reservists. There should be a seamless military under these concepts, and we have worked very, very hard, whether it is with regard to the budgeting, whether it is in regard to benefits.

And I just want to share with the body, working with the gentleman from Pennsylvania (Mr. MCHALE) is a distinct honor and it was a distinct privilege because he was always focused in the right direction on what are the requirements of the Marine in the field, the sailor on the ship, whether it is airmen in the air or the soldier on the ground, and I salute him for that. And, hopefully, as he leaves this body, I want him to know that he has served this institution with great distinction, and he has brought honor not only upon himself and his family but this institution by how he served and the manner he conducted himself.

So Godspeed to my colleague, the gentleman from Pennsylvania (Mr. MCHALE).

Mr. FROST. Mr. Speaker, we have no additional speakers, I urge adoption of the rule, and I yield back the balance of our time.

Mr. SOLOMON. Mr. Speaker, I yield such time as he may consume to the gentleman from Claremont, California (Mr. DREIER), the distinguished vice chairman of the committee who will be closing for our side.

Mr. DREIER. Mr. Speaker, I thank my friend for yielding this time to me, and I would like to extend the congratulations that the gentleman from Indiana (Mr. BUYER) did to the gentleman from Pennsylvania (Mr. MCHALE) also to Mr. BUYER, because I believe that carrying that message of Reservists is a very, very important one, and he has done it very well. So congratulations to both Messrs. BUYER and MCHALE, although I know Mr. BUYER will be returning here next year, unlike the unfortunate decision that Mr. MCHALE made.

Mr. Speaker, a week ago today we marked the 211th anniversary of the signing of the U.S. Constitution on September 17, Constitution Day, and I had the thrill of going, one of my constituents had this nationwide program, and I left the Committee on Rules, as the gentleman from New York (Mr. SOLOMON) knows, to recite the preamble of the Constitution on a nationwide hookup. And from my perspective those key words right in the middle of the preamble are so important, and they cannot be forgotten: Provide for the common defense.

To me, as we look at the many things that the Federal Government involves itself in, there really is only one that can only be done by the Federal Government, and that is providing for the common defense. And that is why this measure is so important.

The gentleman from South Carolina (Mr. SPENCE) has done a spectacular job in his position, and I will never, never forget the speech that he gave to our Republican conference several months ago about the importance of our national security.

Now I hope and pray that this $1 billion request that the President has made and his recognition that we need to enhance our defense capability will not, in fact, be too little too late. But the world now knows that the threat that exists is much different than it was during the Cold War, but it is, in many ways, more dangerous because of the disparate uncertainty that exists. If we look at, as my friend from California (Mr. HUNTER) said, the North Korean situation, if we look at the Middle East, if we look at Kosovo, it is very serious.

Mr. Speaker, I strongly support this rule and strongly support the conference report, and, if the chairman wants me to, I will move the previous question.

Mr. SOLOMON. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. SPENCE. Mr. Speaker, pursuant to House Resolution 549, I call up the conference report on the bill (H.R. 3616) to authorize appropriations for fiscal year 1999 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Pursuant to House Resolution 549, the conference report is considered as having been read.

(For conference report and statement, see proceedings of the House of September 22, 1998 at page H8097.)

The SPEAKER pro tempore. The gentleman from South Carolina (Mr. SPENCE) and the gentleman from Missouri (Mr. SKELTON) each will be recognized for 30 minutes.

The Chair recognizes the gentleman from South Carolina (Mr. SPENCE).

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

□ 1315

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

Mr. Speaker, the National Defense Authorization Act for fiscal year 1999 started the year out on a bipartisan note. It was reported out of the Committee on National Security back in early May on a vote of 50 to 1 and it passed the House on a vote of 357 to 60.

I am glad to inform all of my colleagues that the conference report today also enjoys strong bipartisan support. Even after several weeks of often difficult compromise, all 33 Committee on National Security conferees signed the conference report, something which has not occurred in 17 years, not since 1981. Likewise, all Senate conferees have signed the conference report.

Mr. Speaker, the funding authorized in this conference report is consistent with the spending level set in the Balanced Budget Act, but, unfortunately, represents the 14th consecutive year of real decline in the defense budget.

While the fall of the Berlin Wall brought with it an opportunity to reduce our Cold War defense structure, almost 10 years later I believe that the threats and challenges America confronts and the pressures these threats have placed on a still shrinking United States military have been dramatically underestimated. The mismatch between the Nation's military strategy and the resources required to implement it is growing. As a result, serious quality of life, readiness and modernization shortfalls have developed that, if left unaddressed, threaten the return to the hollow military of the 1970's. Mr. Speaker, it is a very serious problem.

During each of the last three years, Congress has increased the spending over the President's defense budget in order to address a number of these shortfalls. This year, faced with the constraints of the Balanced Budget Act, we have not been able to increase the defense budget, and, instead, we are left with a much more difficult challenge of trying to reprioritize the President's budget request. However, through such careful re-prioritization, we have provided the military services at least some of the tools needed to better recruit and retain quality personnel, better trained personnel, and better equip them with the advanced technology. This conference report is a marked improvement over the President's budget request, as indicated by the unanimous and bipartisan support it has among the House and Senate conferees.

Mr. Speaker, this conference report is before the House today only as a result of the incredible efforts of all of our conferees, as well as the staff. In particular I want to recognize the critical roles played by the Committee on National Security subcommittee and panel chairmen and ranking members. Their efforts made my job easier and their dedication has made today possible.

I would also like to thank the gentleman from Missouri (Mr. SKELTON), the committee's ranking member, for his cooperation and support. I have enjoyed working with the gentleman for many years. He has served as a dedicated member of the committee, and I am honored to be working with him now in his capacity as the committees ranking member.

Mr. Speaker, please allow me to pause at this time and thank the gentleman from New York (Mr. SOLOMON), the chairman of the Committee on Rules, for his invaluable service and support of our committee over these years he has been chairman of the Committee on Rules, and many other valuable ways in which he supported his own efforts in support of our military people throughout this world.

I would also like to pay tribute to my good friend, Senator STROM THURMOND, for whom this conference report has been named. There is no one in this or any other Congress who has done more than Senator THURMOND for our Nation's defense, so presenting this conference report to the House in his name is a special honor for me.

Senator THURMOND will step down as chairman of the Senate Armed Services Committee at the end of this Congress, but I have no doubt that he will continue to work tirelessly and effectively on behalf of the men and women who serve in our military. It is his way. He knows no other. So I look forward to many more productive years of working with my good friend from South Carolina to ensure our military remains second to none.

Finally, Mr. Speaker, I would be remiss if I did not recognize the efforts of the Committee on National Security staff. This is a very large, complex and often controversial bill, yet the staff is instrumental in making it work year after year. In a too often thankless job, the staff remains one of consummate professionals.

Mr. Speaker, this is an important piece of legislation, and I urge my colleagues to support the conference report.

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

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

Mr. Speaker, I rise to offer my support on the conference report on H.R. 3616, the National Defense Authorization Act for fiscal year 1999. There were numerous issues which the conference addressed. Many were easy to resolve; others provided more difficulty. Among the latter were funding for Bosnia, gender-integrated training, tritium production, restrictions on base closure, and export controls concerning commercial communication satellites and related items.

With hard work and goodwill, the conferees worked up a report that reflected compromise on these issues between the two bodies. At the same time we took consideration of a number of concerns that Secretary of Defense Cohen expressed to Senators THURMOND and LEVIN and the gentleman from South Carolina (Chairman SPENCE) and to me concerning both bills when we met with him during the conference that we had with him in mid-July. As a result, I believe we have a good conference report, a good conference agreement, with which all of us, the House and the Senate and the administration, can be satisfied.

This year we operated under the restrictions of the Balanced Budget Act of 1997, thus a task of trying to address the many issues affecting the Armed Forces was more difficult to manage than in years past. However, we provided a pay raise, 3.6 percent, which is a half a percent more than the budget request, supported the department's request for a real increase in the procurement budget for modernization for the first time in 13 years, and authorized more than $250 million above the budget request for family housing and troop housing and child development centers.

Members and the staff from both sides worked in a cooperative manner to shape a conference report that enjoys strong bipartisan support. All the conferees, Mr. Speaker, all of the conferees from the Committee on National Security in the House and the Armed Services Committee in the Senate signed the conference report.

As one who believes that we need to provide for a sustained period of real growth in defense spending, I am encouraged by the reports that the Pentagon and the administration will seek to redress these shortfalls in fiscal year 2000 and hopefully in the future years.

Mr. Speaker, I might point out, as I briefly mentioned a moment ago in debate on the rule, that back in March of 1996 I put forward a three-year defense budget before the Committee on the Budget. It added at that time additional funding for each of those three years.

As a result of the limitations that the Committee on the Budget came forth with, we have been working under a constrained figure each of those three years. However, I am encouraged that as a result of our efforts, which really started right here, the gentleman from South Carolina (Mr. SPENCE), bless your heart, helped put together a letter, with most of the top row in our committee, urging the President to consider and also urging other House and Senate leaders to consider increasing the overall defense budget, which is sorely needed.

Although the bill that is before us fails to address all of the readiness and quality of life and modernization shortfalls which exist, it is the best we could do, given the budget constraints, to train the quality of force that is the most important component of the military strength. I hope our colleagues will support this conference report, and I hope that in the days ahead we will find additional funding, and that it starts right here in the Congress.

Let me add, Mr. Speaker, a special congratulations to my friend, the distinguished gentleman from South Carolina (Mr. SPENCE) for his absolute commitment to having the work of the committee carried on in a bipartisan fashion. I personally appreciate it, and those of us on our side appreciate it as well. This bill is a reflection of that bipartisan spirit. It is with this in mind that I can fully support and urge my colleagues on both sides of the aisle to vote in favor of this.

Members of the committee on both sides have worked hard since February to get us here today, many hearings, many briefings, many conferences. This is especially true with the subcommittee panel chairmen and the ranking members. And allow me to thank the staff. My goodness, we could not get along without them. I thank them for so ably assisting us. Their dedication, their expertise, is outstanding, and we appreciate their hard work.

Let me conclude, Mr. Speaker, by saying that I note we will also be on this bill having the gentlewoman from California (Ms. HARMAN) and the gentleman from Pennsylvania (Mr. MCHALE) voting for the last time. They have been truly dedicated members of this committee, the Committee on National Security. I want to thank them for their fine efforts over the years. They are wonderful Americans, outstanding and excellent representatives of the people who elected them. We wish them well in the days and years ahead. Their contributions to the work on this committee will long be remembered and their presence will be missed.

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

Mr. SPENCE. Mr. Speaker, I yield two minutes to the gentleman from Virginia (Mr. BATEMAN), the chairman of our Subcommittee on Military Readiness.

Mr. BATEMAN. Mr. Speaker, I thank the chairman for yielding me this time.

Mr. Speaker, I rise today in strong support of the conference report on the National Defense Authorization Act for fiscal year 1999. This conference report is essential to the readiness of our military forces.

Through several hearings, here and in the field, and after extensive study by the committee, we of the Subcommittee on Military Readiness have recognized that the military forces are doing much more with less at a time of significant downsizing of our combat and support forces. The best thing that can be said about this report is that it is the best we can do within the budget constraints that have been imposed upon us.

Realistically, it must also be said that the best we can do in this context is not nearly good enough. It address shortfalls in many of the essential readiness accounts. The committee increased readiness funding for training operations and flying hours, maintenance and repair of combat equipment, and facilities renovation and repairs, but we are not catching up with the need. All of these increases are necessary and will improve the quality of life of our service members and their families.

Also included in the conference report is a provision that gets at the problem of timely and accurate reporting on the readiness conditions of the forces. I believe this and several other provisions found in the conference report on H.R. 3616 will provide better information that will help to quickly identify the continued decline in military readiness and place us in a position to act before the system is further degraded.

I would like to thank the ranking member of the readiness subcommittee, the gentleman from Texas (Mr. ORTIZ) for outstanding cooperation, knowledge and leadership throughout the process. The Subcommittee on Military Readiness has had to deal with several difficult issues that have transcended political lines, which would have been more difficult if it were not for his expertise, his assistance and his bipartisanship.

Only the constraints of time would prevent me from mentioning by name the members of the Subcommittee on Military Readiness who have contributed so much to the work product of the committee, and they I am indeed grateful to.

□ 1330

Mr. SKELTON. Mr. Speaker, I yield 4 minutes to the distinguished gentleman from Virginia (Mr. SISISKY), the ranking Democrat on the chairman's subcommittee and a very, very valuable member of our committee.

Mr. SISISKY. Mr. Speaker, I thank my colleague, the gentleman from Missouri, for yielding time to me.

Mr. Speaker, in the House's perspective, this conference agreement on H.R. 3616 does not contain everything we wanted. Nevertheless, the final product deserves our support.

This conference agreement authorizes $49.5 billion for procurement in fiscal year 1999. This represents an increase of $800 million above the President's request, and more importantly, $4 billion, or 8 percent, above last year's level. Even more importantly, it marks the end of a too long procurement holiday. Clearly this is good progress, but more is needed.

Procurement budgets have drifted to artificially low levels in recent years, and went from the Reagan buildup in the eighties and the end of the Cold War in the nineties, but equipment developed and produced in the seventies and eighties is rapidly reaching the end of its useful life. It must be replaced if we are to maintain required equipment levels and technological superiority for our forces. I believe H.R. 3616 represents a good-faith effort to respond to that concern.

Mr. Speaker, during the last year I have been on the Subcommittee on Military Readiness with my colleague, the gentleman from Virginia (Mr. BATEMAN), and I have taken it upon myself to travel to military bases; not glamorous bases. I have visited the 7th Fleet in the farthest, remote stretches of Japan. I have been in the field at Fort Campbell, Kentucky, with the 101st Airborne. I have been to Bosnia. I have been in the Persian Gulf. Three weeks ago, four weeks ago, I visited the 82nd Airborne Division or the 18th Armored Corps at Fort Bragg, North Carolina.

How lucky we are in this country, how lucky we are in this Congress, to have young men and women serving like these young men and women do. Members have heard today from many speakers about the shortfalls in health care, quality of life issues, equipment, retirement, all of these different things. Through this all, God blessed this Republic with young men and women who are serving today on a very, very short leash, ready to do something.

I would tell my colleagues in this body that what they have heard about a $1 billion shortfall, and we are going put it into readiness, is nothing. I told the Members about an increase in procurement, but guess what, we need more than $60 billion a year. When all these new weapons systems come due in a couple of years we are going to need a lot more than that. If not, we are heading for disaster, I am afraid, in our military.

I think it has to be told, and our colleagues have to understand, this Nation, this Nation needs these young people. We have to take care of these young people, because let me tell the Members this, the worst thing in our lives from a political standpoint is one day we may have to vote for selective service again, if we do not recruit people. That is one of the problems that we are having today, recruiting people, and particularly as it relates to pilots.

Having said that, without reservation, I urge my colleagues to vote in favor of this conference agreement.

Mr. Speaker, this conference agreement on H.R. 3616 does not contain everything that we would have wanted for procurement from the House perspective. Nevertheless, it is a final product that is deserving of our support. Let me explain.

This conference agreement authorizes $49.5 billion for military procurement for fiscal year 1999. This represents an increase of $800 million above the President's request and, more importantly, $4 billion or 8 percent above last year's level. More importantly, it signals the end of an overly protracted "procurement holiday." Clearly, good progress—but more is needed.

Procurement budgets have drifted to artificially low levels in recent years because we've benefited from a "procurement holiday" made possible by the Reagan build-up in the eighties, and the end of the Cold War in the nineties. But, cold war equipment developed and produced in the 1970's and 1980's, is rapidly reaching the end of its useful life and must be replaced if we are to maintain the requirement equipment levels and technological superiority for our forces. Recent procurement budgets are proving inadequate for the task—equipment modernization is not keeping up with equipment retirements and threat development. This is particularly worrisome with respect to our naval forces.

Clearly, the time for increased procurement budgets has come. And H.R. 3616 represents a good faith effort to respond to that concern. By signaling the end of an increasingly corrosive "procurement holiday," this conference agreement deserves our unqualified support. Therefore, and without reservation, I urge my colleagues to vote in favor of this conference agreement.

Mr. SPENCE. Mr. Speaker, I am pleased to yield 2 minutes to the gentleman from California (Mr. HUNTER), the chairman of the Subcommittee on Military Procurement.

Mr. HUNTER. Mr. Speaker, I thank the gentleman for yielding time to me. I have already made a statement during the rule debate, but let me just say again that this bill need to be passed. It is a bare minimum. It is a starting point.

Today, after years of our committee telling the President that we are underfunded in defense, he has announced that he believes we are underfunded in defense. With respect to fixed-wing aircraft, rotary aircraft, our shipbuilding program, our missile defense program, and lots of what I would call ham and eggs items, those are the generators and the small trucks and the heavy trucks, and all the things that make our military move, we are shortfunded.

We are building today, once again, to a fleet of 200 ships in the U.S. Navy. I think the stability of the world depends on a strong America and our ability to project military power. We have lost a great deal of that ability over the last 4 years. It is time to rebuild, and the first thing we can do, and every Member can do to contributing to that rebuilding of defense, is to pass this conference report. Everyone should vote for this report.

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

Mr. Speaker, let me comment on the words of the gentleman from Virginia (Mr. SISISKY). I especially appreciate his positive comments about the young men and young women that we have in uniform today. They are the finest in the world. It is our job to take care of them, and hopefully in the days and years ahead we can do a better job, because as Harry Truman said, the buck stops with us, in the Constitution.

Mr. Speaker, it is a pleasure to yield 3 minutes to the gentleman from Texas (Mr. ORTIZ).

Mr. ORTIZ. Mr. Speaker, I want to thank my good friend for yielding time to me. I rise in strong support of H.R. 3616, the National Defense Authorization Act for Fiscal Year 1999.

Mr. Speaker, I want to specifically address the provisions in the act relating to military readiness. First, I would like to express my personal appreciation to the Subcommittee on Military Readiness leadership and to my colleagues on both sides of the aisles of the subcommittee and the full committee for the manner in which they conducted the business of the subcommittee this session. I want to express my appreciation to the gentleman from Virginia (Mr. BATEMAN) for his personal involvement, and the extra steps that he took in getting us to where we are today.

We had the opportunity to see readiness through a different set of eyes, the eyes of the brave soldiers, sailors, and airmen who are entrusted with the awesome responsibility of carrying out our national military strategy. We heard them talk about the shortages of repair parts, the extra hours spent trying to maintain old equipment, and the shortage of critical personnel.

While we in this body may differ on some policy and program objectives, we on the subcommittee were able to get a better appreciation of the challenges that these brave souls face in trying to do more with less. For their effort, we can all be proud. I personally remain concerned about how long they will be able to keep up with the pace.

The readiness provisions in the bill reflect some of the steps I believe are necessary, with the dollars available, to make their task easier. It does not provide all that is needed under this bill. While I would be more pleased if the migration of O&M funds to other accounts did not take place, I am optimistic that the recent correspondence I have seen from the President indicates an interest in providing additional funds for the readiness accounts.

Mr. Speaker, we have many, many problems. Retention has become a serious problem. As I talk to the men and

women who serve, the first question they ask me is this: You know, when my father went in the military, he would get 60 percent of his pension. It has gone down to 50, and now to 40 percent.

We have to do more to help our young men and women. The Air Force, they are 700 pilots short. I could go on and on and on. But with what we have to work with, I think that this is a good bill. I ask my colleagues to support it.

Mr. SPENCE. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania (Mr. WELDON), who is the chairman of our Subcommittee on Military Research and Development.

(Mr. WELDON of Pennsylvania asked and was given permission to revise and extend his remarks.)

Mr. WELDON of Pennsylvania. Mr. Speaker, I thank my distinguished friend and chairman for yielding time to me. I want to say what a great honor it is to serve with both the gentleman from South Carolina (Mr. FLOYD SPENCE) and the gentleman from Missouri (Mr. IKE SKELTON), two outstanding Americans, and what a great, refreshing breeze is flowing through this Chamber as Democrats and Republicans stand together in support of our military.

I want to applaud my distinguished ranking member, the gentleman from Virginia (Mr. PICKETT) on the Subcommittee on Military Research and Development, who is a true American who has done a fantastic job, as have all of our colleagues, in an impossible situation.

What Members need to understand, Mr. Speaker, is that we are facing what my good friend, the gentleman from Virginia (Mr. SISISKY) referred to as a major train wreck, because some very divergent things are happening.

We are into our 15th consecutive year of real cuts in defense spending. We are facing a situation now where we have an all volunteer force. Unlike 20 years ago, where we could draft people and pay them next to nothing, today a much larger portion of our defense budget goes for quality of life issues: housing, education, health care costs.

Unlike 20 years ago, in the past 6 years we have deployed our troops 26 times. That is 26 times in 6 years versus 10 times in the previous 40 years, and none of these 26 deployments by our Commander in Chief were budgeted for. None of them were paid for. So the $15 billion in contingency costs to pay for those 26 deployments had to be eaten out of an already decreasing defense budget.

What is the fastest growing part of our defense budget? It is environmental mitigation. We did not even have that category 20 years ago. This year we will spend $11 billion on environmental mitigation. When we add all of those factors together, Mr. Speaker, we are facing an impossible situation.

We have not replaced our equipment that needs to be replaced. We have not done the readiness that needs to be taken care of. We have not provided the R&D funding that is necessary. By the year 2000, as the gentleman from Virginia (Mr. SISISKY) pointed out, we face a major, colossal train wreck. All these new programs that have not been paid for come on line at one time.

This Congress needs to understand that while this bill is important and while we all should vote yes in favor of it, the real tough challenge lies ahead. Hopefully together we can increase the top line number for defense spending.

Mr. SKELTON. Mr. Speaker, I yield 2 minutes to our colleague, the gentleman from Massachusetts (Mr. FRANK).

Mr. FRANK of Massachusetts. Mr. Speaker, I thank the ranking member for yielding time to me and for accommodating me, as I have some other scheduled things.

I want to thank him and the other members of the conference committee particularly on the part of the House for insisting successfully on inclusion in this bill of the amendment we adopted overwhelmingly to put a cap on American contributions for the expansion of NATO. I do not understand why the administration fought us, but we did them a great favor by overcoming their opposition. I thank the gentleman from Virginia (Mr. SISISKY), the gentleman from Missouri, and others for putting it in.

I understand that we have a problem with not enough money for defense. If we take as a given all of the missions we have undertaken and assigned to our defense establishment, then we have a problem in paying for them.

But there are two solutions to that: One is to pay a lot more money, to cut into the surplus, to take money away from other possible uses in the budget by ramping up defense spending. The other is to ramp down what we have undertaken to do.

Yes, we must not ever compromise with our national security. Yes, there are other parts of the world where we want to go and offer assistance. But 50 years after the end of World War II, we continue to overdo it vis-a-vis our allies. We have today around this world wealthy allies capable of doing more.

Part of the problem we have is this unilateral assumption by America of responsibilities beyond which are reasonable. That is why I am delighted to have the committee today bring us a bill which for the first time puts a congressionally mandated binding limit on what we can spend for NATO.

We have to explain this to our Western European allies, and we continue, even with this, to be spending tens of billions of dollars for the defense of Western Europe, unnecessarily. The Russian enemy which called this into question has crumbled as a conventional military power. The Europeans themselves, unlike the end of World War II, are numerous and prosperous. They could do more. I hope this is an example we will follow in the future.

Mr. SPENCE. Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. MCHUGH), the chairman of our MWR panel.

Mr. MCHUGH. Mr. Speaker, I thank the gentleman for yielding time to me. Mr. Speaker, I, too, rise in strong support of this conference report for national defense, particularly as it relates to the provisions authorizing the morale, welfare, and recreation activities of the department.

Before I do that, I want to add my words of thanks and praise to both the chairman, the gentleman from South Carolina (Mr. SPENCE), and the ranking member, the gentleman from Missouri (Mr. SKELTON), for their cooperative effort and bipartisanship, and as we have heard time and time again, for the great job they do. They serve as an example to all of us.

Also I want to thank the members of the MWR panel and its ranking member, the gentleman from Massachusetts (Mr. MEEHAN) for his constructive and bipartisan support.

Our biggest challenge was the protection and enhancement of the resale system, the commissaries and exchanges that provide low-cost groceries and other essential items for servicemembers, their families and retirees wherever they serve around the world.

☐ 1345

These programs have been under scrutiny recently by those who question the value of that system. In order to find out how important the system is to the military life, the MWR panel held a lengthy and I think we can say balanced hearing on the benefit. And from the standpoint of the military, from the top ranks to the lowest, the view was unanimous and clear. Commissaries and exchanges are a great and invaluable benefit to the men and women in uniform.

For that reason, the House has included several provisions that strengthen the resale system and the quality of life for our soldiers and their families. For example, we were concerned that the pressures on service budgets would lead to the degradation of commissary funding and this bill takes strong action to protect those funds. Given the President's recent admission that the military is indeed underfunded in the fiscal year 1999 and beyond, these measures are even of greater importance, and I am pleased that they were included in this report.

Mr. Speaker, I want to highlight one other provision. Other Members, indeed all Americans, appreciate the dedication of the members of the Reserve and National Guard. They are often called to duty on short notice, whether they be deployed to Bosnia or to help to clean up after some national disaster.

I believe, and my colleagues on the conference committee have agreed, that it is time to increase those privileges. We have done that in this bill. It is a great bill and a great step and I

thank the gentleman from South Carolina (Chairman SPENCE) for allowing me this time.

Mr. SKELTON. Mr. Speaker, I yield 3 minutes to the gentleman from Hawaii (Mr. ABERCROMBIE), who is such a strong supporter of national security, and who is also the ranking member of the Subcommittee on Military Installations and Facilities.

Mr. ABERCROMBIE. Mr. Speaker, I thank the gentleman from Missouri (Mr. SKELTON) and the gentleman from South Carolina (Mr. SPENCE) for their wise counsel and their ready availability to all the Members, including this Member, with respect to any aspect of our Committee on National Security reports and this conference report.

Mr. Speaker, I would like to thank as well to the gentleman from Colorado (Mr. HEFLEY), my subcommittee chairman and my friend. Unfortunately, he is not on the floor at the moment, but I hope that my good wishes and good feelings towards him will be conveyed. I thank him for his leadership and for the fair process by which he has handled the military construction portion of the Defense authorization bill. His collegial and bipartisan approach encourages and in fact has yielded an outcome which shuns parochialism and constantly strives for the good-government solutions that this bill represents to difficult funding issues. It is made even more difficult by the constrained fiscal environment which has been mentioned.

Mr. Speaker, I will not take up the Members' time in repeating the details of the report, only to point out however that the budget adopted by the conferees represents a considerable effort in bettering the quality of life for our military personnel.

A good portion of the $666 million that was added to the President's request for military construction is to be spent on the most intractable problem we face, military housing; $101 million towards improving existing family housing units and $153 million towards new barracks and dormitories. Quality of life of our military personnel will be improved as a result.

Mr. Speaker, I would like to tell my colleagues we are far from our goal of adequate housing. More spending is needed. As this bill goes forward, the condition of the military installation continues to deteriorate. We will be working on it.

Though I support the bill, I want to express my continued concern that we are unable to assure a level playing field for small businesses. I have worked with the gentleman from Missouri (Mr. TALENT) on the CLASS proposal in the House passed authorization, because it improves the quality of life again for our service members and maintains a level playing field for small businesses to compete in the forwarding of household goods. Unfortunately, in the end, we were not able to get agreement on this. I can assure my colleagues we will work to resolve this issue in the best interests of our men and women in the Armed Forces.

Regrettably, also the Charter and Build provision was not included. Mr. Speaker, I want to thank the gentleman from Virginia (Mr. BATEMAN) in particular for his steadfast resolution in this regard. The provision is good for America because it provides a means for the Navy to acquire the ships it needs to meet our strategic requirements and sustain the industrial base needed to produce them. The issue, I assure my colleagues, will be revisited until it is won.

Mr. Speaker, I thank the gentleman from South Carolina (Mr. SPENCE) and the gentleman from Missouri (Mr. SKELTON) for their leadership on this issue. I tell my colleagues that they can rest assured that I will continue to work with them on behalf of the strategic interests of the United States of America.

Mr. SPENCE. Mr. Speaker, I yield 2 minutes to the gentlewoman from Florida (Mrs. FOWLER).

Mrs. FOWLER. Mr. Speaker, I rise in strong support of this conference report, and I want to give a special thanks also to the gentleman from South Carolina (Chairman SPENCE) and the gentleman from Missouri (Mr. SKELTON), ranking member. They have worked innumerable hours to bring this conference report to the floor today.

This year again, our committee faced difficult budget challenges. At the same time we heard witness after witness testify that readiness is suffering and that critical modernization needs are not being met.

Under these circumstances, this bill is an excellent product. The conferees struggled mightily to increase authorization levels for depot and real property maintenance, for training, construction, and key modernization accounts. We also provided a 3.6 percent troop pay raise and took other steps to address the Services' acute retention problems.

However, Mr. Speaker, I must tell my colleagues that this bill does not meet all of our national security needs. This is the fourteenth consecutive year that real defense spending will decline. Meanwhile, we have diverted $10 billion from key investments to Bosnia, even as North Korea tests multistage ballistic missiles over Japan.

We must increase our spending on defense if we hope to assure that our national security priorities are met. I urge support for this conference report.

Mr. SKELTON. Mr. Speaker, I yield 3 minutes to the gentleman from Guam (Mr. UNDERWOOD), who is the ranking member on the Merchant Marine panel.

Mr. UNDERWOOD. Mr. Speaker, I thank the gentleman from Missouri (Mr. SKELTON) for yielding me this time, my ranking member, and I want to extend my congratulations to him and to the gentleman from South Carolina (Chairman SPENCE) of the Committee on National Security for this excellent conference report.

Mr. Speaker, I too stand in strong support of H.R. 3616. Coming from the Island of Guam, which has had great experience with war and is in the middle of any potential contingency in Asia, we full well know that the stability of the world, the stability of our region depends upon a strong America and that a strong America depends upon a strong military. In fact, a strong military depends upon taking care of our young people in the military, and that is why we have so many concerns.

Mr. Speaker, I want to echo some of those concerns about the OPTEMPO and the concerns about readiness and some of the issues which have been brought to the surface under the leadership of the gentleman from Virginia (Mr. BATEMAN), amongst others. I also want to draw a little bit of attention to benefits and quality of life issues for both Reserve and Active Service personnel.

I am happy that we were able to include in this conference report, in the legislation, a provision that would allow National Guardsmen to have commissary privileges when they are called up for duty in a federally declared disaster area, which is experience that the Guam National Guard had an unfortunate experience in with the recent typhoon Paco.

I am also happy to note that we have doubled the number of commissary visits from 12 to 24 under the leadership of MWR Chairman MCHUGH. I am also happy to report that by working very closely with the chairman of the Subcommittee on Military Personnel, the gentleman from Indiana (Mr. BUYER) and ranking member, the gentleman from Mississippi (Mr. TAYLOR) we have authorized a car rental reimbursement program for service people who do not get their cars shipped overseas and get them delivered on time. This quality of life provision, with which especially those of us overseas are greatly familiar, will help reduce the burden that our men and women in uniform face when relocating to a permanent station overseas.

Mr. Speaker, I also want to draw attention to the fact that this legislation has many provisions for the missile defense of our Nation, which sometimes in the course of discussing missile defense, sometimes Alaska and Hawaii were left out and almost all the time Guam was left out.

The Nation must continue to develop robust theater missile defense, such as the Navy Theater Wide, which is especially well-suited to protect an insular area like Guam. And given the current level of missile development in North Korea, this is a matter of grave concern to my people, as it should be to the entire country.

I also want to thank the chairman of the Subcommittee on Military Installations and Facilities, the gentleman from Colorado (Mr. HEFLEY) for accepting an amendment that will require the Department of Defense to report to

Congress their proposed plan for privatization of military electric and water utilities.

Mr. Speaker, I thank again both the gentleman from South Carolina (Chairman SPENCE) and my good friend, the gentleman from Missouri (Mr. SKELTON).

Mr. SPENCE. Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. THORNBERRY), a very valuable member of our committee.

Mr. THORNBERRY. Mr. Speaker, I rise in support of this conference report and in admiration of the work of our chairman and the ranking member. This bill is not perfect, but it certainly deserves our support.

Mr. Speaker, I want to highlight two areas. One deals with nuclear weapons. The administration has not asked for enough money, and Congress has not provided enough money, to make sure that our nuclear weapons laboratories and production facilities can do the job that we are asking them to do. This bill does, however, put some extra money into those places and begins to make up some of that deficit. But it is very important that we keep a strong nuclear deterrent. That will be a tough job in the future.

The bill also supports our continuing efforts to dismantle Russian delivery systems and to put tighter security around Russian nuclear weapons and Russian nuclear materials, both of which are very important. With all the terrorism, nuclear proliferation, and instability around the world, we cannot afford to neglect either of these areas at all.

Secondly, this bill helps take some steps toward preparing for the future. Part of that is getting and keeping the best people we can. It has got a pay raise, and thanks to the work of the gentleman from Oklahoma (Mr. WATTS), the gentleman from Florida (Mr. MICA), the gentleman from Virginia (Mr. MORAN) and others, it has a demonstration project for military retiree health care that takes us a step closer to keeping our commitments to military retirees.

There is a study on the organization of the Pentagon to try to make sure that we are the best organized possible to deal with the challenges of the future. And there is a clear expression of the importance of joint experimentation to try to make sure that whatever money we spend on future procurement items is spent on the right things that will help us to meet the challenges of the future.

Mr. Speaker, we are going into a period where the challenges are more difficult than they have ever been in the past. We have a long way to go, but this bill helps take us in the right direction and deserves the support of all our colleagues.

Mr. SKELTON. Mr. Speaker, I yield 3 minutes to the gentlewoman from California (Ms. HARMAN), a strong member of our committee. A few moments ago, I expressed our appreciation for all the work that the gentlewoman has done in the area of national security and we are going to miss her.

(Ms. HARMAN asked and was given permission to revise and extend her remarks.)

Ms. HARMAN. Mr. Speaker, I thank our ranking member, the gentleman from Missouri (Mr. SKELTON) for his generous words. He knows that this is my last defense authorization bill.

I have served on the committee for three terms, 6 years, first under the distinguished chairmanship of Ron Dellums and now under the leadership of the gentleman from South Carolina (Mr. SPENCE) and the gentleman from Missouri (Mr. SKELTON), THE ranking member.

I also want to acknowledge that our former chairman, the late Secretary of Defense Les Aspin, was a mentor of mine, and he is on my mind today, too.

Mr. Speaker, during the past three Congresses, the committee has strengthened our Nation's defense capabilities, but naturally I always hoped we could do more.

I have always believed we need to modernize our military by focusing on tomorrow's battles, not yesterday's. As such, I strongly believe Congress can do more to embrace the revolution in military affairs.

Similarly, we need to modernize our forces and continue development of advanced precision strike capabilities, like the B–2 Stealth bomber, and heavy lift capability, like the Air Force's C–17. In fact, I have always called the C–17 my fifth child.

The committee has started to address the imbalance in the tooth-to-tail ratio, and I commend it for that. In our defense downsizing, we have cut too much of our combat ability, the tooth, and left a disproportionate amount of our support structure, the tail.

As a representative of the district I call the aerospace center of the universe, I know what those cuts mean in human terms and in national security terms.

□ 1400

Mr. Speaker, we also must move to assure safety and opportunity to women without whom we could not field an all-volunteer force. I am pleased that this bill does not resegregate basic training by gender, a move backwards, in my view.

Mr. Speaker, though I will not be in Congress, I plan to continue to help shape our Nation's defense policies. My service to the women and men who build our defense assets and put their lives on the line for our country will not end with Congress's adjournment.

To my friends on the committee, to my friends who have been on the committee, it has been an honor to work with them.

Mr. SPENCE. Mr. Speaker, I yield 2 minutes to the gentlewoman from Texas (Ms. GRANGER), former mayor of Fort Worth, Texas, a very valuable member of our committee.

Ms. GRANGER. Mr. Speaker, I rise today in strong support of the 1999 National Defense Authorization Act conference report. While this legislation does not contain everything many of us would like to have funded, I do want to take a moment to thank the gentleman from South Carolina (Mr. SPENCE), the gentleman from California (Mr. HUNTER), the gentleman from Pennsylvania (Mr. WELDON) and the gentleman from Missouri (Mr. SKELTON) for their very, very hard work to produce a bill that meets the needs of our Armed Services.

A great American general once said, wars are fought with weapons, but they are won with soldiers. I believe our national defense policy should be based on this sound premise. Great weapons and great troops are what make America's military the best. However, I share the gentleman from South Carolina (Mr. SPENCE's) and the defense community's concerns that these funding levels are still inadequate to meet the increasing number of threats to our national security.

We cannot continue to do more with less. We cannot continue to expect to get ahead by just getting by. So while I support this legislation, I urge my colleagues to recommit themselves to the cause of national security. That is why it is so important the committee included funding for the F–16, V–22, F–22 and continued R&D for the multiservice, multi-role joint strike fighter. These weapons make a statement about our commitment to national security, and they will make a difference in preserving our national safety.

I am looking forward to working with the gentleman from South Carolina (Mr. SPENCE) in his commitment to continuing to make national security our number one national priority.

Mr. SKELTON. Mr. Speaker, I yield 3 minutes to the gentleman from Virginia (Mr. PICKETT), ranking member of the Subcommittee on Military Research and Development.

Mr. PICKETT. Mr. Speaker, I commend the gentleman from South Carolina (Mr. SPENCE) and the gentleman from Missouri (Mr. SKELTON) for their constructive work in reaching this conference agreement which I strongly support. I also want to commend all committee members, including our chairman and ranking member, for what they have done to make it possible for us to be here today with an agreement I think meets most of our defense needs.

Given the considerable budget limitations we have had to deal with this year, I am very encouraged with the conference agreement before us. While keeping spending limits within those set by the balanced budget agreement, the conference agreement continues to make progress in resolving several concerns about the Defense Department's proposed future years defense plan. I am pleased to report that the naval aviation and missile defense programs remain on schedule, that Army modernization plans remain intact and

that Air Force priorities have been maintained.

I am also encouraged that the conference agreement includes an honest effort to address each of the above issues. Several provisions provide additional authorization for promising programs, and others invest in what may prove to be leap-ahead technologies. As a result, it is my hope that this agreement will represent the beginning of an increased commitment to research and development.

As a long-standing member of the Committee on National Security, I have repeatedly recognized the virtue of maintaining adequate investment in our Nation's science and technology defense programs. To be sure, without such healthy investment in the 1960s and 1970s, our Nation would not have been able to prevail so decisively during the 1991 Gulf War, nor would our Nation's more recent deployments have proven successful.

As in the Gulf War example, today's force has benefited from planning and commitment. Innovative forethought and steadfast execution 20 and 30 years ago produced a superior and unmatched military in 1990, one founded on advances in stealth, precision targeting, communications, imagery and mobility, just to name a few.

But our challenge remains and continues today. And while it is a challenge, it is also a necessity that we indefinitely sustain the impressive force that we have. This conference agreement authorizes a number of programs designed to meet this challenge. On behalf of our Nation's soldiers, sailors, airmen and Marines, I ask all Members of this body to vote yes on final passage of the fiscal year 1999 defense authorization bill.

Mr. SPENCE. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. COX), for the purpose of a colloquy.

Mr. COX of California. Mr. Speaker, I thank the chairman for yielding me the time.

I rise to applaud the gentleman from South Carolina (Mr. SPENCE) and the conferees for bringing to this House a measure that is vital to our national security. I am especially pleased that the conference report incorporates a number of the bills that made up our policy for freedom in China. These bills passed the House last fall with overwhelming bipartisan support.

One of the ''Policy for Freedom in China'' bills included in the conference report is the legislation written by the gentleman from California (Mr. HUNTER), providing for design of a theater missile defense system for Taiwan. This significant provision was drafted in response to the Taiwan Straits crisis of 1996 in which the PRC fired nuclear-capable missiles surrounding Taiwan's major ports.

However, since the recent North Korean missile launch over Japan, it has become clear that other friends and allies in the region, not just Taiwan, are vulnerable to the threat of missile attacks.

I would like to inquire of the distinguished chairman, the gentleman from South Carolina, whether the conference report will, in fact, require the administration to address the missile defense needs of Taiwan and also our other East Asian allies.

Mr. SPENCE. Mr. Speaker, will the gentleman yield?

Mr. COX of California. I yield to the gentleman from South Carolina.

Mr. SPENCE. Mr. Speaker, I would say to the gentleman that he is correct. In light of the emerging evidence of North Korea's missile threat to the United States and our forces in the region, the conferees expanded the provision to include not just Taiwan but all of our allies in the Asian Pacific region. This is an important provision of the conference report, and I appreciate the gentleman's interest and leadership in this area.

Mr. HUNTER. Mr. Speaker, will the gentleman yield?

Mr. COX of California. I yield to the gentleman from California.

Mr. HUNTER. Mr. Speaker, I want to commend the chairman of the full committee also for working the missile defense issue, especially in light of the fact that the North Koreans are now very close to having an ICBM, that is intercontinental ballistic missile, capability. This provision is absolutely imperative.

Mr. COX of California. Mr. Speaker, I thank the chairman of the committee for his clarification of this matter. I commend the conferees for taking the critical steps to secure peace and stability in East Asia.

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

Mr. SPENCE. Mr. Speaker, I yield 2 minutes to the gentleman from New Jersey (Mr. SAXTON).

Mr. SAXTON. Mr. Speaker, in the authorization conference report there is a large increase of $120 million for the Navy Theater Wide Ballistic Missile Defense system that we just spoke of. I believe $50 million of the increase was set aside specifically for improvements.

Mr. HUNTER. Mr. Speaker, will the gentleman yield?

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

Mr. HUNTER. Mr. Speaker, that is correct.

Most of the Navy Theater Wide funding to date has gone to support the new interceptor required to destroy incoming ballistic missiles. Additional funding for radar development is needed to assure that the system is capable of detecting and tracking ballistic missiles in flight.

Mr. SAXTON. Mr. Speaker, I also note that the report discusses the availability of a prototype radar by the year 2001 to support testing of the new interceptor.

Mr. HUNTER. Mr. Speaker, if the gentleman will continue to yield, that is true. In essence, this date is direction to the Navy to get started now on a radar development program in a way that best supports the Navy Theater Wide.

Mr. SAXTON. Mr. Speaker, the Navy has two options to upgrade its radar capabilities. One is an upgrade of the SPY–1 radar. I believe that this option would meet all the Navy Theater Wide system requirements while also meeting the projected cruise missile threat.

The other option is a single-purpose radar system that would be mounted in the superstructure of an Aegis cruiser. The Navy has not taken a formal position on which option they believe is preferable. I believe and I strongly believe this SPY–1 upgrade is the right alternative, and I believe we need to get started on a radar development now to support the NTW mission and the new interceptor.

Mr. HUNTER. Mr. Speaker, I want to thank the gentleman because our conference report, and that is supported by the chairman and the gentleman from Pennsylvania (Mr. WELDON), supports the gentleman's goal of vigorously pursuing the radar improvements that the gentleman has accurately noted are needed. The $50 million increase to the Navy Theater Wide program is specifically dedicated to accelerating these radar improvements and to ensure that the radar can support the full range of Navy requirements, including cruise and ballistic missile threats. And, once again, this is a very imperative program.

Mr. SPENCE. Mr. Speaker I yield 2 minutes to the gentleman from Maryland (Mr. BARTLETT), a very active and knowledgeable member of our committee.

Mr. BARTLETT of Maryland. Mr. Speaker, these are very difficult remarks for me, but I cannot keep faith with hundreds of thousands of Americans without rising to express major concern about a portion of this bill. The Family Research Council, the Christian Coalition, Concerned Women for America and Focus on the Family are all calling for a no vote on this bill. They are doing that because they love this country. They are doing that because they really support a strong military.

Their concern is that this report failed to include language on requiring separate gender training in PT, in small units recommended by the Kassebaum-Baker panel, included in our House bill and endorsed by a letter to the conferees signed by all of senior leadership and by all but one of our full committee chairs.

Not a single woman plays professional football. Not a single woman plays professional baseball. Men and women are different, and they need to be trained separately in PT.

No matter how long we worship at the altar of political correctness, it will not change this fact. We need to send this bill back to conference so we can report out a good bill that we can

pass that is really going to support our military. If we continue with the present policy, it assures continued embarrassing sexual misconduct scandals.

The chaplain at Fort Leonard Wood said what we are trying to do runs contrary to the powers of nature. Secondly, it is contrary to good order and discipline. It puts readiness at risk. It puts the lives of our young military people at risk.

Please send this back to committee. Support these hundreds of thousands of Americans that want a strong military and appropriate training for our young people.

Mr. SKELTON. Mr. Speaker, I yield the balance of my time to the gentleman from Virginia (Mr. MORAN), who has been so active in helping establish the Federal Employees Health Benefits Program demonstration project.

The SPEAKER pro tempore (Mr. LATOURETTE). The gentleman from Virginia (Mr. MORAN) is recognized for 3 minutes.

Mr. MORAN of Virginia. Mr. Speaker, I am very grateful to the ranking member not only for yielding me this time but particularly for his leadership and the leadership of the chairman of our Committee on Armed Services, the gentleman from South Carolina (Mr. SPENCE).

There are so many reasons to rise in support of this bill, but, more than any, the underlying theme of this bill is that our Armed Forces are not just about weapons or strategies or technology, but the heart of our Armed Forces are the people who have to operate the weapons, who have to represent us in this country and abroad.

This bill is primarily designed to ensure that we can recruit, that we can train, that we can sustain our enlisted personnel, the very best that this country has to offer, and we can also treat military retirees with the gratitude and the respect that they deserve.

There is one provision in this bill that I want to underscore, because it does address a situation that has occurred over the years, really since 1956, when the military started to back off what was considered to be a commitment. When people enlisted in the military right up until last year they were told in recruitment literature that they would be entitled to free, quality, lifetime health care.

This bill addresses that. It does so initially in a demonstration project. One of those demonstration projects is designed to extend the Federal Employees Health Benefits Plan, as the gentleman from Missouri (Mr. SKELTON) and other speakers have said, to military retirees. It is the right thing to do.

□ 1415

Two people have died over the past year who spent a great deal of effort, who provided wonderful leadership, particularly for military retirees but also when they were in the military, and specifically over the last few years on this issue: General Pennington, who led the Retired Officers' Association, and Colonel Vince Smith, in my own district. Vince Smith and his wife Edie have worked for 6 years on this provision. These two heroes passed away knowing that this Congress responded to what they knew was a legitimate, and very important, request.

With this legislation, we honor their memory and the memory of millions of people, men and women, who have served this country. They deserve the greatest respect we can afford them. They deserve the commitment that this bill entails. They deserve the kind of treatment that we will be able to eventually provide, which does not end when somebody leaves the service, but continues throughout their retirement years.

Mr. Speaker, this is a bill we should all support.

Mr. SPENCE. Mr. Speaker, I yield 1 minute to the gentleman from New Jersey (Mr. PAPPAS).

Mr. PAPPAS. Mr. Speaker, I thank the gentleman for yielding me this time, and I simply want to stand here and rise in support of this conference report. There may not be everything that is contained within it that every single Member agrees to, but overall, I think, Mr. Speaker, that it moves the defense and the national interests of our country forward, provides some very necessary funds for programs and our personnel, and I thank the chairman and the ranking member and all the members of the committee for working together in a bipartisan fashion to bring this forth.

Mr. EVERETT. Mr. Speaker, I rise in support of this conference report to the FY 99 Defense Authorization Bill (H.R. 3616). While we continue to underfund our national security strategy, this being the fourteenth consecutive year of a declining defense budget, this conference report meets our defense priorities within this constrained budget environment. Last week, the Joint Chiefs of Staff and the Secretary of Defense presented the President with the stark realities of the state of military readiness and weapon systems modernization shortfalls that our military is now experiencing. The President indicated his willingness to address these funding shortfalls in next year's budget request, which is a long time coming.

With regard to a specific land conveyance provision in the bill (section 2833), I am pleased that we were able to make these technical, but necessary changes to the conveyance terms of real property from the Army's Redstone Arsenal to the Alabama Space Science Exhibit Commission. This section ensures that the future development of the U.S. Space & Rocket Center previously conveyed by the Army to the appropriate agency of the State of Alabama will remain consistent with the long-term master plan for the use of that property as agreed upon by the Center, Redstone Arsenal and the Marshall Space Flight Center, Present financing arrangements and mortgages relating to new and existing facilities at the Space and Rocket Center are preserved, and appropriate coordination of further financing initiatives, mortgages and other debt society arrangements in accordance with the agreed-upon master plan is assured.

I urge my colleagues to support this conference report.

Mr. COX of California. Mr. Speaker, I rise to applaud Chairman SPENCE and the Conferees for legislation vital to our country's national security.

I am especially pleased to note that the bill includes a number of key elements of the ''Policy for Freedom in China'' that passed the House last fall with overwhelming bipartisan majorities.

They include: H.R. 2647, Representative TILLIE FOWLER's bill enhancing the President's authority over enterprises in this country controlled by China's People's Liberation Army under the International Emergency Economic Powers Act (Section 1237).

H.R. 2195, Representative CHRIS SMITH's bill strengthening Customs Service interdiction of products made by China's infamous Laogai slave-labor camps (Sections 3701–3703).

H.R. 2232, Representative ED ROYCE's Radio Free Asia Act, increasing the free flow of information in the major dialects of China and Tibet (Sections 3901–3903).

H.R. 2386, Representative DUNCAN HUNTER's bill providing for design of a theatre missile defense system for Taiwan (Section 1533).

This key provision, which passed the House 301–116, was designed initially to respond to the Taiwan Strait Crisis of 1996, in which Beijing conducted missile firings into the international waters adjacent to Taiwan's key ports.

In light of the emerging evidence of North Korea's missile threat to U.S. allies and forces in the region, the Senate and the conference have improved this provision by broadening it to include not just Taiwan but all our other key regional allies in the Asian-Pacific region.

As a result, this important provision will serve to enhance security not just for Taiwan but for other key allies like Japan and the Republic of Korea.

I strongly support this enhancement of the bill.

Mr. Speaker, with approval of this conference report both the House and Senate will have enacted our Policy for Freedom in China, thereby abandoning the Clinton Administration's empty approach and making important progress in ensuring peace and security in East Asia.

I appreciate the consideration the Conference has given to these issues and appreciate the opportunity to speak on behalf of passage of the report.

Mr. BENTSEN. Mr. Speaker. I rise in strong support of the conference report on H.R. 3616, the Defense Authorization for FY 1999.

I am very pleased that the Conferees agreed to strike language included in the Senate-passed bill that would have allowed the Department of Defense (DoD) an unprecedented exemption to existing law to import a very dangerous class of chemicals called Polychlorinated Biphenyls (PCBs). Congress banned the manufacture and importation of PCBs in 1976 as part of the Toxic Substances Control Act (TSCA). PCBs when released into the environment collect in the body and cause a broad range of adverse health effects including cancer, reproductive damage, and birth defects. When incinerated, PCBs release

dioxin—one of the most toxic chemicals known. PCBs accumulate in the environment and move toward the top of the food chain, contaminating fish, birds, and ultimately humans.

The language originally included in Section 321 of the Senate bill, S. 2060, would have nullified over twenty years of sound environmental law and jeopardized the health and safety of Americans by allowing the DoD to import foreign-produced PCBs into the United States. This proposed change was never reviewed by the Commerce Committee, which has jurisdiction over TSCA. It is also important to note that current law already provided an exemption that allows the DoD to return PCB waste to the United States if the PCBs were manufactured in the United States, shipped to a foreign military base, have been continuously under U.S. control, and now need to be returned for disposal. This exemption ensures that any PCBs exported from the United States to one of our foreign military installations can be returned.

Mr. Speaker, I applaud the Chairman and Ranking Member for striking the Senate language and instead directing the DoD to submit a detailed report to Congress on the true size and scope of the PCB problem at our overseas military bases. I look forward to working with the National Security, Commerce, and Transportation & Infrastructure Committees to address this problem and I urge my colleagues to support the legislation.

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

The SPEAKER pro tempore (Mr. LATOURETTE). Without objection, the previous question is ordered on the conference report.

There was no objection.

The SPEAKER pro tempore. The question is on the conference report.

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

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

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

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 373, nays 50, not voting 11, as follows:

[Roll No. 458]

YEAS—373

Abercrombie	Berry	Burr
Ackerman	Bilbray	Buyer
Allen	Bilirakis	Callahan
Andrews	Bishop	Calvert
Archer	Blagojevich	Camp
Armey	Bliley	Canady
Bachus	Blunt	Cannon
Baesler	Boehlert	Capps
Baker	Boehner	Cardin
Baldacci	Bonilla	Carson
Ballenger	Bono	Castle
Barcia	Borski	Chabot
Barr	Boswell	Chambliss
Barrett (NE)	Boucher	Chenoweth
Barton	Boyd	Christensen
Bass	Brady (PA)	Clay
Bateman	Brown (CA)	Clayton
Becerra	Brown (FL)	Clement
Bentsen	Brown (OH)	Clyburn
Bereuter	Bryant	Coble
Berman	Bunning	Coburn
Collins	Hulshof	Pastor
Combest	Hunter	Paxon
Condit	Hutchinson	Pease
Cook	Hyde	Peterson (MN)
Cooksey	Inglis	Peterson (PA)
Costello	Istook	Pickering
Cox	Jackson-Lee (TX)	Pickett
Coyne	Jefferson	Pitts
Cramer	Jenkins	Pombo
Crane	John	Pomeroy
Crapo	Johnson (CT)	Porter
Cubin	Johnson (WI)	Portman
Cummings	Johnson, E.B.	Price (NC)
Cunningham	Jones	Quinn
Danner	Kanjorski	Radanovich
Davis (FL)	Kaptur	Rahall
Davis (VA)	Kasich	Ramstad
Deal	Kelly	Redmond
DeGette	Kennedy (MA)	Regula
DeLauro	Kennedy (RI)	Reyes
DeLay	Kildee	Riggs
Deutsch	Kilpatrick	Rodriguez
Diaz-Balart	Kim	Roemer
Dickey	King (NY)	Rogan
Dicks	Kingston	Rogers
Dingell	Kleczka	Ros-Lehtinen
Dixon	Klink	Rothman
Doggett	Knollenberg	Roukema
Dooley	Kolbe	Roybal-Allard
Doolittle	LaFalce	Royce
Doyle	LaHood	Ryun
Dreier	Lampson	Sabo
Duncan	Lantos	Salmon
Dunn	Largent	Sanchez
Edwards	Latham	Sandlin
Ehlers	LaTourette	Sanford
Emerson	Lazio	Sawyer
Engel	Leach	Saxton
English	Levin	Scarborough
Ensign	Lewis (CA)	Schaefer, Dan
Eshoo	Lewis (GA)	Schaffer, Bob
Etheridge	Lewis (KY)	Schumer
Evans	Linder	Scott
Everett	Lipinski	Serrano
Ewing	Livingston	Sessions
Farr	LoBiondo	Shadegg
Fattah	Lucas	Sherman
Fawell	Maloney (CT)	Shimkus
Fazio	Maloney (NY)	Shuster
Foley	Manton	Sisisky
Forbes	Manzullo	Skaggs
Ford	Markey	Skeen
Fossella	Martinez	Skelton
Fowler	Mascara	Slaughter
Fox	Matsui	Smith (MI)
Frank (MA)	McCarthy (MO)	Smith (NJ)
Frelinghuysen	McCarthy (NY)	Smith (OR)
Frost	McCollum	Smith (TX)
Gallegly	McCrery	Smith, Adam
Ganske	McDade	Smith, Linda
Gejdenson	McGovern	Snowbarger
Gekas	McHale	Snyder
Gephardt	McHugh	Solomon
Gibbons	McInnis	Souder
Gilchrest	McIntosh	Spence
Gillmor	McIntyre	Spratt
Gilman	McKeon	Stabenow
Gonzalez	McNulty	Stearns
Goodlatte	Meehan	Stenholm
Goodling	Meek (FL)	Stokes
Gordon	Menendez	Strickland
Graham	Metcalf	Stump
Granger	Mica	Stupak
Green	Millender-McDonald	Sununu
Greenwood	Miller (FL)	Talent
Gutknecht	Mink	Tanner
Hall (OH)	Moakley	Tauscher
Hall (TX)	Mollohan	Tauzin
Hamilton	Moran (KS)	Taylor (MS)
Hansen	Moran (VA)	Taylor (NC)
Harman	Murtha	Thomas
Hastert	Myrick	Thompson
Hastings (FL)	Neal	Thornberry
Hastings (WA)	Nethercutt	Thune
Hayworth	Neumann	Thurman
Hefley	Ney	Tiahrt
Hefner	Northup	Tierney
Herger	Norwood	Torres
Hill	Nussle	Towns
Hilleary	Olver	Traficant
Hilliard	Ortiz	Turner
Hinchey	Oxley	Upton
Hinojosa	Packard	Visclosky
Hobson	Pallone	Walsh
Holden	Pappas	Wamp
Horn	Parker	Waters
Hostettler	Pascrell	Watkins
Houghton	Pastor	Watt (NC)
Hoyer	Paxon	Watts (OK)
	Pease	Waxman
	Peterson (MN)	Weldon (FL)
	Peterson (PA)	Weldon (PA)
	Pickering	Weller
	Pickett	Wexler
	Pitts	Weygand
	Pombo	White
	Pomeroy	Whitfield
	Porter	Wicker
	Portman	Wilson
	Price (NC)	Wise
	Quinn	Wolf
	Radanovich	Wynn
	Rahall	Young (AK)
	Ramstad	Young (FL)
	Redmond	
	Regula	
	Reyes	
	Riggs	
	Rodriguez	
	Roemer	
	Rogan	
	Rogers	
	Ros-Lehtinen	
	Rothman	
	Roukema	
	Roybal-Allard	
	Royce	
	Ryun	
	Sabo	
	Salmon	
	Sanchez	
	Sandlin	
	Sanford	
	Sawyer	
	Saxton	
	Scarborough	
	Schaefer, Dan	
	Schaffer, Bob	
	Schumer	
	Scott	
	Serrano	
	Sessions	
	Shadegg	
	Sherman	
	Shimkus	
	Shuster	
	Sisisky	
	Skaggs	
	Skeen	
	Skelton	
	Slaughter	
	Smith (MI)	
	Smith (NJ)	
	Smith (OR)	
	Smith (TX)	
	Smith, Adam	
	Smith, Linda	
	Snowbarger	
	Snyder	
	Solomon	
	Souder	
	Spence	
	Spratt	
	Stabenow	
	Stearns	
	Stenholm	
	Stokes	
	Strickland	
	Stump	
	Stupak	
	Sununu	
	Talent	
	Tanner	
	Tauscher	
	Tauzin	
	Taylor (MS)	
	Taylor (NC)	
	Thomas	
	Thompson	
	Thornberry	
	Thune	
	Thurman	
	Tiahrt	
	Tierney	
	Torres	
	Towns	
	Traficant	
	Turner	
	Upton	
	Visclosky	
	Walsh	
	Wamp	
	Waters	
	Watkins	
	Watt (NC)	
	Watts (OK)	
	Waxman	
	Weldon (FL)	
	Weldon (PA)	
	Weller	
	Wexler	
	Weygand	
	White	
	Whitfield	
	Wicker	
	Wilson	
	Wise	
	Wolf	
	Wynn	
	Young (AK)	
	Young (FL)	

NAYS—50

Barrett (WI)	Kind (WI)	Paul
Bartlett	Klug	Payne
Blumenauer	Kucinich	Pelosi
Bonior	Lee	Petri
Campbell	Lofgren	Rangel
Conyers	Lowey	Rivers
Davis (IL)	Luther	Rohrabacher
DeFazio	McDermott	Rush
Delahunt	McKinney	Sanders
Filner	Meeks (NY)	Sensenbrenner
Franks (NJ)	Miller (CA)	Shays
Furse	Minge	Stark
Goode	Morella	Velazquez
Gutierrez	Nadler	Vento
Hoekstra	Oberstar	Woolsey
Hooley	Obey	Yates
Jackson (IL)	Owens	

NOT VOTING—11

Aderholt	Goss	Pryce (OH)
Brady (TX)	Johnson, Sam	Riley
Burton	Kennelly	Shaw
Ehrlich	Poshard	

□ 1438

Mrs. LOWEY and Mr. JACKSON of Illinois changed their vote from ''yea'' to ''nay.''

Mr. FRANK of Massachusetts changed his vote from ''nay'' to ''yea.''

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. RILEY. Mr. Speaker, I was unavoidably detained and was not present for rollcall No. 458. Had I been present, I would have voted ''yea.''

PERSONAL EXPLANATION

Mr. ADERHOLT. Mr. Speaker, on rollcall No. 458, I was unavoidably detained. Had I been present, I would have voted ''yea.''

PERSONAL EXPLANATION

Mr. SAM JOHNSON of Texas. Mr. Speaker, I was unavoidably detained on rollcall No. 458. I ask that the RECORD reflect, that had I been present, I would have voted ''yea.''

GENERAL LEAVE

Mr. SPENCE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report just agreed to.

The SPEAKER pro tempore (Mr. LATOURETTE). Is there objection to the request of the gentleman from South Carolina?

There was no objection.

WORKFORCE IMPROVEMENT AND PROTECTION ACT OF 1998

Mr. DREIER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 513 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 513

Resolved, That upon the adoption of this resolution it shall be in order without intervention of any point of order to consider in the House the bill (H.R. 3736) to amend the Immigration and Nationality Act to make changes relating to H–1B nonimmigrants. The bill shall be considered as read for amendment. In lieu of the amendment recommended by the Committee on the Judiciary now printed in the bill, the amendment in the nature of a substitute printed in the Congressional Record and numbered 1 pursuant to clause 6 of rule XXIII shall be considered as adopted. The previous question shall be considered as ordered on the bill, as amended, and on any further amendment thereto to final passage without intervening motion except: (1) one hour of debate on the bill, as amended, equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary; (2) the further amendment printed in the Congressional Record and numbered 2 pursuant to clause 6 of rule XXIII, which shall be in order without intervention of any point of order or demand for division of the question, shall be considered as read, and shall be separately debatable for one hour equally divided and controlled by the proponent and an opponent; and (3) one motion to recommit with or without instructions.

The SPEAKER pro tempore. The gentleman from California (Mr. DREIER) is recognized for 1 hour.

Mr. DREIER. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to my very dear friend, the gentelwoman from Fairport, NY, star of MS-NBC (Ms. SLAUGHTER) 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. DREIER asked and was given permission to revise and extend his remarks and include extraneous material.)

Mr. DREIER. Mr. Speaker, this rule makes in order H.R. 3736, the Workforce Improvement and Protection Act under a modified closed rule providing one hour of general debate divided equally between the chairman and ranking minority member of the Committee on the Judiciary. The rule waives all points of order against consideration in the House.

At the close of the debate on the rule, I will be offering an amendment to the rule to consider as adopted in lieu of the amendment recommended by the Committee on the Judiciary printed in the bill the amendment printed in the CONGRESSIONAL RECORD that is numbered 3. This amendment consists of the text of the compromise agreed to last night by the Senator from Michigan (Mr. ABRAHAM) who has worked tirelessly on this issue, the Clinton administration, and the gentleman from Texas (Mr. SMITH) chairman of the Subcommittee on Immigration who has been a great friend and a very sincere champion of immigration reform.

Additionally, Mr. Speaker, the rule makes in order the amendment printed in the CONGRESSIONAL RECORD numbered 2 to be offered by the gentleman from North Carolina (Mr. WATT) which will be in order without the intervention of any point of order and will be debatable for one hour equally divided and controlled by the proponent and an opponent.

□ 1445

Mr. Speaker, America's high tech explosion has been one of the truly inspiring stories of the last 2 decades. Brand names that were barely heard of 2 decades ago are now recognized not only here in the United States but all around the globe. Whole new private sector industries have expanded to the point where millions of American families enjoy their standard of living because of the jobs that they create.

In my State of California, Mr. Speaker, cutting edge industries that develop technology and sell it in every major world market have transformed a depressed, defense-based economy to a vibrant technology- and export-based economy.

The driving force behind these cutting edge industries and job-creating technologies is simple. It is the energy, brain power and perseverance of skilled people. Mr. Speaker, the fundamental concept behind this bill is that skilled people create jobs, they do not take up jobs.

California wins when talented, energetic people come to the State to build companies and create jobs. It does not matter whether those skilled people come from New York, Missouri or Montreal; California wins. This bill will help create more jobs in California and the rest of the country by insuring that more skilled workers can come here to help strong private sector businesses prosper.

Mr. Speaker, the companies that take advantage of skilled workers that temporarily enter the country from abroad do more than just create more good jobs here. The technological advances that they pioneer are felt throughout the country as better and less expensive consumer products, reduced production costs, increased efficiency, better wages and a higher standard of living for all Americans. Everyone loses when the private sector is denied access to skilled people.

Mr. Speaker, the compromise crafted through intense bipartisan negotiations over the past 2 weeks addresses the very legitimate concerns raised about the actions of a tiny minority of companies that abuse the H1B program, using it in a way that was never intended by the proponents of this valuable program. In addition to the current requirement that H1B workers be paid the same as American employees in similar positions, and I underscore that once again, Mr. Speaker, the requirement that H1B workers be paid the same as American employees in similar positions and previously agreed-to changes that would allow the Department of Labor to audit many companies which use H1B workers to ensure that they are recruiting American workers and not replacing them with foreign workers, today's compromise inserts additional requirements as well.

Companies that hire a significant number of H1B workers will be subjected to unprecedented scrutiny by the Department of Labor to ensure that they are making efforts to recruit American workers and that H1Bs are not taking jobs from Americans. Mr. Speaker, a fee of $500 per application will also be charged companies that seek to use H1B workers, with the revenues being used to fund math and science scholarships, to retrain displaced workers and to permit the Department of Labor to police the program.

Now it is an unfortunate reality, Mr. Speaker, but a reality all the same, that our education system is not producing enough skilled workers to meet the needs of many industries. Half of the students graduating from American universities with doctorates in science, math and computer programming are foreign-born students. It is a sad fact that 70 percent of American high tech companies claim a shortage of skilled workers as the leading barrier to their growth. This is a long-term national problem, and nothing we do here reduces the importance of dramatically improving education and training. We have much work to do on that account.

Mr. Speaker, it is always a pleasure to be able to present the House an opportunity to enact bipartisan legislation that will benefit our economy and create jobs. The Workforce Improvement and Protection Act highlights the very best of the role immigration plays in our national economy, injecting the vibrancy of skilled and energetic people. Not only do the vast majority of immigrants work hard, support their families and pay taxes, but some turn out to be like one named Andy Grove. He came to this country and, using his brain and his heart, made the Intel Corporation what it is today, a world leader in technology that has created thousands of jobs for Americans and thousands of products for American families.

Mr. Speaker, this is a very, very good compromise worked out among all the parties, including both the Senate, the House and the administration.

I urge adoption of both the rule and the bill.

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

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

(Ms. SLAUGHTER asked and was given permission to revise and extend her remarks.)

Ms. SLAUGHTER. Mr. Speaker, I thank the gentleman from California for yielding me the customary 30 minutes.

Mr. Speaker, I will not actively oppose this rule. The agreement that has

been crafted with the administration addresses some of the concerns my colleagues and I have with the underlying bill, but I do have concerns about how we arrived at this rule.

The process we adopted seems to abolish as irrelevant the committee process in the House of Representatives. This rule throws out the crafted consensus bill reported by the Committee on the Judiciary by a 23 to 4 vote; that is right, a 23 to 4 vote. The Committee on the Judiciary Subcommittee on Immigration and Claims heard from a variety of witnesses at its April hearing, including representatives from affected businesses, academia, labor unions and the Labor Department. At its markup, the subcommittee reported the bill by voice vote.

The full Committee on the Judiciary, working in bipartisan cooperation, fully considered the bill, adopting 11 amendments by voice vote. The committee report included a letter from the White House commending the committee-reported bill as a good basis for fine tuning final legislation that the administration could support. One might have thought that the legislative process had worked, producing a bill that addresses a problem and it could be enacted into law.

But last July, when the Committee on Rules first considered this rule, the Committee on Rules majority decided that the work of the Committee on the Judiciary, reported by a 23 to 4 margin, could be discarded at its whim. The Committee on Rules majority appropriated to itself the right to substitute a wholly different bill, drafted in secret, without the benefit of hearings or the expertise of the authorizing committee.

Unfortunately, this circumvention of the committee process is becoming a bad habit. Last month, we voted on a health care bill which no committee considered, and it had no chance of being enacted into law. Last week, we considered important bills to fight drug use that no committee had considered, marked up or reported.

And why should the American public care? Is this just inside baseball, irrelevant to the final legislative product? No. Far too often, the Congress has hastily passed ill-considered legislation that had many unforeseen consequences.

As I noted, the majority in the Committee on the Judiciary have reached an agreement with the White House that will allow this bill to be signed into law. The agreement was reached last night, although few of us and almost probably none of us have any idea what it is, and none of us have had the opportunity to examine it.

The Committee on the Judiciary-reported bill should have been brought to the House floor in regular order under an open rule. Unfortunately, that is not the circumstances in which we find ourselves. I register my objection.

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

Mr. DREIER. Mr. Speaker, I yield 2½ minutes to the gentleman from Morris, Illinois (Mr. WELLER), a valued member of the Committee on Ways and Means.

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

Mr. WELLER. Mr. Speaker, I rise in support of this rule, and I rise in support of this compromise.

Mr. Speaker, one thing that I am very proud of, of course, I represent the South Side of Chicago and the south suburbs, and that is the Chicago region ranks fourth today in high tech. We often think of Silicon Valley and the Boston corridor and Seattle, but the Chicago region is home to over 3,000 information and high tech corporations that are growing and, of course, creating new jobs in the Chicago region.

One lesson that we have all learned, though, as high tech jobs grow, as this new industry of the 21st century grows, that we have also learned that there is a shortage of skilled workers who have the computer skills to fill the jobs that are now made available. In fact, there are 340,000 jobs, it is estimated, that went unfilled this past year because of lack of computer skills in the workforce, and that is an issue that we have got to address long term as we work to give computer and Internet access to our schools throughout this Nation. But, short term, we need to solve this problem; and this compromise worked out between the administration and this House of Representatives and the Senate solves the problem; and that is why I stand in support of it.

Think about it. Information technology is our future. It is estimated there is 130,000 information technology jobs created in the past year. Over the next 10 years, we expect to create 1.3 million new jobs, and it is important to my home State of Illinois.

In 1995, information technology created 189,000 jobs for the people of Illinois, generating $8.5 billion in annual wages. The average industry wage is $45,000. The average private sector wage is only $30,000. These are good-paying jobs, and it is a great opportunity for young people to know that there is a future in high technology.

We need to win this fight. If we do not find a way to fill these jobs, we are going to lose out. If we want to compete globally, we have to fill these jobs with qualified workers. This legislation, which provides H–1B visas, raises the caps, will help us fill those positions as we work to prepare more Americans to fill these jobs in the future.

I am also proud this compromise between the White House and this Congress also increases protection for American workers. It is a good compromise. It is common sense. That is how this process should work. We protect workers giving the opportunity for our industry to grow and create new jobs, and I am proud that Chicago and the Chicago region, which ranks fourth in high technology, will be the winner when this legislation passes.

Again, I ask for bipartisan support.

Ms. SLAUGHTER. Mr. Speaker, I yield 5 minutes to the gentleman from Pennsylvania (Mr. KLINK).

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

I always find it very interesting, the names of the bills that come before us during this Congress. I would venture, if we did not have the kind of protections we have in speech on the floor of the House, that we would be able to sue our colleagues on the other side of the aisle for false advertising.

Workforce Improvement and Protection Act, a bill that allows some of the best jobs in the high tech industry to go to foreign workers who we bring into this country under a special H–1B provision, while those very same companies have spent the last year laying off hundreds of thousands of American workers. And I hope that when we get into the general debate I will have the opportunity to cite specific companies and the number of thousands of American workers in the high tech field that they have been laying off.

Mr. Speaker, this is not about a lack of workers. It is about a lack of workers that are the cheapest to be found. It is about a lack of indentured servants that we can bring in from other nations who cannot complain because there is virtually no enforcement by the Department of Labor.

Now I understand under the bill that we are to take up today that we have increased some of the oversight by the Department of Labor, but the fact of the matter is that only the smallest percentage of companies using H–1B visas will be able to be scrutinized. Those will be the companies that are called H–1B dependents.

When I first began to talk about the problem with H–1Bs and this visa, a lot of people across America were calling my office, Mr. Speaker, and indeed some Members thought H–1B was some experimental aircraft. The fact of the matter is that this was a program that was developed back in 1990. The colleges and the universities and the high tech industries were coming to Congress saying, we are not educating enough people with PhDs and the kind of degrees to take these high tech jobs.

My question still is, if we are not educating them, those same educational institutions, those colleges and universities that are complaining to us, are at fault. They are the schools that are accepting the tuition money that is being earned and paid out by the hard-working people of this country, and then they are not educating those students to take the jobs of tomorrow.

And to my friends on the minority side I will say at the same time that they are attempting to eliminate the Department of Education, eliminate the Department of Commerce, eliminate the Department of Labor who could monitor the needs of the work force and could help us train the workers for those skilled needs. Instead,

they are saying, let us raise the number up, let us raise the number of foreign workers that we are bringing in by 142,500, and that is what this rule does. That is what this bill does.

□ 1500

It says to the hard-working taxpayers across this country, ''Your kids are too stupid, your schools are too bad, and we are not going to do anything about it, except we are going to bring foreign workers in to take those good paying jobs. If you don't like it, we in Congress don't care.''

Because you bring this bill up today, no one has read it, no one knows what the provisions of this bill are. The White House worked this out. They did not talk to those of us in the House, except to advise us what the deal was that they had made. No one consulted us, no one asked us what we thought, what we needed. We were not a part of putting this legislation together.

I would say that the gentlewoman from the Committee on Rules, the gentlewoman from New York (Ms. SLAUGHTER), who yielded time to me, is absolutely right. We come here today blindly, not knowing what it is we are voting for. What are the specific protections in there? I defy one Member on either side to tell us exactly what that language is, because we have not had a chance to scrutinize it.

That is not the way the House of Representatives should work. Over 80 percent of the people in a Harris poll across this country, when asked if they favored the program, when the H–1B program was explained to them, over four out of five workers across this country, voters across this country, said they do not want to see an increase in this program.

We are defying that. We are flying in their face. This is not about building up a high-tech industry. This is about catering to high-tech industries, and a very formidable political voice, right before we have an election. If it is bipartisan, then both parties are guilty of doing it.

This is about giving away American jobs over the next three years. 147,500 additional foreign jobs are being given away. You can take my words and remember them, because two or three years from now, for those of you who vote for this rule, for those of you who vote for this bill, when your constituents by the tens of thousands tell you that they have been denied labor because the companies were waiting for H–1Bs, that their children have been denied, with those giant student loans, the ability to apply for those jobs because the companies want H–1Bs, go back and remember what it is we did today, and remember my words.

Mr. DREIER. Mr. Speaker, I yield myself such time as I may consume to respond to my very good friend from Pennsylvania.

Mr. Speaker, I would like to outline the details of the changes that have been made and say, first of all, in the area of education, 10,000 scholarships are going to be provided under this plan. There were very minor changes made in the compromise bill itself. Let me just go through those, if I may.

First of all, the amendment I am going to be offering, which is the compromise, extends the H–1B program three years, not four years. Companies will pay a $500 fee, as I said in my opening statement, to fund education, training and oversight. The fee had been half that in the original measure. Violators of H–1B rules will be banned for three years from the program, anyone who is violating it.

The compromise tightens up the small business exemption that is in the bill. The Department of Labor is authorized to do spot checks on companies which face any credible charges that have been leveled, and, along with the equivalent pay, which I mentioned again in my opening remarks, H–1B workers must get equivalent benefits.

So those are the changes made in the compromise.

Mr. KLINK. Mr. Speaker, will the gentleman yield?

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

Mr. KLINK. Mr. Speaker, we have not seen the specific language. That is my problem. I understand those things are in there. We have not had a chance to debate them.

Mr. DREIER. Mr. Speaker, reclaiming my time, it is in the CONGRESSIONAL RECORD. I have a copy of it right here. I am more than happy to provide it to my friend.

Mr. Speaker, I yield 3½ minutes to my friend, the gentleman from Huntington Beach, California (Mr. ROHRABACHER), who is very well guided in his strong support of the rule, but slightly misguided in his opposition to the compromise.

Mr. ROHRABACHER. Mr. Speaker, I rise today in support of the rule, but in strong opposition to H.R. 3736, a bill which would raise the annual number of high-tech jobs given to foreign workers.

Currently the INS issues 65,000 H–1B visas per year to highly skilled noncitizen technical workers. H.R. 3736, in response to high-tech industry's claim that there is a crisis in the shortage of trained American workers, would increase the H–1B cap to 115,000 jobs in 1999 and 2000, and 107,000 jobs the following year. That is over 200,000 jobs going to foreign workers.

Big business' claim that there is a worker shortage curiously comes at a time when our Nation's high-tech companies have laid off over 200,000 American employees, this year. The question is whether those Americans think there is a worker shortage crisis. And that does not even include, I might add, the tens of thousands of aerospace workers who have been laid off and are in need of training before they can get a job in these high-tech companies.

Mr. Speaker, let us be honest about H–1B and this issue. This is not about a shortage of qualified American workers; it is about pacifying a powerful big business interest who is trying to secure cheap foreign labor.

Mr. Speaker, whom do we represent? Working people who get laid off after having given their service to their industry and to their country are the people we should be most concerned about.

Instead of letting the market forces work and seeing the wages rise and the amount of money put into job training increase because there is a supply and demand issue here, instead of letting that market force work to the benefit of our own people, we are being asked to interfere with this market process so we can flood the market with people from overseas who are willing to work for less money. Whom do we care about? Whom do we represent if we are going to do this?

There are hundreds of thousands of workers from developing countries, indeed, that are willing to work for less. But the fact that they are importing them will take pressure off people to train our own people or to increase the wages of our people so those people will get their own training. The effect of this bill is to bring down the market wage for our high-tech workers.

It is called supply and demand. That is what we believe in. We Republicans especially are supposed to believe in that. It is not just supposed to work for the benefit of big companies; it is supposed to work for the benefit of all of our people. It will also reduce the incentives for companies to reeducate and retrain employees or unemployed Americans. It will provide an incentive for companies to lay off senior employees before they qualify for retirement or if they need health benefits, which people who get older need. Instead, it will bring on people who are from developing countries who are willing to work for a lot less and are a lot younger, and thus will not use the health care or the retirement benefits.

To whom are we loyal? Whom do we care about? We are supposed to care about the American people. American business, if they expect loyalty from their employees, have got to be loyal to their employees.

Mr. Speaker, I oppose H.R. 3736, while supporting the rule, because H–1B was a rotten idea to begin with, and it is a rotten compromise.

Ms. SLAUGHTER. Mr. Speaker, I yield 6½ minutes to the gentleman from New York (Mr. OWENS).

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

Mr. OWENS. Mr. Speaker, I would very much like to associate myself with the remarks of the previous speaker. This is a very important piece of legislation here, and one of the problems with the rule is that it cuts off debate and limits amendments that can be made on a very important job policy bill.

This is all about jobs. To the American people, I say wake up. These are

the jobs of right now and the jobs of the future. This is a problem of growth and prosperity, and we welcome it. We are discussing the jobs of today and the jobs that will be mushrooming in numbers in the future. Lots and lots of them will be created. Information technology workers; they are the workers of the future.

This is the wrong solution to the problem of shortages though. There are shortages. They are very real. But this solution sets the wrong precedent. If we go this way, we are going to find ourselves repeatedly increasing the quota and repeatedly raising the number of foreign workers who can come in from the outside and take jobs that should be here for American workers.

This bill is a negative job bill for American workers. Right now there are 65,000 foreign workers who fill up these kinds of jobs, who are in the country right now. What this bill proposes to do is this year increase it by 25,000 or 30,000 so we could have 90,000 this year. Then it is going to keep increasing, and by the year 2001 you will have 107,000 if they follow the formula that they have here.

But the likelihood is that if you set the precedent, if you start now, they are not going to follow this formula. You are going to have an amendment to increase it more next year, and still another amendment. Instead of doing what has to be done to guarantee that our own workers are trained properly and educated properly, that our own education policies are changed, so that our schools will begin to generate large numbers of people who can become information technology workers we will continue to raise the foreign worker quota.

65,000 now, then 90,000, then 107,000, that is only a small part of the problem. There are going to be many, many more jobs than that.

These numbers tell only a small part of the story. The Information Technology Association has done a survey that shows that right now there are about 300,000 vacancies, 300,000 right now, in information technology workers. The Department of Labor estimates that in five years we will have 1.5 million vacancies. These are vacancies that they compute after they take into consideration the number of youngsters who are in college majoring in computer science, math and other kinds of programs that will allow them to fill up the jobs. Even after you get all of the graduates out of the schools and they take these jobs, you are still going to have at least 1.5 million vacancies in five years, if you do not do anything about it.

What can we do about it? We must find ways to fill these jobs which are more substantial than what we are doing here. What we are doing here is opening the spigot so that massive numbers of foreign workers will keep coming in.

By the way, they pay foreign workers less, so this is highly desirable for industry. The pattern is they generally pay them less.

We need a program and set of policies that train American workers, starting with technology in our own schools. We need a pool, a supply of people to draw from, people who come through the schools and have been exposed to enough computer training to want to go on to junior college.

By the way, you can get some jobs after you come out of high school. You can get an A–1 certification for Microsoft just with a high school diploma and you can go out and earn $35,000 to $40,000 a year just coming out of high school. That is the kind of jobs we are talking about. But those who go on to junior college will get higher paying jobs, those who go to college and get computer programming degrees will get even more, can get $100,000 after they have been working for three or four years.

We are talking about a lucrative field that is likely to keep growing, so we want to have in our schools technology, as the President called for. We want to support the E-rate. There is a direct relationship between the people who are opposing the E-rate right now. E-rate, by the way, guarantees schools will be able to have telecommunications services at a discount. It allows some schools that could not afford to link their computers up with the Internet and have those services, to have them by giving as much as a 90 percent discount to the poorest schools.

The E-rate is being opposed now by some of these same companies. Many of the same companies that are bringing in the foreign workers are opposing the E-rate, which would allow us to have our schools prepared to educate a larger body of people who can take these jobs as American citizens. So we need to support the E-rate. We need to deal with the problem of school construction funding, which does not allow certain schools to be wired because they are too old and you need to renovate them or build new schools.

We need store front computer training centers, not only to allow youngsters from poor neighborhoods to be able to go in at night when the schools are closed down and get some practice, but also all these workers that are being laid off.

I want to say we have proposed, I proposed in the higher education legislation, an amendment which would allow colleges to combine with communities and set up store front training centers which will begin to deal with this problem. We need many innovative approaches.

Why is Bangalore, India, considered the computer programming capital of the world? Why are most of the workers who will be brought in under this program coming from India? Because India decided a long time ago, they had the vision and wisdom, to have first rate computer training programs in their schools. Bangalore in particular, developed first rate computer training programs. So they have large pools of people who are feeding the computer systems of all of the English speaking world. They speak English, so that is another advantage.

So we need policies that revamp our education system in order to produce the workers who can take these jobs. We do not need any more patchwork, easy answers for the big industries. They get lower paid workers and they get an unlimited flood of them without having to contribute to the effort here in America to educate our own citizens.

These are the jobs of the future. Wake up. These are the jobs of the future. If we give them away now, we will never be able to get them back.

☐ 1515

Mr. DREIER. Mr. Speaker, I am very pleased to yield 3 minutes to my good friend, the gentleman from Del Mar, California (Mr. CUNNINGHAM), who has a great understanding and grasp of this issue. We are all very, very happy to see him back, healthy and raring to go.

Mr. CUNNINGHAM. Mr. Speaker, I thank the gentleman from California for yielding time to me.

Mr. Speaker, the United States of America is the envy, I think, of the whole world on our high-tech accomplishments and our industries. Take a look at our biotech industry. Look at QualComm all over the world. Look at our health care. Look at our universities in health care. Look at the supercomputers that San Diego and other schools have. We need to keep that going.

My nephew had a full scholarship to MIT. His fiance is finishing up her Ph.D. in biotech at the age of 27. Their future is set because of the shortages that we have in the technology field.

In San Diego we have a program that takes displaced aerospace workers and trains them in these high-tech fields. However, I would like to tell the Members that workers at a beginning entry level do not have the same productivity as someone that has a Ph.D. and experience in the field that could produce the jobs, the biotech, the health care remedies and those kinds of things that we need.

If we look at the aerospace industry, we are in a sine wave with jobs. At times there are high peaks, and right now we happen to be in low peak, and we need people to replace them. What this bill does is takes that valley and levels it off, and at the end of that valley we allow for the American worker to have priority over a foreign worker, and they are out. That is all we are trying to do.

Here is the challenge. Remember Jaime Escalante? He said, just because a child is a minority she is not any ledss capable than other children. I can teach that child math. The community thought he was nuts. The teachers thought he was nuts. The children thought he was crazy. Yet, he taught those kids math. Then the community rallied behind him.

That is what we need to do with the American education system. We need to invest in the public education system, through private and local initiatives. But at the same time, we cannot continue to only get about 50 cents on the dollar out of our Federal programs. That is why our Dollars to the Classrooms Act, getting 90 cents out of the dollar for classrooms, is very, very important. We need to invest in those kinds of things.

This bill is a balance for American workers and American jobs. When we take a look, we, the United States of America, are 15th of the industrialized nations in math and science. That is a crime in itself. Look at the D.C. schools. Children are graduating, and over 60 percent are functionally illiterate.

If we want a long-term solution, it is—and I agree with my friend, the gentleman from New York—it is education, and making sure that we have those effective kinds of programs. We do not do that in this country, to a large degree. Overall, we have a shortage in the field that we need to fill. This bill allows us to do that.

Are there problems with it? Yes. But I think it is a bipartisan agreement in most areas, and I support the rule and the bill.

Mr. Speaker, America's high-tech industry is the envy of the world. It powers our strong economy. And it is making our lives better.

Advanced technology requires people with advanced skills to keep these innovations coming. Our high-tech industry spends far more per worker on training and education than other industries do.

But the Commerce Department, the American Electronics Association, my local San Diego Chamber of Commerce, and many of the employers in my district—like Hewlett-Packard, Qualcomm, UCSD and others—all agree that there are not enough of these high-skill workers to go around.

Moreover, our colleagues and universities are not producing enough science and engineering graduates to meet demand. And of those graduates, a large percentage are non-U.S. nationals.

So what can we do?

First, America's schools must do better than last place among industrialized countries in math and science. Our ''Dollars to the Classrooms Act'' and other local initiatives will help meet that challenge. But it will take time.

Second, we should encourage more young people to pursue the high-tech field. Again, this will take a long time to bear fruit. But we can do it.

Third, we should adopt this legislation, H.R. 3736, the Workforce Improvement Act.

The Workforce Improvement Act temporarily increases the number of high-skill worker visas. It will help American employers address the current high-tech worker shortage, so they can strengthen America's economy, help create American jobs in America, and maintain our global leadership in technology and innovation.

The bill contains a reasonable balance of checks and balances—helping to keep the H-one-B visa program from being abused, while resisting the temptation to have the U.S. Department of Labor involved in every private hiring decision.

And the fees from this program will help pay for advanced American worker training and education.

This bill is not perfect. I would have preferred that the increase in H-one-B high skill worker visas was offset with a reduction in other visa categories. But the measure is a product of compromise. And on balance, it is in the national interest.

For American workers, American jobs, and a strong American future * * * support this important legislation, and oppose the Watt substitute and the motion to recommit.

Ms. SLAUGHTER. Mr. Speaker, I yield 4½ minutes to the gentleman from California (Mr. BROWN).

(Mr. BROWN of California asked and was given permission to revise and extend his remarks.)

Mr. BROWN of California. Mr. Speaker, I thank the gentlewoman for yielding me this time.

Mr. Speaker, I take some pleasure in the fact that I seem to share the same views as my distinguished colleague, the gentleman from California (Mr. ROHRABACHER) on this issue. I want to explain some of the reasons for that.

I want to address the primary argument put forth by supporters of this bill that a shortage exists of the workers needed to maintain American leadership in the information technology industries. As usual, anecdotes far outweigh hard evidence in the debate. I thought it might be useful to examine more closely the data that is available.

Determining a labor shortage is a fiendishly difficult exercise, even for labor economists. Defining the types of workers involved, where they get their education, the tasks employers want them to do, and the overall economic climate are just some of the items that go into the analysis. None of these factors remain static, and it is difficult to track them on a real-time basis. It is no wonder that John Bishop, the Chair of the Department of Human Resource Studies at Cornell, has warned us to be careful in adopting policies to address perceived shortages. This is not a policy that can be easily reversed.

We on the Committee on Science have specific experience about the damage we can do manipulating the labor market. At the beginning of this decade we were concerned about a shortfall of scientists and engineers. We gave new money to the National Science Foundation to get more people into the pipeline. By the time they finished their education and went out to the job market, there were not any jobs for them.

Those of us who have been here for a while may recall the billboard that read, and I quote, ''Will the last person leaving Seattle please turn out the lights,'' during the aerospace slump of the seventies. This is typical in the aerospace industry. Now the National Research Council is recommending that we sharply limit new entrants into the life sciences training programs, because there are so few places for graduates to go.

It has become almost sacred writ that there are 346,000 vacancies for information technology workers. I believe that we should treat this assertion with great skepticism. This number was derived from telephone surveys of companies in the field, but the response rate was just 36 percent of those chosen for sampling.

The gentleman from Michigan (Mr. DINGELL) and I asked the General Accounting Office for their views on the methodology that led to this result. GAO reported to us that they considered the response level too low to permit the results to reflect conditions across the country. GAO further noted that there was not enough information about the vacancies discussed in the study to answer some very important questions: How many of these vacancies are caused by normal turnover, and how long does it take a company to fill a job slot when it becomes empty?

IBM once looked at this particular issue a few years ago and discovered that at any one time it was normal to have some 5 percent of their jobs vacant. The surveys gave us no information on the salary levels of the vacancies, so we cannot know if the companies were offering competitive salaries or merely wishful thinking. The study itself warned that no one should infer that 346,000 jobs would be immediately ready to absorb 346,000 qualified candidates.

At this point, I would like to raise the supply side of the equation, because it is not getting much consideration in the debate. The Computing Research Association tells us that enrollments in computer sciences have grown 40 percent in each of the last 2 years. The Statistical Factbook for the University of California at San Bernadino in my district shows that declared majors in the Information and Decision Management Department have jumped from 22 in 1992 to 219 in 1997. Enrollment leaped from 28 to 143 just between 1993 and 1994. Dr. Walt Stewart, the department chair, told my staff that these numbers are low because they do not capture the students from other departments.

The American Association of Community Colleges reports strong increases in enrollments in programs for computer technology, software, and computer-assisted design. Our children are getting the message that there is an opportunity here. For us to make policy about demand while ignoring supply is guaranteed to get us into trouble.

My last point involves the current economic situation. Reports in the latest issues of The Economist and Business Week indicate that the high-tech sector is feeling strong pressure from the breakdown of Asian economies. There is severe overcapacity in the semiconductor business; Motorola has just decided to postpone building its new chip manufacturing plant in Virginia. Falling prices for PCs, while a boon for consumers, limit the profits their makers can earn. TIME reported this

week that China is contemplating a 30-percent devaluation of its currency early next year, a severe blow to recovery efforts in Japan, Korea, Indonesia, and Malaysia. Prosperity may be just around the corner. Prudence recommends that we do no harm in this volatile situation.

I intend to vote for the Watt-Berman-Klink substitute. I do so because it increases visa limits only through fiscal year 2000, thereby reducing the outyear effects on the labor market. I also believe that all companies who benefit from this public policy should be required to demonstrate that their resort to H–1Bs is driven by genuine need and not convenience. The substitute derives directly from Chairman LAMAR SMITH's bill that earned a bipartisan majority from the members of the Judiciary Committee. Support Watt-Berman-Klink.

Mr. DREIER. Mr. Speaker, I am happy to yield 3 minutes to my friend, the gentleman from Roanoke, Virginia (Mr. GOODLATTE), who is strongly supportive of the bipartisan compromise that has been worked out by the House, the Senate, and the administration.

Mr. GOODLATTE. Mr. Speaker, I thank the gentleman for yielding time to me, and he is quite right.

Mr. Speaker, I rise in support of this rule and the compromise legislation offered by my good friend, the gentleman from Texas (Mr. SMITH), chairman of the Subcommittee on Immigration and Claims. This legislation is the product of extensive work and deliberation between the Committee on the Judiciary, the gentleman from Texas (Chairman SMITH), and the high-tech industry. I believe it represents an effective compromise that addresses the needs of the high-tech industry and also provides important and necessary protections for American workers.

Mr. Speaker, this country has a vested interest in ensuring that our policies encourage the continued growth of the booming high technology industry. The high-tech industry has contributed over 3 million jobs to the United States economy over the last 3 years. It has also accounted for over 27 percent of the growth in the gross national product.

The industry's ability to hire the best and brightest is essential if we are to remain the global leader in this emerging field. Unfortunately, there is currently an insufficient number of American workers available to fill many high technology positions. According to some reports, as many as 300,000 high technology jobs are unfilled due to a lack of qualified American workers in a tight labor market.

The current quota of 65,000 H–1B visas was reached months ago, leaving many companies without the resources they need to effectively operate and expand. If we do not responsively address this problem, we risk placing a strain on the expansion of the industry that could end up costing the American people countless jobs.

I have consistently worked to ensure our immigration policy is firm, fair, and effective. Immigration laws should not be used as a tool to provide sources of cheap labor, nor should they be used to deprive qualified American workers the opportunity to succeed in the marketplace. However, we are currently confronted with a skilled labor shortage.

Our response to this shortage should be targeted yet effective. We should not alter our fundamental commitment to maintain responsible and productive levels of immigration, but we should be willing to permit the necessary number of workers to enter temporarily to respond to the lack of qualified workers.

Mr. Speaker, every effort should be made to ensure that qualified American workers are not being laid off or passed over to hire foreign workers. This bill provides necessary protection for American workers. It also takes important steps to support the training of American workers, so we will remain effective and competitive in the future.

Furthermore, this is only a temporary measure. It will only increase the numbers until 2002, at which point the numbers will return to current levels. This is a temporary fix to address a problem that needs immediate attention.

Mr. Speaker, this is a responsible, reasonable, and necessary piece of legislation that is essential to the continued success of our booming high-tech industry and the millions of American jobs that it creates. I urge my colleagues to support this compromise and oppose the substitute offered by the gentleman from North Carolina.

Ms. SLAUGHTER. Mr. Speaker, I yield 3 minutes to the gentleman from Virginia (Mr. MORAN).

Mr. MORAN of Virginia. Mr. Speaker, I thank the gentlewoman from New York for yielding time to me.

Mr. Speaker, what I would like to focus on is the unparalleled economic growth that we are currently experiencing and why. The principal reason we are doing as well as we are economically is attributable to the high technology sector. U.S. firms dominate the world market in both high-tech products and high-tech services. Over 3.3 million Americans are directly employed in high technology jobs.

But the work force shortage faced by the technology sector threatens our world dominance in the technology sector and our continued economic prosperity. Over the next 10 years the global economy is projected to grow at three times the rate of the U.S. economy. Basic high technology infrastructure needs in just 8 of the fastest growing countries are going to reach $1.6 trillion.

If the U.S. does not seize the opportunity to supply goods and services to these emerging markets, other countries will. But U.S. firms simply cannot compete if they do not have access to a highly-trained work force. There is no doubt that the quantity and even the quality of our current work force is failing to keep pace with the needs of the technology industry.

Some 10 percent of high technology jobs are now vacant. This is nearly 200,000 vacant jobs across the country. U.S. firms who cannot find enough domestic workers are sending more and more contracts overseas. In Northern Virginia, we have a vacancy rate of 19,000. Just pick up the Washington Post any Sunday and Members will see where those vacancies are.

We are in desperate need of more workers, and as a result, because we do not have the workers, we are sending jobs overseas, even to fulfill government contracts. We are going over to India, Ireland, and any number of other countries that are willing to meet our needs.

But does it not make more sense to pay an American worker here $60,000 a year than to send a job overseas, pay them maybe $16,000, but that money is spent in their economy? We are so much better off if these jobs and these salaries are spent in our U.S. economy. That is what we are trying to achieve.

Mr. Speaker, this bill is a substantial improvement. It increases the cap. It is going to enable us to better meet the needs, but it is not adequate. We still need to do more work.

☐ 1530

I must say, in terms of the training provision, that we cannot continue job training programs in the way that we have done them in the past. They need to be much more tied to industry. They need, in fact, to be industry driven.

Let the companies in the technology sector, particularly, get together, cooperate, contribute maybe a third of the money. Let the Federal Government contribute a third of the money. Let universities contribute. And with that consortia, let us make sure that the training that we do is going to be immediately met by job placement. We cannot afford to train just for the sake of training. We need to be putting people in the jobs that are available today.

Mr. DREIER. Mr. Speaker, I yield 3 minutes to the gentleman from Glendale, California (Mr. ROGAN), my very good friend who is a hard-working member of both the Committee on Commerce and the Committee on the Judiciary.

Mr. ROGAN. Mr. Speaker, I thank the gentleman from California (Mr. DREIER), my friend and neighbor, for yielding me this time.

Mr. Speaker, first, I want to commend the gentleman from Texas (Mr. SMITH) for his leadership on this issue. Over the past several months, he worked to achieve a compromise measure that will help both American businesses, universities and our workforce.

I also want to recognize the distinguished Senator from Michigan, Mr. ABRAHAM, for leading the negotiations with the administration on behalf of the Senate and the House leadership.

H–1B visas have played a crucial role in America's vibrant economy. During the past 3 years, the high-tech industry has contributed over 3.5 million jobs to the U.S. economy and has accounted for a 27 percent increase in our gross national product.

Human and intellectual capital fuel this industry, and a small but critical element of the high-tech workforce consists of foreign-born workers holding H–1B visas. H.R. 3736 will temporarily raise the annual cap on H–1B visas in order to lessen the shortage of high-tech workers.

As cochairman of the Speaker's High Technology Working Group, I recognize America's strong interest in ensuring that our policies encourage the continued growth of technology while promoting the strength of the national economy as a whole.

This is an issue of international competitiveness. Our ability to hire the best and the brightest is essential if America is to remain the global leader in technology. This compromise strikes an important balance between addressing the workforce needs of this industry and protecting the security of American workers.

This legislation creates a workable system where employers can temporarily obtain immigrant workers to fill high-tech jobs when there is a lack of qualified domestic workers. Further, this protects American workers from abuses such as being laid off or being replaced by a foreign worker, and it achieves this without creating a huge enforcement bureaucracy at the Department of Labor. This legislation also recognizes this as a short-term solution to the high technology worker shortage. The increased number of H–1B visas will sunset in 2002.

This bill provides further protections for American workers by targeting employers who are more likely to abuse the program. Additionally, this legislation supports long-term solutions to worker shortages by providing more job training programs and college scholarships for Americans in areas such as math, engineering and computer science.

Mr. Speaker, I urge my colleagues to support the rule that will bring forth legislation to support America's high-tech industry while securing and offering better jobs for Americans.

Ms. SLAUGHTER. Mr. Speaker, I have no further requests for time. May I ask if my colleague has further requests?

Mr. DREIER. Mr. Speaker, will the gentlewoman yield?

Ms. SLAUGHTER. I yield to the gentleman from California.

Mr. DREIER. Mr. Speaker, I would like to congratulate the gentlewoman and say that we have just completed with our last speaker, just as she has. So, obviously, this could not have been planned any better than it has.

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

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

Mr. Speaker, I would close by simply saying that I believe that this is an extraordinarily good compromise for a very, very important issue to address a telling need to ensure that we do not see companies that have been thriving forced to leave the United States of America for their survival, so that we can remain on the competitive edge. I urge support of it.

AMENDMENT OFFERED BY MR. DREIER

Mr. DREIER. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DREIER:

At the end of the resolution add the following new section:

''SEC. 2. Notwithstanding any other provision of this resolution, the amendment in the nature of a substitute printed in the Congressional Record and numbered 3 pursuant to clause 6 of rule XXIII shall be considered as adopted in lieu of the amendment in the nature of a substitute printed in the CONGRESSIONAL RECORD and numbered 1.''

Mr. DREIER. Mr. Speaker, I will briefly take a moment to explain this amendment.

Mr. Speaker, this amendment simply provides that, upon the adoption of the resolution, the text of the administration-endorsed compromise that we have come to with the House and the Senate and the administration shall be considered as adopted.

I urge support of the resolution as well as the amendment.

Mr. Speaker, I yield back the balance of my time, and I move the previous question on the amendment and on the resolution.

The previous question was ordered.

The SPEAKER pro tempore (Mr. SHIMKUS). The question is on the amendment offered by the gentleman from California (Mr. DREIER).

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the resolution, as amended.

The resolution, as amended, was agreed to.

A motion to reconsider was laid on the table.

Mr. SMITH of Texas. Mr. Speaker, pursuant to House Resolution 513, I call up the bill (H.R. 3736) to amend the Immigration and Nationality Act to make changes relating to H–1B nonimmigrants, and ask for its immediate consideration in the House.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Pursuant to House Resolution 513, the bill is considered as having been read for amendment.

The text of H.R. 3736 is as follows:

H.R. 3736

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 ''Workforce Improvement and Protection Act of 1998''.

SEC. 2. TEMPORARY INCREASE IN SKILLED FOREIGN WORKERS.

Section 214(g) of the Immigration and Nationality Act (8 U.S.C. 1184(g)) is amended—

(1) by amending paragraph (1)(A) to read as follows:

'(A) under section 101(a)(15)(H)(i)(b), subject to paragraph (5), may not exceed—

'(i) 95,000 in fiscal year 1998;

'(ii) 105,000 in fiscal year 1999; and

'(iii) 115,000 in fiscal year 2000; or'; and

(2) by adding at the end the following:

'(5) In each of fiscal years 1999 and 2000, the total number of aliens described in section 212(a)(5)(C) who may be issued visas or otherwise provided nonimmigrant status under section 101(a)(15)(H)(i)(b) may not exceed 7,500.'.

SEC. 3. PROTECTION AGAINST DISPLACEMENT OF UNITED STATES WORKERS.

(a) IN GENERAL.—Section 212(n)(1) of the Immigration and Nationality Act (8 U.S.C. 1182(n)(1)) is amended by inserting after subparagraph (D) the following:

'(E)(i) The employer has not laid off or otherwise displaced and will not lay off or otherwise displace, within the period beginning 6 months before and ending 90 days following the date of filing of the application or during the 90 days immediately preceding and following the date of filing of any visa petition supported by the application, any United States worker (as defined in paragraph (3)) (including a worker whose services are obtained by contract, employee leasing, temporary help agreement, or other similar means) who has substantially equivalent qualifications and experience in the specialty occupation, and in the area of employment, for which H–1B nonimmigrants are sought or in which they are employed.

'(ii) Except as provided in clause (iii), in the case of an employer that employs an H–1B nonimmigrant, the employer shall not place the nonimmigrant with another employer where—

'(i) the nonimmigrant performs his or her duties in whole or in part at one or more worksites owned, operated, or controlled by such other employer; and

'(II) there are indicia of an employment relationship between the nonimmigrant and such other employer.

'(iii) Clause (ii) shall not apply to an employer's placement of an H–1B nonimmigrant with another employer if the other employer has executed an attestation that it satisfies and will satisfy the conditions described in clause (i) during the period described in such clause.'.

(b) DEFINITIONS.—

(1) IN GENERAL.—Section 212(n) of the Immigration and Nationality Act (8 U.S.C. 1182(n)) is amended by adding at the end the following:

'(3) For purposes of this subsection:

'(A) The Term 'H–1B nonimmigrant' means an alien admitted or provided status as a nonimmigrant described in section 101(a)(15)(H)(i)(b).

'(B) The term 'lay off or otherwise displace', with respect to an employee—

'(i) means to cause the employee's loss of employment, other than through a discharge for cause, a voluntary departure, or a voluntary retirement; and

'(ii) does not include any situation in which employment is relocated to a different geographic area and the employee is offered a chance to move to the new location, with wages and benefits that are not less than those at the old location, but elects not to move to the new location.

'(C) The term 'United States worker' means—

'(i) a citizen or national of the United States;

'(ii) an alien lawfully admitted for permanent residence; or

'(iii) an alien authorized to be employed by this Act or by the Attorney General.'.

(2) CONFORMING AMENDMENTS.—Section 212(n)(1) of the Immigration and Nationality Act (8 U.S.C. 1182(n)(1)) is amended by striking 'a nonimmigrant described in section 101(a)(15)(H)(i)(b)' each place such term appears and inserting 'an H–1B nonimmigrant'.

SEC. 4. RECRUITMENT OF UNITED STATES WORKERS PRIOR TO SEEKING NONIMMIGRANT WORKERS.

Section 212(n)(1) of the Immigration and Nationality Act (8 U.S.C. 1182(n)(1)), as

amended by section 3, is further amended by inserting after subparagraph (E) the following:

'(F)(i) The employer, prior to filing the application, has taken, in good faith, timely and significant steps to recruit and retain sufficient United States workers in the specialty occupation for which H–1B nonimmigrants are sought. Such steps shall have included recruitment in the United States, using procedures that meet industry-wide standards and offering compensation that is at least as great as that required to be offered to H–1B nonimmigrants under subparagraph (A), and offering employment to any qualified United States worker who applies.

'(ii) The conditions described in clause (i) shall not apply to an employer with respect to the employment of an H–1B nonimmigrant who is described in subparagraph (A), (B), or (C) of section 203(b)(1).'.

SEC. 5. LIMITATION ON AUTHORITY TO INITIATE COMPLAINTS AND CONDUCT INVESTIGATIONS FOR NON-H–1B-DEPENDENT EMPLOYERS.

(a) IN GENERAL.—Section 212(n)(2)(A) of the Immigration and Nationality Act (8 U.S.C. 1182(n)(2)(A)) is amended—

(1) in the second sentence, by striking the period at the end and inserting the following: ', except that the Secretary may only file such a complaint respecting an H–1B-dependent employer (as defined in paragraph (3)), and only if there appears to be a violation of an attestation or a misrepresentation of a material fact in an application.'; and

(2) by inserting after the second sentence the following: 'Except as provided in subparagraph (F) (relating to spot investigations during probationary period), no investigation or hearing shall be conducted with respect to an employer except in response to a complaint filed under the previous sentence.'.

(b) DEFINITIONS.—Section 212(n)(3) of the Immigration and Nationality Act (8 U.S.C. 1182(n)(2)), as added by section 3, is amended—

(1) by redesignating subparagraphs (A), (B), and (C) as subparagraphs (B), (C), and (E), respectively;

(2) by inserting after 'purposes of this subsection:' the following:

'(A) The term 'H–1B-dependent employer' means an employer that—

'(i)(I) has fewer than 21 full-time equivalent employees who are employed in the United States, and (II) employs 4 or more H–1B nonimmigrants; or

'(ii)(I) has at least 21 but not more than 150 full-time equivalent employees who are employed in the United States; and (II) employs H–1B nonimmigrants in a number that is equal to at least 20 percent of the number of such full-time equivalent employees; or

'(iii)(I) has at least 151 full-time equivalent employees who are employed in the United States; and (II) employs H–1B nonimmigrants in a number that is equal to at least 15 percent of the number of such full-time equivalent employees.

In applying this subparagraph, any group treated as a single employer under subsection (b), (c), (m), or (o) of section 414 of the Internal Revenue Code of 1986 shall be treated as a single employer. Aliens employed under a petition for H–1B nonimmigrants shall be treated as employees, and counted as nonimmigrants under section 101(a)(15)(H)(i)(b) under this subparagraph.'; and

(3) by inserting after subparagraph (C) (as so redesignated) the following:

SEC. 6. INCREASED ENFORCEMENT AND PENALTIES.

(a) IN GENERAL.—Section 212(n)(2)(C) of the Immigration and Nationality Act (8 U.S.C. 1182(n)(2)(C)) is amended to read as follows:

'(C)(i) If the Secretary finds, after notice and opportunity for a hearing, a failure to meet a condition of paragraph (1)(B) or (1)(E), a substantial failure to meet a condition of paragraph (1)(C), (1)(D), or (1)(F), or a misrepresentation of material fact in an application—

'(I) the Secretary shall notify the Attorney General of such finding and may, in addition, impose such other administrative remedies (including civil monetary penalties in an amount not to exceed ($1,000 per violation) as the Secretary determines to be appropriate; and

'(II) the Attorney General shall not approve petitions filed with respect to that employer under section 204 or 214(c) during a period of at least 1 year for aliens to be employed by the employer.

'(ii) If the Secretary finds, after notice and opportunity for a hearing, a willful failure to meet a condition of paragraph (1) or a willful misrepresentation of material fact in an application—

'(I) the Secretary shall notify the Attorney General of such finding and may, in addition, impose such other administrative remedies (including civil monetary penalties in an amount not to exceed $5,000 per violation) as the Secretary determines to be appropriate; and

'(II) the Attorney General shall not approve petitions filed with respect to that employer under section 204 or 214(c) during a period of at least 1 year for aliens to be employed by the employer.

'(iii) If the Secretary finds, after notice and opportunity for a hearing, a willful failure to meet a condition of paragraph (1) or a willful misrepresentation of material fact in an application, in the course of which failure or misrepresentation the employer also has failed to meet a condition of paragraph (1)(E)—

'(I) the Secretary shall notify the Attorney General of such finding and may, in addition, impose such other administrative remedies (including civil monetary penalties in an amount not to exceed $25,000 per violation) as the Secretary determines to be appropriate; and

'(II) the Attorney General shall not approve petitions filed with respect to that employer under section 204 or 214(c) during a period of at least 2 years for aliens to be employed by the employer.

(b) PLACEMENT OF H–1B NONIMMIGRANT WITH OTHER EMPLOYER.—Section 212(n)(2) of the Immigration and Nationality Act (8 U.S.C. 1182(n)(2)) is amended by adding at the end the following:

'(E) Under regulations of the Secretary, the previous provisions of this paragraph shall apply to a failure of an other employer to comply with an attestation described in paragraph (1)(E)(iii) in the same manner as they apply to a failure to comply with a condition described in paragraph (1)(E)(i).'.

(c) SPOT INVESTIGATIONS DURING PROBATIONARY PERIOD.—Section 212(n)(2) of the Immigration and Nationality Act (8 U.S.C. 1182(n)(2)), as amended by subsection (b), is further amended by adding at the end the following:

'(F) The Secretary may, on a case-by-case basis, subject an employer to random investigations for a period of up to 5 years, beginning on the date that the employer is found by the Secretary to have committed a willful failure to meet a condition of paragraph (1) or to have made a misrepresentation of material fact in an application. The preceding sentence shall apply to an employer regardless of whether the employer is an H–1B-dependent employer or a non-H–1B-dependent employer. The authority of the Secretary under this subparagraph shall not be construed to be subject to, or limited by, the requirements of subparagraph (A).'.

SEC. 7. EFFECTIVE DATE.

The amendments made by this Act shall take effect on the date of the enactment of this Act and shall apply to applications filed with the Secretary of Labor on or after 30 days after the date of the enactment of this Act, except that the amendments made by section 2 shall apply to applications filed with such Secretary before, on, or after the date of the enactment of this Act.

The SPEAKER pro tempore. In lieu of the amendment printed in the bill, the amendment in the nature of a substitute printed in the CONGRESSIONAL RECORD numbered 3 is adopted.

The text of H.R. 3736, as amended by amendment No. 3 printed in the CONGRESSIONAL RECORD is as follows:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS; AMENDMENTS TO IMMIGRATION AND NATIONALITY ACT.

(a) SHORT TITLE.—This Act may be cited as the ''Temporary Access to Skilled Workers and H–1B Non-immigrant Program Improvement Act of 1998''.

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

(c) AMENDMENTS TO IMMIGRATION AND NATIONALITY ACT.—Except as otherwise specifically provided in this Act, whenever in this Act an amendment is expressed in terms of an amendment to a section or other provision, the reference shall be considered to be made to that section or other provision of the Immigration and Nationality Act (8 U.S.C. 1101 et seq.).

TITLE I—PROVISIONS RELATING TO H–1B NONIMMIGRANTS

SEC. 101. TEMPORARY INCREASE IN ACCESS TO TEMPORARY SKILLED PERSONNEL UNDER H–1B PROGRAM.

(a) TEMPORARY INCREASE IN SKILLED NONIMMIGRANT WORKERS.—Paragraph (1)(A) of section 214(g) (8 U.S.C. 1184(g)) is amended to read as follows:

''(A) under section 101(a)(15)(H)(i)(b), may not exceed—

''(i) 65,000 in each fiscal year before fiscal year 1999;

''(ii) 115,000 in fiscal year 1999;

''(iii) 115,000 in fiscal year 2000;

''(iv) 107,500 in fiscal year 2001; and

''(v) 65,000 in each succeeding fiscal year; or''.

(b) EFFECTIVE DATES.—The amendment made by subsection (a) applies beginning with fiscal year 1998.

SEC. 102. PROTECTION AGAINST DISPLACEMENT OF UNITED STATES WORKERS IN CASE OF H–1B-DEPENDENT EMPLOYEES

(a) PROTECTION AGAINST LAYOFF AND REQUIREMENT FOR PRIOR RECRUITMENT OF UNITED STATES WORKERS.—

(1) ADDITIONAL STATEMENTS ON APPLICATION.—Section 212(n)(1) (8 U.S.C. 1182(n)(1)) is amended by inserting after subparagraph (D) the following:

''(E)(i) In the case of an application described in clause (ii), the employer did not displace and will not displace a United States worker (as defined in paragraph (4)) employed by the employer within the period beginning 90 days before and ending 90 days after the date of filing of any visa petition supported by the application.

''(ii) An application described in this clause is an application filed on or after the date final regulations are first promulgated to carry out this subparagraph, and before October 1, 2001, by an H–1B-dependent employer (as defined in paragraph (3)) or by an employer that has been found under paragraph (2)(C) or (5) to have committed a willful failure or misrepresentation on or after the date of the enactment of this subparagraph. An application is not described in this clause of the only H–1B non-immigrants sought in the application are exempt H–1B nonimmigrants.

''(F) In the case of an application described in subparagraph (E)(ii), the employer will not place the nonimmigrant with another employer (regardless of whether or not such other employer is an H–1B-dependent employer) where—

''(i) the nonimmigrant performs duties in whole or in part at one or more worksites owned, operated, or controlled by such other employer; and

''(ii) there are indicia of an employment relationship between the nonimmigrant and such other employer;

unless the employer has inquired of the other employer as to whether, and has no knowledge that, within the period beginning 90 days before and ending 90 days after the date of the placement of the nonimmigrant with the other employer, the other employer has displaced or intends to displace a United States worker employed by the other employer.

''(G)(i) In the case of an application described in subparagraph (E)(ii), subject to clause (ii), the employer, prior to filing the application—

''(I) has taken good faith steps to recruit, in the United States using procedures that meet industry-wide standards and offering compensation that is at least as great as that required to be offered to H–1B nonimmigrants under subparagraph (A), United States workers for the job for which the nonimmigrant or nonimmigrants is or are sought; and

''(II) has offered the job to any United States worker who applies and is equally or better qualified for the job for which the nonimmigrant or nonimmigrants is or are sought.

''(ii) The conditions described in clause (i) shall not apply to an application filed with respect to the employment of an H–1B nonimmigrant who is described in subparagraph (A), (B), or (C) of section 203(b)(1).''.

(2) NOTICE ON APPLICATION OF POTENTIAL LIABILITY OF PLACING EMPLOYERS.—Section 212(n)(1) (8 U.S.C. 1182(n)(1)) is amended by adding at the end the following: ''The application form shall include a clear statement explaining the liability under subparagraph (F) of a placing employer if the other employer described in such subparagraph displaces a United States worker as described in such subparagraph.''.

(3) CONSTRUCTION.—Section 212(n)(1) (8 U.S.C. 1182(n)(1)) is further amended by adding at the end the following: ''Nothing in subparagraph (G) shall be construed to prohibit an employer from using legitimate selection criteria relevant to the job that are normal or customary to the type of job involved, so long as such criteria are not applied in a discriminatory manner.''.

(b) H–1B-DEPENDENT EMPLOYER AND OTHER DEFINITIONS.—

(1) IN GENERAL.—Section 212(n) (8 U.S.C. 1182(n)) is amended by adding at the end the following:

''(3)(A) For purposes of this subsection, the term 'H–1B-dependent employer' means an employer that—

''(i)(I) has 25 or fewer full-time equivalent employees who are employed in the United States; and (II) employs more than 7 H–1B nonimmigrants;

''(ii)(I) has at least 26 but not more than 50 full-time equivalent employees who are employed in the United States; and (II) employs more than 12 H–1B nonimmigrants; or

''(iii)(I) has at least 51 full-time equivalent employees who are employed in the United States; and (II) employs H–1B nonimmigrants in a number that is equal to at least 15 percent of the number of such full-time equivalent employees.

''(B) For purposes of this subsection—

''(i) the term 'exempt H–1B nonimmigrant' means an H–1B nonimmigrant who—

''(I) receives wages (including cash bonuses and similar compensation) at an annual rate equal to at least $60,000; or

''(II) has attained a master's or higher degree (or its equivalent) in a specialty related to the intended employment; and

''(ii) the term 'Nonexempt H–1B nonimmigrant' means an H–1B nonimmigrant who is not an exempt H–1B nonimmigrant.

''(C) For purposes of subparagraph (A)—

''(i) in computing the number of full-time equivalent employees and the number of H–1B nonimmigrants, exempt H–1B nonimmigrants shall not be taken into account during the longer of—

''(I) the 6–month period beginning on the date of the enactment of the Temporary Access to Skilled Workers and H–1B Nonimmigrant Program Improvement Act of 1998; or

''(II) the period beginning on the date of the enactment of the Temporary Access to Skilled Workers and H–1B Nonimmigrant Program Improvement Act of 1998 and ending on the date final regulations are issued to carry out this paragraph; and

''(ii) any group treated as a single employer under subsection (b), (c), (m), or (o) of section 414 of the Internal Revenue Code of 1986 shall be treated as a single employer.

''(4) For purposes of this subsection:

''(A) The term 'area of employment' means the area within normal commuting distance of the worksite or physical location where the work of the H–1B nonimmigrant is or will be performed. If such worksite or location is within a Metropolitan Statistical Area, any place within such area is deemed to be within the area of employment.

''(B) In the case of an application with respect to one or more H–1B nonimmigrants by an employer, the employer is considered to 'displace' a United States worker from a job if the employer lays off the worker from a job that is essentially the equivalent of the job for which the nonimmigrant or nonimmigrants is or are sought. A job shall not be considered to be essentially equivalent of another job unless it involves essentially the same responsibilities, was held by a United States worker with substantially equivalent qualifications and experience, and is located in the same area of employment as the other job.

''(C) The term 'H–1B nonimmigrant' means an alien admitted or provided status as a nonimmigrant described in section 101(a)(15)(H)(i)(b).

''(D) The term 'lays off', with respect to a worker—

''(i) means to cause the worker's loss of employment, other than through a discharge for inadequate performance, violation of workplace rules, cause, voluntary departure, voluntary retirement, or the expiration of a grant or contract (other than a temporary employment contract entered into in order to evade a condition described in subparagraph (E) or (F) of paragraph (1)); but

''(ii) does not include any situation in which the worker is offered, as an alternative to such loss of employment, a similar employment opportunity with the same employer (or, in the case of a placement of a worker with another employer under paragraph (1)(F), with either employer described in such paragraph) at equivalent or higher compensation and benefits than the position from which the employee was discharged, regardless of whether or not the employee accepts the offer.

''(E) The term 'United States worker' means an employee who—

''(i) is a citizen or national of the United States; or

''(ii) is an alien who is lawfully admitted for permanent residence, is admitted as a refugee under section 207, is granted asylum under section 208, or is an immigrant otherwise authorized, by this Act or by the Attorney General, to be employed.''.

''(2) CONFORMING AMENDMENTS.—Section 212(n)(1) (8 U.S.C. 1182(n)(1)) is amended by striking ''a nonimmigrant described in section 101(a)(15)(H)(i)(b)'' each place it appears and inserting ''an H–1B nonimmigrant''.

(c) IMPROVED POSTING OF NOTICE OF APPLICATION.—Section 212(n)(1)(C)(ii) (8 U.S.C. 1182(n)(1)(C)(ii)) is amended to read as follows:

''(ii) if there is no such bargaining representative, has provided notice of filing in the occupational classification through such methods as physical posting in conspicuous locations at the place of employment or electronic notification to employees in the occupational classification for which H–1B nonimmigrants are sought.''.

(d) REQUIREMENTS RELATING TO BENEFITS.—

(1) IN GENERAL.—Section 212(n)(1)(A) (8 U.S.C. 1182(n)(1)(A)) is amended—

(A) in clause (i), by striking ''and'' at the end;

(B) in clause (ii), by striking the period at the end and inserting '', and''; and

(C) by adding at the end the following:

''(iii) is offering and will offer to H–1B nonimmigrants, during the period of authorized employment, benefits and eligibility for benefits (including the opportunity to participate in health, life, disability, and other insurance plans; the opportunity to participate in retirement and savings plans; cash bonuses and noncash compensation, such as stock options (whether or not based on performance)) on the same basis, and in accordance with the same criteria, as the employer offers benefits and eligibility for benefits to United States workers.''.

(2) ORDERS TO PROVIDE BENEFITS.—Section 212(n)(2)(D) (8 U.S.C. 1182(n)(2)(D)) is amended—

(A) by inserting ''or has not provided benefits or eligibility for benefits as required under such paragraph,'' after ''required under paragraph (1),''; and

(B) by inserting ''or to provide such benefits or eligibility for benefits'' after ''amounts of back pay''.

(e) EFFECTIVE DATES.—The amendments made by subsections (a) and (c) apply to applications filed under section 212(n)(1) of the Immigration and Nationality Act on or after the date final regulations are issued to carry out such amendments, and the amendments made by subsection (b) take effect on the date of the enactment of this Act.

(f) REDUCTION OF PERIOD FOR PUBLIC COMMENT.—In first promulgating regulations to implement the amendments made by this section in a timely manner, the Secretary of Labor and the Attorney General may reduce to not less than 30 days the period of public comment on proposed regulations.

SEC. 103. CHANGES IN ENFORCEMENT AND PENALTIES.

(a) INCREASED ENFORCEMENT AND PENALTIES.—Section 212(n)(2)(C) (8 U.S.C. 1182(n)(20(C)) is amended to read as follows:

''(C)(i) If the Secretary finds, after notice and opportunity for a hearing, a failure to meet a condition of paragraph (1)(B), (1)(E), or (1)(F), a substantial failure to meet a condition of paragraph (1)(C), (1)(D), or (1)(G)(i)(I), or a misrepresentation of material fact in an application—

''(I) the Secretary shall notify the Attorney General of such finding and may, in addition, impose such other administrative remedies (including civil monetary penalties in an amount not to exceed $1,000 per violation) as the Secretary determines to be appropriate; and

''(II) the Attorney General shall not approve petitions filed with respect to that employer under section 204 of 214(c) during a period of at least 1 year for aliens to be employed by the employer.

''(ii) If the Secretary finds, after notice and opportunity for a hearing, a willful failure to meet a condition of paragraph (1), a willful misrepresentation of material fact in an application, or a violation of clause (iv)—

''(I) the Secretary shall notify the Attorney General of such finding and may, in addition, impose such other administrative remedies (including civil monetary penalties in an amount not to exceed $5,000 per violation) as the Secretary determines to be appropriate; and

''(II) the Attorney General shall not approve petitions filed with respect to that employer under section 204 or 214(c) during a period of at least 2 years for aliens to be employed by the employer.

''(iii) If the Secretary finds, after notice and opportunity for a hearing, a willful failure to meet a condition of paragraph (1) or a willful misrepresentation of material fact in an application, in the course of which failure or misrepresentation the employer displaced a United States worker employed by the employer within the period beginning 90 days before and ending 90 days after the date of filing of any visa petition supported by the application—

''(I) the Secretary shall notify the Attorney General of such finding and may, in addition, impose such other administrative remedies (including civil monetary penalties in an amount not to exceed $35,000 per violation) as the Secretary determines to be appropriate; and

''(II) the Attorney General shall not approve petitions filed with respect to that employer under section 204 or 214(c) during a period of at least 3 years for aliens to be employed by the employer.

''(iv) It is a violation of this clause for an employer who has filed an application under this subsection to intimidate, threaten, restrain, coerce, blacklist, discharge, or in any other manner discriminate against an employee (which term, for purposes of this clause, includes a former employee and an applicant for employment) because the employee has disclosed information to the employer, or to any other persion, that the employee reasonably believes evidences a violation of this subsection, or any rule or regulation pertaining to this subsection, or because the employee cooperates or seeks to cooperate in an investigation or other proceeding concerning the employer's compliance with the requirements of this subsection or any rule or regulation pertaining to this subsection.

''(v) The Secretary of Labor and the Attorney General shall devise a process under which an H–1B nonimmigrant who files a complaint regarding a violation of clause (iv) and is otherwise eligible to remain and work in the United States may be allowed to seek other appropriate employment in the United States for a period (not to exceed the duration of the alien's authorized admission as such a nonimmigrant).

''(vi) It is a violation of this clause for an employer who has filed an application under this subsection to require an H–1B nonimmigrant to pay a penalty (as determined under State law) for ceasing employment with the employer prior to a date agreed to by the nonimmigrant and the employer. If the Secretary finds, after notice and opportunity for a hearing, that an employer has committed such a violation, the Secretary may impose a civil monetary penalty of $1,000 for each such violation and issue an administrative order requiring the return to the nonimmigrant of any amount required to be paid in violation of this clause, or, if the nonimmigrant cannot be located, requiring payment of any such amount to the general fund of the Treasury.''.

''(b) USE OF ARBITRATION PROCESS FOR DISPUTES INVOLVING QUALIFICATIONS OF UNITED STATES WORKERS NOT HIRED.—

(1) IN GENERAL.—Section 212(n) (8 U.S.C. 1182(n)), as amended by section 102(b), is further amended by adding at the end the following:

''(5)(A) This paragraph shall apply instead of subparagraphs (A) through (E) of paragraph (2) in the case of a violation described in subparagraph (B).

''(B) The Attorney General shall establish a process for the receipt, initial review, and disposition in accordance with this paragraph of complaints respecting an employer's failure to meet the condition of paragraph (1)(G)(i)(II) or a petitioner's misrepresentation of material facts with respect to such condition. Complaints may be filed by an aggrieved individual who has submitted a resume or otherwise applied in a reasonable manner for the job that is the subject of the condition. No proceeding shall be conducted under this paragraph on a complaint concerning such a failure or misrepresentation unless the Attorney General determines that the complaint was filed not later than 12 months after the date of the failure or misrepresentation, respectively.

''(C) If the Attorney General finds that a complaint has been filed in accordance with subparagraph (B) and there is reasonable cause to believe that such a failure or misrepresentation described in such complaint has occurred, the Attorney General shall initiate binding arbitration proceedings by requesting the Federal Mediation and Conciliation Service to appoint an arbitrator from the roster of arbitrators maintained by such Service. The procedure and rules of such Service shall be applicable to the selection of such arbitrator and to such arbitration proceedings. The Attorney General shall pay the fee and expenses of the arbitrator.

''(D)(i) The arbitrator shall make findings respecting whether a failure or misrepresentation described in subparagraph (B) occurred. If the arbitrator concludes that failure or misrepresentation was willful, the arbitrator shall make a finding to that effect. The arbitrator may not find such a failure or misrepresentation (or that such a failure or misrepresentation was willful) unless the complainant demonstrates such a failure or misrepresentation (or its willful character) by clear and convincing evidence. The arbitrator shall transmit the findings in the form of a written opinion to the parties to the arbitration and the Attorney General. Such findings shall be final and conclusive, and, except as provided in this subparagraph, no official or court of the United States shall have power or jurisdiction to review any such findings.

''(ii) The Attorney General may review and reverse or modify the findings of an arbitrator only on the same bases as an award of an arbitrator may be vacated or modified under section 10 or 11 of title 9, United States Code.

''(iii) With respect to the findings of an arbitrator, a court may review only the actions of the Attorney General under clause (ii) and may set aside such actions only on the grounds described in subparagraph (A), (B), or (C) of section 706(a)(2) of title 5, United States Code. Notwithstanding any other provision of law, such judicial review may only be brought in an appropriate United States court of appeals.

''(E) If the Attorney General receives a finding of an arbitrator under this paragraph that an employer has failed to meet the condition of paragraph (1)(G)(i)(II) or has misrepresented a material fact with respect to such condition, unless the Attorney General reverses or modifies the finding under subparagraph (D)(ii)—

''(i) the Attorney General may impose administrative remedies (including civil monetary penalties in an amount not to exceed $1,000 per violation or $5,000 per violation in the case of a willful failure or misrepresentation) as the Attorney General determines to be appropriate; and

''(ii) the Attorney General is authorized to not approve petitions filed with respect to that employer under section 204 or 214(c) during a period of not more than 1 year for aliens to be employed by the employer.

''(F) The Attorney General shall not delegate, to any other employee or official of the Department of Justice, any function of the Attorney General under this paragraph, until 60 days after the Attorney General has submitted a plan for such delegation to the Committees on the Judiciary of the United States House of Representatives and the Senate with respect to such delegation.''.

(2) CONFORMING AMENDMENT.—The first sentence of section 212(n)(2)(A) (8 U.S.C. 1182(n)(2)(A)) is amended by striking ''The Secretary'' and inserting ''Subject to paragraph (5)(A), the Secretary''.

(c) LIABILITY OF PETITIONING EMPLOYER IN CASE OF PLACEMENT OF H–1B NONIMMIGRANT WITH ANOTHER EMPLOYER.—Section 212(n)(2) (8 U.S.C. 1182(n)(2)) is amended by adding at the end the following:

''(E) If an H–1B-dependent employer places a nonexempt H–1B nonimmigrant with another employer as provided under paragraph (1)(F) and the other employer has displaced or displaces a United States worker employed by such other employer during the period described in such paragraph, such displacement shall be considered for purposes of this paragraph a failure, by the placing employer, to meet a condition specified in an application submitted under paragraph (1); except that the Attorney General may impose a sanction described in subclause (II) of subparagraph (C)(i), (C)(ii), or (C)(iii) only if the Secretary of Labor found that such placing employer—

''(i) knew or had reason to know of such displacement at the time of the placement of

the nonimmigrant with the other employer; or

''(ii) has been subject to a sanction under this subparagraph based upon a previous placement of an H–1B nonimmigrant with the same other employer.''.

(d) SPOT INVESTIGATIONS DURING PROBATIONARY PERIOD.—Section 212(n)(2) (8 U.S.C. 1182(n)(2)), as amended by subsection (c), is further amended by adding at the end the following:

''(F) The Secretary may, on a case-by-case basis, subject an employer to random investigations for a period of up to 5 years, beginning on the date that the employer is found by the Secretary to have committed a willful failure to meet a condition of paragraph (1) (or has been found under paragraph (5) to have committed a willful failure to meet the condition of paragraph (1)(G)(i)(II)) or to have made a willful misrepresentation of material fact in an application. The preceding sentence shall apply to an employer regardless of whether or not the employer is an H–1B-dependent employer. The authority of the Secretary under this subparagraph shall not be construed to be subject to, or limited by, the requirements of subparagraph (A).''.

(e) INVESTIGATIVE AUTHORITY.—Section 212(n)(2) (8 U.S.C. §1182(n)(2) is further amended by adding at the end the following:

(G)(i) If the Secretary receives specific, credible information, from a source likely to have knowledge of an employer's practices, employment conditions or compliance with the employer's labor condition application whose identity is known to the Secretary, that provides reasonable cause to believe that an employer has committed a willful failure to meet a condition of paragraph (1)(A), (1)(B), (1)(E), (1)(F), or (1)(G)(i)(I), a pattern and practice of failures to meet the [aforementioned conditions], or a substantial failure to meet the [aforementioned conditions] that affects multiple employees, the Secretary may conduct a 30 day investigation of these allegations, provided that the Secretary personally (or the Acting Secretary in the case of the Secretary's absence or disability) certifies that the requirements for conducting such an investigation have been met and approves commencement of the investigation. At the request of the source, the Secretary may withhold the identity of the source from the employer, and the source's identity shall not be disclosable pursuant to a Freedom of Information Act request.

''(ii) The Secretary shall establish a procedure for any individual who provides the information to DOL that constitutes part of the basis for the commencement of an investigation on the basis described above to provide that information in writing on a form that the Department will provide to be completed by, or on behalf of, the individual.

''(iii) It shall be the policy of the Secretary to provide to the employer notice of the potential initiation of an investigation of an alleged violation under the authority granted in this [] with sufficient specificity to allow the employer to respond before the investigation is actually initiated unless in the Secretary's judgment such notice would interfere with efforts to secure compliance.

''(iv) Nothing in this section shall authorize the Secretary to initiate or approve the initiation of an investigation without the receipt of information from a person or persons not employed by the Department of Labor that provides the reasonable cause required by this section. The receipt of the l.c.a. and other materials the employer is required in order to obtain an H–1B visa shall not constitute ''receipt of information'' for purposes of satisfying this requirement.''.

SEC. 104. COLLECTION AND USE OF H–1B NONIMMIGRANT FEES FOR SCHOLARSHIPS FOR LOW-INCOME MATH, ENGINEERING, AND COMPUTER SCIENCE STUDENTS AND JOB TRAINING OF UNITED STATES WORKERS.

(a) IMPOSITION OF FEE.—Section 214(c) (8 U.S.C. 1184(c)) is amended by adding at the end the following:

''(9)(A) The Attorney General shall impose a fee on an employer (excluding an employer described in subparagraph (A) or (B) of section 212(p)(1) and an employer filing for new concurrent employment) as a condition for the approval of a petition filed on or after October 1, 1998, and before October 1, 2001, under paragraph (1)—

''(i) initially to grant an alien non-immigrant status described in section 101(a)(15)(H)(i)(b); or

''(ii) to extend for the first time the stay of an alien having such status.

''(B) The amount of the fee shall be $500 for each such non-immigrant.

''(C) Fees collected under this paragraph shall be deposited in the Treasury in accordance with section 286(s).

''(D)(i) An employer may not require an alien who is the subject of the petition for which a fee is imposed under this paragraph to reimburse, or otherwise compensate, the employer for part or all of the cost of such fee.

''(ii) Section 274A(g)(2) shall apply to a violation of clause (i) in the same manner as it applies to a violation of section 274A(g)(1).''.

(b) ESTABLISHMENT OF ACCOUNT; USE OF FEES.—Section 286 (8 U.S.C. 1356) is amended by adding at the end the following:

''(s) H–1B NONIMMIGRANT PETITIONER ACCOUNT.—

''(1) IN GENERAL.—There is established in the general fund of the Treasury a separate account, which shall be known as the 'H–1B Nonimmigrant Petitioner Account'. Notwithstanding any other section of this title, there shall be deposited as offsetting receipts into the account all fees collected under section 214(c)(9).

''(2) USE OF FEES FOR JOB TRAINING.—63 percent of amounts deposited into the H–1B nonimmigrant Petitioner Account shall remain available to the Secretary of Labor until expended for demonstration programs and projects described in section 104(c) of the Temporary Access to Skilled Workers and H–1B Nonimmigrant Program Improvement Act of 1998.

''(3) USE OF FEES FOR LOW-INCOME SCHOLARSHIP PROGRAM.—32 percent of the amounts deposited into the H–1B nonimmigrant Petitioner Account shall remain available to the Director of the National Science Foundation until expended for scholarships described in section 104(d) of the Temporary Access to Skilled Workers and H–1B Nonimmigrant Program Improvement Act of 1998 for low-income students enrolled in a program of study leading to a degree in mathematics, engineering, or computer science.

''(4) USE OF FEES FOR APPLICATION PROCESSING AND ENFORCEMENT.—2.5 percent of the amounts deposited into the H–1B non-immigrant Petitioner Account shall remain available to the Secretary of Labor until expended for decreasing the processing time for applications under section 212(n)(1), and 2.5 percent of such amounts shall remain available to such Secretary until expended for carrying out section 212(n)(2). Notwithstanding the preceding sentence, both of the amounts made available for any fiscal year pursuant to the preceding sentence shall be available to such Secretary, and shall remain available until expended, only for carrying out section 212(n)(2) until the Secretary submits to the Congress a report containing a certification that, during the most recently concluded calendar year, the Secretary substantially complied with the requirement in section 212(n)(1) relating to the provision of the certification described in section 101(a)(15)(H)(i)(b) within a 7–day period.''.

(c) DEMONSTRATION PROGRAMS AND PROJECTS TO PROVIDE TECHNICAL SKILLS TRAINING FOR WORKERS.—

(1) IN GENERAL.—Subject to paragraph (3), in establishing demonstration programs under section 452(c) of the Job Training Partnership Act (29 U.S.C. 1732(c)), as in effect on the date of the enactment of this Act, or demonstration programs or projects under section 171(b) of the Workforce Investment Act of 1998, the Secretary of Labor shall establish demonstration programs or projects to provide technical skills training for workers, including both employed and unemployed workers.

(2) GRANTS.—Subject to paragraph (3), the Secretary of Labor shall award grants to carry out the programs and projects described in paragraph (1) to—

(A)(i) private industry councils established under section 102 of the Job Training Partnership Act (29 U.S.C. 1512), as in effect on the date of the enactment of this Act; or

(ii) local boards that will carry out such programs or projects through one-stop delivery systems established under section 121 of the Workforce Investment Act of 1998; or

(B) regional consortia of councils or local boards described in subparagraph (A).

(3) LIMITATION.—The Secretary of Labor shall establish programs and projects under paragraph (1), including awarding grants to carry out such programs and projects under paragraph (2), only with funds made available under section 286(s)(2) of the Immigration and Nationality Act, and not with funds made available under the Job Training Partnership Act or the Workforce Investment Act of 1998.

(d) LOW-INCOME SCHOLARSHIP PROGRAM.—

(1) ESTABLISHMENT.—The Director of the National Science Foundation (referred to in this subsection as the ''Director'') shall award scholarships to low-income individuals to enable such individuals to pursue associate, undergraduate, or graduate level degrees in mathematics, engineering, or computer science.

(2) ELIGIBILITY.—

(A) IN GENERAL.—To be eligible to receive a scholarship under this subsection, an individual—

(i) must be a citizen or national of United States or an alien lawfully admitted to the United States for permanent residence;

(ii) shall prepare and submit to the Director an application at such time, in such manner, and containing such information as the Director may require; and

(iii) shall certify to the Director that the individual intends to use amounts received under the scholarship to enroll or continue enrollment at an institution of higher education (as defined in section 1201(a) of the Higher Education Act of 1965) in order to pursue an associate, undergraduate, or graduate level degree in mathematics, engineering, or computer science.

(B) ABILITY.—Awards of scholarships under this subsection shall be made by the Director solely on the basis of the ability of the applicant, except that in any case in which 2 or more applicants for scholarships are deemed by the Director to be possessed of substantially equal ability, and there are not sufficient scholarships available to grant one to each of such applicants, the available scholarship or scholarships shall be awarded to the applicants in a manner that will tend to result in a geographically wide distribution throughout the United States of recipients' places of permanent residence.

(3) LIMITATION.—The amount of a scholarship awarded under this subsection shall be determined by the Director, except that the Director shall not award a scholarship in an amount exceeding $2,500 per year.

(4) FUNDING.—The Director shall carry out this subsection only with funds made available under section 286(s)(3) of the Immigration and Nationality Act.

SEC. 105. COMPUTATION OF PREVAILING WAGE LEVEL.

(a) IN GENERAL.—Section 212 (8 U.S.C. 1182) is amended by adding at the end the following:

''(p)(1) In computing the prevailing wage level for an occupational classification in an area of employment for purposes of subsections (n)(1)(A)(i)(II) and (a)(5)(A) in the case of an employee of—

''(A) an institution of higher education (as defined in section 1201(a) of the Higher Education Act of 1965), or a related or affiliated nonprofit entity; or

''(B) a nonprofit research organization or a Governmental research organization;

the prevailing wage level shall only take into account employees at such institutions and organizations in the area of employment.

''(2) With respect to a professional athlete (as defined in subsection (a)(5)(A)(iii)(II)) when the job opportunity is covered by professional sports league rules or regulations, the wage set forth in those rules of regulations shall be considered as not adversely affecting the wages of United States workers similarly employed and be considered the prevailing wage.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) supplies to prevailing wage computations made for applications filed on or after the date of the enactment of this Act.

SEC. 106. IMPROVING COUNT OF H–1B AND H–2B NONIMMIGRANTS.

(a) ENSURING ACCURATE COUNT.—The Attorney General shall take such steps as are necessary to maintain an accurate count of the number of aliens subject to the numerical limitations of section 214(g)(1) of the Immigration and Nationality Act (8 U.S.C. 1184(g)(1)) who are issued visas or otherwise provided nonimmigrant status.

(b) REVISION OF PETITION FORMS.—The Attorney General shall take such steps are as necessary to revise the forms used for petitions for visas or nonimmigrant status under clause (i)(b) or (ii)(b) of section 101(a)(15)(H) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(15)(H)) so as to ensure that the forms provide the Attorney General with sufficient information to permit the Attorney General accurately to count the number of aliens subject to the numerical limitations of section 214(g)(1) of such Act (8 U.S.C. 1184(g)(1)) who are issued visas or otherwise provided nonimmigrant status.

(c) REPORTS.—Beginning with fiscal year 1999, the Attorney General shall provide to the Congress—

(1) on a quarterly basis a report on the numbers of individuals who were issued visas or otherwise provided nonimmigrant status during the preceding 3–month period under section 101(a)(15)(H)(i)(b) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(15)(H)(i)(b)); and

(2) on an annual basis a report on the countries of origin and occupations of, educational levels attained by, and compensation paid to, individuals issued visas or provided nonimmigrant status under such sections during such period.

Each report under paragraph (2) shall include the number of individuals described in paragraph (1) during the year who were issued visas pursuant to petitions filed by institutions or organizations described in section 212(p)(1) of such Act (as added by section 105 of this Act).

SEC. 107. REPORT ON OLDER WORKERS IN THE INFORMATION TECHNOLOGY FIELD.

(a) STUDY.—The Secretary of Commerce shall enter into a contract with the President of the National Academy of Sciences to conduct a study, using the best available data, assessing the status of older workers in the information technology field. The study shall consider the following:

(1) The existence and extent of age discrimination in the information technology workplace.

(2) The extent to which there is a difference, based on age, in—

(A) promotion and advancement;

(B) working hours;

(C) telecommuting;

(D) salary; and

(E) stock options, bonuses, and other benefits.

(3) The relationship between rates of advancement, promotion, and compensation to experience, skill level, education, and age.

(4) Differences in skill level on the basis of age.

(b) REPORT.—Not later than October 1, 2000, the Secretary of Commerce shall submit to the Committees on the Judiciary of the United States House of Representatives and the Senate a report containing the results of the study described in subsection (a).

SEC. 108. REPORT ON HIGH TECHNOLOGY LABOR MARKET NEEDS; REPORTS ON ECONOMIC IMPACT OF INCREASED IN H–1B NONIMMIGRANTS.

(a) NATIONAL SCIENCE FOUNDATION STUDY AND REPORT.—

(1) IN GENERAL.—The Director of the National Science Foundation shall conduct a study to assess labor market needs for workers with high technology skills during the next 10 years. The study shall investigate and analyze the following:

(A) Future training and education needs of companies in the high technology and information technology sectors and future training and education needs of United States students to ensure that students' skills at various levels are matched to the needs in such sectors.

(B) An analysis of progress made by educators, employers, and government entities to improve the teaching and educational level of American students in the fields of math, science, computer science, and engineering since 1998.

(C) An analysis of the number of United States workers currently or projected to work overseas in professional, technical, and management capacities.

(D) The relative achievement rates of United States and foreign students in secondary schools in a variety of subjects, including math, science, computer science, English, and history.

(E) The relative performance, by subject area, of United States and foreign students in postsecondary and graduate schools as compared to secondary schools.

(F) The needs of the high technology sector for foreign workers with specific skills and the potential benefits and costs to United States employers, workers, consumers, postsecondary educational institutions, and the United States economy, from the entry of skilled foreign professionals in the fields of science and engineering.

(G) The needs of the high technology sector to adapt products and services for export to particular local markets in foreign countries.

(H) An examination of the amount and trend of moving the production or performance of products and services now occurring in the United States abroad.

(2) REPORT.—Not later than October 1, 2000, the Director of the National Science Foundation shall submit to the Committees on the Judiciary of the United States House of Representatives and the Senate a report containing the results of the study described in paragraph (1).

(3) INVOLVEMENT.—The study under paragraph (1) shall be conducted in a manner that ensures the participation of individuals representing a variety of points of view.

(b) REPORTING ON STUDIES SHOWING ECONOMIC IMPACT OF H–1B NONIMMIGRANT INCREASE.—The Chairman of the Board of Governors of the Federal Reserve System, the Director of the Office of Management and Budget, the Chair of the Council of Economic Advisers, the Secretary of the Treasury, the Secretary of Commerce, the Secretary of Labor, and any other member of the Cabinet, shall promptly report to the Congress the results of any reliable study that suggests, based on legitimate economic analysis, that the increase effected by section 101(a) of this Act in the number of aliens who may be issued visas or otherwise provided nonimmigrant status under section 101(a)(15)(H)(i)(b) of the Immigration and Nationality Act has had an impact on any national economic indicator, such as the level of inflation or unemployment, that warrants action by the Congress.

TITLE II—SPECIAL IMMIGRANT STATUS FOR CERTAIN NATO CIVILIAN EMPLOYEES

SEC. 201. SPECIAL IMMIGRANT STATUS FOR CERTAIN NATO CIVILIAN EMPLOYEES.

(a) IN GENERAL.—Section 101(a)(27) (8 U.S.C. 1101(a)(27)) is amended)—

(1) by striking ''or'' at the end of subparagraph (J),

(2) by striking the period at the end of subparagraph (K) and inserting ''; or'', and

(3) by adding at the end the following new subparagraph:

''(L) an immigrant who would be described in clause (i), (ii), (iii), or (iv) of subparagraph (I) if any reference in such a clause—

''(i) to an international organization described in paragraph (15)(G)(i) were treated as a reference to the North Atlantic Treaty Organization (NATO);

''(ii) to a nonimmigrant under paragraph (15)(G)(iv) were treated as a reference to a nonimmigrant classifiable under NATO–6 (as a member of a civilian component accompanying a force entering in accordance with the provisions of the NATO Status-of-Forces Agreement, a member of a civilian component attached to or employed by an Allied Headquarters under the 'Protocol on the Status of International Military Headquarters' set up pursuant to the North Atlantic Treaty, or as a dependent); and

''(iii) to the Immigration Technical Corrections Act of 1988 or to the Immigration and Nationality Technical Corrections Act of 1994 were a reference to the Temporary Access to Skilled Workers and H–1B Nonimmigrant Program Improvement Act of 1998.''.

(b) CONFORMING NONIMMIGRANT STATUS FOR CERTAIN PARENTS OF SPECIAL IMMIGRANT CHILDREN.—Section 101(a)(15)(N) (8 U.S.C. 1101(a)(15)(N)) is amended—

(1) by inserting ''(or under analogous authority under paragraph (27)(L))'' after ''(27)(I)(i)'', and

(2) by inserting ''(or under analogous authority under paragraph (27)(L))'' after ''(27)(I)''.

TITLE III—MISCELLANEOUS PROVISION

SEC. 301. ACADEMIC HONORARIA.

(a) IN GENERAL.—Section 212 (8 U.S.C. 1182), as amended by section 105, is further amended by adding at the end the following:

''(q) Any alien admitted under section 101(a)(15)(B) may accept an honorarium payment and associated incidental expenses for

a usual academic activity or activities (lasting not longer than 9 days at any single institution), as defined by the Attorney General in consultation with the Secretary of Education, if such payment is offered by an institution or organization described in subsection (p)(1) and is made for services conducted for the benefit of that institution or entity and if the alien has not accepted such payment or expenses from more than 5 institutions or organizations in the previous 6–month period.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to activities occurring on or after the date of the enactment of this Act.

The SPEAKER pro tempore. After 1 hour of debate on the bill, as amended, it shall be in order to consider the further amendment printed in the CONGRESSIONAL RECORD numbered 2, which shall be considered read and debatable for 1 hour, equally divided and controlled by the proponent and an opponent.

The gentleman from Texas (Mr. SMITH) and the gentleman from North Carolina (Mr. WATT) each will control 30 minutes of debate on the bill.

The Chair recognizes the gentleman from Texas (Mr. SMITH).

GENERAL LEAVE

Mr. SMITH of Texas. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the legislation under consideration.

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

There was no objection.

Mr. SMITH of Texas. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 3736.

First, some background: The H–1B bills passed by the Senate and by the House Committee on the Judiciary both propose to increase the quota of H–1B temporary visas for foreign professional workers. Both bills responded to the fact that the demand has exceeded the annual quota of 65,000 in each of the past 2 fiscal years.

The reason for this increased demand is thought to be a shortage in America's information technology workforce. While evidence for this shortage is inconclusive, I believe we should give the industry the benefit of the doubt and grant the additional visas.

The Senate and House Committee on the Judiciary bills had stark differences. The House Committee on the Judiciary bill required that employers comply with two new attestations when petitioning for H–1B workers. Employers would have had to promise not to lay off American workers and replace them with H–1Bs, and to recruit American workers before petitioning for foreign workers.

I felt that these protections for American workers were necessary because of the large number of documented abuses of the H–1B program, instances of companies actually laying off Americans to be replaced by H–1Bs and companies recruiting workers exclusively from overseas. The Senate bill contained no comparable protections.

With the assistance and support of the House leadership, we wrote a workable compromise. And, in negotiations concluded just yesterday, we made further changes that were supported by the administration.

The measure we are considering today embodies those compromises; and, of course, it is a negotiated agreement. That is the nature of any legislative process. What is important is that we have come up with a bill that both responds to the needs of the high-tech industry and adds protections for American workers.

The employers most prone to abusing the H–1B program are called job contractors or job shops. Often, much of their workforce is composed of foreign workers on H–1B visas. These companies make no pretense of looking for American workers. They are in business to contract their H–1Bs out to other companies. The companies to which the H–1Bs are contracted benefit by paying wages to the foreign workers often well below what comparable Americans would receive. Also, they do not have to shoulder the obligations of being the legally recognized employers; the job shops remain the official employers.

Under the compromise we are considering today, the no-layoff and recruitment attestations will apply to H–1B-dependent businesses in those instances where they petition for H–1Bs without masters degrees and where they plan to pay the H–1Bs less than $60,000 a year. The attestations are being targeted to hit the companies most likely to abuse the system. Other employers who use a relatively small number of H–1Bs will not be affected, unless they have been found to have willfully violated the rules of the H–1B program.

Specifically, the no-layoff attestation prohibits an employer from laying off an American worker from a job that is essentially the equivalent of a job for which an H–1B is sought during the period beginning 90 days before and ending 90 days after the date the employer files a visa petition for the foreign worker.

The recruitment attestation requires an employer to have taken good-faith steps to have recruited American workers for the job an H–1B alien will perform and offer the job to an American worker who applies and is equally or better qualified than the foreign worker.

Other features of the compromise are that the H–1B quota will be set at 115,000 in 1999 and 2000 and 107,500 in the year 2001. Then the quota will return to 65,000, at which time the attestations also will sunset.

The Labor Department will enforce all aspects of the program, except in those instances where an American worker claims that a job should have been offered to him or her instead of to a foreign worker. In such cases, an arbiter appointed by the Federal Mediation and Conciliation Service will decide the issue.

Under the compromise, a $500 fee per alien will be charged to all employers except universities and certain other institutions. The funds will go for scholarship assistance for students studying mathematics, computer science, or engineering, for Federal job training services, and for processing and enforcement expenses. The fee will sunset in the year 2001.

Under current law, the Labor Department can only investigate a user of the H–1B program if an aggrieved party files a complaint. The compromise will allow the Department to investigate a company in certain instances where it receives specific, credible information that provides it with reasonable cause to believe that the company has committed a willful violation to abide by the rules of the H–1B program, has shown a pattern or practice of failing to abide by the rules, or has substantially failed to meet the rules.

While current law requires an employer to pay an H–1B alien at least the prevailing wage for the occupation, the compromise will also require the employer to provide benefits equivalent to those given to American workers.

Mr. Speaker, let me conclude with one point of legislative history. The compromise eases requirements on companies when they are petitioning for workers who have advanced degrees. For example, companies who would otherwise have to comply with the two new attestations are relieved of this obligation.

The bill actually uses the phrase ''master's or higher degree (or its equivalent).'' The point I want to make is that the term ''or its equivalent'' refers only to an equivalent foreign degree. Any amount of on-the-job experience does not qualify as the equivalent of an advanced degree.

The bill is a workable compromise that deserves our support.

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

Mr. WATT of North Carolina. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I find myself in a very interesting position today, one that in the 6 years that I have been in this House is unprecedented. Because I am here defending the work product of the committee of jurisdiction in this case.

On May 20, 1998, the full Committee on the Judiciary took a vote on a bill that I will be offering as a substitute to the bill that we are considering here on the floor, and we passed that bill out of the full Committee on the Judiciary by a vote of 23 to 4.

□ 1545

We got to that bill after going through the subcommittee that the gentleman from Texas (Mr. SMITH)

chairs and on which I am the ranking member, and working out some details in the subcommittee, and we continued to work out further details as we moved from the subcommittee to the full committee. And by the time we got to the full committee, the full Committee on the Judiciary, we had broad bipartisan support for a bill. And that is the bill that I am here offering as a substitute to what is being offered on the floor today.

So instead of me being the minority opposing what the majority of our committee did, I find myself in the very unique position of being on the floor of the House defending what the Committee on the Judiciary did by a 23 to 4 vote, bipartisan, with the chairman of the subcommittee having gone on and being told to support some other bill, which we will be voting on today unless my substitute passes.

Now, why did we get to the bill that I will be offering as a substitute? We got there because we finally concluded that H–1Bs are probably necessary at this point. We have an H–1B program that authorizes 65,000 foreign workers per year to come into our country and work subject to certain specialty provisions. The H–1B, let me make sure everybody understands, the H–1B visas are available for workers coming temporarily to the United States to perform services in specialty occupations.

A specialty occupation is one that requires a theoretical and practical application of a body of highly specialized knowledge and attainment of a bachelor's or higher degree in the specific specialty as a minimum for entry into the occupation in the United States.

Now, that is a fancy way of saying, you have to be in a pretty narrow area that is specialized in order to be eligible to come into the United States on an exceptional basis and take a job that, in effect, we are saying we just do not have the United States workers in our country capable of filling that job.

Now, this H–1B program has been around for a long time. We have 65,000 people a year that we allow to come in. They spend a total of 6 years each, 65 times 6 is almost 400,000 foreign workers that can be in the United States under the current H–1B program.

Now, how did we get here? High tech industries expanded their employment base and concluded that they needed more than the 65,000 a year allocation and, in fact, the Committee on the Judiciary agreed with them.

We will hear arguments all over the place, but the truth of the matter is that we finally concluded, well, we do not really know whether there is a shortage that requires an increase in H–1B slots or not, but we are prepared to give the benefit of the doubt and keep on moving. So let us do this and let us do it in a reasonable way that acknowledges that the high tech industry has a problem that they cannot get enough U.S. workers to fill these highly technical positions, but we did it against a backdrop where some people were really concerned.

In fact, I am going to be reading here a lot, interestingly enough, from the committee's report. This is the full Committee on the Judiciary report that I keep finding myself reading from, one that I would have hoped that my colleague would be reading from in defense of our bill, rather than me having to read from it to defend the bill that we passed.

Let me read what Secretary of Labor Robert Reich, the former Secretary of Labor said. He said, our experience with the practical operation of the H–1B program has raised serious concerns that what was conceived as a means to meet temporary business needs for unique, highly skilled professionals from abroad is, in fact, being used by some employers to bring in relatively large numbers of foreign workers who may well be displacing U.S. workers and eroding employers' commitment to the domestic work force.

So how did we decide to address this in the Committee on the Judiciary on a bipartisan basis? We said, we acknowledge that there is a shortage, but we also acknowledge on the other side that some people say this program is being abused and has been abused. So if we are going to expand the numbers of authorized people who can come in under this program, then we also ought to expand the protections for U.S. workers and the guarantees that employers have to provide that they are neither displacing a U.S. worker, laying off a U.S. worker or having not sought to obtain a U.S. worker. And we need to put in place a mechanism to provide training to U.S. citizens so that we do not make this a permanent H–1B expansion going forward.

And that is exactly what the Committee on the Judiciary set out to do, and it did it masterfully. With one exception, and that was the training component, which is also in my bill, in my substitute and in the committee, in the new bill that we are now considering on the floor.

So how did we do this? We said, you need the workers. You come in, you make an attestation that you have not fired or will not fire an employee or replace that fired employee by a foreign worker. I mean, that is fair enough. You make an attestation that you have sought to find a comparable worker in the United States. That is fair enough.

And yet now we have a bill in front of us that requires that attestation of only a very small group of employers. Here is the exception, so that everybody knows: Employers with fewer than 25 employees and more than 7 H–1B workers would have to make the certification. Employers with 26 to 49 employees and more than 12 H–1B workers would have to make the certification. Employers with more than 50 workers with at least 15 percent, 15 percent of their work force being H–1B employees would have to make the certification. But everybody else in the world can bring in their H–1B employees without making those certifications.

Now, the House is going to have a classic opportunity here today. We have got a bill that does what 23 members of the Committee on the Judiciary said is fair. That is the substitute that I will be offering, along with the gentleman from California (Mr. BERMAN) and the gentleman from Pennsylvania (Mr. KLINK). It is the committee's bill.

And we have got a bill that is the base bill that was written by the Senate, worked out in the back room, agreed on last night on the floor at 5 minutes to 4:00 in the afternoon the next day, without anybody even having seen what the language is, except they printed it in the CONGRESSIONAL RECORD in small print last night. Now they are saying we should accept what the Senators said over here, lock, stock and barrel, abandon the bipartisan agreement that the committee had and go forward with that.

Nobody thinks that is fair, and we have got a better bill, which addresses the issue and protects United States workers.

That is the choice that the House has in front of them today.

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

Mr. SMITH of Texas. Mr. Speaker, I yield myself such time as I may consume.

I would just like to make the point, again, that this is a bill that is supported by both the Republican leadership and the administration. This is an unusual conjunction of sometimes opposing forces agreeing on a bill, and that is yet another reason why Members should support it.

Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. DREIER), the next chairman of the Committee on Rules.

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

Mr. DREIER. Mr. Speaker, I thank my friend, the distinguished chairman of the subcommittee, for yielding me this time.

Some might say that they had heard enough from me during the debate on the rule which I just managed, but I did feel compelled to state that I believe that the gentleman from Texas (Mr. SMITH) has been very courageous and hard working in pursuing this compromise.

My friend from North Carolina is correct that it is an unusual procedure, but guess what? This H–1B visa bill is not going to become public law until a majority of the House of Representatives casts its vote, until the United States Senate has its compromise, until it goes through the conference process and it gets to the desk of the President of the United States for signing. So guess what? A majority of the Members here will have to direct how this process is going to go ahead.

I happen to think that it is a very reasonable and positive compromise. It

is one which does address concerns that have been raised by virtually everyone on this. Some of my colleagues talk about the problem in the area of education, saying, we need to have a better educated citizenry so that they can, in fact, fulfill these jobs that are out there. I agree, and this bill addresses that, with 10,000 scholarships that go to those lower income individuals. It is done with a $500 fee that is going to be charged that should raise $75 million so that this can annually be funded to address those concerns.

It also tightens up the small business area, the exemption there. I remember having a discussion in the Republican conference with my friend, the gentleman from California (Mr. GALLEGLY) who was concerned, I think he offered an amendment in the committee which talked about shortening the time frame for the program itself.

Well, in fact, in the compromise, the time frame of the program has been reduced. It was going to be ultimately at first, I guess, 5 years, if we included this year, but we have gone so late now we are not doing that, so it has gone from 4 years down to a 3-year program. I hope that within that 3-year time frame we are able as a Nation to educate the best qualified people so that, as we create new technologies, we will have qualified individuals out there to address them.

It is going to be a 3-year program, not a 4- or a 5-year program. Then, obviously, we will have to look at it again.

□ 1600

Those who are violators of this program can be debarred for 3 years, and so there clearly is an incentive to comply with the strictures of the program itself. The Department of Labor is going to be able to participate in spot checks for those companies that have knowingly violated in the past. I think that is a decent provision that was put in there.

And we have had so many people who have stood up and said, oh, there is nothing that has been made available and no one has been able to see it. I am going through this explanation, and I think the modifications that are made are, frankly, quite, quite modest.

But one of the things that I think is important to note is that, while U.S. companies are required to pay the so-called prevailing wage, the same wage, they cannot all of a sudden say we are going to fire an American worker so that we can instead go and start hiring someone from another part of the world at a lower rate. We not only are requiring equivalent pay but equivalent benefits in this compromise.

So as I listen to the criticism that will be leveled by some on both sides of the aisle, it seems to me that it is a very, very balanced measure. It is worthy of our support. It is worthy of our support for a very, very important reason. While we address the concern of American workers, Mr. Speaker, we have to look at the ability of the industries of the United States of America to remain competitive.

Virtually everyone has acknowledged that we are, today, living with a global economic crisis. I have been in a number of meetings today in which I have heard things, in fact, that are very, very troubling about the potential future. Tomorrow, we will be voting on fast track negotiating authority. There is a debate raging on the replenishment of the International Monetary Fund. The question of interest rates, all of these economic questions are out there as far as the future of the global economy, and I believe we need to be very concerned about the U.S. economy, which, obviously, is the world's leader.

Mr. Speaker, if we turn down an attempt to increase the H–1B visas, guess what will happen? We have businesses that are being lured out of the United States by spots like Singapore and Ireland trying to create tax incentives and other incentives to draw our businesses out. Why? They will be able to have the best-qualified, skilled expertise there. Now, for every one of these H–1B visas that will come in creating jobs, there will be four U.S. jobs that are created as a by-product of that.

So this is a win-win. It will help keep U.S. businesses here in the U.S., ensuring that they have an incentive to stay here. And this is a compromise which is positive. It has been one that has, again, been worked out by the Clinton administration, Democrats and Republicans in the United States Congress, in both Houses, the House and the Senate, and it is one that I believe is worthy of bipartisan support here in the House of Representatives.

So, with that, I would again like to congratulate my friend from San Antonio, the very distinguished chairman of the subcommittee, for working long and hard on this. It was a pleasure to work with him on this issue, and we look forward to a spectacular victory in the not-too-distant future.

Mr. SMITH of Texas. Mr. Speaker, I thank my friend from California for his generous words about me and for his accurate words about the bill itself.

Mr. Speaker, I would like to inquire how much time remains for each side?

The SPEAKER pro tempore (Mr. SHIMKUS). The gentleman from Texas (Mr. SMITH) has 17½ minutes remaining, and the gentleman from North Carolina (Mr. WATT) has 17 minutes remaining.

Mr. WATT of North Carolina. Mr. Speaker, I yield 1 minute to the gentleman from New York (Mr. NADLER).

Mr. NADLER. Mr. Speaker, I would like to enter into a colloquy with the distinguished chairman.

Mr. Speaker, the 1990 amendments to the Immigration and Nationality Act created two new Visa categories, O and P, which provide for the temporary entry of aliens who have extraordinary ability in the sciences, arts, education, business, or athletics, and for the temporary entry of athletes and entertainers with lesser abilities.

Clearly, Mr. Speaker, the O and P visa categories were created to ensure that entertainers, athletes and support personnel would no longer be admitted under the broad H–1 standard of omission but, instead, would come in under the O and P categories. It is my understanding, therefore, that this bill under consideration today does not pertain to the temporary admission of entertainers and their accompanying crews. Is that also the gentleman's understanding?

Mr. SMITH of Texas. Mr. Speaker, will the gentleman yield?

Mr. NADLER. I yield to the gentleman from Texas.

Mr. SMITH of Texas. Mr. Speaker, let me emphasize that that is my understanding, and I thank the gentleman for making that valid point.

Mr. NADLER. Mr. Speaker, I thank the gentleman.

Mr. SMITH of Texas. Mr. Speaker, I yield 3 minutes to the gentleman from North Carolina (Mr. BALLENGER).

Mr. BALLENGER. Mr. Speaker, I urge my colleagues to support this H.R. 3736 so we can ensure a continued supply of highly skilled workers for American companies.

To those of us who are in business, particularly in manufacturing, some of the rhetoric we have heard in connection with this bill just does not make any sense. Whether we like it or not, we are in a world economy. Our competition is just as likely to come from Asia, Europe or Latin America as it is from the town next door. We can only compete if we constantly are adapting to new technologies and new demands, and to do that we have to find employees who have skills that we need. It is not a question of American versus foreign workers. It is a matter of keeping up and, hopefully, ahead of the constant competition. And if we fail at that, there will not be any jobs.

So the question is, in this world economy, how do we best promote the interest of our economy and the American workers? And it seems to me this bill is entirely consistent with doing what is best for our economy and our workers.

Some people argue this bill will hurt American workers. The principal protection for American workers that has been in H–1B programs before, and continues to be a part of the program under this bill, is that an H–1B worker must be paid at least as much as other employees with similar qualifications and experience.

There have been some abuses in the H–1B program, as there have been in many other government programs, and the problems have been particularly in the area of paying the required wage. This bill that we are considering today provides additional enforcement and includes tighter restrictions on H–1B dependent employers.

I would also note that H.R. 3736 has an important provision to generate additional funds for training and education of American workers in technology fields where there is such a demand for workers right now. Hopefully,

as some of the reforms of JTPA that we have recently passed go into effect, these funds will be used to improve retraining programs for Americans so that Americans can fill the technical jobs that are increasingly the jobs available in this economy.

Let me just say that we all have seen polls that have been sent around to our offices asking Americans whether they support allowing 190,000 additional foreign technical workers to come into the United States. To be more accurate, they should instead ask this question: ''Would you prefer these 190,000 technical jobs be filled in the United States or transferred to other countries?'' Then I think the answer would be much different. That is the challenge of the world economy in which we are operating. I think H.R. 3736 provides the right answer to that question.

And, again, I appreciate the work of the Members of the House and the Senate in agreeing on an agreement reached with the administration, and I urge my colleagues to support 3736.

Mr. WATT of North Carolina. Mr. Speaker, I yield myself 30 seconds, just to say to my good friend from North Carolina that this is not about whether we become a global economy. We have acknowledged that we are a global economy. We made findings in the bill that the Committee on the Judiciary passed 23 to 4 that acknowledged there was a need. So this is not about that.

Now, there are some people who believe we ought not be doing any of this, and I am going to yield to one of those people right now. The gentleman from California (Mr. ROHRABACHER), is a colleague of the gentleman from North Carolina (Mr. BALLENGER) on the Republican side, who thinks we should not be doing any of this.

Mr. Speaker, I yield 5 minutes to the gentleman from California (Mr. ROHRABACHER).

Mr. ROHRABACHER. Mr. Speaker, with all due respect to my good friend, the gentleman from North Carolina (Mr. CASS BALLENGER), this is about whether we have 200,000 jobs here for Americans or whether we will have 200,000 jobs given to foreigners who come here. And those jobs will be taken up, yes, but we are taking away, by this law, the incentive for people to retrain people who can fill these jobs if we pass this legislation. So I stand here today to oppose H.R. 3736.

This bill is contrary to the interests of hundreds of thousands of American workers, in fact, millions of American workers. It represents an attempt by high-tech corporations to hire cheaper foreign labor. And we cannot really blame them for that. That will add to their profit. That is who they represent, the interest of their stockholders. But we are not supposed to be representing the interest of their stockholders, we are supposed to be representing the interests of the American people and the United States. And rather than hire laid-off, high-tech employees or retrain other unemployed Americans, now these high-tech companies will just bring in cheaper foreign labor.

So why retrain people? Why hire older Americans, who might have to use health benefits or retirement benefits? Let us bring in these 25-year-old Indians or Pakistanis. This bill, in short, is a windfall to some companies that are making a profit off bringing in cheaper foreign labor, but it is a kick in the teeth to Americans, hard-working Americans, many of whom have been so loyal to their country and their employer but now are unemployed.

Now they need some retraining or they need a job, and Congress is being asked to change the rules so that we can have hundreds of thousands of foreigners to come in here and take those jobs. Because those foreigners will get less money.

Now, we can talk about, well, there is some things in the bill that protect that. In the end, we know that this will suppress any type of momentum in the economy to pay people more because there is, quote, a shortage. Thus, loyal Americans, people who have worked real hard for their employer or real hard for their country are going to be unemployed and untrained because those people that are going to be hired are going to be from outside this country.

H.R. 3736 will bring in hundreds of thousands and flood the job market. If supply and demand were being adhered to, and those of us on our side of the aisle always talk about supply and demand, we believe in it, that is why we oppose many of these other things, well, if it is being adhered to, it has to be adhered to when it pressures wages up and helps the American people at those times as well as when it helps American companies. If we believe in it, let us stand for it now.

Now, what would it mean if we let the supply and demand work at a time like this when they say there is a shortage of labor in the high-tech industries? It means wages would rise or investments would be made for retraining. That is what we are undercutting by passing this bill. We are undercutting increasing wages for our people and retraining. So there are thousands of veterans and aerospace workers, veterans who need jobs and they need retraining, aerospace workers in my area who need retraining, and there are perhaps 200,000 people who have been laid off by high-tech companies themselves, all of these people are the victims of this legislation.

And who are we helping? We are helping hundreds of thousands of foreign workers. Who are we loyal to here?

This is a maneuver to add to the profit margin of these high-tech companies. And, again, it is good for them. They should be out for their profit. But it is a dagger aimed at loyal employees, especially employees who are over 40 who may have to use health benefits and retirement benefits.

We should decide what our standard of immigration is all about, what is best for our country, and it should not be flexible and manipulated and used to subsidize any industry or to keep wages down. What these companies should do is go hire people and train them or get involved in the community but not manipulate the rules in order to keep their profits up and keep wages down. So wages and prices as well should be just like in supply and demand. It should be outside. Wages and prices should not be based on political maneuvers or manipulations.

Finally, this bill reflects an attitude I find pervasive in corporate America, and that is many of our executives think of themselves as citizens of the world. This is a global economy; thus, they are globalists. Well, I have news for everybody that makes that argument. We better be loyal to the American people. The freedom of the world, the prosperity of our country, the whole future of mankind depends on these people who have worked hard for our country. They have worked hard for their employer. They have been loyal to us, and they expect us to be loyal to them. And if we sell them out for the profit margin of a couple of high-tech companies, so it will be a little higher, at a time when they are unemployed and out of work, but we are going to flood the job market with foreigners, who are we loyal to and what does that mean to our future?

Our high-tech companies and their corporate leaders should be loyal to the United States of America. And if they are not, well, we, at least in the United States Congress, have to be loyal to the American people.

Mr. SMITH of Texas. Mr. Speaker, I yield myself such time as I may consume to remind my colleagues this bill does, in fact, target businesses that are called H–1B dependent. Businesses who hire more than 15 percent of these type of foreign workers are targeted, and we do have safeguards for the American worker. We do have safeguards that include the fact that the businesses cannot fire an American worker and hire an overseas worker, and they have to make good-faith efforts to hire American workers first. So the abusers of the program are being targeted by the compromised bill.

Mr. Speaker, I yield 2 minutes to the gentleman from Illinois (Mr. PORTER).

☐ 1615

Mr. PORTER. Mr. Speaker, I thank the distinguished gentleman from Texas for yielding this time to me, and I commend him for his leadership on this issue.

Mr. Speaker, I rise today in strong support of H.R. 3736. This well-balanced legislation addresses the needs of the business community while protecting the well-being of American workers. It meets a short-term labor demand for our country, and it institutes strong safeguards to protect against a permanent reliance upon alien labor sources,

including a new program of grants to provide technical skills training for workers.

Mr. Speaker, one project that should be supported under this new program is the DePaul University High-Tech Workforce Pilot Program in Chicago. Developed in conjunction with corporate and local entities, this comprehensive program ensures that America's workforce will be better prepared to compete in the dynamic high-tech industry. I am confident that implementation of DePaul's training, retraining and education program will expand America's skilled labor force and enhance our competitive position in the global marketplace.

Mr. Speaker, the technology industry is presently experiencing a labor shortage. The current 65,000 cap on H–1B visas, created by Congress in 1990, has been rendered irrelevant by the technology explosion of the past decade. This arbitrarily chosen quota was met by May of this year and has left American businesses unable to hire new H–1Bs until next January. In the interim, technology firms have been left with thousands of open jobs and few qualified applicants. Employing American workers for these jobs is not, at present time, a feasible solution. Failures in our educational system has created a void of qualified American skilled labor, compelling high tech firms to rely upon foreign born talent to fill these positions. Without an increase of the 65,000 visa ceiling, these vacant jobs will not be filled, thereby weakening a high growth industry that has been at the forefront of this nation's current economic boom.

Many of my colleagues have expressed concerns that increasing the number of H–1B visas will displace American workers and shut them out of future employment opportunities in the high tech industry. This bill institutes numerous measures to ensure that Americans will not be victimized by this legislation. A $500 fee paid by businesses wishing to participate in the H–1B program will raise approximately $75 million annually to be split between a scholarship program for underprivileged high school students studying mathematics, computer science, or engineering and funding for job training programs which focus on information technology. Furthermore, a system of fines and/or a one to three year disqualification for those companies who abuse this law will work to further protect American workers from being shut out of the high-tech industry by H–1B aliens.

Mr. Speaker, H.R. 3736 constitutes a carefully constructed, well-balanced piece of legislation that addresses the needs of the American business community while protecting the well-being of American workers. I urge my colleagues to vote in favor of this bill.

Mr. SMITH of Texas. Mr. Speaker, I yield myself such time as I may consume. The self-executing amendment to H.R. 3736 includes a provision to provide math, engineering and computer science scholarships to needy students and a provision to provide additional worker training programs. There are a number of pilot programs being developed around the country to provide high-tech training to American workers. As the gentleman from Illinois (Mr. PORTER) has just mentioned, DePaul University has developed just such a pilot program to address the shortage of qualified U.S. high-tech workers in conjunction with corporate and local entities that might well serve as a good model for other programs across the country.

Programs like the one developed by DePaul University are what we had in mind when the training provisions were drafted. Again I thank the gentleman from Illinois for helping us make sure that this provision was in the bill.

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

Mr. WATT of North Carolina. Mr. Speaker, I yield 4 minutes to the gentleman from New York (Mr. OWENS).

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

Mr. OWENS. Mr. Speaker, I cannot emphasize too strongly, and I returned to the floor to state that this is an education problem, not an immigration problem. The immigration band-aid is botching up the whole process. There is a symptom here. We have a problem in terms of a shortage of people to fill information worker jobs. As long as we patch it up with a band-aid, we are not going to deal with the real problem. We need major surgery. Instead of a DePaul University experiment, which is a laudable innovation and I have no problem with that, but it is too small. We need something on the scale of a GI bill which offered education to every GI returning from World War II. We need something that massive to deal with the coming explosion of needs for information workers in our economy and in the economies of all the countries of the world. It is that big.

We are the indispensable nation. If we are going to stay ahead, our education system has to be ahead. We have to have the most educated people on the face of the earth. There is no reason why we cannot do that. We have the resources. We can finance it. We have the policies that have been proposed by the President in terms of school construction so that all of our schools can be wired in a way which allows them to have computers and educational technology in order for them to prepare youngsters at a very early age to enter into the information technology worker field.

We also have an e-rate that has been proposed by the Federal Communications Commission which gives communications services at a discount to schools and libraries. The same companies that are begging for these foreign workers and will utilize foreign workers are opposing the implementation of the e-rate. The e-rate is a permanent arrangement which will lower the cost of telecommunications services for schools. That is part of a comprehensive policy that we need. We need a comprehensive approach which includes school construction and wiring of schools, making more computers available, the e-rate, information and technology training centers at the community level so that youngsters from low-income homes will have an opportunity to go in and practice on the computer like their middle-income counterparts.

But since the low-income youngsters do not own computers, we need some storefront computer centers where we can keep them open late at night and on Saturdays so that not only the students or youngsters but also older workers who are being downsized and misplaced in their present jobs can get some new training. Other workers need to upgrade themselves. They do not have computers at home. There are a number of components that ought to go into meeting this massive need. It is true, we are going to need them. 1.5 million vacancies are predicted over the next 5-year period. Instead of this band-aid which if it were only temporary, I would not be here. It is not temporary when you talk about a three or four-year period. ''Temporary'' is this year or next year. But they are talking about going all the way to the year 2001 and in the process of making that journey from now until the year 2001, they are going to ask to have those quotas raised. I predict that we will be back here next year with an argument being made to increase the quota of foreign workers coming in.

Why can we not be as wise and have as much vision as Bangalore, India? Many years ago they decided they would heavily invest in training their students in computers and computer programming. Now Bangalore, India is considered the computer capital of the world. Most of these foreign workers that are going to come in will be coming from India. I have no problem with them coming from India or anywhere else, but the American students ought to have the opportunity to get the training that they need to fill these jobs. American workers also will keep the standard of pay at the level commensurate with the rest of our economy. They are going to pay these workers who come in as foreigners less. There are many inducements and enticements that are involved here which will make the industries continue to pressure to have more and more of the quota increases of foreign workers. We need to train our own workers with a comprehensive education program.

Mr. SMITH of Texas. Mr. Speaker, I yield 4 minutes to the gentleman from California (Mr. HORN).

Mr. HORN. I thank the gentleman for yielding time. Mr. Speaker, I have very mixed feelings about this bill. There are some improvements that have been made without question by the gentleman from Texas (Mr. SMITH) and the gentleman from California (Mr. DREIER). I do not like to disagree with them. However, I have some major concerns.

My background is in education, heading a university with numerous computer programs. I come from the State of California where Silicon Valley is most of Santa Clara County.

But there are Silicon Valleys of many and few firms all over the United States of America. They are in Michigan near Ann Arbor. They are across the Potomac in Fairfax County, Virginia. They are in San Diego County and Orange County in California.

But I happen to come from Los Angeles County where 400,000 aerospace workers have been laid off over the last decade. And recently, Boeing, which I am delighted to have in my particular congressional district, they cut back roughly 3,000 workers in Downey, California. Now, that hurts. These workers built the Appollo, the Sky Lab, and the Shuttle.

Many of these 400,000 have either jobs much lower than they had at one point in time or simply have not been placed and have moved out of the field.

I feel very strongly that the Silicon Valleys of the Nation—and let us start with those firms in Santa Clara County. They should sit down with the Presidents of the community colleges of the Nation and work out the type of education program the computer firms need if domestic workers will master the skills to fill these jobs. These are not minimum wage jobs. These are $30,000 a year, $40,000 a year, $50,000 a year, and $60,000 a year jobs! We should have goals for our young people and adults who need to be retrained for the Information Age. Many already have the math and other courses. They just need the opportunity. That is why I am concerned. We have got to have an exchange of improving the quality of the product.

In California we have an excellent community college system. There are 107 two year colleges spread over the State from the Mexican border to the Oregon border. They have outstanding faculty members

We need to have the presidents of the colleges and the computer firms in the same room. The college presidents need to say, ''look, you can help us, Silicon Valley, because State budgets never cover our equipment needs. Our school budget is never able to secure the latest up-to-date generational equipment. We can help you with development of this curriculum. We need your input.''

The chief executives in education and industry must get together. Who will buy the coffee and provide the room. If that is not going to happen, I will tell you that the $75 million and the 10,000 scholarships it will fund is pitiful, When enacted, H.R. 3736 will remove the existing cap off at the 65,000 foreign worker level annually and this legislation would almost double the cap by going to 115,000. The 10,000 scholarships to retrain the American worker is a seemingly big drop in the bucket, but is not when the foreign visas rise from the current level of 65,000 annually to 115,000 in the year 2000. In 2001, 107,500 MIB visas would be issued. So much for 10,000 retrained American workers. There should be 107,500 trained American workers, not just 10,000. In the Second World War many more workers were trained.

I cannot believe that if we set goals and communicate with young and old alike, there will not be people who will seek that training. We should make sure that 7th and 8th grades know about the new and needed jobs that will be available in the twenty-first century.

I think my colleagues have done a wonderful job in some of the differences, but once you go this route with that big a gap between visas and scholarships, then you are in trouble. Industry and education need to get together. That ought to be our goal. Until that time, I am not going to vote for a bill that increases the visa cap,

Mr. SMITH of Texas. Mr. Speaker, I yield myself such time as I may consume. I just want to reassure my colleague from California that we do have that $500 fee in this bill that every business will pay for every H–1B worker that business brings into the country. That is a huge pot of money. It is going to be used largely for job training and also for scholarships, particularly for college students who major in either computer science or math or engineering. I hope that that will reassure the gentleman and answer and address some of his concerns.

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

Mr. WATT of North Carolina. Mr. Speaker, I yield 1 minute to the gentleman from Oregon (Mr. DEFAZIO).

Mr. DEFAZIO. Mr. Speaker, I thank the gentleman for yielding me this time. Let us get to what we are really debating here today. We are debating the failed trade policy of the United States of America. We are going to run a $200 billion trade deficit this year. That means we are going to export about 4 million jobs. But we were told, ''Don't worry. Those 4 million jobs are those old, dirty, obsolete industrial jobs.'' Even though they were family wages and they paid benefits, not to worry. Those workers will be retrained for the future, the high-tech industry of the United States of America.

So as we export the industrial base jobs, the family wage jobs, the jobs with benefits, what are we going to do now? We are going to import people for those jobs of the future. We are going to export our industrial jobs and we are going to import people into the United States to do the jobs of the future.

What about those 4 million people? What about the people laid off from the aerospace jobs, from the computer companies and everywhere else? Are you telling us the American people are stupid? They know what you are doing here. You are screwing them going and coming. You are going to bring in people to fill the jobs you promised them when you took away their jobs.

Both bills should be rejected, the bill and the substitute.

Mr. WATT of North Carolina. Mr. Speaker, I yield 3 minutes to the gentlewoman from California (Ms. LOFGREN).

Ms. LOFGREN. Mr. Speaker, I rise in support of the measure before us for a number of reasons. As a member of the Subcommittee on Immigration and someone who has experience in immigration law, used to teach immigration law, I have worked through with the White House and leadership on the other side of the aisle on this issue, and I believe that the product before us has many things that merit our support.

First, although much has been said about computer professionals, and I come from Silicon Valley, I represent Santa Clara County, the H–1B program extends beyond computer specialists. I would note that I just received a call from a superintendent of schools in San Jose who said, ''Please be careful. We're getting almost all our bilingual teachers through the H–1B program right now.'' So that is something to keep in mind.

Secondarily there are specialists. This is not just a shortage issue, it is a specialist issue. Like the biotech firm in Silicon Valley that has hired specialists in Great Britain who are on the cutting edge of a particular type of science and has kept them on full salary since last spring in Great Britain waiting for an H–1B visa to become available. That is not a shortage issue. That is a specialist issue. That needs to be kept in mind.

Finally, it is also a shortage issue. For my colleagues who say that we ought to do a better job of training our own people, I could not agree more. We need to get into schools that have been neglected. We need to make sure that poor children who are not achieving have a chance to achieve and become scientists and engineers. And although this bill will not accomplish all of that, this 75 to $100 million a year that will be provided for in the bill by the fees is going to help retrain American workers through the Job Training Partnership Act and also will be made available for math and science instruction.

□ 1630

Now in listening to my colleagues here and in talking to Members on the Republican side of the aisle and also in the Senate I think that we may need in conference to take a look at the allocation of funds in the math and science arena and see if we should not do a little bit more in K–12 education in addition to the scholarships, and I think that there is a willingness to work together on that.

But having said that, Mr. Speaker, and if we could accomplish that, we should also note that in this bill there is the toughest enforcement that has ever been devised that is oriented towards those who are the wrongdoers primarily in abusing American workers, and that is the so-called job shops. Very heavy attestation requirements, very severe penalties and very strong enforcement provisions.

I would just also note that the Department of Labor has additional enforcement authority beyond the complaint system.

So this is a tough bill, it is a balanced bill, and it is a bill that provides

funding for American school kids so they can become the scientists and engineers we need. I hope that my colleagues will support this very sensible approach.

Mr. WATT of North Carolina. Mr. Speaker, I yield the balance of our time to close the general debate to the gentleman from Pennsylvania (Mr. KLINK), and then I will yield him some more time when we start the debate on the substitute.

The SPEAKER pro tempore (Mr. SHIMKUS). The gentleman from Pennsylvania is recognized for 2¼ minutes.

Mr. KLINK. Mr. Speaker, I thank the gentleman from North Carolina for yielding this time to me, for his courteousness during this debate and also his leadership. The gentleman, the ranking member, is someone that, after we have been through this and my other work with him, I would appreciate being in a foxhole with him any day. He has conducted himself very well and very ably in this as he has on many other issues. And even though we have ended up with different conclusions, I would say to the gentleman from Texas (Mr. SMITH) he did good work to get us as far as he has gotten us, but it is not nearly good enough, and I think that the people of the country need to understand what is before us today.

Let me first talk about the macro view. My friend from Oregon touched on the point when we were debating NAFTA back in 1993. He said that we understand that those low-skilled jobs are going to move offshore, but we were promised, as the gentleman said, that the high-tech jobs would be created, our workers would be retrained for those jobs, our sons and daughters would be trained for those jobs; that was the new economy. And now what this bill is saying is that our children are too stupid; our displaced workers are too stupid. We are not putting money into training. We need to bring over those foreigners who can take the jobs and displace America.

The other macro view about this is, what will that do long term to the social fabric of this Nation? What will it do towards the attitudes of Americans when they see foreigners coming here and taking those jobs? It is only natural, if someone has got $60,000 or $70,000 in college loans and they are waiting on tables because the high-tech industry will not hire them, and, by the way, I have testimonial after testimonial from hundreds of people across this country who have been displaced who have not gotten jobs, and the people have told them we are waiting for the H–1B expansion because we can hire these workers cheaper, and when they are here, they are ours. They are nothing more than indentured servants. That is exactly what they are.

As my colleagues know, we have heard stories today about 10,000 scholarships. What good is a scholarship created by this program if the people who have gone to college here now cannot get hired? So we will have 10,000 more people with college educations waiting in the unemployment line and waiting on tables. That is what this debate is about.

I cannot understand why there is this huge deal about $500 a job in the new bill. For $500 we are going to sell each American job. That is what it cost. If my colleagues want a $50,000 or $60,000 a year job, vote for this and get it for $500. What a deal.

Mr. SMITH of Texas. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, once again this compromise bill is supported by both the Republican leadership and the administration because it does two things right. It continues to protect the rights of American workers, and in addition to that it also provides the needed workers for high-tech industry itself.

Mr. Speaker, I yield such time as he may consume to the gentleman from Virginia (Mr. DAVIS), who is both chairman of the Subcommittee on the District of Columbia and, just as importantly, he is a former high-tech executive in the information technology field.

Mr. DAVIS of Virginia. Mr. Speaker, I thank my friend from Texas for yielding this time to me, working with the other body and working with the administration to try to bring a bill with some very complex components and, obviously, some very emotional components to fruition here where we can do what is right for American workers. And to my friend from Pennsylvania who spoke, I know these are sincere words from him, but I take a different macro view of how the world and jobs are being created.

The reality is that high-technology jobs are being created in America faster than we have qualified people to fill them. This was not expected at the time. In my own county, the Northern Virginia Technology Council did a study that showed we have 20,000 available jobs, average salary $42,000 a year, that we cannot fill. Now, what happens if we cannot find the people to fill them?

There is, by the way, a nationwide vacuum in the vacancies in the information technology field, and this is a study by the Information Technology Association of America, the ITAA: 346,000 vacancies for computer programers, systems analysts, software engineers, computer scientists nationwide that we cannot fill. It is building and costing companies more to hire people. We are in a bidding war. Salaries are going up. And with the year 2000 problems and others it is costing our Federal Government billions of dollars more than we originally envisioned because of the scarcity of trained technical workers.

Now what does this bill do? It confronts it. One of the most challenging components of the information age is, as a society, how do we confront these challenges that workers are going to have to be trained and constantly retrained as technologies emerge, as they change rapidly to fill the rapidly developing jobs in this era? H.R. 3736 serves as a short-term remedy to this Nation's long-term need for highly skilled technical workers. If we do not, and let us take these 20,000 jobs in Fairfax that are available right now, if we do not find technical workers that are qualified to do this, what happens to those jobs? I will tell my colleagues exactly what happens:

We have companies right now unable to find trained Americans to do the jobs that are moving the jobs to India, they are moving them to Malaysia, they are moving them offshore. And as they move offshore, we lose those jobs from this country entirely over the long period so that when our sons and daughters and friends and neighbors are trained to be able to provide for this, not only those jobs but the jobs that spill out of that have gone offshore forever. This is a short-term remedy.

And it does something else that I am not hearing from the other side and opponents of this. It addresses the issue of training, something we as a society both on the private sector and government sector have really not focused on in the information age, and that is how you get people to be trained and retrained into where the jobs are, how do we coordinate public education, higher education, community colleges and train people for exactly where the jobs are? Because government traditionally lags a little bit behind the market, and we are finding that now, because of the fee that companies are paying for each worker that is put into a fund is going to fund scholarships for individuals who would otherwise not be trained and to entice people to go into some of these engineering and speciality fields so they can get the training and at the end of the cycle, in the year 2001, we are going to have trained Americans to fill these jobs. Without this legislation, I dare say there is nothing pending before this body that addresses the issue of how we are going to get people into these fields where the jobs are.

In my State of Virginia, we have more students graduating from college each year going into psychology as a major than we do into the computer science area, three times as many last year, and yet the jobs are not there, they are in the technical side. This bill addresses that. This bill makes the companies who are bringing workers in on a temporary basis pay for those jobs. That is the way it ought to be. It should not be the taxpayers at large. We have no other vehicle that does that.

And that is the beauty of this compromise. By creating that $500 fee to be included as a part of every H–1B visa issued, it will support this fund, and it is going to provide scholarship assistance for students studying math, computer science, engineering for Federal job training services.

I think that instead of sitting, complaining and whining about what is happening in different parts we need to take actions, that the result of those actions move jobs out of the United States on a permanent basis. What we need is to take more positive steps to induce qualified Americans to become trained and retrained, and this bill does that. We need to bring students from the inner city right now where a lot of these high technology jobs do not even exist, get them into training and programs. They have the aptitudes. Get them into programs where they can be trained and take advantage of these.

This is the wave of the future, not just in the United States, not just in the Silicone Valley or northern Virginia, but across the world, and this legislation is the first meaningful piece I have seen come out of this Congress that addresses this in a fair way and addresses the future, not just the current cycle.

And I just thank my friend from Texas (Mr. SMITH) for working so hard to bring this compromise about. I am excited about this legislation. I hope my colleagues will support it.

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

AMENDMENT NO. 2 IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. WATT OF NORTH CAROLINA

Mr. WATT of North Carolina. Mr. Speaker, I offer an amendment in the nature of a substitute.

The SPEAKER pro tempore. The Clerk will designate the amendment in the nature of a substitute.

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

Amendment No. 2 in the nature of a substitute offered by Mr. WATT of North Carolina:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Workforce Improvement and Protection Act of 1998''.

SEC. 2. TEMPORARY INCREASE IN SKILLED FOREIGN WORKERS; TEMPORARY REDUCTION IN H–2B NONIMMIGRANTS.

Section 214(g) of the Immigration and Nationality Act (8 U.S.C. 1184(g)) is amended—

(1) by amending paragraph (1)(A) to read as follows:

''(A) under section 101(a)(15)(H)(i)(b), subject to paragraph (5), may not exceed—

''(i) 95,000 in fiscal year 1998;

''(ii) 105,000 in fiscal year 1999;

''(iii) 115,000 in fiscal year 2000; and

''(iv) 65,000 in fiscal year 2001 and any subsequent fiscal year; or'';

(2) by amending paragraph (1)(B) to read as follows:

''(B) under section 101(a)(15)(H)(ii)(b) may not exceed—

''(i) 36,000 in fiscal year 1998;

''(ii) 26,000 in fiscal year 1999;

''(iii) 16,000 in fiscal year 2000; and

''(iv) 66,000 in fiscal year 2001 and any subsequent fiscal year.'';

(3) in paragraph (4), by striking ''years.'' and inserting ''years, except that, with respect to each such nonimmigrant issued a visa or otherwise provided nonimmigrant status in each of fiscal years 1998, 1999, and 2000 in excess of 65,000 (per fiscal year), the period of authorized admission as such a nonimmigrant may not exceed 4 years.''; and

(4) by adding at the end the following:

''(5) The total number of aliens described in section 212(a)(5)(C) who may be issued visas or otherwise provided nonimmigrant status during any fiscal year (beginning with fiscal year 1999) under section 101(a)(15)(H)(i)(b) may not exceed 5,000.''.

SEC. 3. PROTECTION AGAINST DISPLACEMENT OF UNITED STATES WORKERS.

(a) IN GENERAL.—Section 212(n)(1) of the Immigration and Nationality Act (8 U.S.C. 1182(n)(1)) is amended by inserting after subparagraph (D) the following:

''(E)(i) Except as provided in clause (iv), the employer has not laid off or otherwise displaced and will not lay off or otherwise displace, within the period beginning 6 months before and ending 90 days following the date of filing of the application or during the 90 days immediately preceding and following the date of filing of any visa petition supported by the application, any United States worker (as defined in paragraph (3)) (including a worker whose services are obtained by contract, employee leasing, temporary help agreement, or other similar means) who has substantially equivalent qualifications and experience in the specialty occupation, and in the area of employment, for which H–1B nonimmigrants are sought or in which they are employed.

''(ii) Except as provided in clause (iii), in the case of an employer that employs an H–1B nonimmigrant, the employer shall not place the nonimmigrant with another employer where—

''(I) the nonimmigrant performs his or her duties in whole or in part at one or more worksites owned, operated, or controlled by such other employer; and

''(II) there are indicia of an employment relationship between the nonimmigrant and such other employer.

''(iii) Clause (ii) shall not apply to an employer's placement of an H–1B nonimmigrant with another employer if the other employer has executed an attestation that it satisfies and will satisfy the conditions described in clause (i) during the period described in such clause.

''(iv) This subparagraph shall not apply to an application filed by an employer that is an institution of higher education (as defined in section 1201(a) of the Higher Education Act of 1965), or a related or affiliated nonprofit entity, if the application relates solely to aliens who—

''(I) the employer seeks to employ—

''(aa) as a researcher on a project for which not less than 50 percent of the funding is provided, for a limited period of time, through a grant or contract with an entity other than the employer; or

''(bb) as a professor or instructor under a contract that expires after a limited period of time; and

''(II) have attained a master's or higher degree (or its equivalent) in a specialty the specific knowledge of which is required for the intended employment.''.

(b) DEFINITIONS.—

(1) IN GENERAL.—Section 212(n) of the Immigration and Nationality Act (8 U.S.C. 1182(n)) is amended by adding at the end the following:

''(3) For purposes of this subsection:

''(A) The term 'H–1B nonimmigrant' means an alien admitted or provided status as a nonimmigrant described in section 101(a)(15)(H)(i)(b).

''(B) The term 'lay off or otherwise displace', with respect to an employee—

''(i) means to cause the employee's loss of employment, other than through a discharge for cause, a voluntary departure, or a voluntary retirement; and

''(ii) does not include any situation in which employment is relocated to a different geographic area and the employee is offered a chance to move to the new location, with wages and benefits that are not less than those at the old location, but elects not to move to the new location.

''(C) The term 'United States worker' means—

''(i) a citizen or national of the United States;

''(ii) an alien lawfully admitted for permanent residence; or

''(iii) an alien authorized to be employed by this Act or by the Attorney General.''.

(2) CONFORMING AMENDMENTS.—Section 212(n)(1) of the Immigration and Nationality Act (8 U.S.C. 1182(n)(1)) is amended by striking ''a nonimmigrant described in section 101(a)(15)(H)(i)(b)'' each place such term appears and inserting ''an H–1B nonimmigrant''.

SEC. 4. RECRUITMENT OF UNITED STATES WORKERS PRIOR TO SEEKING NONIMMIGRANT WORKERS.

Section 212(n)(1) of the Immigration and Nationality Act (8 U.S.C. 1182(n)(1)), as amended by section 3, is further amended by inserting after subparagraph (E) the following:

''(F)(i) The employer, prior to filing the application, has taken, in good faith, timely and significant steps to recruit and retain sufficient United States workers in the specialty occupation for which H–1B nonimmigrants are sought. Such steps shall have included recruitment in the United States, using procedures that meet industry-wide standards and offering compensation that is at least as great as that required to be offered to H–1B nonimmigrants under subparagraph (A), and offering employment to any United States worker who applies and has the same qualifications as, or better qualifications than, any of the H–1B nonimmigrants sought.

''(ii) The conditions described in clause (i) shall not apply to an employer with respect to the employment of an H–1B nonimmigrant who is described in subparagraph (A), (B), or (C) of section 203(b)(1).''.

SEC. 5. LIMITATION ON AUTHORITY TO INITIATE COMPLAINTS AND CONDUCT INVESTIGATIONS FOR NON-H–1B-DEPENDENT EMPLOYERS.

(a) IN GENERAL.—Section 212(n)(2)(A) of the Immigration and Nationality Act (8 U.S.C. 1182(n)(2)(A)) is amended—

(1) in the second sentence, by striking the period at the end and inserting the following: '', except that the Secretary may only file such a complaint respecting an H–1B-dependent employer (as defined in paragraph (3)), and only if there appears to be a violation of an attestation or a misrepresentation of a material fact in an application.''; and

(2) by inserting after the second sentence the following: ''Except as provided in subparagraph (F) (relating to spot investigations during probationary period), no investigation or hearing shall be conducted with respect to an employer except in response to a complaint filed under the previous sentence.''.

(b) DEFINITIONS.—Section 212(n)(3) of the Immigration and Nationality Act (8 U.S.C. 1182(n)(2)), as added by section 3, is amended—

(1) by redesignating subparagraphs (A), (B), and (C) as subparagraphs (B), (C), and (E), respectively;

(2) by inserting after ''purposes of this subsection:'' the following:

''(A) The term 'H–1B-dependent employer' means an employer that—

''(i)(I) has fewer than 21 full-time equivalent employees who are employed in the United States; and

(II) employs 4 or more H–1B nonimmigrants; or

''(ii)(I) has at least 21 but not more than 150 full-time equivalent employees who are employed in the United States; and

(II) employs H–1B nonimmigrants in a number that is equal to at least 20 percent of the number of such full-time equivalent employees; or

''(iii)(I) has at least 151 full-time equivalent employees who are employed in the United States; and

(II) employs H–1B nonimmigrants in a number that is equal to at least 15 percent of the number of such full-time equivalent employees.

In applying this subparagraph, any group treated as a single employer under subsection (b), (c), (m), or (o) of section 414 of the Internal Revenue Code of 1986 shall be treated as a single employer. Aliens employed under a petition for H–1B nonimmigrants shall be treated as employees, and counted as nonimmigrants under section 101(a)(15)(H)(i)(b) under this subparagraph.''; and

(3) by inserting after subparagraph (C) (as so redesignated) the following:

''(D) The term 'non-H–1B-dependent employer' means an employer that is not an H–1B-dependent employer.''.

SEC. 6. INCREASED ENFORCEMENT AND PENALTIES.

(a) IN GENERAL.—Section 212(n)(2)(C) of the Immigration and Nationality Act (8 U.S.C. 1182(n)(2)(C)) is amended to read as follows:

''(C)(i) If the Secretary finds, after notice and opportunity for a hearing, a failure to meet a condition of paragraph (1)(B) or (1)(E), a substantial failure to meet a condition of paragraph (1)(C), (1)(D), or (1)(F), or a misrepresentation of material fact in an application—

''(I) the Secretary shall notify the Attorney General of such finding and may, in addition, impose such other administrative remedies (including civil monetary penalties in an amount not to exceed $1,000 per violation) as the Secretary determines to be appropriate; and

''(II) the Attorney General shall not approve petitions filed with respect to that employer under section 204 or 214(c) during a period of at least 1 year for aliens to be employed by the employer.

''(ii) If the Secretary finds, after notice and opportunity for a hearing, a willful failure to meet a condition of paragraph (1), a willful misrepresentation of material fact in an application, or a violation of clause (iv)—

''(I) the Secretary shall notify the Attorney General of such finding and may, in addition, impose such other administrative remedies (including civil monetary penalties in an amount not to exceed $5,000 per violation) as the Secretary determines to be appropriate; and

''(II) the Attorney General shall not approve petitions filed with respect to that employer under section 204 or 214(c) during a period of at least 1 year for aliens to be employed by the employer.

''(iii) If the Secretary finds, after notice and opportunity for a hearing, a willful failure to meet a condition of paragraph (1) or a willful misrepresentation of material fact in an application, in the course of which failure or misrepresentation the employer also has failed to meet a condition of paragraph (1)(E)—

''(I) the Secretary shall notify the Attorney General of such finding and may, in addition, impose such other administrative remedies (including civil monetary penalties in an amount not to exceed $25,000 per violation) as the Secretary determines to be appropriate; and

''(II) the Attorney General shall not approve petitions filed with respect to that employer under section 204 or 214(c) during a period of at least 2 years for aliens to be employed by the employer.

''(iv) It is a violation of this clause for an employer who has filed an application under this subsection to intimidate, threaten, restrain, coerce, blacklist, discharge, or in any other manner discriminate against an employee (which term, for purposes of this clause, includes a former employee and an applicant for employment) because the employee has disclosed information to the employer, or to any other person, that the employee reasonably believes evidences a violation of this subsection, or any rule or regulation pertaining to this subsection, or because the employee cooperates or seeks to cooperate in an investigation or other proceeding concerning the employer's compliance with the requirements of this subsection or any rule or regulation pertaining to this subsection.''.

(b) PLACEMENT OF H–1B NONIMMIGRANT WITH OTHER EMPLOYER.—Section 212(n)(2) of the Immigration and Nationality Act (8 U.S.C. 1182(n)(2)) is amended by adding at the end the following:

''(E) Under regulations of the Secretary, the previous provisions of this paragraph shall apply to a failure of an other employer to comply with an attestation described in paragraph (1)(E)(iii) in the same manner as they apply to a failure to comply with a condition described in paragraph (1)(E)(i).''.

(c) SPOT INVESTIGATIONS DURING PROBATIONARY PERIOD.—Section 212(n)(2) of the Immigration and Nationality Act (8 U.S.C. 1182(n)(2)), as amended by subsection (b), is further amended by adding at the end the following:

''(F) The Secretary may, on a case-by-case basis, subject an employer to random investigations for a period of up to 5 years, beginning on the date that the employer is found by the Secretary to have committed a willful failure to meet a condition of paragraph (1) or to have made a misrepresentation of material fact in an application. The preceding sentence shall apply to an employer regardless of whether the employer is an H–1B-dependent employer or a non-H–1B-dependent employer. The authority of the Secretary under this subparagraph shall not be construed to be subject to, or limited by, the requirements of subparagraph (A).''.

SEC. 7. PROHIBITION ON IMPOSITION BY IMPORTING EMPLOYERS OF EMPLOYMENT CONTRACT PROVISIONS VIOLATING PUBLIC POLICY.

Section 212(n)(2) of the Immigration and Nationality Act (8 U.S.C. 1182(n)(2)), as amended by section (6), is further amended by adding at the end the following:

''(G) If the Secretary finds, after notice and opportunity for a hearing, that an employer who has submitted an application under paragraph (1) has requested or required an alien admitted or provided status as a nonimmigrant pursuant to the application, as a condition of the employment, to execute a contract containing a provision that would be considered void as against public policy in the State of intended employment—

''(i) the Secretary shall notify the Attorney General of such finding and may, in addition, impose such other administrative remedies (including civil monetary penalties in an amount not to exceed $25,000 per violation) as the Secretary determines to be appropriate; and

''(ii) the Attorney General shall not approve petitions filed by the employer under section 214(c) during a period of not more than 10 years for H–1B nonimmigrants to be employed by the employer.''.

SEC. 8. COLLECTION AND USE OF H–1B NONIMMIGRANT FEES FOR STATE STUDENT INCENTIVE GRANT PROGRAMS AND JOB TRAINING OF UNITED STATES WORKERS.

(a) IMPOSITION OF FEE.—Section 214(c) (8 U.S.C. 1184(c)) is amended by adding at the end the following:

''(9)(A) The Attorney General shall impose a fee on an employer (excluding an employer described in subparagraph (A) or (B) of section 212(p)(1)) as a condition for the approval of a petition filed on or after October 1, 1998, and before October 1, 2002, under paragraph (1) to grant an alien nonimmigrant status described in section 101(a)(15)(H)(i)(b). The amount of the fee shall be $500 for each such nonimmigrant.

''(B) Fees collected under this paragraph shall be deposited in the Treasury in accordance with section 286(t).

''(C)(i) An employer may not require an alien who is the subject of the petition for which a fee is imposed under this paragraph to reimburse, or otherwise compensate, the employer for part or all of the cost of such fee.

''(ii) Section 274A(g)(2) shall apply to a violation of clause (i) in the same manner as it applies to a violation of section 274A(g)(1).''.

(b) ESTABLISHMENT OF ACCOUNT; USE OF FEES.—Section 286 (8 U.S.C. 1356) is amended by adding at the end the following:

''(t) H–1B NONIMMIGRANT PETITIONER ACCOUNT.—

''(1) IN GENERAL.—There is established in the general fund of the Treasury a separate account which shall be known as the 'H–1B Nonimmigrant Petitioner Account'. Notwithstanding any other section of this title, there shall be deposited as offsetting receipts into the account all fees collected under section 214(c)(9).

''(2) USE OF HALF OF FEES BY SECRETARY OF EDUCATION FOR HIGHER EDUCATION GRANTS.—Fifty percent of the amounts deposited into the H–1B Nonimmigrant Petitioner Account shall remain available until expended to the Secretary of Education for additional allotments to States under subpart 4 of chapter 8 of title IV of the Higher Education Act of 1965 but only for the purpose of assisting States in providing grants to eligible students enrolled in a program of study leading to a degree in mathematics, computer science, or engineering.

''(3) USE OF HALF OF FEES BY SECRETARY OF LABOR FOR JOB TRAINING.—Fifty percent of amounts deposited into the deposits into such Account shall remain available until expended to the Secretary of Labor for demonstration programs described in section 104(d) of the Temporary Access to Skilled Workers and H–1B Nonimmigrant Program Improvement Act of 1998.''.

(c) CONFORMING MODIFICATION OF APPLICATION REQUIREMENTS FOR STATE STUDENT INCENTIVE GRANT PROGRAM.—Section 415C(b) of the Higher Education Act of 1965 (20 U.S.C. 1070c–2(b)) is amended—

(1) in paragraph (9), by striking ''and'' at the end;

(2) in paragraph (10), by striking the period at the end and inserting ''; and''; and

(3) by adding at the end the following:

''(11) provides that any portion of the allotment to the State for each fiscal year that derives from funds made available under section 286(t)(2) of the Immigration and Nationality Act shall be expended for grants described in paragraph (2)(A) to students enrolled in a program of study leading to a degree in mathematics, computer science, or engineering.''.

(d) DEMONSTRATION PROGRAMS AND PROJECTS TO PROVIDE TECHNICAL SKILLS TRAINING FOR WORKERS.

(1) IN GENERAL.—Subject to paragraph (3), in establishing demonstration programs

under section 452(c) of the Job Training Partnership Act (29 U.S.C. 1732(c)), as in effect on the date of enactment of this Act, or demonstration programs or projects under a successor Federal law, the Secretary of Labor shall establish demonstration programs or projects to provide technical skills training for workers, including both employed and unemployed workers.

(2) GRANTS.—Subject to paragraph (3), the Secretary of Labor shall award grants to carry out the programs and projects described in paragraph (1) to—

(A)(i) private industry councils established under section 102 of the Job Training Partnership Act (29 U.S.C. 1512), as in effect on the date of enactment of this Act; or

(ii) local boards that will carry out such programs or projects through one-stop delivery systems established under a successor Federal law; or

(B) regional consortia of councils or local boards described in subparagraph (A).

(3) LIMITATION.—The Secretary of Labor shall establish programs and projects under paragraph (1), including awarding grants to carry out such programs and projects under paragraph (2), only with funds made available under section 286(t)(3) of the Immigration and Nationality Act, and not with funds made available under the Job Training Partnership Act or a successor Federal law.

SEC. 9. IMPROVING COUNT OF H–1B AND H–2B NONIMMIGRANTS.

(a) ENSURING ACCURATE COUNT.—The Attorney General shall take such steps as are necessary to maintain an accurate count of the number of aliens subject to the numerical limitations of section 214(g)(1) of the Immigration and Nationality Act who are issued visas or otherwise provided nonimmigrant status.

(b) REVISION OF PETITION FORMS.—The Attorney General shall take such steps as are necessary to revise the forms used for petitions for visas or nonimmigrant status under clause (i)(b) or (ii)(b) of section 101(a)(15)(H) of the Immigration and Nationality Act so as to ensure that the forms provide the Attorney General with sufficient information to permit the Attorney General accurately to count the number of aliens subject to the numerical limitations of section 214(g)(1) of such Act who are issued visas or otherwise provided nonimmigrant status.

(c) REPORTS.—Beginning with fiscal year 1999, the Attorney General shall provide to the Congress not less than 4 times per year a report on—

(1) the numbers of individuals who were issued visas or otherwise provided nonimmigrant status during the preceding 3–month period under section 101(a)(15)(H)(i)(b) of the Immigration and Nationality Act;

(2) the numbers of individuals who were issued visas or otherwise provided nonimmigrant status during the preceding 3–month period under section 101(a)(15)(H)(ii)(b) of such Act; and

(3) the countries of origin and occupations of, educational levels attained by, and total compensation (including the value of all wages, salary, bonuses, stock, stock options, and any other similar forms of remuneration) paid to, individuals issued visas or provided nonimmigrant status under such sections during such period.

SEC. 10. GAO STUDY AND REPORT ON AGE DISCRIMINATION IN THE INFORMATION TECHNOLOGY FIELD.

(a) STUDY.—The Comptroller General of the United States shall conduct a study assessing age discrimination in the information technology field. The study shall consider the following:

(1) The prevalence of age discrimination in the information technology workplace.

(2) The extent to which there is a difference, based on age, in promotion and advancement; working hours; telecommuting; salary; and stock options, bonuses, or other benefits.

(3) The relationship between rates of advancement, promotion, and compensation to experience, skill level, education, and age.

(4) Differences in skill level on the basis of age.

(b) REPORT.—Not later than October 1, 2000, the Comptroller General of the United States shall submit to the Committees on the Judiciary of the United States House of Representatives and the Senate a report containing the results of the study described in subsection (a). The report shall include any recommendations of the Comptroller General concerning age discrimination in the information technology field.

SEC. 11. GAO LABOR MARKET STUDY AND REPORT.

(a) STUDY.—The Comptroller General of the United States shall conduct a labor market study. The study shall investigate and analyze the following:

(1) The overall shortage of available workers in the high-technology, rapid-growth industries.

(2) The multiplier effect growth of high-technology industry on low-technology employment.

(3) The relative achievement rates of United States and foreign students in secondary school in a variety of subjects, including math, science, computer science, English, and history.

(4) The relative performance, by subject area, of United States and foreign students in postsecondary and graduate schools as compared to secondary schools.

(5) The labor market need for workers with information technology skills and the extent of the deficit of such workers to fill high-technology jobs during the 10–year period beginning on the date of the enactment of this Act.

(6) Future training and education needs of companies in the high-technology sector.

(7) Future training and education needs of United States students to ensure that their skills at various levels match the needs of the high-technology and information technology sectors.

(8) An analysis of which particular skill sets are in demand.

(9) The needs of the high-technology sector for foreign workers with specific skills.

(10) The potential benefits of postsecondary educational institutions, employers, and the United States economy from the entry of skilled professionals in the fields of engineering and science.

(11) The effect on the high-technology labor market of the downsizing of the defense sector, the increase in productivity in the computer industry, and the deployment of workers dedicated to the Year 2000 Project.

(b) REPORT.—Not later than October 1, 2000, the Comptroller General of the United States shall submit to the Committees on the Judiciary of the United States House of Representatives and the Senate a report containing the results of the study described in subsection (a).

SEC. 12. EFFECTIVE DATE.

The amendments made by this Act shall take effect on the date of the enactment of this Act and shall apply to applications filed with the Secretary of Labor on or after 30 days after the date of the enactment of this Act, except that the amendments made by section 2 shall apply to applications filed with such Secretary before, on, or after the date of the enactment of this Act.

The SPEAKER pro tempore. Pursuant to House Resolution 513, the gentleman from North Carolina (Mr. WATT) and a Member opposed each will control 30 minutes.

The Chair recognizes the gentleman from North Carolina (Mr. WATT).

Mr. WATT of North Carolina. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I just point out to my colleagues that this has been an interesting debate up to this point, and my colleagues will see, if they have been listening to the debate, how difficult an issue this is. This is not a Republican issue. It is not a Democratic issue. There are some very difficult issues that we have had to address here, and I will just say to my colleagues that, in addressing those issues, the Committee on the Judiciary took every single point that was made in the general debate into account.

There are people in the general debate who are saying we should not have an H–1B program at all because we got enough American workers here in our country to meet the need. There are people who said we ought to increase it a lot more than we increase it in either this bill or in my substitute. There are people who are all over the waterfront on this issue, and we tried to take every single view into account as we went through the process.

Now listen to what the committee report says. This is the committee report in support of the bill which I am offering as my substitute which ought to be on the floor because it passed the Committee on the Judiciary by a vote of 23 to 4. This is what the committee report says. It says, it is in the Nation's interest that the quota for H–1B aliens be temporarily raised. First, unless Congress acts, employers will not be able to employ new H–1B nonimmigrants until the beginning of the next fiscal year.

The committee report then goes on to say, the committee recognizes that the evidence for such a shortage is inconclusive. There are people out there who are saying there is no shortage of high-tech workers. There are people who are saying there is a major shortage of high-tech workers, and we, in our committee report, acknowledge that we could not decide that one way or another.

☐ 1645

Then the committee report says, however, the increase in the H–1B quota should be of relatively brief duration; there will be a bumper crop of American college graduates skilled in computer science beginning in the summer of 2001.

Now, we acknowledge that if there is a shortage, it is a temporary shortage of high skilled workers, and we ought to respond to that shortage by increasing the number on a temporary basis. And that is exactly what the committee's bill does, the one that I am offering instead of my chairman defending the committee's bill, I am here offering on the floor, defending the committee's position.

Now, what does our bill do? What does our bill do? It temporarily increases the number of H–1B visas until the year 2000 under our bill, because we recognize that this was a temporary problem that we were trying to address. So our plan was to increase it from 65,000 to 95,000 workers for fiscal year 1998, to 105,000 for the year 1999, and to 115,000 for the year 2000. And then we were going to go back to the current level of 65,000, because we had evidence that said in 2001 we are going to have a bumper crop of students coming out of school in these fields and we will not need this increase anymore. That is why we passed the bill the way we passed it out of our committee.

So now you have a choice between a bill that we had hearings on, that documented, to some extent, the need for it. We acknowledged that there might be a need for it and increased the numbers until the year 2000, but not to 2001, like the bill we have on the floor today. The bill we have on the floor goes to 115,000 for 1999, 115,000 for 2000 and 107,500 for the year 2001, when we have in our record documentation that there is going to be a bumper crop of American students coming out, and it is in our report.

So, you have got a choice: Do you take our efforts that we worked so hard in the committee on and passed, 23 to 4, to address this issue, or do you take something that somebody pulled out of the sky, where I do not know where the figures came from, I still do not know, and nobody will be able to tell us.

Now, we had evidence before the committee that said this program is being abused, and we took steps in the committee's bill to address the abuse in the process.

Our bill, the substitute which is being offered here today, requires all employers to attest that they have not laid off or otherwise displaced a U.S. worker who has substantially equivalent qualifications, and that they will only place the foreign worker that comes in under the program with another employer who has also attested to this. You cannot either bring in a person for your own benefit or for another employer unless you have attested that you are not going to lay off a U.S. worker. Now, is that unreasonable? There is not a person in this chamber who could say that that is unreasonable, if we are going to fulfill our minimum obligation to U.S. employees.

Yet the bill we are voting on today does not apply that requirement to all employers. What it says is some convoluted formula, if you are under 25,000 employees, then you have to attest; under 25,000 to 50,000, you have to do another kind of attestation. It makes no sense. We had attestation that 23 Members of the Committee on the Judiciary said was a good way to protect against abuses, and we are throwing it in the trash can, unless we adopt the substitute that is on the floor today.

The third thing our bill does is that it requires that all employers attest that they have in good faith taken timely and significant steps to recruit and retain sufficient U.S. workers in the specialty occupation for which the foreign workers are sought.

That is not an unreasonable requirement. All we are saying is do not go and bring a foreign worker into the United States unless you have in good faith taken some steps to try to recruit U.S. workers. That is why all of these people are coming to the floor today and saying to us, well, in my part of the country, people are being laid off.

If there are laid off people in Michigan and there is a need in California, my goodness, we ought to request the employer to go to Michigan before we send them to India. That is all we are saying, and that is all the attestation would do. And it applies to all employers again, just like it should apply to all employers.

Now, there is something in our bill, because we did not have all the facts, that required a study to be done by GAO to determine what impact this is having.

I do not know whether they put that in their new bill or not, but I do not see anything about the GAO in the draft of the bill that I got late last night in the CONGRESSIONAL RECORD in the fine print. So maybe they will tell me that that is in their bill too. But at least we ought to during this three or four year period document whether there is a shortage or is not a shortage, and our substitute does that, the bill that passed the Committee on the Judiciary, which I, a minority member of the committee, has to come to the floor and defend the committee's work product. That ought not be the case.

We had a good bill. We passed it 23 to 4, bipartisan support, broad based support. It addressed the issues. It was not protectionist. It acknowledged that we had a problem. But we have got to do it in a way that is fair to the American workers.

Mr. Speaker, I ask all of my colleagues to search their heart and vote for this bipartisan substitute that came out of the Committee on the Judiciary by a 23 to 4 vote; not a bill that we have been sent over here from the Senate that has nothing in it that really supports the findings that we made as a committee in this House of Representatives.

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

Mr. SMITH of Texas. Mr. Speaker, I oppose the amendment offered by my colleague, the gentleman from North Carolina (Mr. WATT).

The SPEAKER pro tempore (Mr. SHIMKUS). The gentleman from Texas is recognized for 30 minutes.

Mr. SMITH of Texas. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the bill we are considering on the floor today represents a good faith compromise between differing H–1B measures, one passed by the Senate and one passed by the House Committee on the Judiciary. It is not perfect, but compromises seldom are.

What the bill does do is take a middle role between varying viewpoints as to the H–1B visa program. The H–1B program is being abused by firms known as job shops or job contractors. These companies do not bring in a few H–1B aliens a year to plug skill gaps in their work forces. Instead, many, and sometimes all, of their personnel are in fact H–1B workers.

Job contractors make no pretense of looking for American workers. They are in the business of contracting out their H–1Bs to other companies. The companies to which the H–1Bs are contracted benefit by paying wages to the H–1Bs often well below what comparable Americans would receive. In order to achieve this benefit, they have been known to lay off American workers and replace them with H–1B foreign workers from job contractors.

In order to stem this abuse, H.R. 3736 requires job contractors, defined as companies where 15 percent or more of the workforce is composed of H–1Bs, to make good faith efforts to recruit American workers, to not lay off Americans and replace them with foreign workers, and to not contract H–1Bs to other companies who use them to replace other American workers.

If we are to have an increase in the H–1B quotas and protect American workers at the same time, it will be through H.R. 3736, and not the Watt amendment.

Mr. Speaker, I urge my colleagues to vote against this amendment.

I also want to make a final point: You might get the impression from listening to some of the opponents of the bill and to some of the proponents of the Watts substitute that there is nothing in the bill to protect American workers. The opposite is true. We are going to protect American workers, and, in fact, we are going to target the companies that have in fact been the abusers in the past. So there are lots of protections for the American workers in the bill. That will continue, that is in the compromise.

Mr. Speaker, I yield four minutes to my friend the gentleman from Utah (Mr. CANNON), who is also a member of the Subcommittee on Immigration and Claims.

Mr. CANNON. Mr. Speaker, I thank the subcommittee chairman, for yielding me time.

Mr. Speaker, I rise today in opposition to the Watt amendment in the nature of a substitute to H.R. 3736, the Workforce Improvement and Protection Act. The H–1B program is critical to our Nation, and, in particular, to the state of Utah, which I represent. The engine driving American productivity has performed well beyond anyone's expectations over the past several years, and I am sure we all realize how much of this performance is due to the contribution made by the high-tech sector

and its commitment to research, development, innovation and achievement.

So today we must make a choice that is critical to this engine of American productivity. We must decide whether this engine will continue to have fuel to run on, because that is what we are talking about here. Our high-tech sector cannot function without the high skilled individuals employed to generate that productivity, and voting in favor of this substitute would effectively put a stop to this productivity.

At the same time, I am pleased that a compromise has been reached that safeguards productivity while it, for example, generates additional private sector funds for scholarships for American students in the fields of mathematics, computer science and engineering.

The compromise will build our investment in American students and workers, will sustain our high-tech sector, and will allow America to remain the global economic leader it is today. I voted ''no'' during the markup of an earlier version of this language in the Committee on the Judiciary several months ago, for the same reasons I urge Members to vote against it today.

Mr. WATT of North Carolina. Mr. Speaker, I yield three minutes to the gentleman from California (Mr. BERMAN), a cosponsor of the substitute.

Mr. BERMAN. Mr. Speaker, I rise in support of the substitute sponsored by the ranking member of our subcommittee and the gentleman from Pennsylvania, as well as myself.

Here is where I come from: I buy into a lot of the arguments of the proponents of the bill. One, in a global economy, we want our companies to be competitive. That includes making sure they are able to hire workers with the skills necessary for them to be as competitive as they can be, because it is our competitive edge which will help us in the future.

I come from a very strong background of believing in immigration, believing immigration is good for this country, believing immigration based on family relationships and employer sponsorships are both important and that those immigrants contribute a great deal to our economy and to our social fabric and to our culture.

I also accept the premise that probably at this particular time we need substantial additional visas for H–1B, for temporary nonimmigrant workers who have specific skills. I just think that to say that huge numbers of the employers who will utilize these H–1B workers do not have to go through a basic meaningful process of recruitment and do not have any meaningful constraints on their ability to displace a U.S. worker in order to bring in a temporary nonimmigrant visa is wrong fundamentally, and, moreover, will in the long term undermine America's willingness to accept immigration under these grounds.

□ 1700

So I think the substitute, which provides a meaningful attestation requirement, is a compelling help to this particular legislation.

The way this is written, a company that employs 5,000 people but has only 600 H–1B workers would not be obligated to provide any of the attestation requirements, because it would not meet the definition of an H–1B-dependent company.

That makes no sense to me. This is not an amendment that simply excludes small employers, not that they should not have the same obligations, anyway, but we can talk about the Department of Labor, paperwork burdens, and things like this. We could be talking about some enormous employers with substantial numbers of H–1B employees who will not be required to have enforceable obligations to recruit domestically first, or to agree not to displace U.S. workers with people filling these nonimmigrant visas, these H–1B visas.

I urge support for the substitute. I congratulate our ranking member for his preparing of this amendment, and I urge its adoption.

Mr. WATT of North Carolina. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. MILLER).

Mr. MILLER of California. Mr. Speaker, I thank the gentleman for yielding me the time.

Mr. Speaker, I rise in support of the substitute of the gentleman from North Carolina (Mr. WATT) and the gentleman from California (Mr. BERMAN) to the legislation pending before us.

I do so because of many of the points that the two authors of this substitute have pointed out. When we read the committee report, we see the documented concerns that have been raised both about age discrimination, about displacement, about unemployment in various regions of the country, and the overdefining of some of these jobs, and I think that it is incumbent that we ask employers to make the kinds of efforts necessary to make sure that in fact these jobs cannot be filled from United States citizens before we go overseas to look for them.

I, like the proponents of this legislation, also accept the notion that there are in many instances jobs that cannot be filled from the domestic work force, for one reason or another, and it may be temporary in some cases, or what appears to be permanent when we consider the rapidity of change within these industries.

But not all of these jobs are the narrow band of jobs on the cutting edge where, in many instances, those individuals do not exist within the American work force, and we ought to make sure that, therefore, we can go overseas and recruit those individuals and bring them here to help companies remain in the competitive position.

But many of the other jobs in fact are available, but they may not be available in that immediate geographic region. It ought to be incumbent on people to go out and to see and recruit individuals that can fill those jobs, either because they have been laid off of their jobs in another region of this country, or they can be readily retrained for those jobs that these employers are looking for.

For that reason, I believe that the substitute is a preferable work product in assuring that we make sure that American citizens who are looking for work, who have these skills, are in fact considered first, because that really is the obligation that these companies should have. If they are not available, then we ought to make sure that we also provide a vehicle so those people can be brought into the work force. Again, I support the substitute.

Mr. WATT of North Carolina. Mr. Speaker, I yield 2½ minutes to the gentleman from California (Mr. BROWN).

(Mr. BROWN of California asked and was given permission to revise and extend his remarks.)

Mr. BROWN of California. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I rise to support the substitute to H.R. 3736 prepared by my colleagues from North Carolina, California, and Pennsylvania. I have already expressed my skepticism about the claims of a shortage. I would like to turn here to the protection for U.S. workers.

The Republican proposal is carefully crafted to apply only to companies that we call ''body shops.'' It would allow most American firms who use H–1Bs to avoid scrutiny by the Department of Labor. The Watt substitute requires all companies using H–1Bs to attest that they have sought an American employee, and that they have not laid off an American in order to take on the H–1B employee.

In the Republican bill, the protection against layoffs only applies if the body shop knows or should have known that the ultimate employer was going to lay off the American worker. If I am an American worker, that does not fill me with confidence.

The Department of Labor has been hampered in enforcing the H–1B program because only H–1B visa holders could initiate complaints. The Republicans claim that the Department receives authority to investigate based on specific credible information of violation. What is not said is that the Secretary must first ''* * *provide notice to allow the employer to respond before the investigation is initiated, unless the Secretary determines it would interfere with compliance.''

In practice, we know the Secretary has few resources to investigate violations now, and the Department can expect to find employers objecting to investigations as soon as the Department informs them that one is being considered. It should also be noted that the increased protections provided by the Republican substitute last only as long as the increase in visa numbers continues. The Watt substitute permanently protects U.S. workers.

I noted earlier that the claim of a shortage is not well supported by the evidence. The Republicans think they have made a great concession by shrinking their bill from 5 years to 3 years, but with substantial increases in the numbers. The Watt substitute provides a smaller increase. I prefer this more limited intervention in the labor market.

Our colleague, the gentleman from Texas (Mr. SMITH) worked hard to produce a bipartisan consensus in the Committee on the Judiciary. The Watt substitute embodies the fruits of his labor. I believe the House would do better to vote for the Watt substitute.

Mr. WATT of North Carolina. Mr. Speaker, I yield 3 minutes to the gentlewoman from Texas (Ms. JACKSON-LEE).

(Ms. JACKSON-LEE of Texas asked and was given permission to revise and extend her remarks.)

Ms. JACKSON-LEE of Texas. Mr. Speaker, I thank the ranking member for yielding time to me, I thank him for his leadership, and I thank my good friend, the gentleman from Texas, for working on this very difficult issue.

Frankly, in my district I get immigrants who are speaking of those they have left behind, and are certainly concerned that this country might be seen as closing the doors to those who seek to come and work. At the same time, I get many of those who are in this country, who are born in this country, who express a great degree of concern about losing their jobs and opportunities.

Where reasonable men and women can agree, that is what we should be doing in the United States House of Representatives. Adversarial positions, where we can agree, do nothing to help America and to move forward.

I think the gentleman from Texas (Mr. SMITH) is an obviously reasonable person, not only because he comes from the State of Texas, but I know where he went to undergraduate college, so I know where his background leads him, and I know he is a reasonable man.

With that in mind, I think it is extremely appropriate that we support the Watt-Berman-Klink bill. Just look at that, New York, Pennsylvania, and California. Can we get any more American, talking about how can we can resolve this question?

I think it is extremely important that we insist that employers attest to the fact that they have not laid off or otherwise displaced a U.S. worker who has a substantially equivalent qualification, and that they will only place the foreign worker with another employer who has also attested to do this.

Do Members realize that there are thousands of middle-aged, and I know they would not want us to call them that, engineers who are unemployed? Do Members realize that 650,000 Americans get Bachelor's of Science degrees in science and engineering, and 120,000 master's degrees? Do Members recall that Bill Gates never finished college, and organized Microsoft?

Frankly, we need this amendment, because it allows $500 for a training fee on such H–1B visas to be applied to train and retain American workers. The legislation will also provide for a more accurate account of foreign workers and GAO studies of the high technology labor market.

Mr. Speaker, we can do this together. There is no reason why we should leave these chambers and not protect American workers. There is no reason why we should not train those who can be trained. There is no reason why we should not hire our middle-aged, if you will, engineers who need jobs.

Frankly, let me say to the computer industry, there is no reason why they should not be going into the inner city and hiring minorities and women. They have a very poor record of that, of which I look forward to convening a meeting with the computer industry to tell me, who are they hiring in this country? Are they hiring women? Are they promoting people? Are they bringing back engineers who have been displaced?

We can work this out together. This is not an adversarial posture. Yes, America stands for opening its doors of opportunity to those who would come legally. Let us not close the door on them. But at the same time, we owe an obligation to protect Americans who are unemployed, underemployed, and who want an opportunity, 650,000 getting degrees in science and math, and 120,000 with master's degrees.

I think this amendment is the right and fair way to go. I ask for reasonable men and women to join me on this.

Mr. SPEAKER. I thank the gentleman for yielding me time and for the opportunity to speak on this bill. Although it is true that in recent years, the high tech industry has fueled enormous growth in the United States and has benefitted the corporate information technology industry, I have some serious concerns about wholeheartedly supporting H.R. 3736 for several reasons.

H.R. 3736 seems to speak to the need for more skilled workers to move into highly paid jobs in the high tech/information technology industry. Yet, there are more complex issues that should not be overlooked. currently highly skilled foreign workers are unable to obtain a H1–B visa and work for U.S. industry.

The cap on such highly skilled position visas was met in May of this year, and this bill proposes to increase the number of processable visas, by 30,000 for 1998, 40,000 for 1999, and 50,000 for the year 2000. Although on its face, these increases may seem as if they are a positive move for our country's technological industry, there are several issues regarding the provisions of this bill which we must consider.

For example, what about increasing resources for training U.S. workers for these high tech jobs? Currently there are thousands of middle age engineers who are unemployed. There have been recent studies which indicate that the industry only hires about 2% of all of those applying for programmer positions.

Is there really a shortage of high tech workers in America? I am also concerned that although the H1–B visa program was originally designed to bring in highly skilled workers it has been used for other less ethical purposes. A little over two years ago the high technology industry was laying off U.S. computer programmers by the hundreds and replacing them with cheaper foreign workers. High Tech management told us that Americans were being paid too much and that temporary foreign workers should be used to keep wages down, lest companies should move abroad!

Every year, this country produces 650,000 bachelor degrees in science and engineering and 120,000 masters degrees! And let's not forget that even degrees aren't absolutely necessary to train talented and motivated U.S. workers.

Remember, Bill Gates dropped out of College and THEN created Microsoft! Right now, our most highly skilled, sought after, domestic technology workers have realized just how valuable they are to high tech Corporate America, and the industry is unwilling to pay these workers the high wages they are demanding!

Mr. Speaker, I am urging my colleagues to vote for the Watt-Berman-Klink substitute. Although it is true that in recent years, the high tech industry has fueled enormous growth in the United States and has benefitted the corporate information technology industry, I have some serious concerns about wholeheartedly supporting H.R. 3736 for several reasons.

H.R. 3736 seems to speak to the need for more skilled workers to move into highly paid jobs in the high tech/information technology industry. Yet, there more complex issues that should not be overlooked.

Currently highly skilled foreign workers are unable to obtain a H1–B visa and work for U.S. industry. The cap on such highly skilled position visas was met in May of this year, and this bill proposes to increase the number of processable visas, by 30,000 for 1998, 40,000 for 1999, and 50,000 for the year 2000. Although on its face, these increases may seem as if they are a positive move for our country's technological industry, there are several issues regarding the provisions of this bill which we must consider.

For example, what above increasing resources for training U.S. workers for these high tech jobs? Currently there are thousands of middle age engineers who are unemployed. There have been recent studies which indicate that the industry only hires about 2% of all of those applying for programmer positions. Is there really a shortage of high tech workers in America?

I am also concerned that although the H1–B visa program was originally designed to bring in highly skilled workers it has been used for other less ethical purposes. A little over two years ago the high technology industry was laying off U.S. computer programmers by the hundreds and replacing them with cheaper foreign workers. High Tech management told us that Americans were being paid too much and that temporary foreign workers should be used to keep wages down, lest companies should move abroad!

Every year, this country produces 650,000 bachelor degrees in science and engineering and 120,000 masters degrees! And let's not forget that even degrees aren't absolutely necessary to train talented and motivated U.S. workers. Remember, Bill Gates dropped out of college and then created Microsoft! Right now, our most highly skilled, sought after, domestic

technology workers have realized just how valuable they are to high tech Corporate America, and the industry is unwilling to pay the workers the high wages they are demanding!

For the above reasons, I am urging my colleagues to vote for the Watt-Berman-Klink substitute. Some of the most important changes in the Watt Berman legislation require employers to attest that they have not laid off or otherwise displaced a U.S. worker who has substantially equivalent qualifications, and that they will only place the foreign worker with another employer who has also attested to this. In addition, the Watt-Berman substitute will provide $500 for a training fee on each H–1B visa applied for to train and retrain American workers. This legislation will also provide for a more accurate count of foreign workers and GAO studies of the high technology labor market.

I believe that the growing workforce of our country and the strength and growth of the high tech industry in particular can be met most effectively by fully developing the skills of our own U.S. workers. In fact, the hidden blessing in the current high demand market for certain technical specialties is that it should encourage us to retrain displaced workers, attract underrepresented women and minorities, better educate our young people and recommission willing and able older workers who have been forced out of their work.

Increased immigration should it be allowed, should be considered a complement to our industries, not a substitute for U.S. workers.

PARLIAMENTARY INQUIRY

Mr. WATT of North Carolina. Parliamentary inquiry, Mr. Speaker.

The SPEAKER pro tempore (Mr. SHIMKUS). The gentleman will state it.

Mr. WATT of North Carolina. Mr. Speaker, could the Speaker advise us as to who has the right to close, and why?

The SPEAKER pro tempore. As a member of the committee controlling time in the opposition, the manager of the bill, the gentleman from Texas (Mr. SMITH), has the right to close.

Mr. WATT of North Carolina. The gentleman from Texas (Mr. SMITH) has the right to close?

The SPEAKER pro tempore. That is correct.

Mr. WATT of North Carolina. Mr. Speaker, I yield myself 1½ minutes.

Mr. Speaker, before I yield to the final speaker to close debate, the gentleman from Pennsylvania (Mr. KLINK), I just wanted to spend a minute or two, or less than a minute or two, really, saying that I understand the predicament that the chairman of my subcommittee is in. I suspect he would rather be supporting my substitute than the bill that he is on the floor with, so I do not envy his position.

He has worked hard on this bill, and to kind of show Members how interesting this is, we had to get a special ruling from the Chair to determine who has the right to close this debate, because the bill that came out of our committee, except in one respect, is the same bill that I am offering as a substitute. This is a very unusual process.

The bill that I am offering as a substitute is a bill that passed our committee by a vote of 23 to 4, and here I am, defending the committee's bill. So I want to just empathize with my friend, the gentleman from Texas. He has gotten a bill shoved down his throat, just like we are having a bill shoved down our throats, but we are the House. We have the right to stand up and vote against the Senate's bill and support our own bill. That is what I hope my colleagues will do.

Mr. Speaker, I yield the balance of our time to the gentleman from Pennsylvania (Mr. KLINK), the cosponsor of this substitute.

The SPEAKER pro tempore. The gentleman from Pennsylvania (Mr. KLINK) is recognized for 6 minutes.

Mr. KLINK. Mr. Speaker, I thank the gentleman for yielding time to me. It has been a pleasure to work with him on this. I hope we are successful in our substitute. I also want to again laud the gentleman from Texas (Mr. SMITH) for working with us.

I just want to just draw the attention of the Members to a Dear Colleague that was sent out on June 18 by my friend, the gentleman from Texas (Mr. SMITH) and the gentleman from California (Mr. ELTON GALLEGLY).

They pointed out what I thought was a very important point, and that is that during the time that all of these information technology companies were in fact telling us how much of a shortage there was of workers in the workplace, they were laying off workers by the hundreds of thousands.

Silicon Graphics laid off 1,000; Xerox laid off 9,000; Seagate Technologies, 10,000; Intel 4,000; National Semiconductor, 1,000; Hewlett Packard, 1,000; Boeing, 12,000 workers. Do they mean that they were so so stupid they could not be reeducated or retrained to take other jobs?

Kodak laid off 19,000 workers; AT&T, 18,000 workers laid off; Ameritech, 5,000 workers laid off; Motorola, 16,500 workers laid off; and on and on and on we go. I could read many more. In fact, the final number by the end of August that we have is 208,558 workers, that is that we know about.

If this was on the legitimate, this whole argument about not liking the substitute, our friends in industry would not have disagreed so much with attesting to the fact that they could not find American workers, or that they were not firing American workers.

□ 1715

See, the fact of the matter is that if they really are searching for Americans for these jobs, or if they are not displacing an American worker, then they should not have any difficulty then attesting to that fact in order to get H–1B visas. But the industry has been screaming about the attestation.

The committee's own report says that ''it is imperative that we build into the H–1B program adequate protection for U.S. workers.'' Continuing to quote from the report from the committee in the House, ''the most simple, most basic protection that can be given to any American worker is a guarantee that he or she will not be fired by an employer and replaced by a foreign worker. More broadly stated, an employer should not in the same instance fire an American worker and bring on a foreign worker when the American worker is well-qualified to do the work intended for the foreign worker. The H–1B program currently contains no such guarantee.''

The underlying bill that we are trying to substitute provides protection for only a small percentage, about 1 percent, of the H–1B workers that are going to be brought into this country. This substitute has that attestation provision for all of those workers and that, in fact, is the difference.

Mr. Speaker, I want to get into speaking for some of the workers who are not here to speak for themselves.

Mr. BECERRA. Mr. Speaker, will the gentleman yield?

Mr. KLINK. I yield to the gentleman from California, my friend.

Mr. BECERRA. Mr. Speaker, I thank the gentleman from Pennsylvania (Mr. KLINK) for yielding me a bit of his time.

I just wanted to come down and say that as much as I would love to be able to support the underlying bill, having a large number of firms that are in desperate need of workers to fill high-tech, high-paying jobs, it is difficult to stand here and not be able to support the bill unless we have the Watt amendment, which is the committee's bill.

It is such a frustrating thing to stand here knowing that this committee passed a bill out for House consideration, a full vote of the House, and we cannot get Members who supported it in committee to now support what they voted out of committee. That would be something a number of us would be willing to support. Unfortunately, now we have to try to get it into the bill that is being debated here through an amendment.

The problem I see with the underlying bill without the Watt amendment accepted is that we restrict the application of this visa category to only a small percentage of all the employers who are going to be out there seeking these employees from foreign countries, which means that we are going to have a vast number of companies that will be able to skirt the law, bring in foreign workers, and deny American workers the opportunity to get good-paying jobs. That is not fair, that is not reasonable, and I think most people here know that I am one who is generally pro-immigration that is fair and reasonable.

Mr. Speaker, if we did more to make sure that the workforce of the future that we grow by ourselves in our country could meet the needs of these firms, that would be great. But I understand the need temporarily for these firms immediately.

I wish I could support this; I cannot without the Watt amendment. I hope

everyone here will vote for the Watt amendment, which is in fact the committee's bill. Then we could get good support out of this House and hopefully get it to the President's desk. But without the Watt amendment, I would hope everyone would vote against this bill.

Mr. KLINK. Mr. Speaker, reclaiming my time, that seemed like an adequate 60 seconds. I thank the gentleman from California for what he was able to fit into that time.

Mr. Speaker, let me speak for those workers out there. We have no definitive evidence that there is a shortage. And if those 208,000 people have been laid off, can they not be retrained? I want to talk about a research faculty member from Texas who wrote me to say, ''I train international students to qualify for H–1B and other work visas. I would like to know, however, why these companies show no interest in hiring me.''

How about Linda Killcrese of Dover, New Jersey, who said, ''In my own case, all information technology staff were fired by American International Group and replaced by a body shop.''

Mr. Speaker, we have workers after workers who complain that they have jobs, and at $500 a job we are selling away the future of American workers.

Mr. SMITH of Texas. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, much has been made in the last few minutes about the need to support the Watt substitute because it is the committee bill. I will look forward to the enthusiastic support of my friends on the other side of the aisle on future committee bills commensurate with their support of the Watt substitute tonight.

Mr. Speaker, I want to repeat again that the underlying bill has the support of both the Republican leadership and the administration. And the reason it has garnered such bipartisan support is because it does target companies that have historically been the abusers of the H–1B program. It does target companies who in the past have not hired American workers when they should have, and it targets companies that in the past may have fired American workers and replaced them with foreign workers.

In addition to that, it also provides the needed high-tech employees for our high-tech companies which will generate more jobs in the economy and help our economy continue to expand.

So, Mr. Speaker, I do want to encourage my colleagues to vote against the Watt amendment and vote for the underlying bill.

Mr. Speaker, I yield such time as he may consume to the professor from Stanford Law School, the gentleman from California (Mr. CAMPBELL).

Mr. CAMPBELL. Mr. Speaker, I thank the gentleman from Texas for yielding me this time, and I welcome him to my class any time he pays the tuition.

Mr. Speaker, I wish to note with recognition of the great effort of my friend, the gentleman from North Carolina (Mr. WATT). I do understand what he is offering. I respect him and his thinking. I am impressed by it.

I also wish to recognize what a remarkable job the gentleman from Texas (Mr. SMITH), the subcommittee chairman, has done along the lines very much of the gentleman from North Carolina's comments: I know LAMAR SMITH, LAMAR SMITH is a friend of mine, and he has gone farther than perhaps he wished to go. I know how far he has gone in order to bring a bill to the floor that will meet the approval of a majority of this body and the President of the United States. My credit to both of these fine gentlemen.

Mr. Speaker, there are two differences between the Watt substitute and the underlying Smith version. One has received a lot of attention, the attestation requirement, and I will have a word about that in a second. But the first has not, and that is that there is a difference in the Watt substitute in that the increased H–1Bs come from H–2Bs, so that the net number of temporary immigrant visas will not increase. Whereas, under the Smith bill, the H–1Bs are a net increase.

So, we really have two differences and they are quite significant. If we believe that it is beneficial to our country to have a net increase in the number of temporary visas, then only the Smith bill provides for that.

As to the attestation requirement, the arguments that have been made are in my judgment missing the fundamental point that we are speaking of a temporary position. That is why we do not have an attestation requirement in existing law for an H–1B visa. See, if we are hiring somebody to come to this country on a permanent basis, that is a green card. And for a green card, an attestation requirement is needed and that is in existing law. That is because they are coming to this country and are going to be a member of our economy on a permanent basis.

But the whole idea of the H–1B and the H–2B is that it is a temporary invitation to this country for a task that needs someone now. That is why the attestation requirement runs into such opposition in many industries, because the need now to go through the attestation requirement delays the ability to fill that need now. That is why existing law does not have an attestation requirement for the H–1B visa.

We would, for the first time, be imposing into law an H–1B attestation requirement, and that is quite a move towards those who have expressed, with all good faith, concern for protecting the jobs of the American worker.

Indeed, the best way, it seems to me, to protect it is job of the American worker is to guarantee a vibrant economy with a growing sector that relies upon the H–1B and permanent immigrants and American citizens.

That is my second main point. It is essential that we remain competitive. If as a result of what we do today we have fewer temporary immigrant laborers hired, but we lose the opportunity for the person necessary to the immediate job at hand to come to this country, we will have lost a great deal. For the immediate need is exactly the competitive edge, and then that technology, that opportunity, will very well go to another country which does have the ability to hire the temporary worker without the delay of the attestation requirement.

So, I observe that under existing law we do not have an attestation requirement, and for a very good reason. I observe that we do have an attestation requirement, however, for permanent workers and I observe that the Smith version of the bill has an attestation requirement where there is reason to expect it. Namely, where there is a reliance upon the imported, the H–1B imported laborer above the 15 percent.

Mr. LAZIO of New York. Mr. Chairman, will the gentleman yield?

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

Mr. LAZIO of New York. Mr. Speaker, I thank the gentleman from California for yielding, and I thank the gentleman from Texas (Mr. SMITH) for his great work on behalf of high-tech companies and workers throughout this country.

Mr. Speaker, I would just like to offer my support for this bill as well from somebody who represents an area that has transitioned from a particularly defense-laden economy to one that has a much more diversified economy. It is now struggling to continue to break free to add employment to what is increasingly a biotech and high-tech economic base.

This bill strikes the right balance between promoting the growth of the high-tech companies that are so important to the future of this country and the need to keep American workers educated, trained, and fully employed.

Just last month, I would say to the gentleman from California, I met with a large group of high-tech executives from my district. They repeated a concern that I have heard time and time again that Long Island does not have enough workers with the unique skills that they need today. Our schools are not producing enough engineering graduates, they told me, and high schools do not concentrate enough effort on the technological education that will provide the core technological skills our students need.

This is something we all want. We need to address these problems on both a long-term and short-term basis. This compromise reflects this reality.

H–1B visa holders bring unique skills to American companies help U.S. businesses access foreign markets, provide training to American workers about foreign markets, and help fill temporary worker shortages.

Clearly, the long-term answer is to be sure that American students and workers are prepared to fill these good

jobs permanently. But this bill provides 10,000 scholarships a year for low-income students in math, engineering and computer science. Equally important, it provides training for many thousands of American workers through the Jobs Partnership Act. These programs will be paid for by the companies that benefit from the H–1B visa program, and not by taxpayers.

The bill protects our workers today with three types of layoff protections, including requiring those companies most likely to abuse the program to attest that they are not laying off an American employee to hire an H–1B employee. The bill even provides a $35,000 fine for violations.

For the short term, while we are helping to train and educate American workers and students, we provide a temporary 3-year increase in the number of H–1B visas. Mr. Speaker, I urge my colleagues to take advantage of this opportunity to promote our high-tech companies and help our workers now and in the future.

I urge my colleagues to look at this as a two-pronged strategy of looking to the short-term to insure growth in our most promising industries and also insuring a continuing supply of students with the type of technological and educational backgrounds to make that happen.

Mr. Speaker, I thank the gentleman from California (Mr. CAMPBELL) for yielding this time to me, I know it is precious time, to allow me to make these remarks.

Mr. CAMPBELL. Mr. Speaker, reclaiming my time, I thank the gentleman from New York (Mr. LAZIO) for his insightful remarks and courtesy.

Mr. SHAYS. Mr. Speaker, will the gentleman yield?

Mr. CAMPBELL. I yield to the gentleman from Connecticut.

Mr. SHAYS. Mr. Speaker, I thank the gentleman from California (Mr. CAMPBELL) for his helpful and enlightening comments, and to follow the gentleman from New York (Mr. LAZIO), because he really said exactly what I would like to say. In fact, he said in just a few minutes what would probably take me 10 minutes to say.

So, Mr. Speaker, I will simply associate my comments to those of the gentleman from New York and the gentleman from California. I also wish to thank the gentleman from Texas (Mr. SMITH) for his outstanding efforts in bringing this legislation to the floor.

Mr. Speaker, I have been a strong opponent of illegal immigration. I think we need to do a better job of cracking down on illegal immigration. At the same time, I think it is imperative that in certain areas we increase legal immigration, particularly in the areas where other jobs are related. I believe by bringing in people with high-tech skills, we help create more jobs in the United States for American workers.

Mr. CAMPBELL. Mr. Speaker, again reclaiming my time, I have been informed by the subcommittee chairman that the distinguished ranking minority member may wish to speak, and that it would be courteous to allow him to do so.

Mr. Speaker, I yield to the gentleman from North Carolina (Mr. WATT), my good friend.

☐ 1730

Mr. WATT of North Carolina. I thank the gentleman for yielding to me.

Mr. Speaker, I think the reason he wanted to yield to me was that he had represented that he was on his final speaker, and he did not want it to look like he had misrepresented. I understand that other Members came to the floor after that. He probably also wants me to speak in favor of my substitute again, but I will not take advantage of his generosity.

Mr. CAMPBELL. Mr. Speaker, it just adds to my admiration for the gentleman from North Carolina, his candor.

I yield to the gentleman from Ohio (Mr. BOEHNER).

Mr. BOEHNER. Mr. Speaker, I want to congratulate our good friend, the gentleman from Texas (Mr. SMITH) who has labored with this bill along with other Members over the course of this year. And although the gentleman from North Carolina has a worthy alternative, I think that the bill we have before us is an agreed-upon bill between the House and the Senate and the administration. It is time to move this issue forward.

There are probably a lot of people in America who wonder why we have guest workers, why we would bring these special H–1B workers in. I think it is important to note that over the last 18 to 20 years, the American economy has grown to be the most competitive economy in the world. If Members will recall, in the late 1970s and early 1980s, we were losing quickly our ability to compete.

What has happened over the last 18 to 20 years is America, because of the information age, because of the advent of new technology, has really become the most competitive Nation on the earth. The only problem is, our workers, a lot of them, we do not have enough to fill these very highly skilled positions. That is why we have this temporary guest worker program.

While I support the program, I support what we are doing here, we also have to keep in mind that we need to do a better job of making sure that we have the educational resources and the options available for U.S. citizens to gain the skills and gain the education to fill these positions long-term. That is why in this bill there is some additional money for training and education. But I think it causes us to take a moment to think about the bigger picture of what has to happen in our country.

Tomorrow, hopefully, we will have the Higher Education Reauthorization Act on the floor of the House that will, again, show the American people our commitment to broadening higher education and the availability of it for all Americans, because long-term we have the skills and the ability to fill these jobs ourselves if, in fact, we make that commitment to them.

In the meantime, we need this to maintain our competitiveness. It is the right thing to do. The gentleman from Texas really does deserve a big pat on the back for laboring through a lot of slings and arrows from a lot of different directions over the course of this year.

Mr. CAMPBELL. Mr. Speaker, in brief recital of where I was before, I was equally surprised at the additional speakers. I had made the point that the Smith version gives us a net increase in temporary worker visas, the Watt substitute does not; that it is important to have temporary visas so that people needed for an immediate job can get into that job without the delay of attestation.

But a very fundamental point has been raised by my friends on the other side saying that there have been layoffs and what sort of compassion do we have for American workers who have been laid off. I have a great degree of compassion. I hear them at every town hall meeting in my district which is a high technology district. But the Smith substitute, I think, cuts the compromise just about right.

It realizes that the people who are laid off in categories are different from the categories where the H–1B visas are being hired. They are simply not the same. In high technology terms, the layoffs tend to be in the fabrication side, and the H–1Bs tend to be in the engineering side. That is exactly where we need to be importing, for temporary engineering purposes, that brainpower that might otherwise go to one of our competitor countries.

The Smith substitute makes that cut perhaps roughly at 15 percent. Nevertheless it makes exactly the cut that we ought to between those are truly job shops and should be subject to an attestation requirement and should be subject to heightened Department of Labor scrutiny, because they are taking jobs away from Americans, and those legitimate American employers who need a temporary visa for someone to come in and provide the technological expertise that otherwise will diminish our competitive position.

I close by observing that the economic benefit is as important as the preservation of the existing jobs. The first being new growth for new jobs; the second being the preservation of existing. Without the H–1B, we will not, I think, be able to guarantee the growth of new jobs. Important as preserving the existing jobs are, we must do both. The Smith substitute recognizes both of those.

A former constituent of mine, Andy Grove, came to this country as an immigrant. He founded Intel Corporation and he was Time magazine's Man of the Year. This is the kind of talent that I

would wish to come to our country rather, in Andy Grove's case, than stay in Europe.

At the end of this debate, this is only the first step. We must do far more to retrain American workers. I strongly support the provision in the Smith alternative that every H–1B visa employer pay $500 that goes into a retraining and education fund for Americans so that they do not lose this opportunity in the long run. But even that is not enough.

Legislation of my own supports a double deduction for retraining an American worker, not just the ordinary and necessary cost of doing business deduction but twice it, so that if you are retraining an American worker, you have an economic incentive from all of us that that person keep the job and keep the job in this country.

Mr. SMITH of Texas. Mr. Speaker, I yield myself the balance of my time.

I thank my friend from California for his very articulate and trenchant remarks. I urge my colleagues to vote against the Watt amendment and for the underlying bill.

Ms. DUNN. Mr. Speaker, I rise today in support of the Workforce Improvement and Protection Act. America's cutting-edge companies depend on the annual admission of a small number of highly-skilled workers under the H–1B visa program in order to maintain a competitive edge in the global marketplace. The H–1B visa program is a timely—and often the only—means for U.S. companies to employ foreign-born professionals on a temporary basis. These workers supplement the domestic labor force where no American worker is available who can perform the job.

In recent years, the high-tech, engineering, pharmaceutical, and other industries that use H–1B workers have enjoyed extraordinary growth. Demand for H–1B workers has increased to a point where the annual cap of H–1B visas was reached in May this year and is expected to be reached even earlier in coming years. This means that indispensable people, who likely have been educated and trained in the United States, will have to return home and work for our foreign competitors instead of staying in the U.S. to advance American companies and generate jobs for American workers.

In my home State of Washington, companies like Boeing and Microsoft, and the hundreds of other high-tech firms just starting up, understand the importance of H–1B visas. I recently received a letter from a constituent detailing her concerns. She employs less than 10 H–1B workers in a company of over 230 employees. These workers are in key leadership roles, where people with international experience and perspective, along with technical expertise, are required. The success of these visa holders enables this company to hire many more American workers. Without the H–1B visa program, this firm would be negatively impacted, to the point where the company could move out of my district, possibly to a foreign country, moving 230 jobs and the ensuing economic benefit out of the United States.

Mr. Speaker, high-tech companies aren't the only ones utilizing the talents of H–1B workers. The Fred Hutchinson Cancer Research Center, also in Washington State, is an excellent example of the specialized abilities of these workers. For example, Dr. Rainier Storb, a German national, joined the bone marrow research team working at the Center. Dr. Storb brought unique knowledge to this team, which subsequently developed the use of bone marrow transplantation. This research resulted in the clinical treatment of a host of blood and immune system diseases. Lymphomas and anemias, which were terminal just 20 years ago, are now successfully treated in 80 percent of cases. This work led to the award of a Nobel Prize in Medicine. Dr. Storb's example is simply one of a number where the contribution of a foreign born scientist led to significant scientific and health care progress, the creation of jobs and economic opportunity, and training to countless other scientists from the U.S.

While our Nation's economic health is strong today, I believe that we must ensure access to the best talent the world has to offer in order to keep this momentum. Temporarily expanding H–1B admissions will help insure that the United States remains the world leader in the development of new technologies.

Mrs. MINK of Hawaii. Mr. Speaker, I rise in opposition to the current version of H.R. 3736, which drastically increases the number of available H–1B visas while severely limiting worker protection clauses that were contained in the version passed out of the House Judiciary Committee on May 20, 1998. I am especially disturbed that the newest compromise achieved by Senate Members and the administration late last night has been brought to the floor today with little time for us to adequately review this newest proposal.

I am not convinced of the need for more temporary workers. Industry alleges there is a great shortage among high-tech companies. The Information Technology Association of America, an industry-funded group claims 340,000 information technology jobs are going unfilled.

In March of this year, the GAO questioned the ''reliability of ITAA's survey findings,'' as not supported by the evidence. It concluded the response rate of the survey was too low (36%) to make an accurate projection.

It is important to note various reports which show that industry has laid off over 142,000 American workers since the beginning of this year. Why were they laid off if there is a shortage?

The August 1997 Computerworld Magazine found over 17 percent of American high-tech workers over the age of 50 are unemployed. If there is a shortage, why aren't these individuals being retrained and rehired?

Foreign high-tech workers generally earn less than their American counterparts, despite laws requiring employers to pay them ''prevailing wages.'' A July 26, 1998 Washington Post article found that foreign computer programmers with masters' degrees earn $50,000 compared to $70,000 that a comparably educated American worker could earn. So what are these industries doing? Hiring cheaper labor? Are H–1B visas being used as a conduit for cheap labor? It sure looks that way. Between 1990 and 1995, computer specialist jobs increased by only 35 percent, while the number of visas requested by employers increased by 352 percent! These companies are more interested in hiring foreign workers than our American workers.

In response to these concerns, the bipartisan bill reported out of committee on May 20, 1998 contained worker protection clauses designed to prevent foreign workers from being hired over American workers because they are cheaper labor. The clause simply required employers petitioning for H–1B foreign workers to show a good faith effort to recruit Americans first.

This simple requirement was read as too burdensome to the industry. They argued that it would cause ''too much red tape'' impeding their ability to hire workers. Well I say to those companies, what about the hardship faced by 142,000 laid off technology workers?

I am appalled that this simple attestation clause has been whittled down to nothing in the current form of H.R. 3736. This attestation clause is now expected to reach only 5 percent of H–1B employers. While the job-shops will be required to attest that no American workers were laid off to create the position for the foreign worker and that workers they provide on a contractual basis to another company do not replace American workers, this is not enough. Ninety-five percent of our workers are left unprotected under this bill. Even with the added authority given to the Department of Labor in the newest compromise between Members of the Senate and the administration, there is no guarantee that our workers will be protected. The Department of Labor is only allowed to investigate and punish once there is a willful violation. What about other violations? I am simply not convinced that our American workers will be sufficiently protected.

Fundamental fairness requires that we take a balanced approach when lifting the cap on H–1B visas. We cannot raise the limit for foreign workers while providing no worker protections for Americans laid off from this very industry. There was a bipartisan measure in the House that could have passed. Now I am forced to oppose passage of this bill unless amended because it still does not provide adequate protections for American job-seekers.

The SPEAKER pro tempore (Mr. SHIMKUS). The question is on the amendment in the nature of a substitute offered by the gentleman from North Carolina (Mr. WATT).

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

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

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

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 177, nays 242, not voting 15, as follows:

[Roll No. 459]

YEAS—177

Abercrombie	Berman	Brown (CA)
Ackerman	Berry	Brown (FL)
Allen	Bishop	Brown (OH)
Andrews	Blagojevich	Cardin
Baesler	Boehlert	Carson
Baldacci	Bonior	Clay
Barcia	Borski	Clayton
Barrett (WI)	Boswell	Clyburn
Becerra	Boucher	Coburn
Bereuter	Brady (PA)	Conyers

Costello
Coyne
Cummings
Danner
Davis (IL)
Deal
DeGette
Delahunt
DeLauro
Deutsch
Diaz-Balart
Dingell
Dixon
Doggett
Doyle
Ehlers
Engel
Etheridge
Evans
Farr
Fattah
Filner
Forbes
Ford
Fowler
Frank (MA)
Frost
Furse
Gejdenson
Gephardt
Gilman
Gonzalez
Gordon
Green
Hamilton
Hastings (FL)
Hefner
Hilliard
Hinchey
Hinojosa
Holden
Horn
Hoyer
Hutchinson
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson (WI)
Johnson, E. B.
Kanjorski
Kaptur
Kennedy (MA)
Kennedy (RI)
Kildee
Kilpatrick
Kingston
Kleczka
Klink
Kucinich
LaFalce
Lampson
Lantos
Lee
Levin
Lewis (GA)
Lipinski
Lowey
Luther
Maloney (CT)
Maloney (NY)
Markey
Mascara
McCarthy (MO)
McDade
McDermott
McGovern
McHale
McHugh
McIntyre
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller (CA)
Minge
Mink
Moakley
Mollohan
Nadler
Neal
Ney
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Pomeroy
Price (NC)
Rahall
Rangel
Regula
Reyes
Rivers
Rodriguez
Roemer
Rohrabacher
Ros-Lehtinen
Roybal-Allard
Royce
Rush
Sabo
Sawyer
Schumer
Scott
Sensenbrenner
Serrano
Sisisky
Skaggs
Slaughter
Smith (MI)
Spratt
Stabenow
Stark
Stokes
Strickland
Thompson
Thurman
Tierney
Towns
Velazquez
Vento
Visclosky
Waters
Watt (NC)
Waxman
Weygand
Wise
Woolsey
Wynn

NAYS—242

Aderholt
Archer
Armey
Bachus
Baker
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bentsen
Bilbray
Bilirakis
Bliley
Blumenauer
Blunt
Boehner
Bonilla
Bono
Boyd
Bryant
Bunning
Burr
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Capps
Castle
Chabot
Chambliss
Chenoweth
Christensen
Clement
Coble
Collins
Combest
Condit
Cook
Cooksey
Cox
Cramer
Crane
Crapo
Cubin
Cunningham
Davis (FL)
Davis (VA)
DeFazio
DeLay
Dickey
Dicks
Dooley
Doolittle
Dreier
Duncan
Dunn
Edwards
Ehrlich
Emerson
English
Ensign
Eshoo
Everett
Ewing
Fawell
Fazio
Foley
Fossella
Fox
Franks (NJ)
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Goode
Goodlatte
Goodling
Graham
Granger
Greenwood
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hansen
Harman
Hastert
Hastings (WA)
Hayworth
Hefley
Herger
Hill
Hilleary
Hobson
Hoekstra
Hooley
Hostettler
Houghton
Hulshof
Hunter
Hyde
Inglis
Istook
Jenkins
John
Johnson (CT)
Johnson, Sam
Jones
Kasich
Kelly
Kim
Kind (WI)
King (NY)
Klug
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Lazio
Leach
Lewis (CA)
Lewis (KY)
Linder
Livingston
LoBiondo
Lofgren
Lucas
Manzullo
Martinez
Matsui
McCarthy (NY)
McCollum
McCrery
McInnis
McIntosh
McKeon
Metcalf
Mica
Miller (FL)
Moran (KS)
Moran (VA)
Morella
Myrick
Nethercutt
Neumann
Northup
Norwood
Nussle
Oxley
Packard
Pappas
Parker
Paul
Paxon
Pease
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pickett
Pitts
Pombo
Porter
Portman
Quinn
Radanovich
Ramstad
Redmond
Riggs
Riley
Rogan
Rogers
Roukema
Ryun
Salmon
Sanders
Sandlin
Sanford
Saxton
Scarborough
Schaffer, Bob
Sessions
Shadegg
Shaw
Shays
Sherman
Shimkus
Shuster
Skeen
Smith (NJ)
Smith (OR)
Smith (TX)
Smith, Adam
Smith, Linda
Snowbarger
Snyder
Solomon
Souder
Spence
Stearns
Stenholm
Stump
Stupak
Sununu
Talent
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Thomas
Thornberry
Thune
Tiahrt
Traficant
Turner
Upton
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wilson
Wolf
Young (AK)
Young (FL)

NOT VOTING—15

Brady (TX)
Burton
Goss
Kennelly
Manton
Murtha
Poshard
Pryce (OH)
Rothman
Sanchez
Schaefer, Dan
Skelton
Torres
Wexler
Yates

□ 1758

Messrs. PAPPAS, GIBBONS, HALL of Ohio, SANDERS, WHITFIELD, FOX of Pennsylvania, BILIRAKIS, EVERETT, and DICKS, and Mrs. CAPPS, Mr. CONDIT, and Ms. HARMAN changed their vote from ''yea'' to ''nay.''

Mr. GILMAN, Ms. MCCARTHY of Missouri, Mr. LUTHER, Mr. DIAZ-BALART, and Ms. ROS-LEHTINEN changed their vote from ''nay'' to ''yea.''

So the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. SHIMKUS). Pursuant to House Resolution 513, the previous question is ordered on the bill, as amended.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

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

RECORDED VOTE

Mr. SMITH of Texas. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 288, noes 133, not voting 14, as follows:

[Roll No. 460]

AYES—288

Ackerman
Aderholt
Allen
Archer
Armey
Baker
Baldacci
Ballenger
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Becerra
Bentsen
Bereuter
Berman
Bilbray
Bilirakis
Bishop
Bliley
Blumenauer
Boehlert
Boehner
Bonilla
Bono
Boswell
Boyd
Bryant
Bunning
Burr
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Capps
Cardin
Castle
Chabot
Chambliss
Christensen
Clayton
Clement
Coble
Coburn
Cook
Cooksey
Cox
Cramer
Crane
Crapo
Cubin
Cunningham
Davis (FL)
Davis (VA)
Delahunt
DeLay
Diaz-Balart
Dickey
Dicks
Dixon
Doggett
Dooley
Doolittle
Dreier
Dunn
Edwards
Ehlers
Ehrlich
English
Ensign
Eshoo
Etheridge
Everett
Ewing
Farr
Fawell
Fazio
Foley
Forbes
Ford
Fossella
Fowler
Fox
Frank (MA)
Frelinghuysen
Frost
Furse
Ganske
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Gingrich
Goodlatte
Goodling
Gordon
Graham
Granger
Greenwood
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hansen
Harman
Hastert
Hastings (FL)
Hastings (WA)
Hayworth
Hefner
Herger
Hill
Hinojosa
Hobson
Hoekstra
Hooley
Houghton
Hoyer
Hulshof
Hyde
Inglis
Istook
Jackson-Lee (TX)
Jenkins
John
Johnson (CT)
Johnson, E. B.
Johnson, Sam
Jones
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kim
Kind (WI)
King (NY)
Klug
Knollenberg
Kolbe
LaFalce
LaHood
Lantos
Largent
Latham
LaTourette
Lazio
Leach
Levin
Lewis (CA)
Lewis (KY)
Linder
Livingston
Lofgren
Lowey
Lucas
Luther
Maloney (CT)
Maloney (NY)
Manzullo
Markey
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDade
McDermott
McGovern
McHale
McHugh
McInnis
McIntosh
McIntyre
McKeon
Meehan
Menendez
Mica
Miller (CA)
Miller (FL)
Minge
Moran (KS)
Moran (VA)
Morella
Myrick
Nadler
Neal
Nethercutt
Neumann
Northup
Nussle
Ortiz
Oxley
Packard
Pappas
Parker
Pastor
Paul
Paxon
Pease
Pelosi
Peterson (PA)
Petri
Pickering
Pickett
Pitts
Pombo
Pomeroy
Porter
Portman
Price (NC)
Quinn
Radanovich
Ramstad
Redmond
Regula
Reyes
Riley
Roemer
Rogan
Rogers
Ros-Lehtinen
Roukema
Ryun
Sabo
Salmon
Sanford
Sawyer
Saxton
Scarborough
Schaffer, Bob
Schumer
Scott
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Shimkus
Shuster
Sisisky
Skaggs
Skeen
Slaughter
Smith (OR)
Smith (TX)
Smith, Adam
Smith, Linda
Snowbarger
Snyder
Souder
Spratt
Stabenow
Stearns
Stenholm
Sununu
Talent
Tanner
Tauscher
Tauzin
Taylor (NC)
Thomas
Thornberry
Thune
Tiahrt
Tierney
Upton
Vento
Walsh
Watkins
Watt (NC)
Waxman
Weldon (FL)
Weldon (PA)
Weller
Weygand
White
Wicker
Wilson
Wolf
Woolsey
Young (FL)

NOES—133

Abercrombie
Andrews
Bachus
Baesler
Barcia
Barr
Barrett (WI)
Berry
Blagojevich
Blunt
Bonior
Borski
Boucher
Brady (PA)
Brown (CA)
Brown (FL)
Brown (OH)
Carson

Chenoweth	Hutchinson	Rahall
Clay	Jackson (IL)	Rangel
Clyburn	Jefferson	Riggs
Collins	Johnson (WI)	Rivers
Combest	Kanjorski	Rodriguez
Condit	Kaptur	Rohrabacher
Conyers	Kildee	Rothman
Costello	Kilpatrick	Roybal-Allard
Coyne	Kingston	Royce
Cummings	Kleczka	Rush
Danner	Klink	Sanders
Davis (IL)	Kucinich	Sandlin
Deal	Lampson	Serrano
DeFazio	Lee	Sherman
DeGette	Lewis (GA)	Smith (MI)
DeLauro	Lipinski	Smith (NJ)
Deutsch	LoBiondo	Solomon
Dingell	Martinez	Spence
Doyle	Mascara	Stark
Duncan	McKinney	Stokes
Emerson	McNulty	Strickland
Engel	Meek (FL)	Stump
Evans	Meeks (NY)	Stupak
Fattah	Metcalf	Taylor (MS)
Filner	Millender-McDonald	Thompson
Franks (NJ)	Mink	Thurman
Gallegly	Moakley	Towns
Gejdenson	Mollohan	Traficant
Gonzalez	Ney	Turner
Goode	Norwood	Velazquez
Green	Oberstar	Visclosky
Hefley	Obey	Wamp
Hilleary	Olver	Watts (OK)
Hilliard	Owens	Wexler
Hinchey	Pallone	Whitfield
Holden	Pascrell	Wise
Horn	Payne	Wynn
Hostettler	Peterson (MN)	Young (AK)
Hunter		

NOT VOTING—14

Brady (TX)	Murtha	Skelton
Burton	Poshard	Torres
Goss	Pryce (OH)	Waters
Kennelly	Sanchez	Yates
Manton	Schaefer, Dan	

□ 1814

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. BURTON of Indiana. Mr. Speaker, due to a death in my immediate family, I was not present during today's floor proceedings. Had I been here, I would have voted ''Yea'' on rollcall vote number 457; ''Yea'' on rollcall vote number 458; ''No'' on rollcall number 459; and ''Yea'' on rollcall vote 460.

AUTHORIZING THE CLERK TO MAKE CORRECTIONS IN ENGROSSMENT OF H.R. 3736, WORKFORCE IMPROVEMENT AND PROTECTION ACT OF 1998

Mr. SMITH of Texas. Mr. Speaker, I ask unanimous consent that, in the engrossment of the bill, H.R. 3736, the Clerk be authorized to correct section numbers, cross-references and punctuation, and to make such stylistic, clerical, technical, conforming and other changes as may be necessary to reflect the actions of the House in amending the bill.

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

There was no objection.

APPOINTMENT OF CONFEREES ON S. 2206, HUMAN SERVICES REAUTHORIZATION ACT

Mr. GOODLING. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 2206) to amend the Head Start Act, the Low-Income Home Energy Assistance Act of 1981, and the Community Services Block Grant Act to reauthorize and make improvements to those Acts, to establish demonstration projects that provide an opportunity for persons with limited means to accumulate assets, and for other purposes, with House amendments thereto, insist on the House amendments, and agree to the conference asked by the Senate.

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

Messrs. GOODLING, CASTLE, SOUDER, CLAY, and MARTINEZ.

There was no objection.

SPECIAL ORDERS

The SPEAKER pro tempore. 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.

GOP RESPONSE TO AG CRISIS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia (Mr. CHAMBLISS) is recognized for 5 minutes.

Mr. CHAMBLISS. Mr. Speaker, 2 years ago, this body made a commitment to the American farmer. Like a majority of my colleagues, I stood on this very floor during that farm bill debate and promised my farmers that the Federal Government would walk hand in hand with them as our Nation began the transition to a 21st-century-based agricultural economy, such an economy that depends less on government and more on letting hard-working American farmers and ranchers do their best in producing the finest crops and produce in the world.

Congress and the President must hold true to our pledge and remain committed to these free market principles. But, at the same time, the Federal Government must recognize that agriculture, more than any other sector of the economy, is constantly subject to conditions beyond its immediate control.

Unfortunately, this has been evident in recent years as unprecedented weather conditions have pummeled America's farmers, and the effect of these conditions upon America's rural communities has been devastating.

In my home State of Georgia, the most recent study done by the University of Georgia places the 1998 crop losses from forces of nature beyond the control of farmers in the State of Georgia alone at $767 million. From flood-soaked cotton last winter to frost-damaged peaches this spring to drought-stricken peanuts this summer, not a single crop has been spared, and the story is the same all across rural America.

The deteriorating state of America's farm economy is a national priority, and I am pleased to see the leadership of this body stepping up to the plate and going to bat for America's farm families. In the absence of presidential leadership in addressing the crisis gripping our rural communities, the Republican majority has taken immediate action to protect our farmers.

Our $4 billion disaster relief measure will place real money into our farmers' hands at a time of great need. This money can now be used to pay off past operating loans and help our family farms prepare for the future crop years, and this relief package accomplishes this without tearing apart the farm bill and its commitments made to farmers.

Included in the Republican relief measure is 2.25 billion in direct payments to farmers whose crops have been damaged by weather-related disasters, including special funds targeted to farmers who have suffered multi-year crop losses and those suffering severe livestock feed losses. The relief package also contains over 1.5 billion in aid to assist farmers in dealing with the loss of markets and the Clinton administration's inability to keep foreign markets open for our farmers.

This assistance will come in the form of one-time increases in the agricultural marketing transition payments under the 1996 farm bill. While the damage done by the administration's neglect of agricultural trade cannot be fully offset, this assistance will help farmers make it through this temporary market turndown. While the House and Senate Republicans have had their nose to the grindstone in putting together an agriculture relief package, our farmers have only received a cold shoulder and hot air from the Clinton administration on this crisis. Now all of a sudden it is the fourth quarter, and the administration wants to get up off the sidelines and into the game.

While I do welcome the administration in getting off the bench and joining Congress on addressing this extremely important issue, I must ask the current administration, where have you been all year long with respect to our farmers? In fact, just where has this administration been on agriculture for the last 6½ years?

When Congress passed the 1996 farm bill and sent it to President Clinton for signature into law, we joined American farmers in expecting more aggressive trade policies, reduced regulation, lower taxes and increased agriculture research funding. Well, what has President Clinton given the American farmer? No viable trade policy, increased regulations, resistance to tax relief and less funding for agricultural research. Furthermore, the President's travels

have spanned the globe in recent months: China, Europe, Africa, Latin America and a number of other countries. But I have yet to see a single policy benefiting American agriculture resulting from his continuous globe trotting while, on the other hand, Chairman BOB SMITH of the House Committee on Agriculture has been successful on several different trips abroad in selling American farm products to the country that he has visited.

Our farmers need strong leadership in both good times and bad, and this administration has failed them miserably. Congress, the President and the Federal Government made a commitment to farmers just over 2 years ago. We can provide our farmers the help we need without turning our backs on that commitment. Only the Republican agricultural relief proposal accomplishes both, and I encourage my colleagues to do the right thing for American farmers and support this relief measure.

A PICTURE OF FREE TRADE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. BROWN) is recognized for 5 minutes.

Mr. BROWN of Ohio. Mr. Speaker, tomorrow Speaker GINGRICH has promised that he would bring the fast track legislation to the floor of the House of Representatives.

Some years ago, this Congress passed the North American Free Trade Agreement, a disastrous trade agreement that has led to more problems on the Mexican border, more unemployment in this country, more problems with food safety, more problems with truck safety, more problems with drug trafficking, and, ultimately, a bill that swelled, that took a trade surplus with Mexico of $2 billion and turned it into a trade deficit of $20 billion.

The so-called fast track legislation which Speaker GINGRICH is presenting to the House tomorrow is basically a procedural issue that will allow the extension of the North American Free Trade Agreement to the other countries of Latin America.

For those of us who voted against the passage of NAFTA in 1993, we are particularly disturbed at the idea of expanding this failed trade agreement, the North American Free Trade Agreement, to another couple of dozen Latin, Central and South American countries.

About 12 months ago at my own expense I traveled to the Mexican border. I flew to McAllen, Texas, rented a car with a couple of friends and drove across to Reynosa, Mexico. I went to the home of two auto workers, two people that worked at a large American auto plant in Mexico. Each of these workers, husband and wife, made 95 cents an hour. They brought home about $40 a week, each of these two workers. They lived in a home with no electricity, no running water and lived in a home with dirt floors. Right behind their shack was a ditch which had some kind of effluent running in it, certainly not clear, clean water, some kind of waste from some industrial plant or some sewage treatment or whatever, and there were children playing nearby in this ditch and nearby this ditch.

On the other side of this ditch was another shack where a young woman worked who was expecting her first child. She was in her early twenties. She and her husband lived in this tiny shack. She was working at another large American company. She was making about 90 cents an hour. She had no electricity, no running water. She had a plywood floor, a little bit better conditions. She had over in the corner of her little shack a stove that you might buy at an American department store for $250 to $300 that was run by a generator. This lady was paying for this stove through her company, through her employer. They were taking $10 a week from her $40 a week paycheck, and she was paying for this stove for 52 weeks which you could have bought in this country for $250 to $300.

Her brother-in-law, who lived in the other half of her shack separated by a cardboard, couple of pieces of cardboard stuck together, worked in another American factory; and he was suffering, his doctor said, at the age of about 25 or 26, from some kind of neurological damage, some kind of brain damage because he every day worked in a solution where he dipped his hands into a lead-based solution, and over time that lead solution caused him damage to his central nervous system. That same company in the United States makes the same product but does not use lead in its process. Why? Because the U.S. Government will not let that company have workers work in that lead-based solution like that.

When you look at NAFTA, you look at fast track, that is the picture of the future, that is the picture of free trade according to Speaker GINGRICH and according to the leaders of the other body. That kind of picture of the future: very low wages, weak environmental laws, nonenforced worker safety laws, problems with truck safety, problems with food safety, problems with more drugs coming across the Mexican border into the United States.

Later that day, we traveled to Laredo, Texas, and stood at the border between Nuevo Laredo and Laredo. That is the port of entry where the most trucks enter the United States, about 2,500 a day.

□ 1830

Governor Bush, the Governor of Texas, has done virtually nothing to guarantee truck safety at that checkpoint. There was one scale there, a set of scales provided by the State of Texas, which had been broken for three months.

There was one Federal truck inspector there who was in charge of inspecting these 2,500 trucks a day. I asked him how many trucks he inspected per day, and he said 10 to 12. I asked him how many of those trucks he took out of service because they were unsafe; he said 9 to 11.

Clearly the problems of truck safety, the problems of food safety at the border, the problems of drug smuggling coming into the United States, with more and more congestion and as more and more traffic is coming into the United States, clearly all those problems have been exacerbated by the passage of the North American Free Trade Agreement. Drug smugglers in Mexico, drug kingpins, have bought up legitimate trucking and shipping and freight operations and warehouse operations along the border, and are using those legitimate operations to bring more and more drugs into the country.

Mr. Speaker, NAFTA has failed miserably; Fast Track will bring more problems. We should tomorrow defeat Fast Track.

REVAMPING THE MONETARY SYSTEM

The SPEAKER pro tempore (Mr. BASS). Under a previous order of the House, the gentleman from Texas (Mr. PAUL) is recognized for 5 minutes.

Mr. PAUL. Mr. Speaker, Mr. Speaker, I would like to call the attention of fellow colleagues to the issue of three things that have happened in the last couple of days.

Today it was recorded in our newspapers and it was a consequence of a meeting held last night having to do with a company that went bankrupt, Long-Term Capital Management. I believe this has a lot of significance and is something that we in the Congress should not ignore.

This is a hedge fund. Their capitalization is less than $100 billion, but, through the derivatives markets, they were able to buy and speculate in over $1 trillion worth of securities, part of the financial bubble that I have expressed concern about over the past several months.

But last night an emergency meeting was called by the Federal Reserve Bank of New York. It was not called by the banks and the security firms that were standing to lose the money, but the Federal Reserve Bank of New York called an emergency meeting late last night. Some of the members of this meeting, the attendees, came back from Europe just to attend this meeting because it was of such a serious nature. They put together a package of $3.5 billion to bail out this company.

Yesterday also Greenspan announced that he would lower interest rates. I do not think this was an accident or not coincidental. It was coincidental that at this very same time they were meeting this crisis, Greenspan had to announce that, yes indeed, he would inflate our currency, he would expand the money supply, he would increase the credit, he would lower interest rates. At least that is what the markets interpreted his statement to

mean. And the stock market responded favorably by going up 257 points.

On September 18th, the New York Times, and this is the third time that that has come about in the last several weeks, the New York Times editorialized about why we needed a worldwide Federal Reserve system to bail out the countries involved in this financial crisis.

Yesterday, on the very same day, there was another op-ed piece in the New York Times by Jeffrey Garten, calling again for a worldwide central bank, that is, a worldwide Federal Reserve system to bail out the ailing economies of the world.

The argument might go, yes, indeed, the financial condition of the world is rather severe and we should do something. But the financial condition of the world is in trouble because we have allowed our Federal Reserve System, in deep secrecy, to create credit out of thin air and contribute to the bubble that exists. Where else could the credit come from for a company like Long-Term Capital Management? Where could they get this credit, other than having it created and encouraged by a monetary system engineered by our own Federal Reserve System?

We will have to do something about what is happening in the world today, but the danger that I see is that the movement is toward this worldwide Federal Reserve System or worldwide central bank. It is more of the same problem. If we have a fiat monetary system, not only in the United States but throughout the world, which has created the financial bubble, what makes anybody think that creating more credit out of thin air will solve these problems? It will make the problems much worse.

We need to have a revamping of the monetary system, but certainly it cannot be saved, it cannot be improved, by more paper money out of thin air, and that is what the Federal Reserve System is doing.

I would like to remind my colleagues that when the Federal Reserve talks about lowering interest rates, like Mr. Greenspan announced yesterday, or alluded to, this means that the Federal Reserve will create new credit. Where do they get new credit and new money? They get it out of thin air. This, of course, will lower interest rates in the short run and this will give a boost to a few people in trouble and it will bail out certain individuals.

When we create credit to bail out other currencies or other economies, yes, this tends to help. But the burden eventually falls on the American taxpayer, and it will fall on the value of the dollar. Already we have seen some signs that the dollar is not quite as strong as it should be if we are the haven of last resort as foreign capital comes into the United States. The dollar in relationship to the Swiss frank has been down 10 percent in the last two months. In a basket of currencies, 15 currencies by J.P. Morgan, it is down 5 percent in one month.

So when we go this next step of saying, yes, we must bail out the system by creating new dollars, it means that we are attacking the value of the money. When we do this, we steal the value of the money from the people who already hold dollars.

If we have an international Federal Reserve System that is permitted to do this without legislation and out of the realms of the legislative bodies around the world, it means that they can steal the value of the strong currencies. So literally an international central bank could undermine the value of the dollar without permission by the U.S. Congress, without an appropriation, but the penalty will fall on the American people by having a devalued dollar.

This is a very dangerous way to go, but the movement is on. As I mentioned, it has already been written up in the New York Times. George Soros not too long ago, last week, came before the Committee on Banking and Financial Services making the same argument. What does he happen to be? A hedge fund operator, the same business as Long-Term Capital Management, coming to us and saying, ''Oh, what you better do is protect the system.''

Well, I do not think the American people can afford it. We do have a financial bubble, but financial bubbles are caused by the creation of new credit from central banks. Under a sound monetary system you have a commodity standard of money where politicians lose total control. Politicians do not have control and they do not instill trust into the paper money system.

But we go one step further. The Congress has reneged on its responsibility and has not maintained the responsibility of maintaining value in the dollar. It has turned it over to a very secretive body, the Federal Reserve System, that has no responsibility to the U.S. Congress. So I argue for the case of watching out for the dollar and argue for sound money, and not to allow this to progress any further.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. CONYERS) is recognized for 5 minutes.

(Mr. CONYERS addressed the House. HIs remarks will appear hereafter in the Extensions of Remarks.)

GLOBAL CREDIT CRUNCH

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. HINCHEY) is recognized for 5 minutes.

Mr. HINCHEY. Mr. Speaker, we have crossed the threshold of uncertainty and we are now entering upon a new economic dimension. In fact, we have been in that dimension for some time now.

Recalling the global economy, it is an area that is fraught with dangers and difficulties for us and other economies around the world. In fact, we have already seen its expression in East Asia, Russia and elsewhere, and the impact of the global economic decline is going to impact on us very soon and we need to prepare ourselves for it.

The Federal Reserve in that regard should have lowered interest rates a year ago when the Asian crisis first became a threat. Chairman Greenspan has told us many times that it takes a year or more for changes in monetary policy to express themselves and become workable in the real world.

In the meantime, things have only gotten worse. Economies all across Asia are depressed. Russia has collapsed, and Latin America looks like it will be the next region on the planet to contract this economic contagion.

The first signs of trouble are showing up on our shores: Lower corporate profits, a rising trade deficit, a decrease in exports, layoffs in the manufacturing sector, sinking commodity prices, and, now, a looming credit crunch.

Banks and securities firms the companies that were the biggest beneficiaries of the emerging market boom, are shaping up to be the biggest losers as these markets go bust.

Our largest financial firms gambled trillions of dollars on these economies in a daisy chain of derivative transactions that were essentially placing highly leveraged bets on everything from exchange rates to interest rates to government bonds in a variety of countries.

When the Russian government devalued its currency and defaulted on its obligations, it set off a global selling frenzy as these financial firms struggled to meet margin calls from their counterparts. Some of our biggest banks have announced losses of $1 billion or more in these transactions.

Just yesterday, the New York Federal Reserve Bank orchestrated a multi-billion dollar bailout of a sophisticated hedge fund. These were not armchair investors who got in over their heads. This fund was run by the former head of a leading investment bank, two Nobel Prize-winning economists, and a former vice-chairman of the Federal Reserve Board. It is amazing to think that losses of this magnitude could happen in a market that is essentially unregulated. It is even more amazing that some of my colleagues in this Congress would tie the hands of the one regulatory agency, the Commodities Futures Trading Commission, that is looking into this situation.

The end result for the American people is that our banks are dipping into their reserves to cover these losses in these speculative derivatives transactions. This is money that will not be loaned to local businesses to financial local growth at home because it will not be there. This is money that will not help entrepreneurs with their start-up ventures. This is money that people will not be able to use to finance new homes, cars or other major purchases, because it will not be available.

It is imperative that the Federal Reserve's Open Market Committee lower short-term interest rates when they meet next Tuesday. Not only will this send a signal to the global marketplace that we are committed to the strength of our economy, but it will also help alleviate the coming credit lunch.

Last night I introduced House Concurrent Resolution 329, calling on the Federal Reserve Board to lower interest rates as soon as possible. I urge all of my colleagues to join me in sending this strong message to the Fed that the health of our economy depends on their expeditious action.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. BILBRAY) is recognized for 5 minutes.

(Mr. BILBRAY addressed the House. His remarks will appear hereafter in the Extension of Remarks.)

BALANCING THE BUDGET ON THE BACK OF THE SOCIAL SECURITY TRUST FUND

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota (Mr. MINGE) is recognized for 5 minutes.

Mr. MINGE. Mr. Speaker, I would like to address this body about the condition of the budget resolution that Congress is supposed to have passed several months ago. Indeed, it was supposed to have been completed on April 15th, and, here we are, we are in the last seven days of September, and we still have no budget.

Now, there are some that say, what is the worry? Is the budget not balanced? Can we not forget about having a Federal budget resolution that sets the spending levels for the various programs that we operate as a government? I submit we cannot.

There is good news. It does appear that if you only look at what is called the unified budget, which includes some surplus in the Social Security program, indeed we will have a surplus. But if you back out this borrowing from the Social Security program rather than the surplus, it now appears that we will have a deficit in the neighborhood of $70 billion.

It does not make sense, Mr. Speaker, for us to continue to borrow from the Social Security Trust Fund, to take those payroll taxes that Americans are paying into the Social Security program and that their employers are matching, and to use part of that to operate the Federal Government.

When we say we have a surplus, we should reserve that phrase for the situation where we are no longer borrowing from the Social Security program.

□ 1845

No, we do not have a surplus. We have a deficit this year. We need a budget resolution. We cannot simply brush this off as a formality that is not important.

There is another reason that we ought to have a budget resolution this year. That is because we are considering a reduction in taxes. I think every Member of this body would like to see us reduce taxes. The question is not should we reduce taxes, but the question is, when should we do it? A budget resolution would help us make this decision in a more rational fashion.

The proposal that we will be considering later this week will require an $80 billion tax cut or provide for an $80 billion tax cut over a period of 5 years. Many of us feel that this tax cut ought to be conditioned on first balancing the budget without using Social Security. We ought to say that we are not going to somehow take money from the payroll tax program and use that to support a tax cut. Instead, let us make sure that we either cut Federal programs to support that tax cut, or we truly have a surplus, and then have the tax cut.

Mr. Speaker, I think it is time for all of us in this body to call upon our leadership to appoint a conference committee so that the House and the Senate can get together and finally adopt a budget resolution.

When we adopt that budget resolution, we will know and this Nation will know that, No. 1, we do not have a surplus yet this year; and No. 2, they will know that if indeed we are going to talk about a tax cut, the only responsible way to discuss that tax cut is with full awareness that it is being financed with payroll taxes that otherwise ought to be set aside and protected for the Social Security program.

The SPEAKER pro tempore (Mr. BASS). Under a previous order of the House, the gentlewoman from the District of Columbia (Ms. NORTON) is recognized for 5 minutes.

(Ms. NORTON addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Hawaii (Mrs. MINK) is recognized for 5 minutes.

(Mrs. MINK of Hawaii addressed the House. Her remarks will appear in the Extensions of Remarks.)

TRIBUTE TO THE LATE REVEREND DR. AMOS WALLER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. DAVIS) is recognized for 5 minutes.

Mr. DAVIS of Illinois. Mr. Speaker, I rise to pay tribute to a great organizer, a visionary leader, a coalition-builder, a singer, and a preacher of the gospel, the Reverend Dr. Amos Waller, who recently made his transition and passed through this life.

Every once in a while a leader comes along who is gifted with the ability to magnetize people and draw them into his presence, and keep them returning for more of whatever it was that they were receiving. Such has been the life and is the legacy of the Reverend Dr. Amos Waller, founder and pastor of the Mercy Seat Missionary Baptist Church.

Reverend Waller was a graduate of the Selma, Alabama, University of Baptist Faith, and was ordained as a minister in 1956. For the next 42 years he has been a preacher, pastor, revival evangelist, and lecturer, and was a chaplin for the A.R. Leak Funeral Home.

In addition to his work as pastor of Mercy Seat, Dr. Waller organized the WestSide Ministers Alliance, served with the Neighborhood Assistance Program in the city of Chicago's Department of Human Services, was politically active in his neighborhood, and provided food and shelter for the poor and needy members of his community.

As a matter of fact, not only did he provide food for the needy, but he was one who believed in the doctrine that man does not live by bread alone, and so a typical Sunday after services, hundreds of people would gather in his dining room for chicken and dressing and potatoes and turnip greens, and all of the other delights that he was noted for.

The Reverend Waller was a man of great diversity who became a board member of the National Baptist Convention U.S.A., and was a great friend of and worked closely with Reverend Sun Myung Moon. In August of 1995 he participated in an international marriage ceremony where 42 couples from his church united with over 3 million others throughout the world as they took and renewed marriage vows.

Reverend Waller has been a developer of ministers and of churches, and out of Mercy Seat came the New Home Baptist Church, where the Reverend Mac McCullough is the pastor; the Greater St. John Baptist Church, where the Reverend LeRoy Elliot is pastor; the Grace Temple Baptist Church, where Reverend Dennis Will is pastor; the Full Gospel Church, where Evangelist Betty Yancy is pastor; True Light Missionary Baptist Church, where the Reverend Freddie Brooks is pastor; Greater Damascus Missionary Baptist Church, where the Reverend Curley Brooks is pastor; New Christian Center, where the Reverend Greg Macon is pastor, and the Pleasant Valley Baptist Church, where Reverend Sparks is pastor.

Reverend Waller was affectionately known as Daddy by many of the younger ministers in his community and throughout the area, because he embraced them all.

Reverend Waller received awards from the mayor of Chicago, the Governor of Illinois. He and Mrs. Waller, who preceded him in death, were presented the 1996 Parents of the Year award for Illinois, in conjunction with a proclamation by President Clinton declaring July 26, 1996, as Parents Day.

Reverend Waller understood the role of business and economic development activities, and helped to start local businesses; specifically, the A–1 Garfield Exterminating and Janitorial Service, operated by Mr. Garfield Major. He encouraged his parishioners to vote and to shop in the neighborhoods where they lived, a sound and wise economic development strategy.

In the book of Matthew, the fifth Chapter, 14th through 16th verses, we read, ''Ye are the light of the world. A city that is set on a hill cannot be hid. Neither do men light a candle and put it under a bushel, but on a candlestick, and it giveth light onto all that is in the house. Let your light shine before men, that they may see your good works and glorify your father which is in heaven.''

The Lawndale Community of Chicago and the Nation have seen and benefited from the good works of Reverend Dr. Amos Waller, and now may his soul rest in peace.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 4618, AGRICULTURE DISASTER AND MARKET LOSS ASSISTANCE ACT OF 1998

Mr. HASTINGS of Washington (during the special order of the gentleman from Texas, Mr. HUNTER), from the Committee on Rules, submitted a privileged report (Rept. No. 105–743) on the resolution (H. Res. 551) providing for the consideration of the bill (H.R. 4618) to provide emergency assistance to American farmers and ranchers for crop and livestock feed losses due to disasters and to respond to loss of world markets for American agricultural commodities, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 4578, PROTECT SOCIAL SECURITY ACCOUNT, AND H.R. 4579, TAXPAYER RELIEF ACT OF 1998

Mr. HASTINGS of Washington (during the special order of the gentleman from Texas, Mr. HUNTER), from the Committee on Rules, submitted a privileged report (Rept. No. 105–744) on the resolution (H. Res. 552) providing for consideration of the bill (H.R. 4578) to amend the Social Security Act to establish the Protect Social Security Account into which the Secretary of the Treasury shall deposit budget surpluses until a reform measure is enacted to ensure the long-term solvency of the OASDI trust funds, and for consideration of the bill (H.R. 4579) to provide tax relief for individuals, families, and farming and other small businesses, to provide tax incentives for education, to extend certain expiring provisions, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 2621, RECIPROCAL TRADE AGREEMENT AUTHORITIES ACT OF 1997

Mr. HASTINGS of Washington (during the special order of the gentleman from Texas, Mr. HUNTER), from the Committee on Rules, submitted a privileged report (Rept. No. 105–745) on the resolution (H. Res. 553) providing for consideration of the bill (H.R. 2621) to extend trade authorities procedures with respect to reciprocal trade agreements, and for other purposes, which was referred to the House Calendar and ordered to be printed.

NATIONAL SECURITY

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 1997, the gentleman from California (Mr. HUNTER) is recognized for 60 minutes as the designee of the majority leader.

Mr. HUNTER. Mr. Speaker, I thought it would be appropriate today to talk a little bit about national security, especially in the wake of the President's remarks. We have had some remarkable statements by the President in the last several days regarding national defense.

They are remarkable not because they display any insight that is unusual, from my perspective, but that they are the first admission by the President that our military is broke and needs fixing. When I say it is broke and it needs fixing, I mean it is dramatically underfunded.

We spent about $100 billion more per year in the 1980s under Ronald Reagan than we are spending today, if we look at real dollars. We do not have the soviet empire to contend with, but we still have fragments of the soviet empire, including Russia, which still has nuclear weapons which are still aimed at the United States.

We have now a number of nations exploding nuclear devices, like India and Pakistan. We have Communist China racing to fill the shoes, the superpower shoes, of the Soviet Union. Also we have a number of terrorist nations, or would-be terrorist nations, around the world, including North Korea, which are now testing missiles and developing missiles much more rapidly than our intelligence service ever thought they would.

Particularly, I think, we were alarmed when we saw just a few days ago, really, the North Korean Taepo Dong-1 missile, a three-stage missile, fired over Japan in a very long flight, or what would have been a very long flight, had they let it go all the way. We realized suddenly that they were years ahead of our intelligence estimates in terms of building and deploying intercontinental ballistic missiles, ICBMs.

ICBMs have an important meaning to the United States because that means to us as Americans, those are the missiles that reach us. Short-range missiles like the Scud missiles that Saddam Hussein used to kill some of our troops in Desert Storm of course can still threaten troops in theater.

That means that if we have American Army personnel, Marine Corps personnel, or Navy personnel around the world, those Russian-made Scud missiles, which are proliferating to a lot of outlaw states like Iran, Iraq, Libya, Syria, and others, can fire on our troop concentrations.

But ICBMs have a special meaning to Americans because those are the missiles that reach us in our cities. That means, to a serviceperson who may be serving in the Middle East, there are lots of little missiles that can reach him in his role as a uniformed serviceman for the United States, but the missiles that are being developed now by the outlaw nations can reach his parents and his family, his city, his community. That has a special meaning to us.

Along with my good friend, the gentleman from Pennsylvania (Mr. CURT WELDON) and the chairman of our committee, the gentleman from South Carolina (Mr. FLOYD SPENCE), I have taken to asking a lot of questions concerning our progress in missile defense to the Secretary of Defense and the chairman of the Joint Chiefs when they appear before us.

My favorite question is, if an intercontinental ballistic missile was fired today at an American city and was coming in, do we have the ability to stop it before it explodes in our community? The answer always is no.

The reason I ask that question is not because I think maybe the Secretary does not know the answer, but because if we ask the average citizen in the United States or a lot of average citizens in the United States whether or not we have a defense against missiles, most will tell us, sure we do.

I remember watching one focus group when they were explaining to the monitor, good American citizens, hardworking, why they thought we had a defense against missiles. The guy that was running the program said, how would we shoot them down? One person said, we would scramble the jets. Of course, we know, a lot of us know, that one cannot possibly catch up with an ICBM that is traveling as fast as a 30–06 bullet or faster with a jet.

Another person said, we would shoot them down with cruise missiles. We know we cannot do that, those on the committee, because cruise missiles are very slow compared to ICBMs.

Another said, I thought Ronald Reagan took care of that program. But he did not take care of the program, President Reagan, that is, because he was stopped by the people who sit in this Chamber, by the U.S. Congress. We derided his warning to us that we were entering the age of missiles and we had to have a defense against missiles; that they would be proliferating around the

world to outlaw states, and that even if the Soviet Union went away, we were living in an age of missiles, we could not get away from that, and we had better start learning how to defend against it.

□ 1900

I think it is kind of interesting, Mr. Speaker, that you are here today, the great gentleman from New Hampshire (Mr. BASS). I want to make sure you are still there, because I remember when I was going on and on in one of our meetings about the need for missile defense and I invoked the name of Billy Mitchell. I reminded my colleagues that Billy Mitchell was warning the United States in the 1920s that we had entered the age of air power, and he so enraged some of our service leaders that when he sunk some ships, some Navy ships, with bombs to show that planes could sink ships, they promptly court-martialed him for his candor.

He criticized, incidentally, the state of national defense. But he was trying to warn the United States that we were entering an age of air power, of air battles for which we were ill-prepared. We learned that. And only by our industrial base roaring back in the 1930s and 1940s to take on the Axis Powers did we finally prevail. But his warning was a righteous warning it was a right warning, it was accurate. That, of course, was the Speaker's great uncle, the great General Billy Mitchell.

Well, today we are living in the age of missiles. Yet we have given short shrift and not enough money to missile defense programs. That means that if a leader in North Korea brings his generals in and says, What if we have a tank war with the Americans? Can we beat them? His generals say, No, they have the best tanks in the world. What if we try to take on their Navy? Can we beat them? No, they have the quietest submarines in the world. We will never beat the Americans at sea. What can we do to the Americans that they cannot stop? His generals will tell that North Korean leader, as I am sure they do on a very regular occasion, They cannot stop ballistic missiles. Why not? I do not know. We were watching television, they might say, watching international television and we saw all these congressmen, I guess they are called, getting up and fighting against the missile defense. They said it was a bad thing to have war in the heavens and to stop an incoming ballistic missile. We cannot figure it out, but the Americans decided to not have any defense. They want to be totally vulnerable to a missile strike.

What is that North Korean or Libyan or Iraqi or Iranian leader going to tell his Department of Defense? He is going to tell them, Go where they are vulnerable. Build missiles. We cannot beat their tanks. We cannot beat General Schwarzkopf's Army on the ground, or what is left of it under the Clinton administration. We cannot beat the Navy, but we can throw missiles at them and they have nothing to stop it.

Mr. Speaker, we need to spend a large chunk of money. And I know there is going to be some waste and I know there is going to be some redundancy, but we better spend a large chunk of money under a national emergency framework. That means get all the regulators out of there, get the guys out of there that say we cannot test at this test range because there are certain mockingbirds that will not sleep when we are testing missiles out here. Or we cannot test here because this is a historic site.

It means that when the bean counters come in and the Pentagon says we cannot go to the system yet because we have not checked off the 30,000 boxes and the small business setasides on that, it means we have to sweep them out of the way and go on an emergency program that is just as important, I think, to our national survival today as the Manhattan Project was at the end of World War II.

My father was a U.S. Marine who had been in the Leyte Gulf operation in the South Pacific. He was in marine artillery and he was waiting for the call for his unit to deploy and invade the Japanese mainland. He did not have to do that because we came up with the Manhattan Project that built the nuclear weapon that we were forced to use at Hiroshima and Nagasaki.

That precluded what we estimated to be 1 million U.S. casualties in trying to take the Japanese mainland. One of those casualties might have been my father. So, as tough a decision as that was for Mr. Truman to make, I think it was the right one and I think most Americans agree.

Well, today we are in a race. It is almost as important as that race in World War II. This is a race not to throw offensive systems at people and kill a lot of Russians or kill a lot of Iraqis or kill a lot of Iranians. This is a defensive system that will shoot down a missile in flight so that we do not have to kill a lot of our adversaries in a retaliatory strike.

I hope, Mr. Speaker, that this Congress, under the good leadership of our Speaker, Mr. GINGRICH, and the leadership of Mr. LOTT and a lot of right-minded Republicans and Democrats who realize that now missile defense is an emergency, will come to the fore and support a very strong, robust emergency missile defense program.

We need to build on an emergency schedule a defensive system that will handle the missiles that North Korea is just now testing; that will handle the Iranian missile that was tested a short time ago; and, will handle in fact intercontinental ballistic missiles of all shapes and sizes, because we can bet they are going to be coming out us.

Mr. Speaker, let me move to another part of the national security bill that I think is important. Incidentally, this bill was shepherded forward, was passed today with a big vote and it is the result of a lot of hard work by great members on the Committee on National Security, Republicans and Democrats, starting with our good chairman, the gentleman from South Carolina (Mr. FLOYD SPENCE), a very strong advocate for national defense.

I was sorry to see that it was the last time this bill was going to be shepherded through the Committee on Rules by the gentleman from New York (Mr. GERRY SOLOMON), chairman of the committee, one of the best national security Members I have ever seen.

Mr. Speaker, want to talk a little bit about this bill. I am the chairman of the Subcommittee on Military Procurement which helps to authorize our ships and our planes and our tanks and those things. This bill does provide for ships and planes and tanks and a lot of other things like trucks and radios and generators and ammunition. But I can tell my colleagues, although we provided for all those types of things, we did not provide for much in terms of quantity.

For example, we are only going to build this year 1 F–16. We are only going to build 30 F/A–18 tactical aircraft. We have money in for the Joint Strike Fighter, which I think is important. We have money in for the F–22. We are going to build some remanufactured Kiowa Warriors. We are going to build other aircraft that are on the periphery in all three of the services in terms of being support aircraft and combat support aircraft, but we are not going to build a great many of those aircraft.

We are not going to build the B–2 bomber. Remember, Mr. Speaker, we only have 21 B–2 stealth bombers. The great thing about those bombers was that one of those bombers flying into a mission area could evade and avoid enemy air detection with their radars, could avoid enemy SAMs and could knock out the same number of targets as 75 conventional aircraft. So the B–2 bomber was a great multiplier. One B–2 equals 75 conventional aircraft. But we killed that program. President Clinton killed that program last year, and we are only going to have 21 B–2 bombers. So, we built none of them in this particular bill.

We are only building enough ships, just enough to keep up to what I call the 200-ship Navy. President Ronald Reagan had an almost 600-ship Navy just a few years ago. Today, we are building toward the 200-ship Navy, a very small Navy.

In the area of ammunition, we are still billions of dollars short. We are about a billion and a half dollars short of basic Army ammunition. We are still $300 million short of basic Marine Corps ammunition.

Mr. Speaker, let me go to some of the personnel problems. We are going to be short, now we know, over 800 pilots in the U.S. Air Force. We are going to be short also of Navy pilots. We are going to be short lots of sailors, the people that go out and make the ships actually sail and deploy and do their missions.

I am told now by members of the U.S. Navy that when our Navy ships come in we are so short in certain munitions that we have to take the munitions off the decks of some of the incoming ships and put them on the decks of outgoing ships. That means we do not have very many. If we have to expend those ammunitions in a war or conflict, we are going to be short of ammo very, very quickly.

We did something in this bill that I do not think is a good thing, but we did it at the request of the conferees. Something we could not get through the conference, although the House did, I think, the right thing. That is we did not separate men and women in basic training.

Mr. Speaker, I have seen the requirements of infantrymen. I have seen the requirements of being able to carry a buddy who may weigh 220 pounds off the field, while at the same time maybe carrying a weapon and some other things. I have seen the mixed platoons, that is men and women in infantry platoons, and I will simply say that I think we are disserving the parents of America who are counting on having an Army where the guy next to their son is able to carry him off a battlefield, along with equipment, before he is killed.

In many, many other areas, but especially areas involving physical endurance, we are shortchanging not only the young people in the service who have to rely on their buddy, but we are also shortchanging, of course, the parents who invite them and ask them to join the uniformed services.

So, Mr. Speaker, we tried to get that provision through to maintain a separation. We know that there are many, many personal problems that have emanated from the lack of what I would call good, practical, common sense oversight with respect to training and mixing of the genders in training. I do not think we have done a service to either the families of the young women or the young men whom we have thrown together in these very tight environments in basic training.

Nonetheless, it was insisted by some of the conferees that we maintain that experiment in human behavior. But I will tell my colleagues that this committee is going to be watching very closely. The gentleman from Indiana (Mr. BUYER) and the gentleman from Maryland (Mr. BARTLETT) and the gentleman from South Carolina (Mr. SPENCE) and a lot of other folks who are really concerned about that are going to be monitoring it, along with myself. We are going to see to it that if there is not a reversal in the numbers of incidents that are arising from that mixed training, and other problems and disciplinary problems, we are going to come back with the bill that we had this year.

Mr. Speaker, I would be happy to yield to a gentleman who is a great friend of mine, the chairman of the Subcommittee on Military Research and Development, who knows his stuff on defense and has been a champion of ballistic missile defense, the gentleman from Pennsylvania (Mr. WELDON).

Mr. WELDON of Pennsylvania. Mr. Speaker, I was listening to the gentleman's special order and had to come over and first of all praise him for not just a special order, but for the leadership role he has played on defense issues in this Congress and in past Congresses as the chairman of the Subcommittee on Military Procurement.

The gentleman has fought long and hard with his colleagues on the other side to make sure that we had the money to buy the equipment with the very limited budget to meet the needs of our troops. And as he has said time and time again, we are in the midst of a crisis right now.

In fact, I predict that this 10-year period in time, the 1990s, will go down in history as the worst period of time in terms of undermining our national security. In the next century, people are going to realize that the economic savings that were generated during this administration were all done on the backs of our men and women in the military.

While we have been cutting defense, and now we are in the fifteenth consecutive year of real defense cuts, we have a Commander in Chief who has increased our deployment rate to 26 in the past 6 years. That compares to 10 in the previous 40 years. And none of these 26 deployments were budgeted for. None of them were paid for. The $15 billion in contingency costs to pay for those came out of the hide of the men and women who serve in the military, their readiness, their modernization, and the research technology necessary to meet the threats of the 21st century.

My friend and colleague talked about missile defense. This issue is now becoming again a major national issue. It is becoming such an issue not just because of our collective work to raise the issue, but because of what is happening.

We were told by the intelligence community that we would not see these threats emerge. Earlier this year, we saw the Iranians test, and we think deploy right now, a medium-range missile, the Shahab 3, that threatens all of Israel.

□ 1915

Last week we had members of the Israeli Knesset, the chairman of their international affairs and defense committee Uzi Landau here for a week. The Israelis feel their backs are against the wall because they do not have a highly effective system that can defeat that Shahab 3 missile. They are vulnerable, just as our 25,000 troops in that theater are vulnerable.

We saw the North Koreans test the NoDong missile, and we think it has now been deployed, which puts all of our troops in Asia at risk, which includes Japan and South Korea. And we have no highly effective system to take out that NoDong. Then in August, we saw what none of us felt would occur because the intelligence community told us it would not happen for years and that is the North Korean test of a 3-stage rocket, a 3-stage missile that they had the audacity to fly over the territorial land and waters of Japan.

We now have evidence that has been based on intelligence community assessments that says that this Taepo Dong missile may be able to do something that we were told 3 years ago would not happen for 15 years; that is, hit the territorial lands of the United States including all of Guam and parts of Alaska and Hawaii.

This is totally and completely unacceptable to us. And as my friend and colleague knows, members of both parties in this body and the other body have been crying for a response, for systems to protect our troops or allies and our people against the threat that missile proliferation in fact has produced. But to date we have not had success.

I say it is largely because there has been a lack of commitment on the part of this administration to follow through and to set the tone and to do something that the gentleman has repeatedly asked for, and that is to muster all the resources of our country, our national labs, our agencies, as much as President John Kennedy did when he mustered America to land on the moon within 10 years.

My colleague and friend has said that we should muster all the forces that we have in this country to solve this problem and to provide protection. And for those who say that we should not worry about missile defense, that it is something in the future, I would ask them to look those families of those 29 young Americans who were killed 7 years ago in Saudi Arabia when that low complexity Scud missile landed in their barracks and wiped them out, tell those moms and dads and brothers and sisters that this threat is not here, that it is not real.

The single largest loss of life we have had in this decade of our American troops was when that Scud missile was fired into our American barracks, and we could do nothing about it because we had no system in place. What bothers me, and I think my colleague will agree with me, is that this administration talks a good game. In fact, just this week, they had a major press event. They even asked that, they are talking with the Japanese about doing a joint missile defense initiative with Japan. I happen to support that kind of a concept but what bothers me is, they are not even funding the existing systems. Yet they are putting the rhetoric out that they want to fund an entirely new initiative with the Japanese.

Mr. HUNTER. Maybe they think, I would say to my colleague, maybe the Clinton administration thinks that they can talk those missiles down with the Japanese.

Mr. WELDON of Pennsylvania. I tend to agree with my colleague, that if talk

in fact were the answer, we would have had every missile in the entire world, because of the rhetoric and the hot air that has come out of this administration on its commitment to missile defense. But the point is that as they did with the Israelis and the supporters of Israel, understand this very well, when President Clinton went before AIPAC's national convention in Washington 2 years ago, he pounded his fist on the podium and he said, we will never allow the people of Israel to be vulnerable to Russian Katushka rockets. He said to them, we will help you build the Nautilus program.

What he did not tell the friends of Israel was that for the three previous years he had tried to zero out all the funding for the theater high energy laser program, which is what Nautilus is. And what he did not tell the friends of Israel was that in that fiscal year, the administration made no funding request to fund the Nautilus program. To this date, we have not received a funding request.

As my friend knows, I had to go to AIPAC, and I had to say to them, how much money does Israel need to move this program forward? The dollar amount that we put in our defense bill 2 years ago was not requested by this administration, in spite of the President's rhetoric. It was provided by the folks at AIPAC who gave us the number to put in the bill to provide the dollar support for Israel.

Now we have a request, a situation where they are saying we are going to help Japan. What about the $11 billion necessary to fund the Meads program which we have committed to with the Italians and Germans? What about the money necessary to fund Navy Upper Tier, Navy Area Wide? What about the funding necessary to deploy PAC 3, THAAD? What about the funding necessary to help Israel continue the Arrow program? Where is all that funding coming from when this administration has said they are going to take our current missile defense budget from $3.6 billion to $2.6 billion.

You cannot do it. We need to take this message to the American people. The friends of Israel are aware of this rhetoric and they are on our side. But something is happening across America. I wanted to come over and I wanted to enter into the RECORD, if my colleague in fact will allow me, to put in the changing mood of the American people.

Over the past 2 months there have been over 20 national newspapers who have put into the Record endorsements of the need for this country to very quickly deploy national and regional missile defense systems.

I would like to, at this point in time, put into the RECORD comments from those 20 some odd newspapers, from all the major cities, from the Washington Times, the Savannah Morning News, the Wall Street Journal, the Daily Oklahoman, the Kansas City Star, the Boston Herald, the Chicago Sun-Times, the Detroit News, the Wisconsin State Journal, the New Republic, the Cincinnati Enquirer, the Florida Times union, the Pittsburgh Post Gazette, the Las Vegas Review Journal, the San Diego Union Tribune, the Indianapolis Star, the Arizona Republic, Providence Journal, the New York Post, the same arguments that we have been making that America is now beginning to listen to.

It is time this administration stopped the rhetoric and started putting the muscle where it is needed, and that is to deploy very quickly the most highly effective theater and national missile defense systems that our money can buy.

Mr. Speaker, I include for the RECORD the editorial comments to which I referred:

AMERICA'S EDITORIAL BOARDS SUPPORT NATIONAL MISSILE DEFENSE

The irony in all of this is that Israel could have a missile defense years before similar protection is afforded Americans . . . Good for the Israelis that they have a government determined to protect from a real and growing danger from abroad. But could someone please explain why Americans do not deserve as much?

''TO HIT A BULLET WITH AN ARROW,'' THE WASHINGTON TIMES, SEPTEMBER 23, 1998

Unfortunately, it seems some lawmakers would prefer to put their faith—and America's safety—in arms-control agreements. They trust Baghdad and Pyongyang to keep their words more than they trust the ability of American scientists to devise a last-resort shield against hostile attacks.

''INVITATION TO MISSILES,'' SAVANNAH MORNING NEWS, SEPTEMBER 12, 1998

So it's good to see Japanese officials wiping the mud from their eyes to say that while the object that whizzed over Japan was probably a missile, launching a satellite with similar sophisticated rocketry would have sent the same wake-up call: that no country is safe today from the very real threat of attack by missiles carrying weapons of mass destruction.

''THE MISSILE PLOT THICKENS,'' THE WALL STREET JOURNAL, SEPTEMBER 10, 1998

Bold action is needed to counter Clinton's idle approach to defending the U.S. against a grave and growing threat.

''VULNERABLE AND AT RISK,'' THE DAILY OKLAHOMAN, SEPTEMBER 8, 1998

Defenses against missiles for threatened American allies and our troops and installations overseas—and soon perhaps the nation itself—is the most important national security problem today. Everything that Congress can do to prod a head-in-the-sand administration must do so.

''MISSILE DEFENSES NEEDED EVEN MORE,'' BOSTON HERALD, SEPTEMBER 6, 1998

In fact, changing the policy goal from research to deployment—as soon as possible—will change the fundamental dynamics of the research. The threat is closing in faster than the response, and that's what must change.

''MISSILE THREAT CLOSING IN FAST,'' KANSAS CITY STAR, SEPTEMBER 5, 1998

Lawmakers should get the process rolling toward development of this very necessary defensive system. We certainly hope no bin laden type ever gets his hands on a ballistic missile, but it would be grievously wrong to relay on hope alone.

''IN DEFENSE OF DEFENSE,'' CHICAGO SUN-TIMES, SEPTEMBER 3, 1998

But the alternative is to leave America without any defense against enemy missile attack. In view of the Constitution's requirement that the government ''provide for the common defense,'' that wouldn't seem to be an option.

''NORTH KOREA'S WAKE UP CALL,'' DETROIT NEWS, SEPTEMBER 2, 1998

In these days of suicidal attackers, holding American hostages to attack is even less defensible than before. Holding them hostage is, in fact, an invitation to attack.

''NO DEFENSE ALLOWED,'' WASHINGTON TIMES, SEPTEMBER 2, 1998

The North Korean missile launch shows how quickly the world can grow more dangerous. The United States can't protect itself or its friends from threats posed by rogues like North Korea or international terrorists. How many wake-up calls will America's leaders get?

''MISSILE DEFENSE NEEDED,'' DAILY OKLAHOMAN, SEPTEMBER 1, 1998

America, meanwhile, is defenseless against missile attack—whether launched by Iraq, North Korea or another rogue state, or an independent operator like bin Laden. Either way the threat is real.

''MISSILE MADNESS,'' DAILY OKLAHOMAN, AUGUST 31, 1998

If the United States waits until a terrorist state has blackmail capability, it's too late. Congress should update the nation's intelligence system and protect its shore from unexpected attack. The United States won't win ''the war of the future'' by relying on weapons and strategies of the past.

''OLD STRATEGY WON'T WIN NEW WAR,'' WISCONSIN STATE JOURNAL, AUGUST 27, 1998

Mr. Clinton's Administration has repeatedly recommended cuts in missile defense programs both in forward theaters and here at home. One way to clearly signal terrorists of America's new resolve would be to reverse this policy and restore missile defense funding to the level that existed before Mr. Clinton took office.

''A NEW TERRORISM POLICY?'' DETROIT NEWS, AUGUST 25, 1998

As for the religion of deterrence: Who would like to bet the peace of the world and the lives of hundreds of thousands of people on the rationality of Saddam Hussein and Kim Jong II? So far their behavior has not seemed overly influenced by the theories of Thomas Schelling. The point is not that deterrence will not work. The point is that deterrence may not work. and there are now many more places, and inflamed places, where it may fail. . . So, then, are there land-based systems that belong in the security posture of the United States, as one of its many elements of defense and deterrence? In a madly proliferating world, the question must be asked.

''SHIELDS UP,'' THE NEW REPUBLIC, AUGUST 17 AND 24, 1998

It surely hasn't escaped the notice of this country's enemies that the U.S. has absolutely no defense against ballistic missile attack. The fact that the U.S. cannot shoot down a missile heading for an American city is a powerful and dangerous incentive for the bin Ladens of the world to acquire one.

''THE NEXT TERRORISM,'' THE WALL STREET JOURNAL, AUGUST 21, 1998

We may always have terrorists gunning for us. Congress needs to move ahead with a strategic missile defense and hardening U.S. defenses against biochemical weapons of mass destruction.

''EMBASSY BOMBINGS,'' THE CINCINNATI ENQUIRER, AUGUST 13, 1998

Does anybody doubt that the terrorists in Tanzania and Kenya would have bombed a U.S. city, rather than obscure embassies, if they had the weaponry? In time, they may get the weapons. Americans need protection.

''REVIVE STAR WARS,'' THE FLORIDA TIMES-UNION, AUGUST 13, 1998

Missile technology is spreading more rapidly than predicted while the United States still has no missile defense whatever . . . The Iranian missile launch is another sobering warning: It's time to move faster on missile defense.

''DON'T WAIT ON DEFENSE SYSTEM UNTIL IT'S TOO LATE,'' KANSAS CITY STAR, AUGUST 9, 1998

The fact that the United States has absolutely no defenses against ballistic missile attack is an unacceptably large negative incentive to this country's enemies. The way to deter them is not by signing more archaic arms-control agreements but by researching and deploying a national missile defense system as quickly as possible after the next president takes office.

''EARLY WARNING,'' THE WALL STREET JOURNAL, JULY 29, 1998

To be sure, a workable missile defense is better than nothing; it is one more protection, even if it is not total. And in developing such a system, scientists stand to make important technological breakthroughs with spin-offs in other fields.

''A NEW ARGUMENT FOR MISSILE DEFENSE DESERVES SERIOUS STUDY,'' PITTSBURGH POST-GAZETTE, JULY 29, 1998

The Iranian missile test has energized calls from the congressional leadership for immediate attention to building and deploying an anti-missile defense system to protect the United States from incoming warheads . . . President Clinton should heed the calls to develop an ABM system.

''MISSILE THREAT LOOMS,'' LAS VEGAS REVIEW-JOURNAL, JULY 28, 1998

Recent events are challenging the Clinton Administration's relaxed assumptions about the need for a defense against ballistic missiles. And none too soon we think.

''MISSILE DEFENSES DESERVE URGENT PRIORITY,'' SAN DIEGO UNION-TRIBUNE, JULY 27, 1998

It's easier for some to worry about global warming that may or may not be resulting from human activity than it is to recognize the real threat of a missile crisis that could be prevented with a defense system along the lines Ronald Reagan urged on the nation so many years ago.

''REAGAN WAS RIGHT,'' DAILY OKLAHOMAN, JULY 23, 1998

There are indications that the administration will dismiss the Rumsfeld report as politically motivated and continue with its go slow approach. Clinton's 1999 budget request calls for just under $1 billion for national missile defense . . . But Americans should take this report [from the Rumsfeld Commission] seriously and demand action from Congress.

''A VERY REAL THREAT,'' THE INDIANAPOLIS STAR, JULY 23, 1998

The Clinton Administration has used the three-year-old [NIE] assessment by the CIA as an excuse to take its time developing a national missile defense. The new [Rumsfeld] report issued last week indicates that policy is foolhardy. Ronald Reagan was right about the need for this sort of pro-active defense, so that never again would America have to rely on nuclear attack weapons to deter a possible foe.

''FORCING THE ISSUE,'' THE DAILY OKLAHOMAN, JULY 22, 1998

The Clinton Administration has for too long thwarted research and development and delayed deployments of effective defenses against missile attack. The message of the Rumsfeld commission is that there will be consequences to pay continuing the status quo. Dangerous consequences for all of us.

''UNPROTECTED AMERICANS, TIME FOR A CHANGE,'' THE ARIZONA REPUBLIC, JULY 20, 1998

The Rumsfeld panel's report is the latest sign that the United States will have to engage in more serious research, and make heavier investments, in anti-missile defenses that can help protect the public against menacing threats—and possibly even outright attacks—by rogue nations headed by irrational leaders.

''WE STILL NEED A SHIELD,'' PROVIDENCE (RHODE ISLAND) JOURNAL, JULY 20, 1998

Enough is enough. We have in the Rumsfeld Commission report evidence aplenty that we are facing a serious national security threat. To continue to leave Americans vulnerable is unconscionable.

''EVERY ROGUE HIS MISSILE,'' THE WASHINGTON TIMES, JULY 20, 1998

The commission's report should revive debate over development of an anti-ballistic missile system. Perhaps some of the money that Congress now spends on pork-barrel projects the Pentagon neither wants nor requests could be used to enhance the nation's defense against the newest, and most unpredictable, members of the world's nuclear club.

''RENEW ANTI-MISSILE DEBATE,'' WISCONSIN STATE JOURNAL, JULY 20, 1998

The emerging threat from countries like Iran, Iraq, and North Korea makes it irresponsible for America not to do whatever it can as soon as it can to develop a shield against these terrifying weapons.

''THE FINAL FRONTIER,'' NEW YORK POST, JULY 19, 1998

In this new age of emerging, virulently hostile nuclear powers, the United States must expeditiously negotiate with Russia an end to the ABM Treaty and deploy an anti-missile defense system.

''NAKED AMERICA,'' LAS VEGAS REVIEW JOURNAL, JULY 17, 1998

Until this odd Administration, we thought a President's first duty was to the common defense. At least Congress is a co-equal branch of government. And armed with the substance of this [Rumsfeld] report, it has a stronger political case for the more urgent development of missile defenses.

''ZERO WARNING,'' WALL STREET JOURNAL, JULY 16, 1998

North Korea soon will have a missile that can reach Alaska and Hawaii; does anyone think this mad regime will show the military prudence of the Soviet Union? Saddam Hussein would have fired nuclear weapons at the anti-Iraq coalition if he had had them and some of his Scud missiles did get through; does anyone think the world has seen the last of Saddam's ilk? . . . Republicans must lead the nation to act against real danger and abandon the foolish consolation of treaties with nonexistent adversaries.

''IT'S TIME FOR MISSILE DEFENSE,'' THE BOSTON HERALD, JULY 12, 1998.

Mr. HUNTER. I thank my friend for his excellent comments and for his leadership. I remind him that a couple of years ago, I think it was 1987, when the Israelis were building the Lavi fighter or embarking on the Lavi fighter program, which was kind of a mid-range fighter aircraft that they thought they needed, the gentleman from Pennsylvania (Mr. WELDON) and I and several other members on the Committee on National Security sent a letter to the Israeli leadership saying, if you had an attack by aircraft from a neighboring Arab country, and I think then we were thinking of Syria, you would shoot them all down before they got to Tel Aviv. But if you were attacked by ballistic missiles, Russian-made ballistic missiles coming from a neighboring Arab country, you would not be able to stop a single one. That is the essence of our letter.

We urged them to begin the Arrow missile program, the Arrow missile defense program. As a result of that, partly as a result of our letter and the result, I think, of a lot of other factors and also the importance, the realization by the Israeli leadership that they were in the missile age, they realized that even if we do not and they would have to defend against these missiles sooner or later, they began that program, the Arrow missile defense program. And it is going very well. They have had a number of successes. I have often thought that here we have a very small country, and it seems that they have been able to do more with a handful of scientists and a couple of pickup trucks than we have been able to do with this big defense apparatus, big Department of Energy apparatus and this huge bureaucracy. And maybe it is because we have a huge bureaucracy, but I think more important than that, it is because we have an administration in the White House that does not really want to do it.

Mr. WELDON of Pennsylvania. The gentleman raises a very interesting point. In fact, two hours ago I met with the senior leaders of the Israeli company building the Arrow program in my office as well as Israeli officials. They have had the success the gentleman refers to. In fact, this past week they had another success with the Arrow program. But it gets down to a basic philosophical debate in this city where the liberals want to tell us that arms control agreements and arms control regimes will provide the security protection we need.

And many on our side, like myself and my colleague are saying, you need systems because you cannot always trust those other signatories to the arms control regimes. But this administration has failed in three different ways.

First of all, they have not committed themselves to force the deployment of missile defense systems, partly because they want arms control agreements. This administration has the worst record in enforcement of arms control agreements in this century. Two months ago I did a floor speech where I documented 37 instances of arms control violations by Russia and China, where Russia and China sent technology to India, to Pakistan, to Iraq, to Iran, to Syria, Libya and North

Korea. In those 37 instances, the administration imposed sanctions three times and then waived the sanctions in each of those cases. So it should be no surprise to us when India and Pakistan saber rattled each other. We saw China sending 11 missiles to Pakistan. We saw the ring magnets going to Pakistan for their nuclear program. We saw the Russians sending technology to India.

Why should we then be surprised when these two countries are going at each other? We did nothing to stop that proliferation because this administration did not enforce the very arms control agreements that they maintain are the cornerstone of their security arrangements worldwide.

So not only have they not funded missile defense, they have not even enforced the arms control agreements that they maintain are the basis of stability in the world, and they have created the false impression through their rhetoric that they really are concerned about having systems in place to provide protection.

For all of those reasons, I think we are more vulnerable today, our allies are more vulnerable today than at any point in time in my lifetime.

Mr. HUNTER. The gentleman makes an important point. I know he is on the select committee, the special committee that is looking at this administration's transfer of technology to Communist China with respect to satellite technology and missile technology. I saw what I thought was a great cartoon the other day. Some cartoons really hit close to home. It had a truth to it.

The first question in the cartoon was, which country's missile technology has the Clinton administration most improved? And the second part of the cartoon was, Communist China's.

And the gentleman, I would ask him to make any comments that he can make at this time because I know he is on the special committee, but basically this administration allowed the top engineers and scientists in this country, people who can go out and examine a missile and tell what is wrong with it, they allowed them to interchange and meet with and send papers to the Communist Chinese rocket scientists who were having real trouble making the Long March missile work.

The Long March missile is a missile that the Chinese Communists use for two things. One is they put up satellites with them. Some of our satellite companies in the United States hire them to shoot our satellites up on their missiles. But the other use of the Long March is they have nuclear warheads on some of them aimed at cities in the United States.

It is not in our interest for the Long March missile to work. Especially if it is launched at Los Angeles. However, our engineers, under the permissions or the negligence of the Clinton administration, were allowed to engage for months at the request of the Chinese Communists, after they had some failures with the Long March missile launching a satellite, to engage with them and show them what they were doing wrong and after that series of interchanges, their most important type of Long March missile, as I understand it, has not had a failure.

That means we helped them fix whatever was wrong. That reminds me about the joke about the three guys who were caught by Khomeini and they were going to be guillotined, and the first one got under the guillotine and Khomeini ordered pull and the guillotine came halfway down and stuck. Khomeini said, that must be a message from Allah, let this man go. The second guy gets under there and he says, pull, and they pull it, sticks halfway down. Another message. Let him go. The third guy gets under and says, I think I see your problem. That is kind of what we did with the Chinese and the Long March missile.

□ 1930

Here we are, the target of those missiles carrying nuclear warheads, and our engineers are over there in China showing them what is making the missiles crash after they have only gone a few miles. We want those missiles to crash.

Mr. WELDON of Pennsylvania. If the gentleman will continue to yield, obviously, I am not authorized to divulge information from the select committee's investigation, but I can relate one piece of information that is in the public domain that I think points up exactly what the gentleman is referring to very clearly.

Before 1996, China had no high-speed supercomputers. None. The only two countries that manufacture high-speed supercomputers are the U.S. and Japan. Japan's export policy has been very rigid and very tight. Up until 1996, so was ours. In 1996, things began to change. Export waivers began to be issued. Presidential waivers began to be issued. For whatever reason. The bottom line. Today, there is public information, on the record, that China has over 100 high-speed supercomputers, all of which were obtained from the U.S., which gives China, listen to this fact, more high-speed supercomputing capability than our entire Department of Defense, within 2 years. That is on the record, in public documents provided by this administration, in terms of what capability China has.

Now, I am not against engaging China. In fact, I led two delegations there last year. I am for an engagement that is based on candor and strength, much like the engagement I think we should have with Russia. But facts are facts. They do not need over 100 high-speed supercomputers to do computational research. They need that kind of supercomputer research to design nuclear bombs, nuclear weapons, and to be able to do testing of nuclear systems, like we are doing with our ASCII Blue project.

The 100 supercomputers that China has, I would maintain many of them are being used in developing new generations of weapons that China is, in fact, today working on. Prior to 1996, they had none. From 1996 until today they have in excess of 100. Again, more than the entire supercomputing capability of our Defense Department. If that is not an outrage, I do not know what is.

And I thank my colleague for yielding.

Mr. HUNTER. Mr. Speaker, I thank my colleague and thank him for his contribution here today. I think he is one of the great experts in defense in our House and he has done a great job as the R&D subcommittee chairman.

Mr. Speaker, how much time do we have left?

The SPEAKER pro tempore (Mr. BASS). The gentleman from California (Mr. HUNTER) has 24 minutes remaining.

Mr. HUNTER. Mr. Speaker, one other thing I wanted to comment about today, because it is coming up on the House floor, is so-called fast track, and I just want to tell my colleagues why I do not think this President, this administration, should be entrusted with fast track.

Fast track is power. It is a power that we give American presidents, we as Congress, who are vested under the Constitution, or chartered under the Constitution with the obligation of making trade agreements. We give up some of that trade agreement power, power to negotiate the agreement, to the executive branch; to the President. And so the President, instead of all the Congressmen making the deals and the committees being involved in all the details, the executive branch goes out and makes the deals, like NAFTA, and then they bring them back to the House of Representatives and to the Senate and we vote on them.

Now, I would say, first, a couple of things. First, I think that the negotiating team that the President has, that he has utilized for trade deals, has not been a very competent team. And I am thinking of the port entrance treaty that we made, or agreement that we made with Japan where we were going to be able to get some liberalization from Japan for other people coming in and unloading in ports around Japan. In that deal we were totally finessed.

I think of NAFTA, primarily negotiated by another administration but, nonetheless, by a bureaucracy that started with a $3 billion trade surplus in favor of the U.S. and today is in a $15 billion trade loss.

Now, the great thing about being a free trader, and I like free traders, I have a great sense of humor about them, but the great thing about being a free trader is they never have to say they are sorry. If we have a trade surplus with a nation, they say that is great; and if their deal makes a trade loss with a nation, a loss for America, they say that is great, too. Today we have a $15 billion trade loss with Mexico. We went from a surplus of $3 billion to a $15 billion loss.

Mr. WELDON of Pennsylvania. As the gentleman knows, as a Republican and a colleague, I supported the same position he did on NAFTA, which is opposition to NAFTA, because I felt that this administration would not impose the requirements on Mexico in terms of improving wage rates and labor conditions and tougher environmental laws. So in not doing that, our companies would, in fact, fly south to Mexico, which they have done.

But the interesting point that I want to tie in here is organized labor has been so quick to criticize Republicans on issues like NAFTA when, in fact, it was this administration who shoved NAFTA down our throats in the Congress.

And I want to raise one more point.

Mr. HUNTER. President Clinton pushed NAFTA.

Mr. WELDON of Pennsylvania. Absolutely.

Mr. HUNTER. He rammed it through.

Mr. WELDON of Pennsylvania. As he is doing with fast track this week.

I want to raise one more additional point before I leave and let my colleague finish his time. Unlike most of my Republican friends, I get strong support from organized labor, and I am proud of that. I come from a working class family and understand the needs of working class people. My friend, I think, probably has many similar votes. I do not know if he has the support I do, but I get a lot of support from labor.

I had a group of steelworkers in today asking me about what I was going to do on fast track. I asked them this question: Where has the AFL-CIO been on the one million union jobs that have been lost in this country because of this administration's cuts in defense and aerospace?

Now, we have heard Members get up and rale about the loss of decent paying wages and how critical that is. One million U.S. union jobs were lost in the past 6 years from cutbacks in defense and aerospace budgets. The AFL-CIO did not issue a peep. Union workers, steelworkers who were building the ships at Bath Iron Works, UAW workers who were building the C–17, people who were building the F/A–18–Cs and Ds, all of these cutbacks that have occurred across the country were with union plants. IBEW workers, UAW workers, steelworkers, Teamsters. Where was the AFL-CIO? Where was that on the rating card of rating Members of Congress on their votes? Why was no member of either party rated for not voting to provide the funding support to keep those union jobs in place?

And to all those union brothers and sisters out there who are today working at labor positions making one-half or one-third or one-fourth of what they used to make, I ask them, what did their union dues go for? Their union dues did not go to fight for those jobs they now do not have. One million of them are out of work today because the only area we have cut in the Federal budget for the past 6 years has been the defense budget. The only area.

Sure, we can talk about decreasing the level of increase, and we call that a cut. And we all know that is not what we are talking about with defense. Defense is the only area of the budget that has sustained real cuts above the rate of inflation to gut the program itself. And that has resulted in one million American men and women who carry the union card who have lost their jobs.

When we cut the MilCon budget, the gentleman knows the requirements of the Federal Government, even though many on our side oppose it: Davis-Bacon. So who benefits or who loses when we cut the MilCon defense budget? All of those building trades: the steamfitters, the pipefitters, the brick layers. They are the ones who lose because we have cut back on MilCon construction projects, all of which must be done according to Davis-Bacon prevailing wage rates.

Where has the AFL-CIO been? It has been like this: With its fingers in its ears, its hands over its eyes, and its hands over its mouth. It has not spoken one word on behalf of the union members who are today out of work because of those cuts.

Mr. HUNTER. My friend makes a great point, and there is one other thing that we have done for every union worker and every nonunion worker in this country, and it was done by Presidents Reagan and Bush, and that is that we built a military that was strong enough.

Besides providing those millions of jobs, one million of which have been cut by the Clinton administration, but besides providing those jobs, we fielded a force, a military force, which, since 1991, has been cut roughly in half, but which was so strong in 1990 and 1991, that when we took on Saddam Hussein in the sands of the Middle East, even though we sent over, in my understanding, 40,000 body bags, that is where they put the bodies of the dead Americans after they have been killed in battle, we sent over 40,000 empty body bags, only a very few Americans came back in those bags because we were so strong that we won overwhelmingly without many casualties. If we had to fight that war today, having cut the Army from 18 to 10 divisions, our air power from 24 air wings to only 13, and our navy ships from 546 ships to about 333 ships, we could not win overwhelmingly. We would lose more Americans.

The gentleman knows how great it is when we go to a union picnic and we see, like during Desert Storm, all those bumper stickers saying, ''I support our men in Desert Storm'', ''I support our troops,'' ''I support our soldiers.'' The best service we can do for working men and women is to see to it that they come home, when they are of service age; that they come home alive, with all their faculties. And if they are retired and they have a couple of kids out there, to see to it that their kids come home alive, with all their faculties. That is why we need a strong defense. I thank my friend for bringing that point up.

Mr. Speaker, let me just close on this pending fast track, and why I think it is a bad idea. I think we have established that trade deals are business deals. And if we look at the trade lobbyists and some of the proceedings that are now being investigated with respect to this administration, I do not think we can give them a clean bill of health and say that they were not unduly influenced by some bad elements. I think that is putting it charitably.

Secondly, I think they just are not smart enough or good enough to make good deals. After 4 years of making deals with China, we have now a trade deficit with Communist China that is over $40 billion a year. So we have lost in trade with China. The merchandise trading lost this year was a loss to the United States, according to our own statistics from the Clinton administration, of over $240 billion.

So the first rule is, if we have a guy who is a businessman who always loses money, we do not trust him with all our money. That is pretty simple. That is a very basic thing. We have, unfortunately, Mr. Speaker, folks in the Clinton administration who are losers, proven losers with respect to making trade deals, and we should not entrust all of this power to them. So not this President and not this time.

Mr. Speaker, I will be back with the gentleman from Pennsylvania (Mr. WELDON) and other members of the Committee on National Security to talk a little bit more about the need to rebuild national defense over the next several weeks.

SOCIAL SECURITY AND THE REPUBLICAN TAX PROPOSALS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 1997, the gentleman from New Jersey (Mr. PALLONE) is recognized for 60 minutes as the designee of the minority leader.

Mr. PALLONE. Mr. Speaker, tonight I have a number of my colleagues, Democratic colleagues, who would join me this evening to talk about the issue of Social Security in the context of the tax proposals that the Republicans plan to bring to the House floor tomorrow as well as Saturday of this week.

Mr. Speaker, the Republicans, in my opinion, are moving full steam ahead with this plan to raid the budget surplus to pay for tax cuts instead of putting that money where it rightly belongs, and that is into Social Security. Make no mistake about it, Mr. Speaker, the Republican tax bill is a direct assault on Social Security. The budget surplus that the Republicans want to use to pay for their tax cuts that they are going to be putting before this House tomorrow or Saturday do not

exist. There is no budget surplus. The only portion of the Federal budget that is in surplus is the Social Security Trust Fund. In fact, without Social Security, the Federal budget would still be in a deficit this year.

According to the Congressional Budget Office, Social Security will take in a $101 billion surplus this year. But CBO also projects the total surplus for the Federal budget this year to be $8 billion. If we do the math, Mr. Speaker, we find that without the surplus in the Social Security Trust Fund, the total Federal budget would have a $93 billion deficit in 1998.

□ 1945

The story is the same if we project the numbers out even further. The CBO projects that without the Social Security surplus, the Federal Government would run a $137 billion deficit over the next five years. Over the next 10 years, CBO projects a $1.6 trillion deficit for both the Social Security trust fund and the total Federal budget. In other words, every single penny of surplus the Federal Government is expected to take in over the next 10 years will come from the Social Security trust fund. Because the Federal Government borrows from the Social Security trust fund to pay for other government programs, by the year 2008 the general fund of the Treasury will owe Social Security $2.52 trillion. I do not want to just keep going into these numbers, I would like to yield some time to some of my colleagues this evening, but I want to say that when I talk to my constituents back in the district, regardless of these numbers, they understand the reality. They understand, particularly the senior citizens amongst my constituents, that we have been borrowing from the Social Security trust fund now for a number of years and that that money has to be paid back at some time in the future. So it is very deceptive, I would say, on the part of the Republican leadership to propose a tax cut bill knowing full well that this has to come from the Social Security trust.

I would like to yield some time to some of my colleagues this evening to talk about this. Democrats as a party have joined with President Clinton in pointing out from day one this year, the President actually mentioned it in his State of the Union address back last January, that it is imperative that we do what we can this year, if not now in future Congresses, to correct the problems that we will face with Social Security 10, 20, 30 years from now, because there will not be enough money in the trust fund to pay for that generation of baby boomers that will become 65, that will be senior citizens at the time. And so all we are really saying as Democrats is the time is now to think about what we are doing here. We just got into a situation where we have some extra money being generated from general revenues because the economy is good and we passed this Balanced Budget Act last year, let us not now before we have time to think about it just go hog wild, in effect, and start spending money on a tax cut which essentially is just coming from the Social Security trust fund.

I yield to my colleague the gentleman from Maryland who has been making this point many times to me over the last few weeks.

Mr. WYNN. I thank the gentleman from New Jersey for yielding and I thank him for his leadership on this issue. I am pleased to join with him tonight in talking about the issue of tax cuts, phony tax cuts, and the more important issue of saving Social Security. There is a difference in this evening's debate. The Republicans are here with an election-year gimmick, election-year candy which basically says to the American people, ''I know what you want and I'm going to give you a tax cut.'' We take a longer term view on the Democratic side. We believe that the most responsible thing we can do is not give an election-year gimmick but, rather, to protect and save Social Security first, to look forward 20 years when we really need to address the problem of an insolvent Social Security system and say, ''Let's plan now for that day.'' The way we plan now for that day is quite simply by saving all the money in this projected surplus and putting it toward Social Security and not toward some kind of election-year tax break gimmick.

Let us talk about taxes for a minute because I think there is a certain mythology that has been perpetrated by the Republicans with respect to why we need these tax cuts. One of the first things we will hear will be a phrase that reads something like this: Taxes are a crushing drain on the American economy. The fact of the matter is, Mr. Speaker, that that is not true. The economy is doing very well. There is no crushing drain. There is no overwhelming burden on our economy. Our economy is today the best it has been in 30 years. We have low unemployment. More people are working. We have low and stable interest rates. We have increased business starts. We have fewer bankruptcies. So where is this crushing burden that my colleagues on the other side of the aisle want to talk about? It does not exist. It is a myth. It is a part of their election-year rationale to suggest that they have got the solution for the American public. There is no crushing drain or overwhelming burden on the American taxpayer. They say, ''Oh, yes, there is.''

Item number 2, they will tell you that the tax rates are too high on the average American. That, too, is a myth. It is not true. The tax rates for the average American family with two children are the lowest they have been since 1978. Tax rates for even the folks in the highest brackets are lower than they have been since the 1960s and the 1970s. So when Republicans run down to the well and start talking about the tax rate on the American citizen is too great and somehow government's hand is in their pocket, they are not telling you the truth. What we have given you with the balanced budget and a healthy economy is tax rates that are in fact lower than they have been in many, many years.

Third, they will say, well, what about as a percentage of gross domestic product? The Republicans will try to suggest to you that tax revenues as a percentage of gross domestic product is the highest that it has ever been. Well, yes, tax revenues are high. Why? Because more people are working and more people are paying taxes. So that is not a problem. That is a by-product of a healthy economy. People are working. They pay more taxes. It is not a drain. It is a positive by-product. There is a second by-product that is the result of this healthy economy that impacts on the tax revenue and, that is, millionaires. Yes, millionaires. Our economy has generated numerous millionaires as a result of the stock market. When they take their profits out, they pay capital gains tax. Those capital gains tax from the millionaires go toward the general fund and increase our tax revenues. So we have a healthy revenue picture but it is not because there is an overwhelming or disproportionate burden. It is because people are paying more taxes because they are earning more money, or in the case of the millionaires, they are making more profits. So we see that this mythology that has been developed around the notion of we need massive tax cuts to save this country simply is not true.

Now let us look at the Democrats' proposal. We say that the most significant issue in American politics today is saving Social Security. We know there is a day coming when the baby boom generation will become eligible for Social Security and when that day comes if we do not make some adjustments, we will be facing an insolvent Social Security system in the year 2020. By the year 2030, we will not be able to make our payments on time. That is the problem that we as public officials ought to be dealing with, not some tax gimmick because it is election year but a serious consideration of how we can address the Social Security problem.

Now, this administration, led by President Clinton, has said very simply this. What we ought to do is take any surplus that we get and put it aside to save Social Security, so that it will help us address this insolvency problem when it arrives. We will have to do other things: We will have to have a commission, we will have to come up with hard recommendations but certainly we need to start putting some of this money aside. But the thing we have to keep in mind is we do not even have the money yet. We do not have the surplus yet. It is a projected surplus. Some people say, ''Let's wait at least until the black ink dries before we start spending it.'' We should not start spending. We should not start

giving it away. We should start saving it. That is what the Democrats are proposing. It is long-range thinking. It is thinking that will protect our community, our young people in years to come. I think that this is the way we ought to go. I think this is the sound public policy. That is why when we take up this debate over the weekend we are going to say, no, save Social Security first, then talk about tax cuts after we have a serious proposal to save Social Security.

The gentleman from New Jersey has done a wonderful job leading this issue. I thank him for allowing me to have a few moments this evening.

Mr. PALLONE. I want to thank the gentleman for his input into this. One of the things that the gentleman pointed out which I think is so important is the projections that we are working with now are basically assuming a good economy, or an economy that grows at the rate that we have now, and in fact if the economy slowed down, the problems that he pointed out and the Democrats have been pointing out in terms of the amount of money that is available in Social Security are aggravated considerably.

I will just briefly mention again some of these statistics from the Congressional Budget Office. According to the Congressional Budget Office if the economy were to fall into a recession like the one in 1990 and 1991, the budget would be in deficit within one year. My colleagues on the Committee on Ways and Means, and we are going to have the gentleman from Washington (Mr. MCDERMOTT) next talk to us, but on the Committee on Ways and Means they pointed out that if the recession began in 1999, the $79 billion budget surplus projected for the year 2000 would turn into a $38 billion deficit and the $86 billion surplus in 2001 would become a deficit of $53 billion. So the assault on Social Security that the Republicans are proposing this year would widen these deficits by as much as $18 billion a year. Of course we hope the economy is going to continue to be good and we are going to do whatever we can to make sure that it is, but the problems that the gentleman from Maryland pointed out become aggravated if we do not continue to have an economy that is this good, and frankly the economy has not been this good for most of the last 10 or 20 years. So it is another reason why we have got to be very careful about what we do.

I yield to the gentleman who is on the Committee on Ways and Means and has been very knowledgeable and thoughtful about this whole proposal.

Mr. MCDERMOTT. I thank the gentleman for bringing this issue to the floor tonight. I think the reason I was willing to come down here and talk about this is that tomorrow and the next day the American public is going to be treated to a con game that you might see at a county fair, the pea and the three walnut shells, they move it around, you are not quite sure where it is. I would like to talk about what actually is happening.

There will be two bills that will be brought to the floor. One of them will be the so-called protection of Social Security bill, and the other one will be a tax bill. Now, it is my belief, and I think the figures show, that we do not have the money to give a tax break unless we use money that comes from Social Security.

Now, I put this chart up here. This is the column for the next five years. You can see that the projected, and, remember, this is projected on the basis of the way our economy is going. Now, if you think the economy for the next five years is going to continue to go up and no problems, this is what it looks like, because that is the projection that comes out of the Congressional Budget Office that there will be a surplus over the next five years all told of $657 billion. A lot of money. Now, that is all the extra money that is raised from Social Security. Understand that Social Security, when you pay your FICA taxes, we pay in each year more money than we actually pay out in benefits to old people. So we are building a surplus for the time when we get to the baby boomers in 2010. Next year we will collect $657 billion more Social Security money than we need to pay our debts. That is the check to your mother, your father, my mom is 89, my father is 93, they get their check. We are going to have $657 billion over the next five years more than we actually need to pay those checks. What are we going to do with it? That is what the debate is about.

Now, part of it, $137 billion, has to go to reduce the deficit. We are still borrowing all over the world, and the only way to get rid of that is to pay that off, to pay off that $137 billion in deficit. That leaves $520 billion of Social Security money not spent. Now, tomorrow we will hear people come out here and say, ''Well, we'll save 90 percent of it and we'll use just 10 percent of it for a little tiny tax break.''

Let me show you what happens over the next five years. Over the next five years, we collect more than $1 trillion, $1.27 trillion more in the Social Security fund than we need to pay. So you say, ''Gee, that's a lot of money. We ought to be able to give some of that back.'' Remember, it is for the Social Security of people who are going to get to 65 in 2010, the baby boomers.

Now, at that point, in that second five-year period, we would put $859 billion of it, that is how much that actually goes into Social Security and we would have a surplus of $168 billion. If you add those two, the next 10 years together, we are going to raise $1.5 trillion more than we need for Social Security. But we owe $1.516, that is $1.5 trillion—I have to get my trillions right—we have to put that much in Social Security, and the actual surplus is $31 billion at the end of 10 years. Now, I defy anybody to believe that you can project where we are going to be in the year 2008 and know that we are going to have $31 billion.

What we are going to hear tomorrow is people saying, ''Well, look, we've got all this surplus, let's spend some of it now and we know it will come in, we don't have to worry.'' This is exactly the kind of thinking that the Republicans beat up on the Democrats ever since I came to Congress. They said, ''You're balancing the budget by borrowing from Social Security and putting it into the budget. You are not being honest. You are borrowing from Social Security and you are balancing the budget, you're not raising taxes, you're just hiding from people the fact that you're spending more than you're taking in and you're stealing out of Social Security to pay for it.''

□ 2000

They yelled at us for 10 years. Now suddenly we have some extra money, and it is like they forgot what they have been saying around here for 10 years that I have been here, and they say:

Well, we have some extra money; let us give it back.

The problem with that is that it is based on assumptions that the economy is going to keep going.

Now you all have seen what happened in the stock market. Nobody can look at the stock market over the last month or so and say to yourself I can project what it is going to be like 10 years from now.

I come from Seattle, and one-third of our economy is based on international trade in this country. Seattle is very heavily dependent on that, so I know what is going on in the port of Seattle, which is the second largest port on the west coast. That port has an increase of 34 percent imports, and the exports have dropped by 32 percent.

So what is happening from all over Asia is that boats come in loaded with stuff and go back empty because the Asians are not buying from us. All those little businesses in Seattle that were exporting chemicals, and they were doing all kinds of business, they are dying on the vine all over the place right now, and the same number of ships are coming in and out, but it is only one-way trade.

People wonder why the farmers got problems in this country. I live in a place in Seattle where I can see the elevators right down on the waterfront. We have got the deepest water port on the whole west coast. They come in there, and they used to put out 40 boats a month. This last 2 months they put out 2 boats. That means we are not exporting grain from Minnesota and North Dakota and South Dakota and Nebraska and Kansas. All these farmers are out there wondering why is the price of wheat the lowest it has been in God knows how many years. It is because there is no market.

And the Congressional Budget Office is making these predictions without taking into account what is actually

happening in Asia. We will not get another revenue estimate until July 1, next year.

Now my view, to believe that we are going to have this kind of money, takes a lot of belief. You have got to believe in the Tooth Fairy, and Santa Claus and the Easter Bunny to actually believe that this is a realistic view for the next 10 years.

But the Republicans want to give money back and say we are not going to take care of what we owe Social Security.

We have borrowed from the Social Security $520 billion. In the next 5 years we are going to keep borrowing, and if we do not put it in there, we are simply not going to have a Social Security system for our kids. My son, who is 30 years old, said to me, Dad, I really do not think there is going to be Social Security when I get to be 65. If we do tomorrow what is planned by the Republicans, there will not be.

Mr. Speaker, the President was absolutely right when he said it right here in this room, right at that podium. He said we are going to save Social Security first. Then, after that is done, after the security of our children is taken care of, then we can talk about tax breaks.

Now you will also hear some interesting things. I want to show just what this really looks like, another way for you to look at it. Again here is the amount of money that we are going to have. We are going to have about $650 billion, and 137 billion of it is going to go to pay for taxes. That is the current law and the democratic plan. We will pay off the budget deficit first in the next 5 years. Then we have $520 billion to go into the trust fund in anticipation of 2010 when the baby boomers hit the system.

The Republican plan tomorrow says, well, I mean we do not have to save all of this. Why do we not just give away $90 billion in a tax break? This is their 90–10 business. They will say we are saving 90 percent of it and we are only spending 10 percent of it, so what is the harm?

Well, if I were sitting out there 30, 35, 40 years old and wondering about whether I could count on Social Security when I was 65, I would say: No, put it in the reserve and do not spend it.

Now the Democrats will offer a bill tomorrow that says we want to take this surplus and put it in the Federal Reserve so that the Congress cannot spend it, the New York bank and the Federal Reserve system, and it can only be spent if we are going to default on some of our debts on our securities. Otherwise it stays there to deal with the future of Social Security.

Now one of the things you will hear out here tomorrow that will also be confusing is people will say, well, Democrats are not for tax breaks, Democrats just want a lot of money, and they want to spend it all the time. That is not true. Many Democrats voted for tax cuts last year. Why? Because they were paid for. They were not using the Social Security surplus.

The first thing that will happen tomorrow, and for people watching this it is going to be difficult to really understand; when we pass the rule, we will pass a rule on the floor here on how this whole process is going to be argued out here, but buried in that rule are provisions that overlook all the rules of balancing the budget that was so important last year. This year they come out on the floor, and right here they are going to waive those rules; say, oh, those are from last year, they are not for this year, because they will create a deficit by giving a tax break, and they are simply waiving all the balanced budget stuff that they are going to go around in this campaign and say we balanced the budget. If they do this, they will have done it by ripping up the rule book and saying that was for last year, now we can just spend whatever we want and we do not have to account for it.

They will also say Democrats have offered some of these. I offered on the Committee on Ways and Means the tax plan. I offered the family, the part of the tax plan that gives the marriage tax penalty, wipes some of it out. I offered it twice in 1997. The entire Republican Caucus on the Committee on Ways and Means voted no. They did not want to do it last year. They were giving money to people at the top of the income scale. They did not want to do anything about people at the bottom. So I offered this marriage tax penalty last year. On two occasions it was turned down.

I also offered that you could deduct the money that you spent to buy your own health insurance if you were a self-employed person. Small businessman or woman buys their own health insurance; they cannot deduct it. The Boeing Corporation in my city or Microsoft or Weyerhauser or any of the big companies, they deduct it all. But if you are a small business person, you cannot deduct it all, and I said that is not fair; why do we not let the small businessman do that? So I offered that last year, but it was paid for. This proposal that you will see tomorrow is not paid for unless you are willing to use money raised through the Social Security tax.

Now the reason we set that tax up, you go back to 1935. Franklin Delano Roosevelt wanted us all to begin preparing for our old age, and he set up these accounts. You know, your number is a 9 digit number, and you have been putting money into that account in expectation that some day you will get to be 65 and draw it out. And we have been operating on that basis now for about 60 years, and many people say that we are going to have a big problem in 2010 because of the baby boomers, a whole bunch of people born immediately after the Second World War come onto Social Security, and we have to save now so that we are ready to pay their benefits in 2010. You can wait. You can say, well, let us not worry about that, that is tomorrow; you know, who knows what will happen? We know how many people there are and how many people that are going to have to have benefits in 2010.

Now some people say the Social Security system is broken, that it is hopeless, it is all done. It is not. That is a myth that some Members would like to say because they want to change this from a government-guaranteed system to give everybody their own individual account. Sounds like a good idea until you look at the stock market over the last month. When you look at that, you say to yourself what if I had put my money in the stock market to retire on and I made the wrong choice?

Tonight I was watching television, and they have a stock fund in the market that last night they had a whole bunch of the big bankers got together and came up with something like $400 million to save one of those mutual funds that everybody is running to put their money in. Now, if we take away the government guarantee, we leave a lot of people in real trouble. In this country today there are 5 million widows living on $8,000 a year. They are counting on this; $8,000 a year is not high living. That is just making it. And if we do not take care of this, we are going to have to reduce the benefits in 2010. If we take care of it, we can continue the benefits going out as they have for the last 60 years. But that is why it is important that we start saving now.

People call me a liberal, but I am very conservative about looking down the road and seeing an enormous problem and knowing that we have to start saving for it now. If we do not, it will be our children who will get the short end of the deal, and for people of my generation and the people who are on this floor to not think about your kids is criminal in my view because what you are saying to them is you work all your life paying for my Social Security, and then when you get there, there is nothing there. That is not the way we ought to do it, and we ought to save the money.

The President, as I said before, was absolutely right, and I think the gentleman's bringing this to the floor is giving us a opportunity to discuss this and lets people understand what is he going to happen tomorrow. They are going to hear a lot of flimflam. Tomorrow they will pass a bill saying we are saving 90 percent of Social Security, and the next day they will say: and we are giving you a tax break. And they are never going to tell you that that tax break came out of the Social Security. They are going to try every way possible to say that there is no problem. But you cannot have a $90 billion tax break tomorrow without taking it from Social Security, and my view is we ought to think to the future.

So, we will raise these same issues again tomorrow, but I think that it is

crucial that people begin to think long term. Sometimes in the Congress we think like one election to the next election, and that is what is going on tomorrow. They are thinking about November 3; can I give people a tax break so on November 3 they will think I am a great person and vote for me? Some of us are going to vote no, not because we do not want to give tax breaks, but because it is not fair and it is not right and we have to think long term.

So thanks for giving me the opportunity to talk about it.

□ 2015

Mr. PALLONE. I want to thank my colleague from Washington. The gentleman really articulates well what we face tomorrow. If I could just develop a couple points you make, because I think they are so important.

First of all, there is no question that this debate over the next two days is totally political and being done by the Republican leadership because they are looking for votes in the November election, because we already know that it is very unlikely that the Senate would even take up this legislation, and the President, of course, has vowed to veto the legislation. So we are not even talking about anything that could possibly happen or be signed into law in time before the Congress adjourns. So the whole debate on the Republican side is totally partisan, totally oriented towards the November election in an effort to garner votes.

The other thing that my colleague from Washington pointed out that I think is so important is that the money that has been generated by the Social Security surplus has been generated because we know that the baby-boom generation a few years from now is going to be very large and there are going to be a lot more seniors that need Social Security benefits.

I believe it was maybe 20 years ago in the seventies that the Congress and the President signed legislation that actually increased the tax, the FICA tax on Social Security, with the anticipation that the baby-boomers would pay this higher level, generate a surplus, and that that money would pay for their benefits because there would be so many more of them in 2010 or 2020.

What happens if that money is not there because it has been borrowed and spent on tax cuts or other things? Well, what happens is that either there will have to be another tax increase, which future generations will have to pay, which is very unfair to them, or, alternatively, they would have to cut back on the benefits.

We have already heard talk about cutting back on the COLA for Social Security, raising the age, and those are the consequences or likely consequences of this irresponsible Republican policy, that ultimately in the future we might have to raise taxes that people pay or their earnings amount in order to pay for Social Security, or cut back on the benefits. So it is a very irresponsible, totally political proposal that we are going to be seeing the next two days.

I would now like to yield to my colleague from Arkansas, who has worked with me on our Health Care Task Force. We put together the proposal, the Patients' Bill of Rights to reform HMOs, and the Kids Health Care Initiative that has been very successful last year, and he has been speaking out on the Social Security issue quite a bit for the last few weeks. I yield to the gentleman.

Mr. BERRY. I appreciate my colleague from New Jersey yielding me. I, too, have enjoyed working with him on a number of issues, particularly health care, and also on this particular issue of Social Security.

Mr. Speaker, I rise today to talk about a program that everyone in America has a vested interest in, and, of course, that is the Social Security system.

But I want to make it perfectly clear: I favor cutting taxes, but I do not favor robbing my children and my grandchildren's future to do it. Right now millions of working Americans are paying into the Social Security system and are counting on it for when they retire.

No one should have to worry that one day Social Security will not be there for them. That is an obligation that our government undertook a long time ago, and we should honor this obligation. I think that is one thing that troubles me a great deal, is the apparent willingness of the majority party here now to disregard the obligations that we have committed ourselves and our government to in the past. I think it is also noteworthy here that when Social Security was enacted, not one Republican voted for it.

In many ways, the Social Security trust fund operates much like a personal bank account. If an individual deposits more than he or she spends, the surplus is reflected as a positive balance in that account. Just as a positive balance sheet for a personal account represents an obligation by the bank to the individual holding the account, a positive balance in the Social Security trust fund represents an obligation of the United States Treasury to that fund. In other words, you put that money in the trust fund as you are working, and, when you need it, when you retire, it is owed to you.

While current retirees have nothing to worry about because Social Security will be there for them, when they need it, the Social Security system will face undeniable problems in the future. The problems need to be addressed now—that is, unless some of the people in this Congress would fulfill a lifelong dream, and that would be to do away with Social Security, and heaven forbid that that would be allowed to happen.

I am a farmer. I have been interested or associated with agriculture all of my life. Farming is a very volatile business; you have good years and bad years. When you have good years, you pay off your debt, you invest in the necessary infrastructure to be successful, and then you put some back for the future.

I think that is what we need to do with the government's so-called surplus, and certainly what we need to do with the Social Security trust fund. This year, the Social Security trust fund will collect $100 billion more in payroll taxes and interest than it pays out to the beneficiaries. However, by 2010, when 76 million baby-boomers begin to retire, the Social Security system's cash flow surplus will begin to decline. By the year 2032, the payroll taxes will only generate approximately 75 percent of the revenues needed to pay for the benefits of those current retirees. In other words, the trust fund will not have the money to pay out to all those who have retired.

The problems with the Social Security program are due to demographics, which include the baby-boom generation, declining birth rates and increasing life expectancies. As a whole, we are creating an older society. The number of people 65 and older is predicted to rise by 75 percent by the year 2025, whereas the number of workers whose payroll taxes finance the Social Security benefits of retirees is projected to grow only by 15 percent.

Social Security is financed by payroll and self-employment taxes on a pay-as-you-go basis, meaning that today's workers are paying for the benefits of today's retirees. The revenue from Social Security payroll taxes is deposited in the U.S. Treasury. The programs, benefits and administrative expenses are paid out of the Treasury. If Social Security's income exceeds the amount it pays out, as it does currently, then the surplus is credited to the trust fund in the form of U.S. securities.

Mr. Speaker, I have come to the floor many times over the last few weeks to talk about Social Security because I am concerned for my children and my grandchildren. Some in Congress have suggested recently that we raid the Social Security trust fund to pay for tax cuts. Some have said that we can pay for these tax cuts because this year we have a budget surplus.

I, like everyone, am for tax cuts, as I have already said, but not on the backs of our children and grandchildren. This surplus simply does not exist. This surplus is the Social Security trust fund.

The Concord Coalition agrees with me. They say over the next 5 years the Congressional Budget Office projects a cumulative budget deficit of $137 billion without dipping into the Social Security trust fund. Obviously, $137 billion in deficit cannot be used to offset $80 billion in tax cuts or anything else.

From this year, through the end of 2008, the Congressional Budget Office predicts a cumulative surplus of $1.6 trillion. Over the same period, the surplus in the Social Security system is

also projected to be $1.6 trillion. In other words, all of the projected budget surplus over the next 11 years is attributable to the Social Security trust fund, which should be off-budget.

By dipping into this so-called surplus, we are dipping into our children's and grandchildren's future. We are taking the money that would have been paid to them by the trust fund and we are saying we will fix it later, we will pay it back, we will do the right thing, maybe. We don't care about the future. We care about how it looks today and how it is going to look on November 3rd.

Is this how we should treat the people of this country? I do not think so. I cannot return to Arkansas and look the thousands of retired Arkansans in the first Congressional District in the eye and say, ''I am sorry, I just wasn't thinking about what would happen down the line. I was thinking of today.''

As I have said, we should cut taxes, but we should not rob the Social Security trust fund to do it. There are millions of people who depend on their monthly Social Security check as a necessary source to supplement their retirement income. Thousands of retired seniors in my district and across the country rely on Social Security as their only source of income. The Social Security System is the most successful government program ever created. All of the Members of this body should stop to think about how important the program is to each one of us, to our children and our grandchildren. We need to save the so-called surplus to be sure that the Social Security System is solvent.

Members of Congress have a responsibility to not only worry about today, but to worry about tomorrow. We must ensure that Social Security will continue to provide the benefits promised to those who have paid into the system. We must save Social Security. Our children and grandchildren deserve to know that Social Security will be there for them when they need it, and we must not rob the Social Security trust fund.

Mr. PALLONE. Mr. Speaker, again I want to thank my colleague from Arkansas. I think that what the point the gentleman makes very effectively is that our position, the Democratic position, is essentially the fiscally conservative position. Our colleague from Washington State (Mr. MCDERMOTT) was making the point that for so many years the Republicans and the leadership on the other side of the aisle kept making the point about how we should not be going further into debt, and now here we are essentially arguing what is the fiscally sound thing to do to save for the future to make sure the money is there, and we are getting opposition from them. So it is amazing to see how, I guess, the ideologies change somewhat.

But I know the gentleman has always stood on the side of fiscal conservatism, and this is obviously a manifestation of that. I am proud to be with the gentleman saying the same thing, because I think it is so important if we are going to have this money available for Social Security in the future.

Mr. Speaker, I just wanted to point out again what the Democrats are proposing. The Democrats have a proposal to save Social Security first, and our proposal would require by law that the entire amount of the Social Security surplus in each fiscal year be transferred to the Federal Reserve Bank of New York to be held in trust for Social Security. If we pass this bill today or tomorrow or Saturday, the President would sign it immediately. It is that simple. But, unfortunately, the Republicans have decided to make this a political issue, and there is no question in my mind about what they are doing.

First of all, the President has stated unambiguously that if the Republicans send him a bill that pays for tax cuts with the Social Security surplus, that he will veto it. So we are not against a tax cut. The Democratic proposal would essentially have the same tax cuts. What the President has been saying, and he just reaffirmed it last week, is that we have been waiting so long, 29 years, for a balanced budget, and it is a mistake for us to basically when we see the ink, so-to-speak, turn from red to black and watch it dry for a minute or two before we get carried away. He is just saying let us not squander the surplus on tax cuts before we save Social Security.

Today the Democrats had a rally in front of the Capitol. Vice President GORE was there with a number of Democratic House Members and Senators. Vice President GORE reiterated this point today when he said that we are not going to basically rip up the Balanced Budget Act. We care about the Balanced Budget Act and we want to make sure that we save Social Security and do not just rip up this Balanced Budget Act by passing this tax cut.

I think that it is important to know that many of the tax cuts included in the Republican bill were proposed and sponsored by Democrats. This is what my colleague from Washington was saying. The marriage penalty relief, the $500 child credit and the Hope Scholarship, expanding the deduction of health insurance for the self-employed, these proposals were actually rejected by the Republicans when they were offered by Democrats at the committee level.

So it is not that the Republicans really are pushing these proposals, because they have had ample opportunity to do it before. The point is that now, just a few weeks before the election, they are suggesting that this be done, but their intention really is not to have it passed here and go to the Senate and be signed by the President. They know that none of that is going to happen in the next few weeks.

The main thing that Democrats are saying tonight and will be saying over the next few days is that we have to have some fiscal discipline. We can show seniors and future generations that Congress will be responsible with the money the American people have entrusted us to manage for their retirement years. What we are saying is that the Republicans should abandon this ill-conceived proposal to undermine Social Security and spare itself the futile exercise of passing a bill that is speeding basically down a road to nowhere.

I can assure my colleagues on the other side of the aisle that if they drop this proposal and really move on to a legislative agenda that has some meaning, addressing HMO reform, addressing environmental and education concerns, the things that the American people want to see addressed, we could actually accomplish something here, rather than wasting our time with this tax proposal, which basically has no chance of passing and only jeopardizes Social Security.

☐ 2030

WHO DO YOU TRUST? WHO DO YOU BELIEVE?

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 1997, the gentleman from South Dakota (Mr. THUNE) is recognized for 60 minutes as the designee of the majority leader.

Mr. THUNE. Mr. Speaker, I have been listening with interest this past hour to a number of my colleagues on the other side of the aisle, and it always amazes me to get a glimpse into the mind of a liberal because they really think that it is their money. On the other hand, we think that it is the American people's money.

We listen to them talk about the reasons why we cannot lower taxes on hard-working Americans, on farmers and ranchers and small businesspeople and families, and we are at a loss sometimes as to how possibly they could have arrived at this point in time.

As I listened, there were a number of things that were mentioned. For example, the fact that the economy is performing so well right now; we certainly do not need to lower taxes. It occurred to me as I was listening to that, we think about what makes the economy perform well. Low interest rates. Low inflation. Low taxes. And we look at where we were just a few years ago before the Republicans took control of the Congress and started to get wasteful government spending under control and started to look at ways to systematically lower the tax burden on people in this country and stimulating growth in this economy and stimulating investment and generating additional tax revenues.

As a point of fact, back in 1994 before the Republicans took control of the Congress, we looked as far as the eye could see and we saw deficits 10 years into the future, $3 trillion in deficits

projected into the future. Just this last July, the Congressional Budget Office has revised its estimate and now for the next 10 or 11 years out into the future they are projecting a $1.6 trillion surplus. $3 trillion in deficit in 1994 to a $1.6 trillion surplus in 1998.

Mr. Speaker, think about that. That is almost a $5 trillion turnaround in a matter of 3½ years. And the President would like to take credit for that, but frankly the President taking credit for the good economy is about like the Easter Bunny taking credit for Easter.

What happened is the Republicans got control of the Congress, began to roll back a lot of wasteful discretionary spending, worked with the entitlement programs to make those programs more efficient, and saved the taxpayers billions and billions of dollars on the spending side of the equation.

Couple that last summer with the Balanced Budget Agreement and the tax cut that came with it and we saw a rollback of taxes. Capital gains tax relief, death tax relief, tax relief for families, education credits, and so forth to make it easier for people in this country to make a living and pay their bills and pay their taxes and to try to fulfill all the responsibilities and obligations that they have.

So, the fact that we have an economy that is performing well today is in many ways attributable to the changes that have been made since the 1994 election when this majority got control of the Congress. And to think and to sit and listen to the other side rant and rave about the fact that somehow, some way, the Republicans are going to raid Social Security to give tax cuts to their rich friends is just another lie, like the lie about the Republicans wanting to kill Medicare or wanting to kill school lunches or any of those other things, and the American people are tired of it.

We have been predicting that this would happen, and it is happening because one after another the parade of speakers coming to the floor on the liberal side of the aisle say that these Republicans want to cut Social Security.

Mr. Speaker, I want to tell the American people that that is not the case at all. As a matter of fact, we have made a commitment to save Social Security. Look at what this plan consists of: $1.6 trillion in surplus that is going to be generated over the course of the next 10 years, we are saying that $1.4 trillion, 90 percent, ought to be walled off and used to save Social Security. And not only for the current people, current generation who is receiving Social Security benefits, but for those who are paying in today.

And I can tell my colleagues, personally nobody is more interested in seeing that program survive and be there than I. I have two parents who are about 80 years old who rely on that program as their sole means of existence.

Then look at the young people who are paying in the FICA tax, the payroll tax, and are trying to balance the books in their families and trying to make ends meet and get a little bit ahead in life and they are hit with these taxes. We need to make sure that they have a program that is there for them in the future when it comes time to retire. We have made that commitment.

The question I would ask of the American people as they listen to all that rhetoric on the other side about the Republicans wanting to cut Social Security is ask one question: Who was it that said in 1995 that they were going to reform welfare and did it? Who was it that said they were going to balance the budget in 1996 and 1997 and did it? Who was it that said we were going to lower taxes on American workers across this country and did it?

Who was it that said we were going to save Medicare and make it viable for the next 10 years until we can get some long-range changes and reforms in place to make Medicare a program that will work well into the future and did it? Who was it that said they would reform the Internal Revenue Service and did it?

It was this majority in this Congress. And the American people have to ask themselves a fundamental question as this debate gets underway and that is: ''Who do you trust? Who do you believe?''

Should we believe the people who for 40 years have not put a crying dime into the Social Security trust fund? Or should we believe the people who promised welfare reform, promised a balanced budget, promised lower taxes, promised a Medicare program that worked into the future, promised IRS reform? That is the question that is before the House and before the American people as this debate gets underway.

Mr. Speaker, I just happen to believe that when we look at a $1.7 trillion annual fiscal budget, that the tax relief that is being proposed under the 90–10 plan, and the American people should bear in mind, $1.6 trillion in surplus, $1.4 trillion sealed off, walled off to save Social Security, and $80 billion in the form of tax relief.

Mr. Speaker, $80 billion on a $1.7 trillion budget is less than one-half of 1 percent to go back to the people whose money it is in the first place. But we cannot get that through the minds of people in this town, because if we listen to the debate that is going to occur from the liberals on the other side, they are going to talk about how we have all these reasons why we should not lower taxes.

I heard the discussion tonight about farm prices being low, and I happen to agree. We are in a terrible economic disaster in rural America. And the gentleman from Washington alluded to the fact that some of it happens to do with unfair trading practices. Well, that is attributable to the Clinton administration's failure to enforce trade laws and agreements. But we have a terrible problem with farm prices. What are we going to do about that?

One of the things that is proposed in this tax relief is that of the $80 billion, a bunch of it is going to help farmers and ranchers. I think that is worthwhile. Another proposal included is that by raising the threshold that the death tax applies to, the small farmer, the small rancher and independent producers in my State and other States have the opportunity, if they choose, to pass along their operation to the next generation without having to face both the Internal Revenue Service and the undertaker at the same time. I think that is remarkable, the death tax relief in this bill.

Another thing that we talked about was deductibility of health insurance premiums for self-employed persons, farmers and ranchers, people who have to pay health insurance premiums and yet do not have some employer-provided plan and therefore take it out of their own pocket and do not get to deduct it like if they had an employer or they were employers and used that as an expense. Mr. Speaker, that helps farmers and ranchers.

There is an provision that makes permanent income averaging. For farmers and ranchers there are lots of ups and downs, and unfortunately lately mostly downs. Some day that is going to come around and we are going to see income. We will have an opportunity to give our producers, farmers and ranchers, an opportunity to spread their income over time so that they do not get stuck with a big tax liability in one year.

There is a provision that allows for a loss carryback. If one has had profitable years in the past, go back as far as 5 years and if they have had profitable years, but losses in the current year, they can take the losses, offset them, and use them against their profitable years and get a tax refund this year. Mr. Speaker, that is projected to help 100,000 farmers and ranchers across this country; something that is very critical right now to help with the cash flow problems that our farmers and ranchers are suffering from.

If we want to do something about helping farmers and ranchers, instead of getting up and ranting and raving about how the Republicans, here they go again trying to give tax relief to their rich friends, think about the people that we are helping. The people in South Dakota that I represent, the farmers, the ranchers, the small businesspersons, the families that are trying to make a living and struggling to survive, are not rich. They need some help and need some tax relief.

I heard this evening, ''We have to do this for our children.'' I keep wondering as I listen to that, where were these guys for the last 40 years when we were racking up over $5 trillion in debt because of government spending that was out of control? Where were they then? Now, all the sudden we cannot lower taxes and give something back to the American people? We have to think of our children? And yet for

years and years and years in this institution when the other side controlled, had the majority control of the House of Representatives, we went in a cycle, a period of continual runaway Federal spending, racked up enormous deficits, and added to a debt that is now about $5 trillion.

So, Mr. Speaker, as we listen to this debate, and I hope the American people are tuning in, because frankly there is going to be a lot of rhetoric and hot air that fills this Chamber in the next few days. But I believe if we listen carefully to this debate, that it will not be lost on the American people that this is the same group that year in and year out, and this is an election year, we are going to hear people arguing and talking about how the Republicans want to kill this program or that program. And now they are saying that the Republicans want to kill Social Security.

That in fact is not at all the case. We are here because we want to save that program and that is why we are dedicating this surplus, 90 percent of it, to saving Social Security. Walling it off and giving that other 10 percent back to the American people whose money it is in the first place.

That is what this debate is about. It is about being responsible to the taxpayers of this country. If we leave this surplus in this town, I can assure one thing. That is that it will get spent. There is no way that the Federal Government and the liberals in this institution will allow those dollars to stay here for very long.

So, Mr. Speaker, I thank you for the opportunity to address some of these issues this evening. I wanted to respond to some of the arguments that I heard in the debate earlier from my friends on the other side of the aisle.

I encourage the American people to tune into this debate. It is important. It is about their future and their tax dollars and seeing that they get the best possible return on their dollars.

ISSUES FACING AMERICA AT THE END OF THIS CONGRESSIONAL SESSION

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, I think it is important to note that we are less than 5 weeks away from the end of this session. We will probably adjourn no later than October 15. The date is still basically October 9, but the rumor is that it will be some time after that. It is certainly going to be no later than October 15 or 16. The necessities of this election year dictate that we will have to adjourn.

I think that there is a full plate of unfinished business, and it is most unfortunate that most of that business is not being addressed. We did a few bills today that are significant, I guess, in terms of conference reports. We also did a bill that I think is very harmful relating to education, and I will come back to that.

The rumor is also that a continuing resolution which will carry our budget into next year will be substituted for the passage of individual appropriations bills. The debate and the discussion of critical issues that will take place on appropriations bills will probably not be there unless we have a rule which allows us to have a number of hours of debate on the continuing resolution, the long one. There is a short continuing resolution that is going to take us into October, but a longer continuing resolution is being prepared.

This means that we will not have a chance in the context of appropriations and budget making systematically, we will not have a chance to discuss certain vital issues. They are vital issues that are not getting the kind of exposure that they need.

☐ 2045

The American people have common sense that we welcome, we ought to welcome into this process, and we need to let them know what is going on.

I want to commend my colleagues, the gentleman from New Jersey (Mr. PALLONE) and the gentleman from Washington (Mr. MCDERMOTT), for the very thorough discussion of Social Security, what the Social Security trust fund means, how it works, what it is all about. Out of this present conflict between the majority party and the minority party, perhaps we will have a better understanding developed by the lay people in this country, by the voters, by the ordinary common people of what Social Security is all about, how it works.

We may have an honest bookkeeping process developed, because right now they do smoke and mirrors with Social Security funds. They use the funds in various ways that cover deficits in the regular budget. They talk about being off budget at certain times, and they place it in budget at other times. Maybe we can have a separate accounting system for Social Security grow out of this conflict between the two parties as to how Social Security should be administered.

It is a vital issue for all Americans. There are very few families that are not in one way or another touched by what happens with Social Security. Certainly, in the African American community, for some time now there have been studies showing that African Americans in smaller percentages live to be 65. The mainstream community, the white community, the greater proportion of them live to be 65 and over and enjoy their Social Security benefits.

Right now a much smaller percentage of African Americans are living to be 65 and being able to enjoy the Social Security benefits. Therefore, the African American community will be very hard hit by the movement of the retirement age from 65 to 67. That is going to take place within two or three years. You are going to have to wait until you are 67 before you can receive your Social Security benefits. Already the people who need the help the most are going to be penalized by this Band-Aid approach to saving Social Security.

A commission, several years ago, came up with that answer, one thing we should do is move the retirement age from 65 to 67. Now they are proposing to move it to 70 after that. It will keep moving and there will be certain groups of people who will never catch up with it, if we do not find some other way to save and protect Social Security.

I think we ought to declare off limits now and forever more any movement of the age of retirement as a way to protect Social Security. What my colleagues were saying earlier makes much more sense. Let us use the money that has accumulated in these prosperous times to deal with the problem that we project for Social Security down the road.

I am not going to go back and repeat their arguments. I want to congratulate the gentleman from Washington (Mr. MCDERMOTT) in particular, Dr. MCDERMOTT, who was the author of the single payer health plan here in Congress. He is still the author of it; he originated it, the single payer health plan.

Dr. MCDERMOTT gave a brilliant analysis of how the Social Security fund works and how the money is accumulated. And I want to congratulate him for that statement, that presentation.

Saving and protecting Social Security is something we have got to talk about more in the next few days in the context of the proposal of the Republicans that we have a tax cut. There is a surplus. Most people do not realize that that surplus is primarily money in the Social Security fund. The surplus is in the Social Security fund. Anyone who wants to take part of the present surplus and move it somewhere else will be taking it from the Social Security fund.

Our position is that we must protect the Social Security fund first, protect Social Security and guarantee that the difficulties projected will be taken care of before you begin to take money out of this surplus which is mostly Social Security funds.

I previously stated that I think that if there is a surplus, some part of it ought to be dedicated to education and the necessary steps to improve education. A greater investment in education is a worthwhile use of any surplus funds. But not until we are sure that we have the adequate protection for Social Security, that the money stream, the revenue stream, the projections for the future are all in place and we can see where the money is going to be left over after you make the necessary adjustments to secure Social Security.

That is on our plate. We need to really deal with it. We need to broaden and

maximize the discussion over the next few weeks, and everybody should be in on it. It affects us all. It is a very important program. It takes the cash straight to the recipient, to the person. It has a minimum amount of bureaucracy and layers of infrastructure. It is a check to a person who has earned it in terms of his Social Security rights.

Another thing that we must discuss more in the next few weeks is the Federal assistance to education. I regret that a continuing resolution is going to cover this whole question of what are the appropriations for education for this year. Somehow we need to infuse into the discussion of the continuing resolution a discussion of what are you going to do about education this year. The despair that is felt by parents across this Nation must find some relief from the Federal Government.

The Federal Government is responsible for only a small portion of the funding of education. We have gone over that before. Seven percent of the total funding for education is Federal funding. The rest of it is State and local funding. But that 7 percent that comes from the Federal Government is a stimulant. It makes the local government and the State government do certain kinds of things that they normally do not do.

The Federal Government has been accused of interfering, creating a bloated bureaucracy, making red tape, unbearable for teachers. This cannot be true when only a small percentage of the funds for education are Federal funds. If the Federal Government has only a 7 percent funding involvement, then our influence is only 7 percent, and we cannot, we cannot have an authority beyond the funding. We are the scapegoats, the Federal Government is the scapegoat, but it is limited, too limited.

I have always said that 7 percent is not enough. The Federal Government should at least rise to the level of 25 percent of funding for education in America. If we have 25 percent of the funding, if we provided 25 percent of the money responsibility on our schools, we still will only have 25 percent of the authority and influence. The other 75 percent of the authority and influence would still be at the State and local level. So our schools would still be State and locally run.

Federal assistance to education, unfortunately, if we have a continuing resolution, may be held hostage. It is a great excuse to do nothing.

The majority party would like to do nothing. They are aware of the fact that poll after poll and focus group after focus group demonstrate that the American people, the voters place a very high priority on matters related to education. And they think the Federal Government should be more involved in education in a very basic way.

But instead of engaging that involvement or desire to be rescued in an honest way, the majority party chooses to play trickery and pretend it is concerned about education, while it does things like the bill that was on the floor last Friday.

The bill on the floor last Friday was called Dollars to the Classroom. If you look at it very closely, it is not Dollars to the Classroom, it is dollars to the governors of the States, dollars to the governors. And the governors were given great freedom as to how they were going to spend those dollars, so fewer dollars would probably end up in the classrooms where they were needed most. The Dollars to the Classroom is just one more gimmick, part of a smoke screen that the majority Republicans have pursued to make people think that they are concerned with education when they are not.

Dollars to the Classroom would have pulled all of the authority and all of the infrastructure out of the Department of Education, which would be another way to destroy the Department of Education. They do not say that anymore, but that is still the goal.

We must make certain that in the process of developing this continuing resolution, there be a broader discussion of the things that ought to be in there that are not likely to be in there, if you leave it to the majority Republicans. We ought to not go another year without dealing with school construction, class size reduction or technology.

I will come back to a larger discussion of this. But saving and protecting Social Security, Federal assistance to education. Minimum wage increase, it has been defeated in the Senate. It has not even been put on the floor here, but I think that they owe it to the majority, again, of Americans who would like to see a minimum wage increase, they owe it to put it on the floor and let us vote on it. But that is not likely to happen.

HMO reform, greater health care coverage, HMO reform to bring the HMOs back into control. They got off to a bad start, and no one has said we ought to abolish HMOs. You do not hear any discussion of that. I think HMOs were at the center of the plan proposed by Mrs. Clinton. Most people do not realize it, that health maintenance organizations were a critical part of that plan that was ridiculed and withdrawn for no good reason, really, because it was superior to what has been allowed to mushroom and grow spontaneously, sort of. The HMOs are here to stay, so reform of HMOs is a vital discussion that has to take place. And we are in the process of doing that. The problem is we have to have a full discussion of that between both houses.

Coupled with HMO reform there must be the effort to get greater health care coverage. We need to deal with the fact that 10 million, at least 10 million Americans are not covered that ought to be covered by some health care plan. Again, Dr. McDermott, who was explaining the Social Security plan, is the author of a single payer health plan which would result in the coverage of all Americans. Single payer is not popular these days. Those kinds of things are not even discussed that much, but we should keep it in the back of our minds, that Canada has a single payer system. And Canada is able to cover its citizens without going bankrupt. Canada is alive and well. Its economy has not been plunged into any kind of crisis. For years Canada has had a single payer health plan which covers everybody. Whatever we do, regardless of what form it takes, HMO reform or any other adjustments, we ought to move to cover everybody with a health care plan. That ought to be still on our agenda.

There are some larger issues that also may not be legislative issues, but in this time of focus on the personal life and the intimate life of the President, we ought to be reminded that this great Nation cannot take its eye off major problems throughout the world. This great Nation has a duty to keep watching the kinds of developments that are taking place all over the world which may have an impact upon us.

We ought to be concerned about the stall of the peace process in the Middle East. It is a process and a set of combatants there that we have great involvement with, both the Arabs and the Jews of Israel. We have allies and enemies on both sides. And that process can blow up in our face in a short period of time. We need to not focus so on the trivialities of a Ken Starr report and focus back on some of the pressing foreign policy issues like the Middle East peace stalemate.

Yugoslavia, Bosnia, Serbia, Kosovo, those are items that also may blow up in our face. But even if they do not get worse and blow up, we have to be concerned about the fact that they are a drain on the American taxpayers now. The Yugoslavian conflict that we reluctantly entered and provided leadership for meaningful intervention, that conflict now has gone on for quite some time and America, the taxpayers of this country, have gotten bogged down in a process which is draining the Treasury. The amount of money available for these kinds of interventions is all going toward Yugoslavia, Bosnia and Serbia. Now they say we need greater involvement in Kosovo. We are talking about $6 or $7 billion now directed at one part of the world.

I am all in favor of this country exercising its role as the indispensable Nation, providing leadership when nobody else is there to provide the leadership. It is important. But when you go into a conflict like the Yugoslavian conflict and you stay there and expend billions of dollars, then what you are doing is creating a precedent, which I am certain the American people, anybody with common sense would not want followed.

□ 2100

We are ready to intervene, ready to become a part of rescuing people in

emergency situations, but emergencies should not continue forever. We are nation-building in Yugoslavia. We are doing what we said we would not do in Somalia; what we said we would not do in Haiti. We are going to the extreme of staying much too long, and the patience of the taxpayers in terms of the next necessary intervention will be worn thin. I think we should find a way to extricate ourselves from Yugoslavia after an expenditure of $7 billion. It is a lot.

On the one hand, we expend that much money in Yugoslavia, and we totally abandon Haiti. We had promised an aid package to Haiti, and that aid package only consisted of $200 million of United States funds, funds from this country. But it was part of an international package where the French and the Canadians and a number of countries were going to also contribute to the reconstruction of the economy in Haiti. Well, none of these other countries are willing to ante up and pay their portion or give their portion of the aid until the United States moves part of its $200 million to Haiti. So we are stuck. And Haiti is in a crisis now because theirs is an infrastructure that is continually crumbling.

We cannot keep ignoring Haiti. Haiti is a part of the Western Hemisphere. Haiti is a part of a collection of islands and places in this hemisphere where things happen that we cannot ignore, and important developments there impact upon our quality of life here.

For example, as the economies of Haiti or any other of the Caribbean islands crumbles, the drug lords move in. We have some small island countries that are now controlled by drug lords. We may be surrounded if we do not move to look at the problems of this hemisphere in a new way and deal with the problems of Haiti and the problems of the crumbling economies of certain island groups that have been hit very hard with a new set of rules that make it more difficult for them to sell their bananas in the European market.

The economies that were hit hard by the hurricane just yesterday and today, economies that never were that strong and have never had any significant assistance from the United States, those economies now are sitting there as bait and targets for drug lords to prey upon.

We are very concerned about drugs and the continuing in-flow of drugs and the impact that drugs have on our economy. We are going to spend millions of dollars to provide aid for police and military operations in certain countries in order to combat the drug trade. Most of that money is going to go into the hands of the very people who are part of the whole problem. Large amounts of corruption have been discovered in all of the countries that we will be giving this aid to: Mexico, Colombia. Every country.

In the final analysis, when we get down to the bottom line, the law enforcement officials are involved in the drug trade, and that is a consequence of allowing the economies to decline and the standards of government to be corrupted. And we are not going to solve the problem by addressing whatever aid systems we have only to the military and to the police agencies.

Much further across the world there is another problem that we ignore at our peril: The India and Pakistan nuclear testing duels. India and Pakistan both have exploded nuclear weapons. We are so busy watching Monica Lewinsky and following Ken Starr, the fact that these two nations both, in a period of less than a month, exploded nuclear weapons does not seem to bother us.

We have forgotten, I think, that nuclear debris blows in the air, and nuclear debris gets into the water, the oceans, and it moves around the whole world. Every time we have nuclear explosions of any kind, we increase the amount of debris out there in the atmosphere.

I was not a star pupil in physics, but in college biology we did learn about the half-life of radioactive material, how long it stays there, and the fact that radioactive material bombards our genes and our genes suffer from mutations. Some of the new kinds of diseases and microbes and viruses that we have are probably the result of radioactive bombardment and, thus, these mutations.

I remember in the biology class the professor citing some experiment that had been done with fruit flies. Fruit flies breed rapidly, so they can tell from one generation to another what the changes were. And the radioactive bombardment of fruit flies had led to some astounding mutations and changes in those fruit flies.

That was a long time ago, when I was in college biology. The rules are still the same. The principles are still the same. If there are bombs being exploded in India and Pakistan, then we have a problem that we ought to all be looking at.

The Indians and the Pakistanis danced in the street. The ordinary people went out and danced in the street when India exploded their nuclear bomb. They thought it was a great thing. It was like a great celebration that we are now a great power. The party in power, the Hindu party, is now said to have a firm grip on the populace, and that they will probably stay in power for a long time, because they have demonstrated that they are a modern nation and can stand toe-to-toe with the other nuclear powers.

So the people who danced in the street in India and the people who later came behind them and said we need one, too, they applauded their government for matching the government in Pakistan. They are the ones who are most vulnerable in terms of radioactive fallout. They do not know it, but there will be increasing cancer cases and all kinds of strange things happening to them. It is quite sad to see humanity dancing with glee, joyfully celebrating a phenomenon that is likely to have a very cruel and immediate physical impact on them in the next decade.

India and Pakistan represent a very explosive situation. Something is going to have to give there. And instead of waiting until it progresses to the point of Yugoslavia, where we have mayhem and murder and, for humanitarian reasons, all the nations of the world decide they want to do something about it, we ought to try to solve the Pakistan India problem now.

At the heart of it is the Kashmir crisis, the Kashmir situation, which is a long-standing crisis. When I was in high school I remember India received its independence and Pakistan was a breakaway area that, at the last moment, broke away and formed its own independent nation. Kashmir was supposed to become part of Pakistan but a deal was made with the rajah of Kashmir. And although the people who lived there primarily were Muslim, he was Hindu, they decided to go with India. He decided, as an individual.

That may be collapsing too much history too rapidly, but, basically, Kashmir is a place where the greater percentage of the people are Muslims. If they are given a chance to vote, they would vote to become a part of Pakistan. If they became independent, because they are Muslims, they would have a close alliance with Pakistan. India knows this. And instead of acquiescing to the will of the people, allowing a vote to take place and having Kashmir become either independent or quasi-independent, or having Kashmir make the decision to join Pakistan, India refuses to allow a vote. There is armed conflict there. Soldiers are arrayed on different borders and real difficulties may erupt at any time.

The United States has played a major role in several conflicts that have taken place over the years because the United States has basically been an ally of Pakistan. Pakistan deserves a little more help from the whole world, and certainly from the United States, because Pakistan will probably be the loser in any armed conflict with India if nobody else came to their aid. Instead of waiting for some armed conflict to develop, we ought to try to go to the aid of the situation by insisting, having the United Nations use its moral force, appeal to that element in India which still believes in Mahatma Gandhi, and appeal to India's sense of leadership in the world to go ahead and let Kashmir and the people of Kashmir vote. Let them determine where they are going to go in the standoff between armies in Kashmir and move on to a different set of arrangements.

Now, this particular crisis and this particular problem did not just pop into my head. It is one that has been brought to my attention because in my Congressional District, the 11th Congressional District in Brooklyn, there is a large Pakistani community, either

the first or second largest Pakistani community in the country. And like everybody else, they have brought their problems to my attention. And I am appalled at the length of time that the Kashmir-India-Pakistan crisis has gone on.

It is one of the things that we should be concerned with. It is one of the things that we are neglecting, as the indispensable Nation. If there is a real bloody conflict, they are going to call on us. If there is a threat to the stability of the world, or the fishing lanes, there are all kinds of reasons why we will respond, and that is good. Just for humanitarian reasons, we should respond, and I have no problem with that, but we will not unless we are able to take our eyes off the trivial, the endless flow of trivial details about what is happening in the President's private life and what is happening with the Ken Starr Monica Lewinsky case, et cetera.

We need to come back and, before this session of Congress ends, try to get serious about the fact that we are the indispensable Nation, involved in all kinds of activities that are important to the world as well as important to our own economy and our own quality of life.

So I have talked about saving Social Security, the Federal assistance to education, minimum wage increase, HMO reform and greater health care coverage, the stalled peace process in the Mideast, Yugoslavia, Bosnia, Serbia, Kosovo, and those kinds of eruptions in that part of the world, Pakistan, India and Kashmir. These are just some of the kinds of pressing problems and issues that we ought to be addressing.

Finally, I would also like to conclude my little list here by talking about something much closer to home, which arouses a lot of emotions, and that is the President's Commission on Race. Recently, the President's Commission on Race made a report, and 99 percent of the people of this country do not even know they have concluded their activities and made a report. I think that some aspect of the Lewinsky-Starr pornographic drama was unveiled on the same day they made their report. Certainly in the days that followed, the headlines, the media, everything was dominated by the Lewinsky-Starr Peyton Place drama or soap opera.

So the Commission issued a report, and I have not had a chance to read the report yet, but I have read some of the highlights in the press conference or the interviews with members of the Commission. The Commission made a great point of saying that it did not think that we should apologize for slavery. It did not think that the American government should apologize for slavery.

Now, I wonder why, if they were not going to make a positive statement, that we should apologize for slavery, why did they bother to deal with that issue at all? I think the Commission sort of defined itself by rushing to make a statement that was a negative one. Instead of emphasizing that what it did stand for, what it did want, it made a statement which everybody picked up as wonderful. It is wonderful that the Commission on Race, appointed by the President, says that there should be no apology for slavery.

Now, that is something that needs to be discussed and it, of course, is completely off the radar screen. Very little discussion will take place. But the President is to be applauded, still, for appointing that Commission. The existence of that Commission was a very important step forward. However small its budget might have been, or its staff, or however circumscribed its charge was, it was a constructive step forward by a President who did not have to do it. There was no crisis in terms of rioting in the street, there was no crisis of bombing of schools, there was no crisis of a governor standing in the schoolhouse door.

□ 2115

All of these kinds of things were not happening. So the President had no political reason for appointing a commission to review race relations. It was a brilliant stroke to just get people to discuss it. Discussing the issue will not resolve the very serious problems that we face with respect to race relations in the United States, but not discussing it certainly will not get us anywhere and when a President uses his prestige to spark a discussion and move it forward, that is a very positive achievement and the President should be given full credit for that.

The problem is in my opinion that the people on the commission did not take full advantage of the opportunity. I think the commission had some of the best minds in the field. All the people there were quite impressive in terms of their academic credentials, in terms of their experience, et cetera. I think they had very good minds. I regret that the commission, the giant intellect and the giant minds were accompanied by very tiny spirits. I think it is a tiny spirit that makes a point that we will not recommend that there be an apology for slavery and that is the most important thing that they have to lead with. We do not recommend that there be an apology for slavery. They are tiny spirits because they seem to be afraid, intimidated by certain forces that have insisted that apologizing for slavery is ridiculous or it is absurd, it is unfair to ask this generation to apologize for slavery because they cannot do it, they were not here, there were good people in both North and South, et cetera, et cetera. There are a lot of reasons that are given. However, all of these reasons, and everybody who backs away from endorsing an apology for slavery, including the majority of the members in the Black Caucus think it should not be done because it is too little and we do not want to have people have their consciences salved by taking a little step like apologizing for slavery. I disagree. I think it is symbolism and we live by symbolism. Symbolism is very important. There is a galloping symbolism that other nations are adopting. We have an apology every week just about. If you follow the papers, something is there every week apologizing for some atrocities that have been committed in the past, some injustices, et cetera.

This week, today, Thursday, September 24, we have an apology with money. I am going to read from the New York Times International, Thursday, September 24, today. This is on page A–12. Siemens Creates a Fund for Nazi Slave Workers.

''Following the lead of Volkswagen,'' Volkswagen was in the paper last week. Volkswagen apologized for the enslavement of large numbers of people during the war, having them work in their plant and not only apologized, they offered $12 million. I think Siemens is following the lead of Volkswagen.

''Following the lead of Volkswagen, the German electronics giant Siemens announced plans today for a $12 million fund to compensate former slave laborers forced to work for the company by the Nazis during World War II.

''Siemens is one of several German businesses under pressure from lawsuits in the United States and threats of more at home from Nazi-era victims.

''Volkswagen last week became the first of these companies to agree to such payments when it announced its own $12 million fund—a change of heart after arguing for years that it had no legal duty to pay back wages for labor forced on it by the Nazi war machine.

''Siemens had a similar change of heart. Almost a year ago, the company insisted that it could do no more for its former slave laborers than express ''deepest regrets.''

Siemens has gone from apologizing, they did express deep regrets, they apologized. And we are saying large numbers of people are saying that this nation, America, the great nation of America should not even do that. Do not apologize for slavery. Do not have the government apologize for the horror, probably the greatest crime committed against humanity when you add it all up and look at its in its totality. But Siemens is doing that for the laborers who were forced to work as slaves during the war. Volkswagen is doing it. Siemens today, Volkswagen last week. And last week, week before last, quite some time, the Swiss, the Swiss banks and the Swiss government have been apologizing to the Jews who were swindled out of their money in various ways when they deposited it in Swiss banks during World War II. The Swiss are also on the spot in terms of their being the agents of the Nazi government, and they are very apologetic about that. So to have our Commission on Race portray themselves as heroes because they are against apologizing for slavery is most unfortunate.

I think that some good can come out of the commission report. I will certainly look at the report closely and I hope that we move to act on some of

the recommendations that are made by the commission. But the commission in total certainly has left a legacy of spinelessness. The tiny spirits stick out there despite the gigantic minds. An apology for slavery would be very much in order. It is very much consistent with what is being done all over the world. The Japanese apologizing to the Koreans that they forced into prostitution, the Catholics apologizing in France to the Jews for what they did to them, on and on it goes. There are apologies in civilized nations, in civilized cultures, apologies all over. So are we not able to at least take that step of apologizing for slavery, having our government apologize for the fact that slavery was legal, slavery was protected by the government. For 232 years it took place here on our continent under the supervision of legal bodies that protected it. We are not asking for $12 million for a group of slaves that might have worked one place and $10 million for another group. New York City was the third largest slave port in the country. Most people do not know that. They associate slavery with the South. But New York City was the third largest slave port in the country. There are many streets named after the great slave owners, slave holders, in Brooklyn, my own home borough. If you were to have some way to compute the amount of money that is owed in back wages to all the slaves who labored for years and years without any pay, certainly New York would have a big payout. You would have a large number of families that would be eligible for very big payouts. But we are not going to go that far. We are not going to try to do the impossible. But an apology is a good beginning. A recognition of the horrors that were perpetrated with the aid of government is a good beginning. We should have had that beginning.

Now, I have covered a lot of territory, all the way from slavery and protecting Social Security to apologies for slavery. My point tonight is, these are very important items that must be kept on our agenda. These are very important items that we cannot ignore.

A recent book came out about this whole matter of the slave labor in Germany. Each of the factories that were involved, Volkswagen and Siemens, they say the Nazis forced them to use slave labor. But there is a book out which is called ''The Splendid Blond Beast: Money, Law and Genocide in the Twentieth Century'' by Christopher Simpson. In that book the thesis is the companies pursued the cheap slave labor. They wanted it, they went after it, they bid on it. It was not just the government insisting that they utilize the slave labor of prisoners of war and Jews and other people that the Nazis had enslaved. ''The Splendid Blond Beast: Money, Law and Genocide in the Twentieth Century'' by Christopher Simpson. That book has come out recently. There are discussions of it. That is why I think it should be related to the apology for slavery and the commission report. All of these things relate very much to each other. All of them are important.

We are a Nation now that has a leadership role in the world. We are the indispensable nation. The President calls us the indispensable nation. I agree with that term. But we are absorbed with trivialities. One way to smother this Nation and to destroy it is to get so consumed with trivialities that we cannot deal with the major basic issues that confront our economy, our Nation and the world. We are obsessed with ephemeral kinds of things that do not mean very much one way or the other. We are consumed. We are manipulated to be consumed by trivialities. The lives of the movie stars and the lives of the elected officials when they are treated like the lives of the movie stars become far more important than the critical issues of our day. We need to do something about the issues that I have just outlined. We need to do something now. We are at a pivotal period where we do not have certain kinds of pressures on us. We do not have a recession. We have a surplus that we are looking at. We need to have a real, thorough examination of what it means to have a surplus and deal with that. We also need to take a look at the context with which these trivialities keep being pushed to the forefront.

The newspapers and the television stations are obsessed with forcing us to examine the trivialities related to the President's private life, for example. First you have an organ of government, the special prosecutor's office, publishing great details, exploiting trivialities in a way which will guarantee that the report gets a maximum distribution. You have an organ of government paid $40 million, the whole Special Prosecutor's office, which is putting out something which you could call a form of nonfiction pornography. In fact I think it was a statement made by Ken Starr himself that is very interesting where he said that anybody who does that kind of thing certainly deserves to be condemned. Ken Starr on 60 Minutes in an interview with Diane Sawyer in 1987 made the following statement. Quote, from Ken Starr:

> Public media should not contain explicit or implied descriptions of sex acts. Our society should be purged of the perverts who provide the media with pornographic material while pretending it has some redeeming social value under the public's ''right to know.'' End of Ken Starr's quote.

Kenneth Starr, 1987, 60 Minutes, CBS Television interviewed by Diane Sawyer. Let me just read the quote once more. Quote from Ken Starr:

> Public media should not contain explicit or implied descriptions of sex acts. Our society should be purged of the perverts who provide the media with pornographic material while pretending it has some redeeming social value under the public's right to know.

End of quote from Ken Starr.

I agree, Mr. Starr. But you are the one who is guilty. We have your report which has been basically rejected by the majority of the American people. They do not like it. You overreached. Whoever acts in concert with you or that you act in concert with, they have overreached. And we have a situation where all of these publications and exposures of salacious material have not impressed the American people in a positive way. We have the common sense of the American people rising up to challenge and attempt to manipulate their minds. The salacious material, the pornography was all put there in order to distract you with trivialities and not focus on the case that is not there against the President. The President has done nothing which is an impeachable offense. One way to make you forget that is to introduce Peyton Place and soap opera instead and let you get all caught up in discussions of the details of the soap opera, Tobacco Road, Peyton Place and a whole lot of details about intimate activities that should not be published under a government imprimatur, certainly not by a special prosecutor.

☐ 2130

So the American people have rejected it. It has not worked. There has been no automatic response which says throw him out; you know, we do not have that. The polls have not done any gyrations spinning downward, and I want to read from an article that appeared in today's New York Times. Frank Newport, the editor and chief of the Gallup poll writes the following:

> Republicans these days do not seem to think much of public opinion polls. With a strong majority of Americans still opposed to the impeachment of President Clinton, some prominent Republicans are arguing that Congress should do what it thinks is right, not what the polls say.

It is very strange to hear politicians, Republicans or Democrats, saying we should ignore the polls. We live by the polls, and, you know, when we should be ignoring the polls and providing leadership and guidance, that is seldom happens. But suddenly the Republicans have said the polls are not important. I wonder how long that is going to be in effect.

Going back to the article by Mr. Newport, quote:

> Poll taking in an art, not a science, HENRY HYDE, chairman of the House Judiciary Committee said on Tuesday. Representative TOM DELAY of Texas was more direct: I think frankly the polls are a joke. Dan Quayle, the former Vice President, sees a subtext. I think that the people are far more turned off with Bill Clinton and all of his shenanigans than all of these public opinion polls are expressing, he said in August.

So, Dan Quayle, TOM DELAY and HENRY HYDE all think polls are ridiculous, they are superfluous, they do not mean much.

Going back to Mr. Newport's article:

> But Republicans should not shoot the messenger. After all polls do nothing more than summarize the opinions of the people. In a democratic society ignoring the polls demonstrates a considerable arrogance. Why

should we assume that pundits and elected officials know more than the average American or that careful scientific polls do not accurately measure public sentiment?

There is no doubt that Americans want Congress to listen to them. In a Gallup survey conducted this month 63 percent of those surveyed said that on the question of a possible impeachment of President Clinton Members of Congress should stick closer to public opinion rather than doing what they themselves think is best. And to date Americans do not want the President to leave office. Even after the release of the Starr Report and of Mr. Clinton's testimony on videotape the number of Americans who approve of the job Mr. Clinton is doing is 66 percent according to a Gallup poll taken on Monday. Only 32 percent of respondents favored impeaching and removing Mr. Clinton from office. Thirty-nine percent said that he should resign.

The results were similar in other polls. In a NBC news poll, also taken on Monday night, only 26 percent of the respondents believe the President was telling the truth, but 60 percent did not believe the President should resign.

It is certainly possible that the public can still be convinced that impeachment is a correct course. That is what happened during Watergate. In November 1973, just 30 percent of Americans favored impeaching and forcing Richard Nixon from office. By August 1974, just before Nixon resigned, more than 60 percent favored such action.

The job for those who feel Mr. Clinton should leave office is to take these convictions to the public to continue to make that case. Ultimately, however, Congress should listen to the public's response, much of it measured through polling.

That is the end of the quote of Mr. Frank Newport in the New York Times. I think that is today, today's New York Times, September 24 on the op-ed page.

I cite that because, and I read from Ken Starr's statement before 60 Minutes to make the point that we are off into trivialities, and we are being deliberately in many cases led into trivialities, into matters of little consequence, in order to ignore the big issues. And, as a Nation, we are probably going to be subjected to this kind of activity again and again.

The spin is a part of American political life now, the spin. The spin often will spin you into outer space where there is nothing but dust and there is nothing of any consequence.

So I am arguing that we should exercise the common sense out there that they do not appear to have here in the Congress.

Continue to focus on the issues, continue to understand that saving Social Security is an issue that ought to be discussed widely, you ought to have a role in that, you ought to go visit your Congressperson and talk to them about it. You ought to understand that an $80 million tax cut jeopardizes the effort to systematically begin the process of guaranteeing that Social Security will survive and be there fully when it is needed in the future. You ought to not allow yourself to be pulled away from the focus on that very real issue.

Federal assistance to education is a very real issue. Let me just expand for one moment on what happened today. We had on the floor of the Congress today a bill which would increase the immigration quota for professional workers. That immigration quota increase is designed primarily to bring in more information technology workers into this country. Information technology workers are people who work in various ways with computers and the Internet programing and various things related to the computer culture, and there is a great demand for workers. We already have 65,000 of those workers in America. That quota was overrun back in the spring, and now they want to bring in this year another 25,000, and then every year between now and the year 2000 increase the number.

What does that have to do with education in America? It says that we are going to be giving away. We have already given away 65,000 jobs to foreigners. We want to give away another 25,000 to foreigners this year, and we are going to give up to 1,000 in the year 2001; 107,000, I forget. The big problem here is that those figures do not tell the full story. If this is the way the problem is going to be solved when you have vacancies and a need for workers in the high tech area like information technology, if you are going to allow the companies to bring in people from the outside, then they are never going to be willing to fund and develop an adequate education system in America.

You know, first of all there is an advantage in bringing in foreigners from the outside. They always pay them less. They do not pay them as much as they pay information technology workers who are based and trained here. So that is one advantage they are always going to be seeking.

We must insist that the piece of legislation which passed on the floor today is the wrong way to go, that we ought to revamp our education system in order to be able to have a pool, a large pool of people who are in the early grades exposed to computer literacy training, and they go up to high school, and they get more training, and some kids could actually graduate from high school and not go to college and get certified; Microsoft I think certification, A–1 certification; and make between 30 and $40,000 a year. If they want to continue at a junior college or college, you know all of those opportunities are almost guaranteed to be there in the future. That is the way we are going with our economy and the technology. The jobs will be there. The Department of Labor estimates that there will be 1.5 million vacancies in 5 years in the information technology area.

So, we cannot wait until this session is over. We need to do something about federal assistance to education now.

Last Saturday I had a luncheon as part of the Congressional Black Caucus legislative weekend. I had a luncheon and invited 50 school superintendents to come and help us to develop a strategy or let us get together in solidarity in order to make certain that for the remainder of this session of Congress we are not ignored that the education agenda is not pushed on the back burner and left there. Thirty-five school superintendents came; I was surprised at the large number who responded. These are superintendents from what we call America's most challenged districts, the districts that have the largest percentages of poor students, students who receive free school lunches.

So, you know, at that time we addressed the basic issues that they are confronted with. They want the school construction program that is proposed by the President. They want that to pass: $22 billion over a 5-year period to help with school construction. They want class size reduction. They want wiring of the schools for technology. If we do all these things, we will not have to call upon foreign nations to provide us with a work force in the next five to ten years.

We want to deal with HMO reform. You know, we talk a lot about Medicare and the problems that Medicare has. The problems that Medicaid, the poorest people have, are far worse than the problems being experienced by the people who have Medicare. And there are too many problems with HMOs and Medicare already.

The big problem with Medicaid is that the Governors, the States, are squeezing the capitation fees so hard, they are lowering the capitation fees for families and individuals to the point where it is hard for the HMOs to provide the kind of service they should provide. It is the Governors, it is the State apparatus that insists on squeezing more and more, saving more and more, and it has become a situation where the government has endorsed second class health care. Second class health care is deadly health care. You either have first class health care or you have dangerous and deadly health care. And when you cut corners on health care, it means that the health care is likely to do more harm than good. We are being forced into that by States that are greedy and want more and more money.

So that is an important issue.

Save and protect Social Security, provide federal assistance to education now, let us not wait this session. We need to act on the President's proposals. More and more people in the black community, I must confess, parents, are looking to vouchers, 56 percent according to several polls. Fifty-six percent of the parents said they are ready to try vouchers. I know why that phenomenon is taking place. They are desperate. They have given up on the public schools. The way to reverse that desperation is to show there is some reason to have hope, take some action to do meaningful things about the situation in our public schools, take dramatic, highly visible action like school construction, class size reduction and the wiring of schools in order to have a

maximum use of technology. That brings hope for the public schools. It renews all that is there.

We must continue despite the fact that a continuing resolution sort of blocks out a clear discussion of the issues. We must continue the discussion and try to force onto the agenda of the continuing resolution debate all of these priority programs like the saving and protection of Social Security, and the federal assistance to education, HMO reform. They cannot be smothered away by the fact that there will be no individual appropriations bills on each one of these areas.

So I hope that the common sense of the American people will invade these halls in the next few weeks, we will get away from the trivialities and the pornography and return to issues that matter most in this indispensable Nation. We need to continue to make decisions that are going to carry us into the 21st century as a leader of the free world.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. Manton (at the request of Mr. GEPHARDT) for today after 5:00 p.m. on account of personal reasons.

Ms. SANCHEZ (at the request of Mr. GEPHARDT) beginning at 5:00 p.m. today and for the balance of the day on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Ms. KAPTUR) to revise and extend their remarks and include extraneous material:)

Mr. BROWN of Ohio, for 5 minutes, today.

Mr. CONYERS, for 5 minutes, today.

Mr. HINCHEY, for 5 minutes, today.

Ms. NORTON, for 5 minutes, today.

Mr. MINGE, for 5 minutes, today.

Mrs. MINK of Hawaii, for 5 minutes, today.

(The following Members (at the request of Mr. CHAMBLISS) to revise and extend their remarks and include extraneous material:)

Mr. CHAMBLISS, for 5 minutes, today.

Mr. PAUL, for 5 minutes, today.

Mr. BILBRAY, 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 Ms. KAPTUR) and to include extraneous material:)

Mr. KIND.

Ms. JACKSON LEE of Texas.

Ms. PELOSI.

Mr. CONDIT.

Mrs. CAPPS.

Mr. DOOLEY of California.

Mrs. MALONEY of New York.

Mr. UNDERWOOD.

Mr. KUCINICH.

Mr. MCDERMOTT.

Mrs. MINK of Hawaii.

Mr. OBERSTAR.

Mr. KLECZKA.

Ms. SANCHEZ.

Ms. VELÁZQUEZ.

Ms. MCCARTHY of Missouri.

Ms. LEE.

(The following Members (at the request of Mr. CHAMBLISS) to revise and extend their remarks and include extraneous material:)

Mr. THOMAS.

Mr. EHRLICH.

Mr. RIGGS.

Mrs. NORTHUP.

Mr. BOB SCHAFFER of Colorado.

Mr. BILIRAKIS.

Mr. CASTLE.

Mr. SMITH of Oregon.

(The following Members (at the request of Mr. OWENS) to revise and extend their remarks and include extraneous material:)

Mr. TOWNS.

Mrs. MORELLA.

Mr. RAMSTAD.

Mr. BURTON of Indiana.

Mr. HUTCHINSON.

Mr. ROHRABACHER.

Mr. FRELINGHUYSEN.

Mr. DIXON.

Mr. GREEN.

BILL PRESENTED TO THE PRESIDENT

Mr. THOMAS, from the Committee on House Oversight, reported that that committee did on the following date present to the President, for his approval, a bill of the House of the following title:

On September 23, 1998:

H.R. 1856. To amend the Fish and Wildlife Act of 1956 to promote volunteer programs and community partnerships for the benefit of national wildlife refuges, and for other purposes.

ADJOURNMENT

Mr. OWENS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 9 o'clock and 44 minutes p.m.), under its previous order, the House adjourned until tomorrow, September 25, 1998, at 9 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

11228. A letter from the Congressional Review Coordinator, Animal and Plant Health Inspection Service, Department of Agriculture, transmitting the Department's final rule—Brucellosis in Cattle; State and Area Classifications; Florida [Docket No. 98–014–2] received August 17, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

11229. A letter from the Congressional Review Coordinator, Animal and Plant Health Inspection Service, Department of Agriculture, transmitting the Department's final rule—Mediterranean Fruit Fly; Addition to Quarantined Areas [Docket No. 98–083–1] received August 17, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

11230. A letter from the Congressional Review Coordinator, Animal and Plant Health Inspection Service, Department of Agriculture, transmitting the Department's final rule—Mexican Fruit Fly Regulations; Removal of Regulated Area [Docket No. 98–084–1] received August 17, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

11231. A letter from the Congressional Review Coordinator, Animal and Plant Health Inspection Service, Department of Agriculture, transmitting the Department's final rule—Validated Brucellosis-Free States; Alabama [Docket No. 98–086–1] received August 17, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

11232. A letter from the Congressional Review Coordinator, Animal and Plant Health Inspection Service, Department of Agriculture, transmitting the Department's final rule—Mediterranean Fruit Fly; Addition to Quarantined Areas [Docket No. 98–083–2] received August 18, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

11233. A letter from the Director, Office of Legislative Affairs, Federal Deposit Insurance Corporation, transmitting the Corporation's final rule—Risk-Based Capital Standards: Unrealized Holding Gains on Certain Equity Securities [Docket No. 98–12] (RIN: 1557–AB14) received September 15, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

11234. A letter from the Director, Office of Legislative Affairs, Federal Deposit Insurance Corporation, transmitting the Corporation's final rule—Capital; Risk-Based Capital Guidelines; Capital Adequacy Guidelines; Capital Maintenance: Servicing Assets [Docket No. 98–10] (RIN: 1557–AB14) received September 10, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

11235. A letter from the General Counsel, Federal Emergency Management Agency, transmitting the Agency's final rule—Final Flood Elevation Determinations [44 CFR Part 67] received September 15, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

11236. A letter from the General Counsel, Federal Emergency Management Agency, transmitting the Agency's final rule—Changes in Flood Elevation Determinations [Docket No. FEMA–7261] received September 15, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

11237. A letter from the General Counsel, Federal Emergency Management Agency, transmitting the Department's final rule—Suspension of Community Eligibility [Docket No. FEMA–7694] received September 15,1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

11238. A letter from the General Counsel, Federal Emergency Management Agency, transmitting the Department's final rule—List of Communities Eligible for the Sale of Flood Insurance [Docket No. FEMA–7693] received September 15, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

11239. A letter from the General Counsel, Federal Emergency Management Agency, transmitting the Agency's final rule—Changes in Flood Elevation Determinations [44 CFR Part 65] received September 15, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

11240. A letter from the General Counsel, Federal Emergency Management Agency, transmitting the Agency's final rule—Final Flood Elevation Determination [44 CFR Part 67] received September 15, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

11241. A letter from the Deputy Assistant Secretary for Policy, Department of Labor, transmitting the Department's final rule—Interim Rule Amending Summary Plan Description Regulation (RIN: 1210–AA55) received September 15, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Education and the Workforce.

11242. A letter from the AMD-Performance Evaluation and Records Management, Federal Communications Commission, transmitting the Department's final rule—Amendment of the Commission's rules to Provide for Operation of Unlicensed NII Devices in the 5 GHz Frequency Range [ET Docket No. 96–102] received August 11, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

11243. A letter from the Assistant Secretary for Export Administration, Department of Commerce, transmitting the Department's final rule—Establishment of 24-month Validity Period for Certain Reexport Authorizations and Revocation of Other Authorizations [Docket No. 980821223–8223–01] (RIN: 0694–AB74) received September 15, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on International Relations.

11244. A letter from the Director, Office of Executive Assistance Management, Department of Commerce, transmitting the Department's final rule—Uniform Administrative Requirements for Grants and Agreements With Institutions of Higher Education, Hospitals, Other Non-Profit, and Commercial Organizations (RIN: 0605–AA09) received September 10, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform and Oversight.

11245. A letter from the Executive Director, Federal Labor Relations Authority, transmitting the Authority's final rule—Regulations Implementing Coverage of Federal Sector Labor Relations Laws to the Executive Office of the President [5 CFR Parts 2420,2421,2422,2423, and 2470] received September 8, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform and Oversight.

11246. A letter from the Executive Director, The Presidio Trust, transmitting the Trust's final rule—Management of the Presidio (RIN: 3212–AA01) received September 10, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

11247. A letter from the Acting Deputy Assistant Administrator for Ocean Services and Coastal Zone Management, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Financial Assistance for a National Ocean Service Intern Program [Docket No. 980723189–8189–01] (RIN: 0648–ZA46) received September 10, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Science.

11248. A letter from the Director, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—NOAA Climate and Global Change Program, Program Announcement [Docket No. 980413092–8092–01] (RIN: 0648–ZA39) received September 15, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Science.

11249. A letter from the Deputy General Counsel, Small Business Administration, transmitting the Administration's final rule—Disaster Loan Program [13 CFR Part 123] received September 9, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Small Business.

11250. A letter from the Assistant Secretary of Labor, Department of Labor, transmitting the Department's final rule—Unemployment Insurance Program Letter [No. 41–98] received September 16, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

11251. A letter from the Secretary of Health and Human Services, transmitting the Department's final rule—Automated Data Processing Funding Limitation for Child Support Enforcement Systems (RIN: 0970–AB71) received September 15, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

11252. A letter from the Secretary of Health and Human Services, transmitting the Department's final rule—Washington: Withdrawal of Immediate Final Rule for Authorization of State Hazardous Waste Management Program Revision [FRL–6147–3] received September 15, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

11253. A letter from the Secretary of Health and Human Services, transmitting the Department's final rule—Health Care Programs: Fraud and Abuse; Revised OIG Exclusion Authorities Resulting From Public Law 104–191 (RIN: 0991–AA87) received August 15, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); jointly to the Committees on Ways and Means and Commerce.

11254. A letter from the Director, Defense Security Assistance Agency, transmitting notification concerning the Department of the Navy's Proposed Letter(s) of Offer and Acceptance (LOA) to the Netherlands for defense articles and services (Transmittal No. 98–53), pursuant to 22 U.S.C. 2776(b); to the Committee on International Relations.

11255. A letter from the Director, Defense Security Assistance Agency, transmitting notification concerning the Department of the Navy's Proposed Letter(s) of Offer and Acceptance (LOA) to Spain for defense articles and services (Transmittal No. 98–57), pursuant to 22 U.S.C. 2776(b); to the Committee on International Relations.

11256. A letter from the Director, Defense Security Assistance Agency, transmitting notification concerning the Department of the Army's Proposed Letter(s) of Offer and Acceptance (LOA) to Egypt for defense articles and services (Transmittal No. 98–62), pursuant to 22 U.S.C. 2776(b); to the Committee on International Relations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and referred to the proper calendar, as follows:

Mr. YOUNG of Alaska: Committee on Resources. H.R. 2370. A bill to amend the Organic Act of Guam for the purposes of clarifying the local judicial structure and the office of Attorney General; with amendments (Rept. 105–742). Referred to the Committee of the Whole House on the State of the Union.

Mr. HASTINGS of Washington: Committee on Rules. House Resolution 551. Resolution providing for the consideration of the bill (H.R. 4618) to provide emergency assistance to American farmers and ranchers for crop and livestock feed losses due to disasters and to respond to loss of world markets for American agricultural commodities (Rept. 105–743). Referred to the House Calendar.

Mr. SOLOMON: Committee on Rules. House Resolution 552. Resolution providing for consideration of the bill (H.R. 4578) to amend the Social Security Act to establish the Protect Social Security Account into which the Secretary of the Treasury shall deposit budget surpluses until a reform measure is enacted to ensure the long-term solvency of the OASDI trust fund, and for consideration of the bill (H.R. 4579) to provide tax relief for individuals, families, and farming and other small businesses, to provide tax incentives for education, to extend certain expiring provisions, and for other purposes (Rept. 105–744). Referred to the House Calendar.

Mr. DREIER: Committee on Rules. House Resolution 553. Resolution providing for consideration on the bill (H.R. 2621) to extend trade authorities procedures with respect to reciprocal trade agreements, and for other purposes (Rept. 105–745). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of Rule X and clause 4 of Rule XXII, public bills and resolutions were introduced and severally referred, as follows:

By Mr. MENENDEZ (for himself, Mr. BONIOR, Mr. REYES, Mr. SANDLIN, Mr. BORSKI, Ms. FURSE, and Mr. UNDERWOOD):

H.R. 4617. A bill to provide increased funding to combat drug offenses, and for other purposes; to the Committee on the Judiciary, and in addition to the Committees on Education and the Workforce, and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. SMITH of Oregon:

H.R. 4618. A bill to provide emergency assistance to American farmers and ranchers for crop and livestock feed losses due to disasters and to respond to loss of world markets for American agricultural commodities; to the Committee on Agriculture, and in addition to the Committee on the Budget, 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. MINK of Hawaii:

H.R. 4619. A bill to modify the requirements under the Immigrant Investor Pilot Program in order to permit an alien who joins a limited partnership after the partnership's creation to qualify for a visa under such program; to the Committee on the Judiciary.

By Mr. HORN:

H.R. 4620. A bill to establish a Federal Commission on Statistical Policy to study the reorganization of the Federal statistical system, to provide uniform safeguards for the confidentiality of information acquired for exclusively statistical purposes, and to improve the efficiency of Federal statistical programs and the quality of Federal statistics by permitting limited sharing of records among designated agencies for statistical purposes under strong safeguards; to the Committee on Government Reform and Oversight, and in addition to the Committees on Education and the Workforce, and Rules, 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. CASTLE (for himself, Mr. BOEHLERT, Mr. ENGLISH of Pennsylvania, Mr. FOLEY, Mr. FOX of Pennsylvania, Mr. DOOLEY of California, Mr. GILMAN, Mr. HINOJOSA, Mr. LAZIO of New

York, Mr. QUINN, Mr. SAWYER, and Mr. SHAYS):

H.R. 4621. A bill to provide for grants, a national clearinghouse, and a report to improve the quality and availability of after-school programs; to the Committee on Education and the Workforce.

By Ms. DUNN of Washington:

H.R. 4622. A bill to amend the Internal Revenue Code of 1986 to clarify the standards used for determining whether individuals are not employees; to the Committee on Ways and Means.

By Mr. FOSSELLA (for himself, Mrs. KELLY, Mr. MANTON, Mr. ACKERMAN, Mr. KING of New York, Mr. MEEKS of New York, Mr. SOLOMON, Mrs. MALONEY of New York, Mr. ENGEL, and Mr. GILMAN):

H.R. 4623. A bill to amend title 36, United States Code, to grant a Federal charter to the National Lighthouse Center and Museum; to the Committee on the Judiciary.

By Mr. LEACH:

H.R. 4624. A bill to require the Secretary of the Treasury to mint coins in conjunction with the minting of coins by the Republic of Iceland in commemoration of the millennium of the discovery of the New World by Leif Ericsson; to the Committee on Banking and Financial Services.

By Mr. MCDERMOTT (for himself, Mr. DICKS, and Mr. ADAM SMITH of Washington):

H.R. 4625. A bill to designate the United States court house located at West 920 Riverside in Spokane, Washington, as the ''THOMAS S. Foley United States Court House''; to the Committee on Transportation and Infrastructure.

By Mr. THOMAS:

H.R. 4626. A bill to amend the Internal Revenue Code of 1986 to provide individuals a credit against income tax for the purchase of a new energy efficient affordable home and of energy efficiency improvements to an existing home; to the Committee on Ways and Means.

By Mr. UNDERWOOD (for himself and Mr. YOUNG of Alaska):

H. Res. 554. A resolution to condemn North Korea's missile launch over Japan; to the Committee on International Relations.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

395. The SPEAKER presented a memorial of the legislature of the territory of Guam, relative to Resolution No. 303 memorializing the Congress of the United States to pass legislation granting an exemption from the maritime cabotage laws of the United States to benefit Guam, Hawaii, Alaska, and Puerto Rico; jointly to the Committees on National Security and Transportation and Infrastructure.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 306: Mr. REGULA.

H.R. 372: Mr. DICKS.

H.R. 457: Mr. ADAM SMITH of Washington.

H.R. 979: Mr. MENENDEZ.

H.R. 1126: Mr. REDMOND.

H.R. 1500: Mr. FORBES and Mr. PETERSON of Minnesota.

H.R. 2094: Mrs. MINK of Hawaii.

H.R. 2593: Mrs. BONO, Mr. KLINK, and Mr. MCGOVERN.

H.R. 2868: Mr. INGLIS of South Carolina.

H.R. 2908: Mr. SAWYER and Ms. MCCARTHY of Missouri.

H.R. 3008: Mr. LAMPSON.

H.R. 3169: Mr. BLAGOJEVICH.

H.R. 3290: Mr. DICKEY.

H.R. 3304: Mr. KUCINICH.

H.R. 3602: Mr. DOOLITTLE.

H.R. 3632: Mr. CAMPBELL.

H.R. 3636: Mr. PASTOR, Mr. CHRISTENSEN, Ms. PELOSI, Mr. DELAHUNT, Mr. OLVER, Mrs. JOHNSON of Connecticut, and Mr. CAMP.

H.R. 3702: Ms. CHRISTIAN-GREEN, Mr. FORBES, and Mr. MURTHA.

H.R. 3704: Mr. TRAFICANT, Ms. DELAURO, Mr. ENSIGN, and Mr. CANADY of Florida.

H.R. 3835: Mr. SOUDER, Mr. KIND of Wisconsin, Mr. SHAW, Mr. MOLLOHAN, Ms. RIVERS, Mr. DEFAZIO, and Mr. DOYLE.

H.R. 3925: Ms. PELOSI.

H.R. 3935: Mr. MARKEY and Mr. GUTIERREZ.

H.R. 3949: Mr. COOK.

H.R. 4019: Mr. KING of New York and Mr. STENHOLM.

H.R. 4027: Ms. CHRISTIAN-GREEN.

H.R. 4172: Mr. SAM JOHNSON of Texas and Mr. NORWOOD.

H.R. 4196: Mr. GOODLATTE.

H.R. 4197: Mr. BLUNT.

H.R. 4213: Mr. LIVINGSTON.

H.R. 4228: Mr. MANZULLO.

H.R. 4291: Ms. FURSE.

H.R. 4299: Mr. BONIOR.

H.R. 4322: Mr. BARRETT of Wisconsin.

H.R. 4368: Mr. SMITH of New Jersey.

H.R. 4370: Mr. COOKSEY and Mr. BOB SCHAFFER.

H.R. 4404: Mr. LAHOOD.

H.R. 4407: Mr. BALDACCI and Mr. PETERSON of Minnesota.

H.R. 4449: Mr. LEWIS of Kentucky, Mr. CHAMBLISS, Mr. BALLENGER, Mr. PRICE of North Carolina, Mrs. MYRICK, Mrs. MORELLA, Mr. ADAM SMITH of Washington, and Mr. HOLDEN.

H.R. 4492: Mrs. CAPPS, Ms. WOOLSEY, Mr. GUTKNECHT, Mr. DICKS, and Mr. CANADY of Florida.

H.R. 4499: Mr. BRADY of Pennsylvania, Mr. SERRANO, and Mr. FROST.

H.R. 4504: Mr. MCGOVERN.

H.R. 4542: Mr. FORBES.

H.R. 4553: Mr. BACHUS, Mr. SESSIONS, Mr. EHRLICH, Mr. PARKER, and Mr. HEFLEY.

H.R. 4563: Mr. PAPPAS, Mrs. KENNELLY of Connecticut, Ms. LEE, Mrs. MYRICK, Mr. YATES, Mr. BROWN of Ohio, Mr. GEJDENSON, Mr. WEXLER, Mr. LANTOS, Mr. BERMAN, Mr. BARRETT of Wisconsin, Mr. WELLER, Mrs. KELLY, and Mr. DEUTSCH.

H.R. 4567: Mr. MEEHAN and Mr. BOB SCHAFFER.

H.R. 4575: Mr. GALLEGLY.

H.R. 4590: Mr. GREENWOOD, Mr. BOEHLERT, and Mr. MCGOVERN.

H.R. 4597: Mr. SKAGGS, Ms. JACKSON-LEE of Texas, Mr. MCGOVERN, Mr. SANDLIN, Ms. RIVERS, Mr. SPRATT, Mr. KLINK, Ms. ROYBAL-ALLARD, Mr. GREEN, Mr. WYNN, Ms. EDDIE BERNICE JOHNSON of Texas, Ms. STABENOW, Mr. GORDON, and Mr. ADAM SMITH of Washington.

H.R. 4600: Mr. ACKERMAN.

H.R. 4611: Mr. RANGEL and Mrs. THURMAN.

H. Con. Res. 166: Mr. PETERSON of Minnesota.

H. Con. Res. 317: Mr. NETHERCUTT and Mr. TORRES.

H. Con. Res. 320: Mrs. KELLY, Mr. MCGOVERN, Mr. PASCRELL, Mr. GUTIERREZ, and Mr. UPTON.

H. Con. Res. 328: Mr. WELDON of Pennsylvania, Mr. GUTIERREZ, and Mr. SANDLIN.

H. Res. 479: Mr. RUSH.

H. Res. 519: Mr. COOK.

H. Res. 532: Mr. ADERHOLT and Mr. BRADY of Texas.

H. Res. 533: Mr. MORAN of Virginia and Mr. LIPINSKI.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the clerk's desk and referred as follows:

78. The SPEAKER presented a petition of The Legislature of Rockland County, relative to Resolution No. 214 of 1998 petitioning Congress to defeat Senate Bill S. 10, because the protection of juveniles who are incarcerated, is a deep concern to it. This Legislature opposes laws that would subject juveniles to contract with adult prisoners in jails or prisons or holding juveniles in adult jails for an unlamented amount of time; to the Committee on Education and the Workforce.

79. Also, a petition of The Legislature of Rockland County, relative to Resolution No. 193 of 1998 petitioning the Congress of the United States, to enact the Ticket to Work and Self-Sufficiency Act of 1998; to the Committee on Ways and Means.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 4578

OFFERED BY: MR. RANGEL

(Amendment in the Nature of a Substitute)

AMENDMENT NO. 1: Strike all after the enacting clause and insert the following:

SECTION 1. RESERVATION OF SOCIAL SECURITY SURPLUSES SOLELY FOR SOCIAL SECURITY SYSTEM.

(a) IN GENERAL.—Section 201 of the Social Security Act (42 U.S.C. 401) is amended by adding at the end the following new subsection:

''(n)(1) The Secretary of the Treasury, before the beginning of each fiscal year, shall estimate the amount of the Social Security surplus for such year. For purposes of this subsection, the term 'Social Security surplus' means the excess of the receipts in the Trust Funds during the fiscal year (including interest on obligations held in such funds) over the outlays from such funds during such year:

''(2) If the Secretary of the Treasury determines that there is a Social Security surplus for any fiscal year, such Secretary shall transfer during such year from the General fund of the Treasury an amount equal to the amount of the surplus to the Federal Reserve Bank of New York. Such transfer shall be made monthly on the basis of estimates by the Secretary of the Treasury of the portion of the surplus attributable to the month, and proper adjustments shall be made in amounts, subsequently transferred to the extent prior estimates were in excess of or less than amounts required to be transferred. Amounts transferred under this paragraph shall substitute for (and be in lieu of) equivalent amounts otherwise required to be transferred to the Trust Funds.

''(3) The Federal Reserve Bank of New York shall hold the amounts transferred under paragraph (2), and all income from investment thereof, in trust for the benefit of the Trust Funds. Amounts so held shall be invested in marketable obligations of the United States with maturities that the Managing Trustee determines are consistent with the requirements of the Trust Funds. Amounts held in trust under this paragraph (and earnings thereon) shall be treated as part of the balance of the Trust Funds.

''(4) If, at any time, any obligation acquired under paragraph (2) has a market value less than its acquisition cost by reason of a change in interest rates, the Federal Reserve Bank of New York may, at any time,

present such obligation to the Secretary of the Treasury for redemption, notwithstanding the maturity date or any other requirement relating to such obligation, and the Secretary of the Treasury shall redeem such obligation for an amount that is not less than such acquisition cost.

''(5) Upon request by the Managing Trustee, the Federal Reserve Bank of New York shall transfer to the appropriate Trust Fund the amount determined by the Managing Trustee to be necessary to meet the obligations of such Fund.

''(6) All transfers to the Federal Reserve Bank of New York under paragraph (2) shall be treated as Federal outlays for all budgetary purposes of the United States Government, except that such transfers shall not be subject to section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 and all transfers to the Trust Funds under paragraph (5) shall be treated as offsetting receipts.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to fiscal years beginning on or after October 1, 1998.

Amend the title so as to read: ''A bill to reserve 100 percent of the social security surpluses solely for the Social Security System.''.

H.R. 4579

OFFERED BY: MR. RANGEL

(Amendment in the Nature of a Substitute)

AMENDMENT NO. 1: Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE, ETC.

(a) SHORT TITLE.—This Act may be cited as the ''Taxpayer Relief Act of 1998''.

(b) AMENDMENT OF 1986 CODE.—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 section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

(c) TABLE OF CONTENTS.—

TITLE I—PROVISIONS PRIMARILY AFFECTING INDIVIDUALS AND FAMILIES

Subtitle A—General Provisions

SEC. 101. ELIMINATION OF MARRIAGE PENALTY IN STANDARD DEDUCTION.

(a) IN GENERAL.—Paragraph (2) of section 63(c) (relating to standard deduction) is amended—

(1) by striking ''$5,000'' in subparagraph (A) and inserting ''twice the dollar amount in effect under subparagraph (C) for the taxable year'',

(2) by adding ''or'' at the end of subparagraph (B),

(3) by striking ''in the case of'' and all that follows in subparagraph (C) and inserting ''in any other case.'', and

(4) by striking subparagraph (D).

(b) ADDITIONAL STANDARD DEDUCTION FOR AGED AND BLIND TO BE THE SAME FOR MARRIED AND UNMARRIED INDIVIDUALS.—

(1) Paragraphs (1) and (2) of section 63(f) are each amended by striking ''$600'' and inserting ''$750''.

(2) Subsection (f) of section 63 is amended by striking paragraph (3) and by redesignating paragraph (4) as paragraph (3).

(c) TECHNICAL AMENDMENTS.—

(1) Subparagraph (B) of section 1(f)(6) is amended by striking ''(other than with'' and all that follows through ''shall be applied'' and inserting ''(other than with respect to sections 63(c)(4) and 151(d)(4)(A)) shall be applied''.

(2) Paragraph (4) of section 63(c) is amended by adding at the end the following flush sentence:

''The preceding sentence shall not apply to the amount referred to in paragraph (2)(A).''

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1998.

SEC. 102. EXEMPTION OF CERTAIN INTEREST AND DIVIDEND INCOME FROM TAX.

(a) IN GENERAL.—Part III of subchapter B of chapter 1 (relating to amounts specifically excluded from gross income) is amended by inserting after section 115 the following new section:

''SEC. 116. PARTIAL EXCLUSION OF DIVIDENDS AND INTEREST RECEIVED BY INDIVIDUALS.

''(a) EXCLUSION FROM GROSS INCOME.—Gross income does not include dividends and interest received during the taxable year by an individual.

''(b) LIMITATIONS.—

''(1) MAXIMUM AMOUNT.—The aggregate amount excluded under subsection (a) for any taxable year shall not exceed $200 ($400 in the case of a joint return).

''(2) CERTAIN DIVIDENDS EXCLUDED.—Subsection (a) shall not apply to any dividend from a corporation which, for the taxable year of the corporation in which the distribution is made, or for the next preceding taxable year of the corporation, is a corporation exempt from tax under section 501 (relating to certain charitable, etc., organization) or section 521 (relating to farmers' cooperative associations).

''(c) SPECIAL RULES.—For purposes of this section—

''(1) EXCLUSION NOT TO APPLY TO CAPITAL GAIN DIVIDENDS FROM REGULATED INVESTMENT COMPANIES AND REAL ESTATE INVESTMENT TRUSTS.—

''For treatment of capital gain dividends, see sections 854(a) and 857(c).

''(2) CERTAIN NONRESIDENT ALIENS INELIGIBLE FOR EXCLUSION.—In the case of a nonresident alien individual, subsection (a) shall apply only—

''(A) in determining the tax imposed for the taxable year pursuant to section 871(b)(1) and only in respect of dividends and interest which are effectively connected with the conduct of a trade or business within the United States, or

''(B) in determining the tax imposed for the taxable year pursuant to section 877(b).

''(3) DIVIDENDS FROM EMPLOYEE STOCK OWNERSHIP PLANS.—Subsection (a) shall not apply to any dividend described in section 404(k).''

(b) CONFORMING AMENDMENTS.—

(1)(A) Subparagraph (A) of section 135(c)(4) is amended by inserting ''116,'' before ''137''.

(B) Subsection (d) of section 135 is amended by redesignating paragraph (4) as paragraph

(5) and by inserting after paragraph (3) the following new paragraph:

''(4) COORDINATION WITH SECTION 116.—This section shall be applied before section 116.''

(2) Paragraph (2) of section 265(a) is amended by inserting before the period '', or to purchase or carry obligations or shares, or to make deposits, to the extent the interest thereon is excludable from gross income under section 116''.

(3) Subsection (c) of section 584 is amended by adding at the end thereof the following new flush sentence:

''The proportionate share of each participant in the amount of dividends or interest received by the common trust fund and to which section 116 applies shall be considered for purposes of such section as having been received by such participant.''

(4) Subsection (a) of section 643 is amended by redesignating paragraph (7) as paragraph (8) and by inserting after paragraph (6) the following new paragraph:

''(7) DIVIDENDS OR INTEREST.—There shall be included the amount of any dividends or interest excluded from gross income pursuant to section 116.''

(5) Section 854(a) is amended by inserting ''section 116 (relating to partial exclusion of dividends and interest received by individuals) and'' after ''For purposes of''.

(6) Section 857(c) is amended to read as follows:

''(c) RESTRICTIONS APPLICABLE TO DIVIDENDS RECEIVED FROM REAL ESTATE INVESTMENT TRUSTS.—

''(1) TREATMENT FOR SECTION 116.—For purposes of section 116 (relating to partial exclusion of dividends and interest received by individuals), a capital gain dividend (as defined in subsection (b)(3)(C)) received from a real estate investment trust which meets the requirements of this part shall not be considered as a dividend.

''(2) TREATMENT FOR SECTION 243.—For purposes of section 243 (relating to deductions for dividends received by corporations), a dividend received from a real estate investment trust which meets the requirements of this part shall not be considered as a dividend.''

(7) The table of sections for part III of subchapter B of chapter 1 is amended by inserting after the item relating to section 115 the following new item:

''Sec. 116. Partial exclusion of dividends and interest received by individuals.''

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1998.

SEC. 103. NONREFUNDABLE PERSONAL CREDITS ALLOWED AGAINST ALTERNATIVE MINIMUM TAX.

(a) IN GENERAL.—Subsection (a) of section 26 is amended to read as follows:

''(a) LIMITATION BASED ON AMOUNT OF TAX.—The aggregate amount of credits allowed by this subpart for the taxable year shall not exceed the sum of—

''(1) the taxpayer's regular tax liability for the taxable year, and

''(2) the tax imposed for the taxable year by section 55(a).

For purposes of applying the preceding sentence, paragraph (2) shall be treated as being zero for any taxable year beginning during 1998.''.

(b) CONFORMING AMENDMENTS.—

(1) Subsection (d) of section 24 is amended by striking paragraph (2) and by redesignating paragraph (3) as paragraph (2).

(2) Section 32 is amended by striking subsection (h).

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1997.

SEC. 104. 100 PERCENT DEDUCTION FOR HEALTH INSURANCE COSTS OF SELF-EMPLOYED INDIVIDUALS.

(a) IN GENERAL.—Paragraph (1) of section 162(l) (relating to special rules for health insurance costs of self-employed individuals) is amended to read as follows:

''(1) ALLOWANCE OF DEDUCTION.—In the case of an individual who is an employee within the meaning of section 401(c)(1), there shall be allowed as a deduction under this section an amount equal to 100 percent of the amount paid during the taxable year for insurance which constitutes medical care for the taxpayer, his spouse, and dependents.''

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 1998.

SEC. 105. SPECIAL RULE FOR MEMBERS OF UNIFORMED SERVICES AND FOREIGN SERVICE IN DETERMINING EXCLUSION OF GAIN FROM SALE OF PRINCIPAL RESIDENCE.

(a) IN GENERAL.—Subsection (d) of section 121 (relating to exclusion of gain from sale of principal residence) is amended by adding at the end the following new paragraph:

''(9) MEMBERS OF UNIFORMED SERVICES AND FOREIGN SERVICE.—

''(A) IN GENERAL.—The running of the 5-year period described in subsection (a) shall be suspended with respect to an individual during any time that such individual or such individual's spouse is serving on qualified official extended duty as a member of the uniformed services or of the Foreign Service.

''(B) QUALIFIED OFFICIAL EXTENDED DUTY.—For purposes of this paragraph—

''(i) IN GENERAL.—The term 'qualified official extended duty' means any period of extended duty as a member of the uniformed services or a member of the Foreign Service during which the member serves at a duty station which is at least 50 miles from such property or is under Government orders to reside in Government quarters.

''(ii) UNIFORMED SERVICES.—The term 'uniformed services' has the meaning given such term by section 101(a)(5) of title 10, United States Code, as in effect on the date of the enactment of the Taxpayer Relief Act of 1998.

''(iii) FOREIGN SERVICE OF THE UNITED STATES.—The term 'member of the Foreign Service' has the meaning given the term 'member of the Service' by paragraph (1), (2), (3), (4), or (5) of section 103 of the Foreign Service Act of 1980, as in effect on the date of the enactment of the Taxpayer Relief Act of 1998.

''(iv) EXTENDED DUTY.—The term 'extended duty' means any period of active duty pursuant to a call or order to such duty for a period in excess of 90 days or for an indefinite period.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to sales and exchanges after the date of the enactment of this Act.

SEC. 106. $1,000,000 EXEMPTION FROM ESTATE AND GIFT TAXES.

(a) IN GENERAL.—Subsection (c) of section 2010 (relating to applicable credit amount) is amended to read as follows:

''(c) APPLICABLE CREDIT AMOUNT.—

''(1) IN GENERAL.—For purposes of this section, the applicable credit amount is $345,800.

''(2) APPLICABLE EXCLUSION AMOUNT.—For purposes of the provisions of this title which refer to this subsection, the applicable exclusion amount is $1,000,000.''

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to estates of decedents dying, and gifts made, after December 31, 1998.

Subtitle B—Provisions Relating to Education

SEC. 111. ELIGIBLE EDUCATIONAL INSTITUTIONS PERMITTED TO MAINTAIN QUALIFIED TUITION PROGRAMS.

(a) IN GENERAL.—Paragraph (1) of section 529(b) (defining qualified State tuition program) is amended by inserting ''or by 1 or more eligible educational institutions'' after ''maintained by a State or agency or instrumentality thereof''.

(b) TECHNICAL AMENDMENTS.—

(1) The texts of sections 72(e)(9), 135(c)(2)(C), 135(d)(1)(D), 529, 530, and 4973(e)(1)(B) are each amended by striking ''qualified State tuition program'' each place it appears and inserting ''qualified tuition program''.

(2) The paragraph heading for paragraph (9) of section 72(e) and the subparagraph heading for subparagraph (B) of section 530(b)(2) are each amended by striking ''STATE''.

(3) The subparagraph heading for subparagraph (C) of section 135(c)(2) is amended by striking ''QUALIFIED STATE TUITION PROGRAM'' and inserting ''QUALIFIED TUITION PROGRAMS''.

(4) Sections 529(c)(3)(D)(i) and 6693(a)(2)(C) are each amended by striking ''qualified State tuition programs'' and inserting ''qualified tuition programs''.

(5)(A) The section heading of section 529 is amended to read as follows:

''SEC. 529. QUALIFIED TUITION PROGRAMS.''.

(B) The item relating to section 529 in the table of sections for part VIII of subchapter F of chapter 1 is amended by striking ''State''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on January 1, 1999.

SEC. 112. MODIFICATION OF ARBITRAGE REBATE RULES APPLICABLE TO PUBLIC SCHOOL CONSTRUCTION BONDS.

(a) IN GENERAL.—Subparagraph (C) of section 148(f)(4) is amended by adding at the end the following new clause:

''(xviii) 4-YEAR SPENDING REQUIREMENT FOR PUBLIC SCHOOL CONSTRUCTION ISSUE.—

''(I) IN GENERAL.—In the case of a public school construction issue, the spending requirements of clause (ii) shall be treated as met if at least 10 percent of the available construction proceeds of the construction issue are spent for the governmental purposes of the issue within the 1-year period beginning on the date the bonds are issued, 30 percent of such proceeds are spent for such purposes within the 2-year period beginning on such date, 50 percent of such proceeds are spent for such purposes within the 3-year period beginning on such date, and 100 percent of such proceeds are spent for such purposes within the 4-year period beginning on such date.

''(II) PUBLIC SCHOOL CONSTRUCTION ISSUE.—For purposes of this clause, the term 'public school construction issue' means any construction issue if no bond which is part of such issue is a private activity bond and all of the available construction proceeds of such issue are to be used for the construction (as defined in clause (iv)) of public school facilities to provide education or training below the postsecondary level or for the acquisition of land that is functionally related and subordinate to such facilities.

''(III) OTHER RULES TO APPLY.—Rules similar to the rules of the preceding provisions of this subparagraph which apply to clause (ii) also apply to this clause.''

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to obligations issued after December 31, 1998.

Subtitle C—Provisions Relating to Social Security

SEC. 121. INCREASES IN THE SOCIAL SECURITY EARNINGS LIMIT FOR INDIVIDUALS WHO HAVE ATTAINED RETIREMENT AGE.

(a) IN GENERAL.—Section 203(f)(8)(D) of the Social Security Act (42 U.S.C. 403(f)(8)(D)) is amended by striking clauses (iv) through (vii) and inserting the following new clauses:

''(iv) for each month of any taxable year ending after 1998 and before 2000, $1,416.66⅔,

''(v) for each month of any taxable year ending after 1999 and before 2001, $1,541.66⅔,

''(vi) for each month of any taxable year ending after 2000 and before 2002, $2,166.66⅔,

''(vii) for each month of any taxable year ending after 2001 and before 2003, $2,500.00,

''(viii) for each month of any taxable year ending after 2002 and before 2004, $2,608.33⅓,

''(ix) for each month of any taxable year ending after 2003 and before 2005, $2,833.33⅓,

''(x) for each month of any taxable year ending after 2004 and before 2006, $2,950.00,

''(xi) for each month of any taxable year ending after 2005 and before 2007, $3,066.66⅔,

''(xii) for each month of any taxable year ending after 2006 and before 2008, $3,195.83⅓, and

''(xiii) for each month of any taxable year ending after 2007 and before 2009, $3,312.50.''.

(b) CONFORMING AMENDMENTS.—

(1) Section 203(f)(8)(B)(ii) of such Act (42 U.S.C. 403(f)(8)(B)(ii)) is amended—

(A) by striking ''after 2001 and before 2003'' and inserting ''after 2007 and before 2009''; and

(B) in subclause (II), by striking ''2000'' and inserting ''2006''.

(2) The second sentence of section 223(d)(4)(A) of such Act (42 U.S.C. 423(d)(4)(A)) is amended by inserting ''and section 121 of the Taxpayer Relief Act of 1998'' after ''1996''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to taxable years ending after 1998.

SEC. 122. RECOMPUTATION OF BENEFITS AFTER NORMAL RETIREMENT AGE.

(a) IN GENERAL.—Section 215(f)(2)(D)(i) of the Social Security Act (42 U.S.C. 415(f)(2)(D)(i)) is amended to read as follows:

''(i) in the case of an individual who did not die in the year with respect to which the recomputation is made, for monthly benefits beginning with benefits for January of—

''(I) the second year following the year with respect to which the recomputation is made, in any such case in which the individual is entitled to old-age insurance benefits, the individual has attained retirement age (as defined in section 216(l)) as of the end of the year preceding the year with respect to which the recomputation is made, and the year with respect to which the recomputation is made would not be substituted in recomputation under this subsection for a benefit computation year in which no wages or self-employment income have been credited previously to such individual, or

''(II) the first year following the year with respect to which the recomputation is made, in any other such case; or''.

(b) CONFORMING AMENDMENTS.—

(1) Section 215(f)(7) of such Act (42 U.S.C. 415(f)(7)) is amended by inserting '', and as amended by section 122(b)(2) of the Taxpayer Relief Act of 1998,'' after ''This subsection as in effect in December 1978''.

(2) Subparagraph (A) of section 215(f)(2) of the Social Security Act as in effect in December 1978 and applied in certain cases under the provisions of such Act as in effect after December 1978 is amended—

(A) by striking ''in the case of an individual who did not die'' and all that follows and inserting ''in the case of an individual who did not die in the year with respect to which the recomputation is made, for monthly benefits beginning with benefits for January of—''; and

(B) by adding at the end the following:

''(i) the second year following the year with respect to which the recomputation is made, in any such case in which the individual is entitled to old-age insurance benefits, the individual has attained age 65 as of the end of the year preceding the year with respect to which the recomputation is made, and the year with respect to which the recomputation is made would not be substituted in recomputation under this subsection for a benefit computation year in which no wages or self-employment income have been credited previously to such individual, or

''(ii) the first year following the year with respect to which the recomputation is made, in any other such case; or''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to recomputations of primary insurance amounts based on wages paid and self employment income derived after 1997 and with respect to benefits payable after December 31, 1998.

TITLE II—PROVISIONS PRIMARILY AFFECTING FARMING AND OTHER BUSINESSES

Subtitle A—Increase in Expense Treatment for Small Businesses

SEC. 201. INCREASE IN EXPENSE TREATMENT FOR SMALL BUSINESSES.

(a) GENERAL RULE.—Paragraph (1) of section 179(b) (relating to dollar limitation) is amended to read as follows:

''(1) DOLLAR LIMITATION.—The aggregate cost which may be taken into account under subsection (a) for any taxable year shall not exceed $25,000.''

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 1998.

Subtitle B—Provisions Relating to Farmers

SEC. 211. INCOME AVERAGING FOR FARMERS MADE PERMANENT.

Subsection (c) of section 933 of the Taxpayer Relief Act of 1997 is amended by striking '', and before January 1, 2001''.

SEC. 212. 5-YEAR NET OPERATING LOSS CARRYBACK FOR FARMING LOSSES.

(a) IN GENERAL.—Paragraph (1) of section 172(b) (relating to net operating loss deduction) is amended by adding at the end the following new subparagraph:

''(G) FARMING LOSSES.—In the case of a taxpayer which has a farming loss (as defined in subsection (i)) for a taxable year, such farming loss shall be a net operating loss carryback to each of the 5 taxable years preceding the taxable year of such loss.''

(b) FARMING LOSS.—Section 172 is amended by redesignating subsection (i) as subsection (j) and by inserting after subsection (h) the following new subsection:

''(i) RULES RELATING TO FARMING LOSSES.—For purposes of this section—

''(1) IN GENERAL.—The term 'farming loss' means the lesser of—

''(A) the amount which would be the net operating loss for the taxable year if only income and deductions attributable to farming businesses (as defined in section 263A(e)(4)) are taken into account, or

''(B) the amount of the net operating loss for such taxable year.

''(2) COORDINATION WITH SUBSECTION (B)(2).—For purposes of applying subsection (b)(2), a farming loss for any taxable year shall be treated in a manner similar to the manner in which a specified liability loss is treated.

''(3) ELECTION.—Any taxpayer entitled to a 5-year carryback under subsection (b)(1)(G) from any loss year may elect to have the carryback period with respect to such loss year determined without regard to subsection (b)(1)(G). Such election shall be made in such manner as may be prescribed by the Secretary and shall be made by the due date (including extensions of time) for filing the taxpayer's return for the taxable year of the net operating loss. Such election, once made for any taxable year, shall be irrevocable for such taxable year.''

(c) COORDINATION WITH FARM DISASTER LOSSES.—Clause (ii) of section 172(b)(1)(F) is amended by adding at the end the following flush sentence:

''Such term shall not include any farming loss (as defined in subsection (i)).''

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to net operating losses for taxable years beginning after December 31, 1997.

SEC. 213. PRODUCTION FLEXIBILITY CONTRACT PAYMENTS.

The option under section 112(d)(3) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7212(d)(3)) shall be disregarded in determining the taxable year for which the payment for fiscal year 1999 under a production flexibility contract under subtitle B of title I of such Act is properly includible in gross income for purposes of the Internal Revenue Code of 1986.

Subtitle C—Increase in Volume Cap on Private Activity Bonds

SEC. 221. INCREASE IN VOLUME CAP ON PRIVATE ACTIVITY BONDS.

(a) IN GENERAL.—Subsection (d) of section 146 (relating to volume cap) is amended by striking paragraph (2), by redesignating paragraphs (3) and (4) as paragraphs (2) and (3), respectively, and by striking paragraph (1) and inserting the following new paragraph:

''(1) IN GENERAL.—The State ceiling applicable to any State for any calendar year shall be the greater of—

''(A) an amount equal to $75 multiplied by the State population, or

''(B) $225,000,000.

Subparagraph (B) shall not apply to any possession of the United States.''

(b) CONFORMING AMENDMENT.—Sections 25(f)(3) and 42(h)(3)(E)(iii) are each amended by striking ''section 146(d)(3)(C)'' and inserting ''section 146(d)(2)(C)''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to calendar years after 1998.

TITLE III—EXTENSION AND MODIFICATION OF CERTAIN EXPIRING PROVISIONS

Subtitle A—Tax Provisions

SEC. 301. RESEARCH CREDIT.

(a) TEMPORARY EXTENSION.—

(1) IN GENERAL.—Paragraph (1) of section 41(h) (relating to termination) is amended—

(A) by striking ''June 30, 1998'' and inserting ''December 31, 1999'',

(B) by striking ''24-month'' and inserting ''42-month'', and

(C) by striking ''24 months'' and inserting ''42 months''.

(2) TECHNICAL AMENDMENT.—Subparagraph (D) of section 45C(b)(1) is amended by striking ''June 30, 1998'' and inserting ''December 31, 1999''.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to amounts paid or incurred after June 30, 1998.

(b) INCREASE IN PERCENTAGES UNDER ALTERNATIVE INCREMENTAL CREDIT.—

(1) IN GENERAL.—Subparagraph (A) of section 41(c)(4) is amended—

(A) by striking ''1.65 percent'' and inserting ''2.65 percent'',

(B) by striking ''2.2 percent'' and inserting ''3.2 percent'', and

(C) by striking ''2.75 percent'' and inserting ''3.75 percent''.

(2) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years beginning after June 30, 1998.

SEC. 302. WORK OPPORTUNITY CREDIT.

(a) TEMPORARY EXTENSION.—Subparagraph (B) of section 51(c)(4) (relating to termination) is amended by striking ''June 30, 1998'' and inserting ''December 31, 1999''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to individuals who begin work for the employer after June 30, 1998.

SEC. 303. WELFARE-TO-WORK CREDIT.

Subsection (f) of section 51A (relating to termination) is amended by striking ''April 30, 1999'' and inserting ''December 31, 1999''.

SEC. 304. CONTRIBUTIONS OF STOCK TO PRIVATE FOUNDATIONS; EXPANDED PUBLIC INSPECTION OF PRIVATE FOUNDATIONS' ANNUAL RETURNS.

(a) SPECIAL RULE FOR CONTRIBUTIONS OF STOCK MADE PERMANENT.—

(1) IN GENERAL.—Paragraph (5) of section 170(e) is amended by striking subparagraph (D) (relating to termination).

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to contributions made after June 30, 1998.

(b) EXPANDED PUBLIC INSPECTION OF PRIVATE FOUNDATIONS' ANNUAL RETURNS, ETC.—

(1) IN GENERAL.—Section 6104 (relating to publicity of information required from certain exempt organizations and certain trusts) is amended by striking subsections (d) and (e) and inserting after subsection (c) the following new subsection:

''(d) PUBLIC INSPECTION OF CERTAIN ANNUAL RETURNS AND APPLICATIONS FOR EXEMPTION.—

''(1) IN GENERAL.—In the case of an organization described in subsection (c) or (d) of section 501 and exempt from taxation under section 501(a)—

''(A) a copy of—

''(i) the annual return filed under section 6033 (relating to returns by exempt organizations) by such organization, and

''(ii) if the organization filed an application for recognition of exemption under section 501, the exempt status application materials of such organization,

shall be made available by such organization for inspection during regular business hours by any individual at the principal office of such organization and, if such organization regularly maintains 1 or more regional or district offices having 3 or more employees, at each such regional or district office, and

''(B) upon request of an individual made at such principal office or such a regional or district office, a copy of such annual return and exempt status application materials shall be provided to such individual without charge other than a reasonable fee for any reproduction and mailing costs.

The request described in subparagraph (B) must be made in person or in writing. If such request is made in person, such copy shall be provided immediately and, if made in writing, shall be provided within 30 days.

''(2) 3-YEAR LIMITATION ON INSPECTION OF RETURNS.—Paragraph (1) shall apply to an annual return filed under section 6033 only during the 3-year period beginning on the last day prescribed for filing such return (determined with regard to any extension of time for filing).

''(3) EXCEPTIONS FROM DISCLOSURE REQUIREMENT.—

''(A) NONDISCLOSURE OF CONTRIBUTORS, ETC.—Paragraph (1) shall not require the disclosure of the name or address of any contributor to the organization. In the case of an organization described in section 501(d), subparagraph (A) shall not require the disclosure of the copies referred to in section 6031(b) with respect to such organization.

''(B) NONDISCLOSURE OF CERTAIN OTHER INFORMATION.—Paragraph (1) shall not require the disclosure of any information if the Secretary withheld such information from public inspection under subsection (a)(1)(D).

''(4) LIMITATION ON PROVIDING COPIES.—Paragraph (1)(B) shall not apply to any request if, in accordance with regulations promulgated by the Secretary, the organization has made the requested documents widely available, or the Secretary determines, upon application by an organization, that such request is part of a harassment campaign and that compliance with such request is not in the public interest.

''(5) EXEMPT STATUS APPLICATION MATERIALS.—For purposes of paragraph (1), the term 'exempt status applicable materials' means the application for recognition of exemption under section 501 and any papers submitted in support of such application and any letter or other document issued by the Internal Revenue Service with respect to such application.''

(2) CONFORMING AMENDMENTS.—

(A) Subsection (c) of section 6033 is amended by adding ''and'' at the end of paragraph (1), by striking paragraph (2), and by redesignating paragraph (3) as paragraph (2).

(B) Subparagraph (C) of section 6652(c)(1) is amended by striking ''subsection (d) or (e)(1) of section 6104 (relating to public inspection of annual returns)'' and inserting ''section 6104(d) with respect to any annual return''.

(C) Subparagraph (D) of section 6652(c)(1) is amended by striking ''section 6104(e)(2) (relating to public inspection of applications for exemption)'' and inserting ''section 6104(d) with respect to any exempt status application materials (as defined in such section)''.

(D) Section 6685 is amended by striking ''or (e)''.

(E) Section 7207 is amended by striking ''or (e)''.

(3) EFFECTIVE DATE.—

(A) IN GENERAL.—Except as provided in subparagraph (B), the amendments made by this subsection shall apply to requests made after the later of December 31, 1998, or the 60th day after the Secretary of the Treasury first issues the regulations referred to such section 6104(d)(4) of the Internal Revenue Code of 1986, as amended by this section.

(B) PUBLICATION OF ANNUAL RETURNS.—Section 6104(d) of such Code, as in effect before the amendments made by this subsection, shall not apply to any return the due date for which is after the date such amendments take effect under subparagraph (A).

SEC. 305. SUBPART F EXEMPTION FOR ACTIVE FINANCING INCOME.

(a) INCOME DERIVED FROM BANKING, FINANCING OR SIMILAR BUSINESSES.—Section 954(h) (relating to income derived in the active conduct of banking, financing, or similar businesses) is amended to read as follows:

''(h) SPECIAL RULE FOR INCOME DERIVED IN THE ACTIVE CONDUCT OF BANKING, FINANCING, OR SIMILAR BUSINESSES.—

''(1) IN GENERAL.—For purposes of subsection (c)(1), foreign personal holding company income shall not include qualified banking or financing income of an eligible controlled foreign corporation.

''(2) ELIGIBLE CONTROLLED FOREIGN CORPORATION.—For purposes of this subsection—

''(A) IN GENERAL.—The term 'eligible controlled foreign corporation' means a controlled foreign corporation which—

''(i) is predominantly engaged in the active conduct of a banking, financing, or similar business, and

''(ii) conducts substantial activity with respect to such business.

''(B) PREDOMINANTLY ENGAGED.—A controlled foreign corporation shall be treated as predominantly engaged in the active conduct of a banking, financing, or similar business if—

''(i) more than 70 percent of the gross income of the controlled foreign corporation is derived directly from the active and regular conduct of a lending or finance business from transactions with customers which are not related persons,

''(ii) it is engaged in the active conduct of a banking business and is an institution licensed to do business as a bank in the United States (or is any other corporation not so licensed which is specified by the Secretary in regulations), or

''(iii) it is engaged in the active conduct of a securities business and is registered as a securities broker or dealer under section 15(a) of the Securities Exchange Act of 1934 or is registered as a Government securities broker or dealer under section 15C(a) of such Act (or is any other corporation not so registered which is specified by the Secretary in regulations).

''(3) QUALIFIED BANKING OR FINANCING INCOME.—For purposes of this subsection—

''(A) IN GENERAL.—The term 'qualified banking or financing income' means income of an eligible controlled foreign corporation which—

''(i) is derived in the active conduct of a banking, financing, or similar business by—

''(I) such eligible controlled foreign corporation, or

''(II) a qualified business unit of such eligible controlled foreign corporation,

''(ii) is derived from 1 or more transactions—

''(I) with customers located in a country other than the United States, and

''(II) substantially all of the activities in connection with which are conducted directly by the corporation or unit in its home country, and

''(iii) is treated as earned by such corporation or unit in its home country for purposes of such country's tax laws.

''(B) LIMITATION ON NONBANKING AND NONSECURITIES BUSINESSES.—No income of an eligible controlled foreign corporation not described in clause (ii) or (iii) of paragraph (2)(B) (or of a qualified business unit of such corporation) shall be treated as qualified banking or financing income unless more than 30 percent of such corporation's or unit's gross income is derived directly from the active and regular conduct of a lending or finance business from transactions with customers which are not related persons and which are located within such corporation's or unit's home country.

''(C) SUBSTANTIAL ACTIVITY REQUIREMENT FOR CROSS BORDER INCOME.—The term 'qualified banking or financing income' shall not include income derived from 1 or more transactions with customers located in a country other than the home country of the eligible controlled foreign corporation or a qualified business unit of such corporation unless such corporation or unit conducts substantial activity with respect to a banking, financing, or similar business in its home country.

''(D) DETERMINATIONS MADE SEPARATELY.—For purposes of this paragraph, the qualified banking or financing income of an eligible controlled foreign corporation and each qualified business unit of such corporation shall be determined separately for such corporation and each such unit by taking into account—

''(i) in the case of the eligible controlled foreign corporation, only items of income, deduction, gain, or loss and activities of such corporation not properly allocable or attributable to any qualified business unit of such corporation, and

''(ii) in the case of a qualified business unit, only items of income, deduction, gain,

or loss and activities properly allocable or attributable to such unit.

''(4) LENDING OR FINANCE BUSINESS.—For purposes of this subsection, the term 'lending or finance business' means the business of—

''(A) making loans,

''(B) purchasing or discounting accounts receivable, notes, or installment obligations,

''(C) engaging in leasing (including entering into leases and purchasing, servicing, and disposing of leases and leased assets),

''(D) issuing letters of credit or providing guarantees,

''(E) providing charge and credit card services, or

''(F) rendering services or making facilities available in connection with activities described in subparagraphs (A) through (E) carried on by—

''(i) the corporation (or qualified business unit) rendering services or making facilities available, or

''(ii) another corporation (or qualified business unit of a corporation) which is a member of the same affiliated group (as defined in section 1504, but determined without regard to section 1504(b)(3)).

''(5) OTHER DEFINITIONS.—For purposes of this subsection—

''(A) CUSTOMER.—The term 'customer' means, with respect to any controlled foreign corporation or qualified business unit, any person which has a customer relationship with such corporation or unit and which is acting in its capacity as such.

''(B) HOME COUNTRY.—Except as provided in regulations—

''(i) CONTROLLED FOREIGN CORPORATION.—The term 'home country' means, with respect to any controlled foreign corporation, the country under the laws of which the corporation was created or organized.

''(ii) QUALIFIED BUSINESS UNIT.—The term 'home country' means, with respect to any qualified business unit, the country in which such unit maintains its principal office.

''(C) LOCATED.—The determination of where a customer is located shall be made under rules prescribed by the Secretary.

''(D) QUALIFIED BUSINESS UNIT.—The term 'qualified business unit' has the meaning given such term by section 989(a).

''(E) RELATED PERSON.—The term 'related person' has the meaning given such term by subsection (d)(3).

''(6) COORDINATION WITH EXCEPTION FOR DEALERS.—Paragraph (1) shall not apply to income described in subsection (c)(2)(C)(ii) of a dealer in securities (within the meaning of section 475) which is an eligible controlled foreign corporation described in paragraph (2)(B)(iii).

''(7) ANTI-ABUSE RULES.—For purposes of applying this subsection and subsection (c)(2)(C)(ii)—

''(A) there shall be disregarded any item of income, gain, loss, or deduction with respect to any transaction or series of transactions one of the principal purposes of which is qualifying income or gain for the exclusion under this section, including any transaction or series of transactions a principal purpose of which is the acceleration or deferral of any item in order to claim the benefits of such exclusion through the application of this subsection,

''(B) there shall be disregarded any item of income, gain, loss, or deduction of an entity which is not engaged in regular and continuous transactions with customers which are not related persons,

''(C) there shall be disregarded any item of income, gain, loss, or deduction with respect to any transaction or series of transactions utilizing, or doing business with—

''(i) one or more entities in order to satisfy any home country requirement under this subsection, or

''(ii) a special purpose entity or arrangement, including a securitization, financing, or similar entity or arrangement,

if one of the principal purposes of such transaction or series of transactions is qualifying income or gain for the exclusion under this subsection, and

''(D) a related person, an officer, a director, or an employee with respect to any controlled foreign corporation (or qualified business unit) which would otherwise be treated as a customer of such corporation or unit with respect to any transaction shall not be so treated if a principal purpose of such transaction is to satisfy any requirement of this subsection.

''(8) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this subsection, subsection (c)(1)(B)(i), subsection (c)(2)(C)(ii), and the last sentence of subsection (e)(2).

''(9) APPLICATION.—This subsection, subsection (c)(2)(C)(ii), and the last sentence of subsection (e)(2) shall apply only to the first taxable year of a foreign corporation beginning after December 31, 1998, and before January 1, 2000, and to taxable years of United States shareholders with or within which such taxable year of such foreign corporation ends.''

(b) INCOME DERIVED FROM INSURANCE BUSINESS.—

(1) INCOME ATTRIBUTABLE TO ISSUANCE OR REINSURANCE.—

(A) IN GENERAL.—Section 953(a) (defining insurance income) is amended to read as follows:

''(a) INSURANCE INCOME.—

''(1) IN GENERAL.—For purposes of section 952(a)(1), the term 'insurance income' means any income which—

''(A) is attributable to the issuing (or reinsuring) of an insurance or annuity contract, and

''(B) would (subject to the modifications provided by subsection (b)) be taxed under subchapter L of this chapter if such income were the income of a domestic insurance company.

''(2) EXCEPTION.—Such term shall not include any exempt insurance income (as defined in subsection (e)).''

(B) EXEMPT INSURANCE INCOME.—Section 953 (relating to insurance income) is amended by adding at the end the following new subsection:

''(e) EXEMPT INSURANCE INCOME.—For purposes of this section—

''(1) EXEMPT INSURANCE INCOME DEFINED.—

''(A) IN GENERAL.—The term 'exempt insurance income' means income derived by a qualifying insurance company which—

''(i) is attributable to the issuing (or reinsuring) of an exempt contract by such company or a qualifying insurance company branch of such company, and

''(ii) is treated as earned by such company or branch in its home country for purposes of such country's tax laws.

''(B) EXCEPTION FOR CERTAIN ARRANGEMENTS.—Such term shall not include income attributable to the issuing (or reinsuring) of an exempt contract as the result of any arrangement whereby another corporation receives a substantially equal amount of premiums or other consideration in respect of issuing (or reinsuring) a contract which is not an exempt contract.

''(C) DETERMINATIONS MADE SEPARATELY.—For purposes of this subsection and section 954(i), the exempt insurance income and exempt contracts of a qualifying insurance company or any qualifying insurance company branch of such company shall be determined separately for such company and each such branch by taking into account—

''(i) in the case of the qualifying insurance company, only items of income, deduction, gain, or loss, and activities of such company not properly allocable or attributable to any qualifying insurance company branch of such company, and

''(ii) in the case of a qualifying insurance company branch, only items of income, deduction, gain, or loss and activities properly allocable or attributable to such unit.

''(2) EXEMPT CONTRACT.—

''(A) IN GENERAL.—The term 'exempt contract' means an insurance or annuity contract issued or reinsured by a qualifying insurance company or qualifying insurance company branch in connection with property in, liability arising out of activity in, or the lives or health of residents of, a country other than the United States.

''(B) MINIMUM HOME COUNTRY INCOME REQUIRED.—

''(i) IN GENERAL.—No contract of a qualifying insurance company or of a qualifying insurance company branch shall be treated as an exempt contract unless such company or branch derives more than 30 percent of its net written premiums from exempt contracts (determined without regard to this subparagraph)—

''(I) which cover applicable home country risks, and

''(II) with respect to which no policyholder, insured, annuitant, or beneficiary is a related person (as defined in section 954(d)(3)).

''(ii) APPLICABLE HOME COUNTRY RISKS.—The term 'applicable home country risks' means risks in connection with property in, liability arising out of activity in, or the lives or health of residents of, the home country of the qualifying insurance company or qualifying insurance company branch, as the case may be, issuing or reinsuring the contract covering the risks.

''(C) SUBSTANTIAL ACTIVITY REQUIREMENTS FOR CROSS BORDER RISKS.—A contract issued by a qualifying insurance company or qualifying insurance company branch which covers risks other than applicable home country risks (as defined in subparagraph (B)(ii)) shall not be treated as an exempt contract unless such company or branch, as the case may be—

''(i) conducts substantial activity with respect to an insurance business in its home country, and

''(ii) performs in its home country substantially all of the activities necessary to give rise to the income generated by such contract.

''(3) QUALIFYING INSURANCE COMPANY.—The term 'qualifying insurance company' means any controlled foreign corporation which—

''(A) is subject to regulation as an insurance (or reinsurance) company by its home country, and is licensed, authorized, or regulated by the applicable insurance regulatory body for its home country to sell insurance, reinsurance, or annuity contracts to persons other than related persons (within the meaning of section 954(d)(3)) in such home country,

''(B) derives more than 50 percent of its aggregate net written premiums from the issuance or reinsurance by such controlled foreign corporation and each of its qualifying insurance company branches of contracts—

''(i) covering applicable home country risks (as defined in paragraph (2)) of such corporation or branch, as the case may be, and

''(ii) with respect to which no policyholder, insured, annuitant, or beneficiary is a related person (as defined in section 954(d)(3)),

except that in the case of a branch, such premiums shall only be taken into account to the extent such premiums are treated as earned by such branch in its home country for purposes of such country's tax laws, and

''(C) is engaged in the insurance business and would be subject to tax under subchapter L if it were a domestic corporation.

''(4) QUALIFYING INSURANCE COMPANY BRANCH.—The term 'qualifying insurance company branch' means a qualified business unit (within the meaning of section 989(a)) of a controlled foreign corporation if—

''(A) such unit is licensed, authorized, or regulated by the applicable insurance regulatory body for its home country to sell insurance, reinsurance, or annuity contracts to persons other than related persons (within the meaning of section 954(d)(3)) in such home country, and

''(B) such controlled foreign corporation is a qualifying insurance company, determined under paragraph (3) as if such unit were a qualifying insurance company branch.

''(5) LIFE INSURANCE OR ANNUITY CONTRACT.—For purposes of this section and section 954, the determination of whether a contract issued by a controlled foreign corporation or a qualified business unit (within the meaning of section 989(a)) is a life insurance contract or an annuity contract shall be made without regard to sections 72(s), 101(f), 817(h), and 7702 if—

''(A) such contract is regulated as a life insurance or annuity contract by the corporation's or unit's home country, and

''(B) no policyholder, insured, annuitant, or beneficiary with respect to the contract is a United States person.

''(6) HOME COUNTRY.—For purposes of this subsection, except as provided in regulations—

''(A) CONTROLLED FOREIGN CORPORATION.—The term 'home country' means, with respect to a controlled foreign corporation, the country in which such corporation is created or organized.

''(B) QUALIFIED BUSINESS UNIT.—The term 'home country' means, with respect to a qualified business unit (as defined in section 989(a)), the country in which the principal office of such unit is located and in which such unit is licensed, authorized, or regulated by the applicable insurance regulatory body to sell insurance, reinsurance, or annuity contracts to persons other than related persons (as defined in section 954(d)(3)) in such country.

''(7) ANTI-ABUSE RULES.—For purposes of applying this subsection and section 954(i)—

''(A) the rules of section 954(h)(7) (other than subparagraph (B) thereof) shall apply,

''(B) there shall be disregarded any item of income, gain, loss, or deduction of, or derived from, an entity which is not engaged in regular and continuous transactions with persons which are not related persons,

''(C) there shall be disregarded any change in the method of computing reserves a principal purpose of which is the acceleration or deferral of any item in order to claim the benefits of this subsection or section 954(i),

''(D) a contract of insurance or reinsurance shall not be treated as an exempt contract (and premiums from such contract shall not be taken into account for purposes of paragraph (2)(B) or (3)) if—

''(i) any policyholder, insured, annuitant, or beneficiary is a resident of the United States and such contract was marketed to such resident and was written to cover a risk outside the United States, or

''(ii) the contract covers risks located within and without the United States and the qualifying insurance company or qualifying insurance company branch does not maintain such contemporaneous records, and file such reports, with respect to such contract as the Secretary may require,

''(E) the Secretary may prescribe rules for the allocation of contracts (and income from contracts) among 2 or more qualifying insurance company branches of a qualifying insurance company in order to clearly reflect the income of such branches, and

''(F) premiums from a contract shall not be taken into account for purposes of paragraph (2)(B) or (3) if such contract reinsures a contract issued or reinsured by a related person (as defined in section 954(d)(3)).

For purposes of subparagraph (D), the determination of where risks are located shall be made under the principles of section 953.

''(8) COORDINATION WITH SUBSECTION (c).—In determining insurance income for purposes of subsection (c), exempt insurance income shall not include income derived from exempt contracts which cover risks other than applicable home country risks.

''(9) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this subsection and section 954(i).

''(10) APPLICATION.—This subsection and section 954(i) shall apply only to the first taxable year of a foreign corporation beginning after December 31, 1998, and before January 1, 2000, and to taxable years of United States shareholders with or within which such taxable year of such foreign corporation ends.

''(11) CROSS REFERENCE.—

''For income exempt from foreign personal holding company income, see section 954(i).''

(2) EXEMPTION FROM FOREIGN PERSONAL HOLDING COMPANY INCOME.—Section 954 (defining foreign base company income) is amended by adding at the end the following new subsection:

''(i) SPECIAL RULE FOR INCOME DERIVED IN THE ACTIVE CONDUCT OF INSURANCE BUSINESS.—

''(1) IN GENERAL.—For purposes of subsection (c)(1), foreign personal holding company income shall not include qualified insurance income of a qualifying insurance company.

''(2) QUALIFIED INSURANCE INCOME.—The term 'qualified insurance income' means income of a qualifying insurance company which is—

''(A) received from a person other than a related person (within the meaning of subsection (d)(3)) and derived from the investments made by a qualifying insurance company or a qualifying insurance company branch of its reserves allocable to exempt contracts or of 80 percent of its unearned premiums from exempt contracts (as both are determined in the manner prescribed under paragraph (4)), or

''(B) received from a person other than a related person (within the meaning of subsection (d)(3)) and derived from investments made by a qualifying insurance company or a qualifying insurance company branch of an amount of its assets allocable to exempt contracts equal to—

''(i) in the case of property, casualty, or health insurance contracts, one-third of its premiums earned on such insurance contracts during the taxable year (as defined in section 832(b)(4)), and

''(ii) in the case of life insurance or annuity contracts, 10 percent of the reserves described in subparagraph (A) for such contracts.

''(3) PRINCIPLES FOR DETERMINING INSURANCE INCOME.—Except as provided by the Secretary, for purposes of subparagraphs (A) and (B) of paragraph (2)—

''(A) in the case of any contract which is a separate account-type contract (including any variable contract not meeting the requirements of section 817), income credited under such contract shall be allocable only to such contract, and

''(B) income not allocable under subparagraph (A) shall be allocated ratably among contracts not described in subparagraph (A).

''(4) METHODS FOR DETERMINING UNEARNED PREMIUMS AND RESERVES.—For purposes of paragraph (2)(A)—

''(A) PROPERTY AND CASUALTY CONTRACTS.—The unearned premiums and reserves of a qualifying insurance company or a qualifying insurance company branch with respect to property, casualty, or health insurance contracts shall be determined using the same methods and interest rates which would be used if such company or branch were subject to tax under subchapter L, except that—

''(i) the interest rate determined for the functional currency of the company or branch, and which, except as provided by the Secretary, is calculated in the same manner as the Federal mid-term rate under section 1274(d), shall be substituted for the applicable Federal interest rate, and

''(ii) such company or branch shall use the appropriate foreign loss payment pattern.

''(B) LIFE INSURANCE AND ANNUITY CONTRACTS.—The amount of the reserve of a qualifying insurance company or qualifying insurance company branch for any life insurance or annuity contract shall be equal to the greater of—

''(i) the net surrender value of such contract (as defined in section 807(e)(1)(A)), or

''(ii) the reserve determined under paragraph (5).

''(C) LIMITATION ON RESERVES.—In no event shall the reserve determined under this paragraph for any contract as of any time exceed the amount which would be taken into account with respect to such contract as of such time in determining foreign statement reserves (less any catastrophe, deficiency, equalization, or similar reserves).

''(5) AMOUNT OF RESERVE.—The amount of the reserve determined under this paragraph with respect to any contract shall be determined in the same manner as it would be determined if the qualifying insurance company or qualifying insurance company branch were subject to tax under subchapter L, except that in applying such subchapter—

''(A) the interest rate determined for the functional currency of the company or branch, and which, except as provided by the Secretary, is calculated in the same manner as the Federal mid-term rate under section 1274(d), shall be substituted for the applicable Federal interest rate,

''(B) the highest assumed interest rate permitted to be used in determining foreign statement reserves shall be substituted for the prevailing State assumed interest rate, and

''(C) tables for mortality and morbidity which reasonably reflect the current mortality and morbidity risks in the company's or branch's home country shall be substituted for the mortality and morbidity tables otherwise used for such subchapter.

The Secretary may provide that the interest rate and mortality and morbidity tables of a qualifying insurance company may be used for 1 or more of its qualifying insurance company branches when appropriate.

''(6) DEFINITIONS.—For purposes of this subsection, any term used in this subsection which is also used in section 953(e) shall have the meaning given such term by section 953.''

(3) RESERVES.—Section 953(b) is amended by redesignating paragraph (3) as paragraph (4) and by inserting after paragraph (2) the following new paragraph:

''(3) Reserves for any insurance or annuity contract shall be determined in the same manner as under section 954(i).''

(c) SPECIAL RULES FOR DEALERS.—Section 954(c)(2)(C) is amended to read as follows:

''(C) EXCEPTION FOR DEALERS.—Except as provided by regulations, in the case of a regular dealer in property which is property described in paragraph (1)(B), forward contracts, option contracts, or similar financial instruments (including notional principal contracts and all instruments referenced to commodities), there shall not be taken into account in computing foreign personal holding company income—

''(i) any item of income, gain, deduction, or loss (other than any item described in subparagraph (A), (E), or (G) of paragraph (1)) from any transaction (including hedging transactions) entered into in the ordinary course of such dealer's trade or business as such a dealer, and

''(ii) if such dealer is a dealer in securities (within the meaning of section 475), any interest or dividend or equivalent amount described in subparagraph (E) or (G) of paragraph (1) from any transaction (including any hedging transaction or transaction described in section 956(c)(2)(J)) entered into in the ordinary course of such dealer's trade or business as such a dealer in securities, but only if the income from the transaction is attributable to activities of the dealer in the country under the laws of which the dealer is created or organized (or in the case of a qualified business unit described in section 989(a), is attributable to activities of the unit in the country in which the unit both maintains its principal office and conducts substantial business activity).''

(d) EXEMPTION FROM FOREIGN BASE COMPANY SERVICES INCOME.—Paragraph (2) of section 954(e) is amended by inserting ''or'' at the end of subparagraph (A), by striking '', or'' at the end of subparagraph (B) and inserting a period, by striking subparagraph (C), and by adding at the end the following new flush sentence:

''Paragraph (1) shall also not apply to income which is exempt insurance income (as defined in section 953(e)) or which is not treated as foreign personal holding income by reason of subsection (c)(2)(C)(ii), (h), or (i).''

(e) EXEMPTION FOR GAIN.—Section 954(c)(1)(B)(i) (relating to net gains from certain property transactions) is amended by inserting ''other than property which gives rise to income not treated as foreign personal holding company income by reason of subsection (h) or (i) for the taxable year'' before the comma at the end.

Subtitle B—Generalized System of Preferences

SEC. 311. EXTENSION OF GENERALIZED SYSTEM OF PREFERENCES.

(a) EXTENSION OF DUTY-FREE TREATMENT UNDER SYSTEM.—Section 505 of the Trade Act of 1974 (29 U.S.C. 2465) is amended by striking ''June 30, 1998'' and inserting ''December 31, 1999''.

(b) RETROACTIVE APPLICATION FOR CERTAIN LIQUIDATIONS AND RELIQUIDATIONS.—

(1) IN GENERAL.—Notwithstanding section 514 of the Tariff Act of 1930 or any other provision of law, and subject to paragraph (2), any entry—

(A) of an article to which duty-free treatment under title V of the Trade Act of 1974 would have applied if such title had been in effect during the period beginning on July 1, 1998, and ending on the day before the date of the enactment of this Act, and

(B) that was made after June 30, 1998, and before the date of the enactment of this Act,

shall be liquidated or reliquidated as free of duty, and the Secretary of the Treasury shall refund any duty paid with respect to such entry. As used in this subsection, the term ''entry'' includes a withdrawal from warehouse for consumption.

(2) REQUESTS.—Liquidation or reliquidation may be made under paragraph (1) with respect to an entry only if a request therefor is filed with the Customs Service, within 180 days after the date of the enactment of this Act, that contains sufficient information to enable the Customs Service—

(A) to locate the entry; or

(B) to reconstruct the entry if it cannot be located.

TITLE IV—REVENUE OFFSET

SEC. 401. TREATMENT OF CERTAIN DEDUCTIBLE LIQUIDATING DISTRIBUTIONS OF REGULATED INVESTMENT COMPANIES AND REAL ESTATE INVESTMENT TRUSTS.

(a) IN GENERAL.—Section 332 (relating to complete liquidations of subsidiaries) is amended by adding at the end the following new subsection:

''(c) DEDUCTIBLE LIQUIDATING DISTRIBUTIONS OF REGULATED INVESTMENT COMPANIES AND REAL ESTATE INVESTMENT TRUSTS.—If a corporation receives a distribution from a regulated investment company or a real estate investment trust which is considered under subsection (b) as being in complete liquidation of such company or trust, then, notwithstanding any other provision of this chapter, such corporation shall recognize and treat as a dividend from such company or trust an amount equal to the deduction for dividends paid allowable to such company or trust by reason of such distribution.''.

(b) CONFORMING AMENDMENTS.—

(1) The material preceding paragraph (1) of section 332(b) is amended by striking ''subsection (a)'' and inserting ''this section''.

(2) Paragraph (1) of section 334(b) is amended by striking ''section 332(a)'' and inserting ''section 332''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to distributions after May 21, 1998.

TITLE V—TECHNICAL CORRECTIONS

SEC. 501. DEFINITIONS; COORDINATION WITH OTHER TITLES.

(a) DEFINITIONS.—For purposes of this title—

(1) 1986 CODE.—The term ''1986 Code'' means the Internal Revenue Code of 1986.

(2) 1998 ACT.—The term ''1998 Act'' means the Internal Revenue Service Restructuring and Reform Act of 1998 (Public Law 105–206).

(3) 1997 ACT.—The term ''1997 Act'' means the Taxpayer Relief Act of 1997 (Public Law 105–34).

(b) COORDINATION WITH OTHER TITLES.—For purposes of applying the amendments made by any title of this Act other than this title, the provisions of this title shall be treated as having been enacted immediately before the provisions of such other titles.

SEC. 502. AMENDMENTS RELATED TO INTERNAL REVENUE SERVICE RESTRUCTURING AND REFORM ACT OF 1998.

(a) AMENDMENT RELATED TO SECTION 1101 OF 1998 ACT.—Paragraph (5) of section 6103(h) of the 1986 Code, as added by section 1101(b) of the 1998 Act, is redesignated as paragraph (6).

(b) AMENDMENT RELATED TO SECTION 3001 OF 1998 ACT.—Paragraph (2) of section 7491(a) of the 1986 Code is amended by adding at the end the following flush sentence:

''Subparagraph (C) shall not apply to any qualified revocable trust (as defined in section 645(b)(1)) with respect to liability for tax for any taxable year ending after the date of the decedent's death and before the applicable date (as defined in section 645(b)(2)).''.

(c) AMENDMENTS RELATED TO SECTION 3201 OF 1998 ACT.—

(1) Section 7421(a) of the 1986 Code is amended by striking ''6015(d)'' and inserting ''6015(e)''.

(2) Subparagraph (A) of section 6015(e)(3) is amended by striking ''of this section'' and inserting ''of subsection (b) or (f)''.

(d) AMENDMENT RELATED TO SECTION 3301 OF 1998 ACT.—Paragraph (2) of section 3301(c) of the 1998 Act is amended by striking ''The amendments'' and inserting ''Subject to any applicable statute of limitation not having expired with regard to either a tax underpayment or a tax overpayment, the amendments''.

(e) AMENDMENT RELATED TO SECTION 3401 OF 1998 ACT.—Section 3401(c) of the 1998 Act is amended—

(1) in paragraph (1), by striking ''7443(b)'' and inserting ''7443A(b)''; and

(2) in paragraph (2), by striking ''7443(c)'' and inserting ''7443A(c)''.

(f) AMENDMENT RELATED TO SECTION 3433 OF 1998 ACT.—Section 7421(a) of the 1986 Code is amended by inserting ''6331(i),'' after ''6246(b),''.

(g) AMENDMENT RELATED TO SECTION 3708 OF 1998 ACT.—Subparagraph (A) of section 6103(p)(3) of the 1986 Code is amended by inserting ''(f)(5),'' after ''(c), (e),''.

(h) AMENDMENT RELATED TO SECTION 5001 OF 1998 ACT.—

(1) Subparagraph (B) of section 1(h)(13) of the 1986 Code is amended by striking ''paragraph (7)(A)'' and inserting ''paragraph (7)(A)(i)''.

(2)(A) Subparagraphs (A)(i)(II), (A)(ii)(II), and (B)(ii) of section 1(h)(13) of the 1986 Code shall not apply to any distribution after December 31, 1997, by a regulated investment company or a real estate investment trust with respect to—

(i) gains and losses recognized directly by such company or trust, and

(ii) amounts properly taken into account by such company or trust by reason of holding (directly or indirectly) an interest in another such company or trust to the extent that such subparagraphs did not apply to such other company or trust with respect to such amounts.

(B) Subparagraph (A) shall not apply to any distribution which is treated under section 852(b)(7) or 857(b)(8) of the 1986 Code as received on December 31, 1997.

(C) For purposes of subparagraph (A), any amount which is includible in gross income of its shareholders under section 852(b)(3)(D) or 857(b)(3)(D) of the 1986 Code after December 31, 1997, shall be treated as distributed after such date.

(D)(i) For purposes of subparagraph (A), in the case of a qualified partnership with respect to which a regulated investment company meets the holding requirement of clause (iii)—

(I) the subparagraphs referred to in subparagraph (A) shall not apply to gains and losses recognized directly by such partnership for purposes of determining such company's distributive share of such gains and losses, and

(II) such company's distributive share of such gains and losses (as so determined) shall be treated as recognized directly by such company.

The preceding sentence shall apply only if the qualified partnership provides the company with written documentation of such distributive share as so determined.

(ii) For purposes of clause (i), the term ''qualified partnership'' means, with respect to a regulated investment company, any partnership if—

(I) the partnership is an investment company registered under the Investment Company Act of 1940,

(II) the regulated investment company is permitted to invest in such partnership by reason of section 12(d)(1)(E) of such Act or an exemptive order of the Securities and Exchange Commission under such section, and

(III) the regulated investment company and the partnership have the same taxable year.

(iii) A regulated investment company meets the holding requirement of this clause with respect to a qualified partnership if (as of January 1, 1998)—

(I) the value of the interests of the regulated investment company in such partnership is 35 percent or more of the value of such company's total assets, or

(II) the value of the interests of the regulated investment company in such partnership and all other qualified partnerships is 90 percent or more of the value of such company's total assets.

(i) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the provisions of the 1998 Act to which they relate.

SEC. 503. AMENDMENTS RELATED TO TAXPAYER RELIEF ACT OF 1997.

(a) AMENDMENT RELATED TO SECTION 202 OF 1997 ACT.—Paragraph (2) of section 163(h) of the 1986 Code is amended by striking ''and'' at the end of subparagraph (D), by striking the period at the end of subparagraph (E) and inserting '', and'', and by adding at the end the following new subparagraph:

''(F) any interest allowable as a deduction under section 221 (relating to interest on educational loans).''

(b) PROVISION RELATED TO SECTION 311 OF 1997 ACT.—In the case of any capital gain distribution made after 1997 by a trust to which section 664 of the 1986 Code applies with respect to amounts properly taken into account by such trust during 1997, paragraphs (5)(A)(i)(I), (5)(A)(ii)(I), and (13)(A) of section 1(h) of the 1986 Code (as in effect for taxable years ending on December 31, 1997) shall not apply.

(c) AMENDMENT RELATED TO SECTION 506 OF 1997 ACT.—

(1) Section 2001(f)(2) of the 1986 Code is amended by adding at the end the following:

''For purposes of subparagraph (A), the value of an item shall be treated as shown on a return if the item is disclosed in the return, or in a statement attached to the return, in a manner adequate to apprise the Secretary of the nature of such item.''.

(2) Paragraph (9) of section 6501(c) of the 1986 Code is amended by striking the last sentence.

(d) AMENDMENTS RELATED TO SECTION 904 OF 1997 ACT.—

(1) Paragraph (1) of section 9510(c) of the 1986 Code is amended to read as follows:

''(1) IN GENERAL.—Amounts in the Vaccine Injury Compensation Trust Fund shall be available, as provided in appropriation Acts, only for—

''(A) the payment of compensation under subtitle 2 of title XXI of the Public Health Service Act (as in effect on August 5, 1997) for vaccine-related injury or death with respect to any vaccine—

''(i) which is administered after September 30, 1988, and

''(ii) which is a taxable vaccine (as defined in section 4132(a)(1)) at the time compensation is paid under such subtitle 2, or

''(B) the payment of all expenses of administration (but not in excess of $9,500,000 for any fiscal year) incurred by the Federal Government in administering such subtitle.''.

(2) Section 9510(b) of the 1986 Code is amended by adding at the end the following new paragraph:

''(3) LIMITATION ON TRANSFERS TO VACCINE INJURY COMPENSATION TRUST FUND.—No amount may be appropriated to the Vaccine Injury Compensation Trust Fund on and after the date of any expenditure from the Trust Fund which is not permitted by this section. The determination of whether an expenditure is so permitted shall be made without regard to—

''(A) any provision of law which is not contained or referenced in this title or in a revenue Act, and

''(B) whether such provision of law is a subsequently enacted provision or directly or indirectly seeks to waive the application of this paragraph.''.

(e) AMENDMENTS RELATED TO SECTION 915 OF 1997 ACT.—

(1) Section 915 of the Taxpayer Relief Act of 1997 is amended—

(A) in subsection (b), by inserting ''or 1998'' after ''1997'', and

(B) by amending subsection (d) to read as follows:

''(d) EFFECTIVE DATE.—This section shall apply to taxable years ending with or within calendar year 1997.''.

(2) Paragraph (2) of section 6404(h) of the 1986 Code is amended by inserting ''Robert T. Stafford'' before ''Disaster''.

(f) AMENDMENTS RELATED TO SECTION 1012 OF 1997 ACT.—

(1) Paragraph (2) of section 351(c) of the 1986 Code, as amended by section 6010(c) of the 1998 Act, is amended by inserting '', or the fact that the corporation whose stock was distributed issues additional stock,'' after ''dispose of part or all of the distributed stock''.

(2) Clause (ii) of section 368(a)(2)(H) of the 1986 Code, as amended by section 6010(c) of the 1998 Act, is amended by inserting '', or the fact that the corporation whose stock was distributed issues additional stock,'' after ''dispose of part or all of the distributed stock''.

(g) AMENDMENT RELATED TO SECTION 1082 OF 1997 ACT.—Subparagraph (F) of section 172(b)(1) of the 1986 Code is amended by adding at the end the following new clause:

''(iv) COORDINATION WITH PARAGRAPH (2).—For purposes of applying paragraph (2), an eligible loss for any taxable year shall be treated in a manner similar to the manner in which a specified liability loss is treated.''

(h) AMENDMENT RELATED TO SECTION 1084 OF 1997 ACT.—Paragraph (3) of section 264(f) of the 1986 Code is amended by adding at the end the following flush sentence:

''If the amount described in subparagraph (A) with respect to any policy or contract does not reasonably approximate its actual value, the amount taken into account under subparagraph (A) shall be the greater of the amount of the insurance company liability or the insurance company reserve with respect to such policy or contract (as determined for purposes of the annual statement approved by the National Association of Insurance Commissioners) or shall be such other amount as is determined by the Secretary.''

(i) AMENDMENT RELATED TO SECTION 1205 OF 1997 ACT.—Paragraph (2) of section 6311(d) of the 1986 Code is amended by striking ''under such contracts'' in the last sentence and inserting ''under any such contract for the use of credit or debit cards for the payment of taxes imposed by subtitle A''.

(j) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the provisions of the Taxpayer Relief Act of 1997 to which they relate.

SEC. 504. AMENDMENTS RELATED TO TAX REFORM ACT OF 1984.

(a) IN GENERAL.—Subparagraph (C) of section 172(d)(4) of the 1986 Code is amended to read as follows:

''(C) any deduction for casualty or theft losses allowable under paragraph (2) or (3) of section 165(c) shall be treated as attributable to the trade or business; and''.

(b) CONFORMING AMENDMENTS.—

(1) Paragraph (3) of section 67(b) of the 1986 Code is amended by striking ''for losses described in subsection (c)(3) or (d) of section 165'' and inserting ''for casualty or theft losses described in paragraph (2) or (3) of section 165(c) or for losses described in section 165(d)''.

(2) Paragraph (3) of section 68(c) of the 1986 Code is amended by striking ''for losses described in subsection (c)(3) or (d) of section 165'' and inserting ''for casualty or theft losses described in paragraph (2) or (3) of section 165(c) or for losses described in section 165(d)''.

(3) Paragraph (1) of section 873(b) is amended to read as follows:

''(1) LOSSES.—The deduction allowed by section 165 for casualty or theft losses described in paragraph (2) or (3) of section 165(c), but only if the loss is of property located within the United States.''

(c) EFFECTIVE DATES.—

(1) The amendments made by subsections (a) and (b)(3) shall apply to taxable years beginning after December 31, 1983.

(2) The amendment made by subsection (b)(1) shall apply to taxable years beginning after December 31, 1986.

(3) The amendment made by subsection (b)(2) shall apply to taxable years beginning after December 31, 1990.

SEC. 505. OTHER AMENDMENTS.

(a) AMENDMENTS RELATED TO SECTION 6103 OF 1986 CODE.—

(1) Subsection (j) of section 6103 of the 1986 Code is amended by adding at the end the following new paragraph:

''(5) DEPARTMENT OF AGRICULTURE.—Upon request in writing by the Secretary of Agriculture, the Secretary shall furnish such returns, or return information reflected thereon, as the Secretary may prescribe by regulation to officers and employees of the Department of Agriculture whose official duties require access to such returns or information for the purpose of, but only to the extent necessary in, structuring, preparing, and conducting the census of agriculture pursuant to the Census of Agriculture Act of 1997 (Public Law 105–113).''.

(2) Paragraph (4) of section 6103(p) of the 1986 Code is amended by striking ''(j)(1) or (2)'' in the material preceding subparagraph (A) and in subparagraph (F) and inserting ''(j)(1), (2), or (5)''.

(3) The amendments made by this subsection shall apply to requests made on or after the date of the enactment of this Act.

(b) AMENDMENT RELATED TO SECTION 9004 OF TRANSPORTATION EQUITY ACT FOR THE 21ST CENTURY.—

(1) Paragraph (2) of section 9503(f) of the 1986 Code is amended to read as follows:

''(2) notwithstanding section 9602(b), obligations held by such Fund after September 30, 1998, shall be obligations of the United States which are not interest-bearing.''

(2) The amendment made by paragraph (1) shall take effect on October 1, 1998.

(c) CLERICAL AMENDMENTS.—

(1) Clause (i) of section 51(d)(6)(B) of the 1986 Code is amended by striking ''rehabilitation plan'' and inserting ''plan for employment''. The reference to plan for employment in such clause shall be treated as including a reference to the rehabilitation plans referred to in such clause as in effect before the amendment made by the preceding sentence.

(2) Subparagraphs (C) and (D) of section 6693(a)(2) of the 1986 Code are each amended by striking ''Section'' and inserting ''section''.

TITLE VI—AMERICAN COMMUNITY RENEWAL ACT OF 1998

SEC. 601. SHORT TITLE.

This title may be cited as the ''American Community Renewal Act of 1998''.

SEC. 602. DESIGNATION OF AND TAX INCENTIVES FOR RENEWAL COMMUNITIES.

(a) IN GENERAL.—Chapter 1 is amended by adding at the end the following new subchapter:

"Subchapter X—Renewal Communities

"PART I—DESIGNATION

"SEC. 1400E. DESIGNATION OF RENEWAL COMMUNITIES.

''(a) DESIGNATION.—

''(1) DEFINITIONS.—For purposes of this title, the term 'renewal community' means any area—

''(A) which is nominated by one or more local governments and the State or States in which it is located for designation as a renewal community (hereinafter in this section referred to as a 'nominated area'), and

''(B) which the Secretary of Housing and Urban Development designates as a renewal community, after consultation with—

''(i) the Secretaries of Agriculture, Commerce, Labor, and the Treasury; the Director of the Office of Management and Budget; and the Administrator of the Small Business Administration, and

''(ii) in the case of an area on an Indian reservation, the Secretary of the Interior.

''(2) NUMBER OF DESIGNATIONS.—

''(A) IN GENERAL.—The Secretary of Housing and Urban Development may designate not more than 20 nominated areas as renewal communities.

''(B) MINIMUM DESIGNATION IN RURAL AREAS.—Of the areas designated under paragraph (1), at least 4 must be areas—

''(i) which are within a local government jurisdiction or jurisdictions with a population of less than 50,000,

''(ii) which are outside of a metropolitan statistical area (within the meaning of section 143(k)(2)(B)), or

''(iii) which are determined by the Secretary of Housing and Urban Development, after consultation with the Secretary of Commerce, to be rural areas.

''(3) AREAS DESIGNATED BASED ON DEGREE OF POVERTY, ETC.—

''(A) IN GENERAL.—Except as otherwise provided in this section, the nominated areas designated as renewal communities under this subsection shall be those nominated areas with the highest average ranking with respect to the criteria described in subparagraphs (B), (C), and (D) of subsection (c)(3). For purposes of the preceding sentence, an area shall be ranked within each such criterion on the basis of the amount by which the area exceeds such criterion, with the area which exceeds such criterion by the greatest amount given the highest ranking.

''(B) EXCEPTION WHERE INADEQUATE COURSE OF ACTION, ETC.—An area shall not be designated under subparagraph (A) if the Secretary of Housing and Urban Development determines that the course of action described in subsection (d)(2) with respect to such area is inadequate.

''(C) PRIORITY FOR EMPOWERMENT ZONES AND ENTERPRISE COMMUNITIES WITH RESPECT TO FIRST HALF OF DESIGNATIONS.—With respect to the first 10 designations made under this section—

''(i) 10 shall be chosen from nominated areas which are empowerment zones or enterprise communities (and are otherwise eligible for designation under this section), and

''(ii) of such 10, 2 shall be areas described in paragraph (2)(B).

''(4) LIMITATION ON DESIGNATIONS.—

''(A) PUBLICATION OF REGULATIONS.—The Secretary of Housing and Urban Development shall prescribe by regulation no later than 4 months after the date of the enactment of this section, after consultation with the officials described in paragraph (1)(B)—

''(i) the procedures for nominating an area under paragraph (1)(A),

''(ii) the parameters relating to the size and population characteristics of a renewal community, and

''(iii) the manner in which nominated areas will be evaluated based on the criteria specified in subsection (d).

''(B) TIME LIMITATIONS.—The Secretary of Housing and Urban Development may designate nominated areas as renewal communities only during the 24-month period beginning on the first day of the first month following the month in which the regulations described in subparagraph (A) are prescribed.

''(C) PROCEDURAL RULES.—The Secretary of Housing and Urban Development shall not make any designation of a nominated area as a renewal community under paragraph (2) unless—

''(i) the local governments and the States in which the nominated area is located have the authority—

''(I) to nominate such area for designation as a renewal community,

''(II) to make the State and local commitments described in subsection (d), and

''(III) to provide assurances satisfactory to the Secretary of Housing and Urban Development that such commitments will be fulfilled,

''(ii) a nomination regarding such area is submitted in such a manner and in such form, and contains such information, as the Secretary of Housing and Urban Development shall by regulation prescribe, and

''(iii) the Secretary of Housing and Urban Development determines that any information furnished is reasonably accurate.

''(5) NOMINATION PROCESS FOR INDIAN RESERVATIONS.—For purposes of this subchapter, in the case of a nominated area on an Indian reservation, the reservation governing body (as determined by the Secretary of the Interior) shall be treated as being both the State and local governments with respect to such area.

''(b) PERIOD FOR WHICH DESIGNATION IS IN EFFECT.—

''(1) IN GENERAL.—Any designation of an area as a renewal community shall remain in effect during the period beginning on the date of the designation and ending on the earliest of—

''(A) December 31, 2006,

''(B) the termination date designated by the State and local governments in their nomination, or

''(C) the date the Secretary of Housing and Urban Development revokes such designation.

''(2) REVOCATION OF DESIGNATION.—The Secretary of Housing and Urban Development may revoke the designation under this section of an area if such Secretary determines that the local government or the State in which the area is located—

''(A) has modified the boundaries of the area, or

''(B) is not complying substantially with, or fails to make progress in achieving, the State or local commitments, respectively, described in subsection (d).

''(c) AREA AND ELIGIBILITY REQUIREMENTS.—

''(1) IN GENERAL.—The Secretary of Housing and Urban Development may designate a nominated area as a renewal community under subsection (a) only if the area meets the requirements of paragraphs (2) and (3) of this subsection.

''(2) AREA REQUIREMENTS.—A nominated area meets the requirements of this paragraph if—

''(A) the area is within the jurisdiction of one or more local governments,

''(B) the boundary of the area is continuous, and

''(C) the area—

''(i) has a population, of at least—

''(I) 4,000 if any portion of such area (other than a rural area described in subsection (a)(2)(B)(i)) is located within a metropolitan statistical area (within the meaning of section 143(k)(2)(B)) which has a population of 50,000 or greater, or

''(II) 1,000 in any other case, or

''(ii) is entirely within an Indian reservation (as determined by the Secretary of the Interior).

''(3) ELIGIBILITY REQUIREMENTS.—A nominated area meets the requirements of this paragraph if the State and the local governments in which it is located certify (and the Secretary of Housing and Urban Development, after such review of supporting data as he deems appropriate, accepts such certification) that—

''(A) the area is one of pervasive poverty, unemployment, and general distress,

''(B) the unemployment rate in the area, as determined by the most recent available data, was at least 1½ times the national unemployment rate for the period to which such data relate,

''(C) the poverty rate for each population census tract within the nominated area is at least 20 percent, and

''(D) in the case of an urban area, at least 70 percent of the households living in the area have incomes below 80 percent of the median income of households within the jurisdiction of the local government (determined in the same manner as under section 119(b)(2) of the Housing and Community Development Act of 1974).

''(4) CONSIDERATION OF HIGH INCIDENCE OF CRIME.—The Secretary of Housing and Urban Development shall take into account, in selecting nominated areas for designation as renewal communities under this section, the extent to which such areas have a high incidence of crime.

''(5) CONSIDERATION OF COMMUNITIES IDENTIFIED IN GAO STUDY.—The Secretary of Housing and Urban Development shall take into account, in selecting nominated areas for designation as renewal communities under this section, if the area has census tracts identified in the May 12, 1998, report of the Government Accounting Office regarding the identification of economically distressed areas.

''(d) REQUIRED STATE AND LOCAL COMMITMENTS.—

''(1) IN GENERAL.—The Secretary of Housing and Urban Development may designate any nominated area as a renewal community under subsection (a) only if—

''(A) the local government and the State in which the area is located agree in writing that, during any period during which the area is a renewal community, such governments will follow a specified course of action which meets the requirements of paragraph (2) and is designed to reduce the various burdens borne by employers or employees in such area, and

''(B) the economic growth promotion requirements of paragraph (3) are met.

''(2) COURSE OF ACTION.—

''(A) IN GENERAL.—A course of action meets the requirements of this paragraph if such course of action is a written document, signed by a State (or local government) and neighborhood organizations, which evidences a partnership between such State or government and community-based organizations

and which commits each signatory to specific and measurable goals, actions, and timetables. Such course of action shall include at least five of the following:

''(i) A reduction of tax rates or fees applying within the renewal community.

''(ii) An increase in the level of efficiency of local services within the renewal community.

''(iii) Crime reduction strategies, such as crime prevention (including the provision of such services by nongovernmental entities).

''(iv) Actions to reduce, remove, simplify, or streamline governmental requirements applying within the renewal community.

''(v) Involvement in the program by private entities, organizations, neighborhood organizations, and community groups, particularly those in the renewal community, including a commitment from such private entities to provide jobs and job training for, and technical, financial, or other assistance to, employers, employees, and residents from the renewal community.

''(vi) State or local income tax benefits for fees paid for services performed by a nongovernmental entity which were formerly performed by a governmental entity.

''(vii) The gift (or sale at below fair market value) of surplus real property (such as land, homes, and commercial or industrial structures) in the renewal community to neighborhood organizations, community development corporations, or private companies.

''(B) RECOGNITION OF PAST EFFORTS.—For purposes of this section, in evaluating the course of action agreed to by any State or local government, the Secretary of Housing and Urban Development shall take into account the past efforts of such State or local government in reducing the various burdens borne by employers and employees in the area involved.

''(3) ECONOMIC GROWTH PROMOTION REQUIREMENTS.—The economic growth promotion requirements of this paragraph are met with respect to a nominated area if the local government and the State in which such area is located certify in writing that such government and State, respectively, have repealed or otherwise will not enforce within the area, if such area is designated as a renewal community—

''(A) licensing requirements for occupations that do not ordinarily require a professional degree,

''(B) zoning restrictions on home-based businesses which do not create a public nuisance,

''(C) permit requirements for street vendors who do not create a public nuisance,

''(D) zoning or other restrictions that impede the formation of schools or child care centers, and

''(E) franchises or other restrictions on competition for businesses providing public services, including but not limited to taxicabs, jitneys, cable television, or trash hauling,

except to the extent that such regulation of businesses and occupations is necessary for and well-tailored to the protection of health and safety.

''(e) COORDINATION WITH TREATMENT OF EMPOWERMENT ZONES AND ENTERPRISE COMMUNITIES.—For purposes of this title, if there are in effect with respect to the same area both—

''(1) a designation as a renewal community, and

''(2) a designation as an empowerment zone or enterprise community,

both of such designations shall be given full effect with respect to such area.

''(f) DEFINITIONS AND SPECIAL RULES.—For purposes of this subchapter—

''(1) GOVERNMENTS.—If more than one government seeks to nominate an area as a renewal community, any reference to, or requirement of, this section shall apply to all such governments.

''(2) STATE.—The term 'State' includes Puerto Rico, the Virgin Islands of the United States, Guam, American Samoa, the Northern Mariana Islands, and any other possession of the United States.

''(3) LOCAL GOVERNMENT.—The term 'local government' means—

''(A) any county, city, town, township, parish, village, or other general purpose political subdivision of a State,

''(B) any combination of political subdivisions described in subparagraph (A) recognized by the Secretary of Housing and Urban Development, and

''(C) the District of Columbia.

''(4) APPLICATION OF RULES RELATING TO CENSUS TRACTS AND CENSUS DATA.—The rules of sections 1392(b)(4) and 1393(a)(9) shall apply.

''PART II—RENEWAL COMMUNITY CAPITAL GAIN; RENEWAL COMMUNITY BUSINESS

''SEC. 1400F. RENEWAL COMMUNITY CAPITAL GAIN.

''(a) GENERAL RULE.—Gross income does not include any qualified capital gain recognized on the sale or exchange of a qualified community asset held for more than 5 years.

''(b) QUALIFIED COMMUNITY ASSET.—For purposes of this section—

''(1) IN GENERAL.—The term 'qualified community asset' means—

''(A) any qualified community stock,

''(B) any qualified community partnership interest, and

''(C) any qualified community business property.

''(2) QUALIFIED COMMUNITY STOCK.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), the term 'qualified community stock' means any stock in a domestic corporation if—

''(i) such stock is acquired by the taxpayer after December 31, 1999, and before January 1, 2007, at its original issue (directly or through an underwriter) from the corporation solely in exchange for cash,

''(ii) as of the time such stock was issued, such corporation was a renewal community business (or, in the case of a new corporation, such corporation was being organized for purposes of being a renewal community business), and

''(iii) during substantially all of the taxpayer's holding period for such stock, such corporation qualified as a renewal community business.

''(B) REDEMPTIONS.—A rule similar to the rule of section 1202(c)(3) shall apply for purposes of this paragraph.

''(3) QUALIFIED COMMUNITY PARTNERSHIP INTEREST.—The term 'qualified community partnership interest' means any interest in a partnership if—

''(A) such interest is acquired by the taxpayer after December 31, 1999, and before January 1, 2007,

''(B) as of the time such interest was acquired, such partnership was a renewal community business (or, in the case of a new partnership, such partnership was being organized for purposes of being a renewal community business), and

''(C) during substantially all of the taxpayer's holding period for such interest, such partnership qualified as a renewal community business.

A rule similar to the rule of paragraph (2)(B) shall apply for purposes of this paragraph.

''(4) QUALIFIED COMMUNITY BUSINESS PROPERTY.—

''(A) IN GENERAL.—The term 'qualified community business property' means tangible property if—

''(i) such property was acquired by the taxpayer by purchase (as defined in section 179(d)(2)) after December 31, 1999, and before January 1, 2007,

''(ii) the original use of such property in the renewal community commences with the taxpayer, and

''(iii) during substantially all of the taxpayer's holding period for such property, substantially all of the use of such property was in a renewal community business of the taxpayer.

''(B) SPECIAL RULE FOR SUBSTANTIAL IMPROVEMENTS.—The requirements of clauses (i) and (ii) of subparagraph (A) shall be treated as satisfied with respect to—

''(i) property which is substantially improved (within the meaning of section 1400B(b)(4)(B)(ii)) by the taxpayer before January 1, 2007, and

''(ii) any land on which such property is located.

''(c) CERTAIN RULES TO APPLY.—Rules similar to the rules of paragraphs (5), (6), and (7) of subsection (b), and subsections (e), (f), and (g), of section 1400B shall apply for purposes of this section.

''SEC. 1400G. RENEWAL COMMUNITY BUSINESS DEFINED.

''For purposes of this part, the term 'renewal community business' means any entity or proprietorship which would be a qualified business entity or qualified proprietorship under section 1397B if—

''(1) references to renewal communities were substituted for references to empowerment zones in such section; and

''(2) '80 percent' were substituted for '50 percent' in subsections (b)(2) and (c)(1) of such section.

''PART III—FAMILY DEVELOPMENT ACCOUNTS

''SEC. 1400H. FAMILY DEVELOPMENT ACCOUNTS FOR RENEWAL COMMUNITY EITC RECIPIENTS.

''(a) ALLOWANCE OF DEDUCTION.—

''(1) IN GENERAL.—There shall be allowed as a deduction—

''(A) in the case of a qualified individual, the amount paid in cash for the taxable year by such individual to any family development account for such individual's benefit, and

''(B) in the case of any person other than a qualified individual, the amount paid in cash for the taxable year by such person to any family development account for the benefit of a qualified individual but only if the amount so paid is designated for purposes of this section by such individual.

No deduction shall be allowed under this paragraph for any amount deposited in a family development account under section 1400I (relating to demonstration program to provide matching amounts in renewal communities).

''(2) LIMITATION.—

''(A) IN GENERAL.—The amount allowable as a deduction to any individual for any taxable year by reason of paragraph (1)(A) shall not exceed the lesser of—

''(i) $2,000, or

''(ii) an amount equal to the compensation includible in the individual's gross income for such taxable year.

''(B) PERSONS DONATING TO FAMILY DEVELOPMENT ACCOUNTS OF OTHERS.—The amount which may be designated under paragraph (1)(B) by any qualified individual for any taxable year of such individual shall not exceed $1,000.

''(3) SPECIAL RULES FOR CERTAIN MARRIED INDIVIDUALS.—Rules similar to rules of section 219(c) shall apply to the limitation in paragraph (2)(A).

''(4) COORDINATION WITH IRA'S.—No deduction shall be allowed under this section to any person by reason of a payment to an account for the benefit of a qualified individual if any amount is paid into an individual retirement account (including a Roth IRA) for the benefit of such individual.

''(5) ROLLOVERS.—No deduction shall be allowed under this section with respect to any rollover contribution.

''(b) TAX TREATMENT OF DISTRIBUTIONS.—

''(1) INCLUSION OF AMOUNTS IN GROSS INCOME.—Except as otherwise provided in this subsection, any amount paid or distributed out of a family development account shall be included in gross income by the payee or distributee, as the case may be.

''(2) EXCLUSION OF QUALIFIED FAMILY DEVELOPMENT DISTRIBUTIONS.—Paragraph (1) shall not apply to any qualified family development distribution.

''(c) QUALIFIED FAMILY DEVELOPMENT DISTRIBUTION.—For purposes of this section—

''(1) IN GENERAL.—The term 'qualified family development distribution' means any amount paid or distributed out of a family development account which would otherwise be includible in gross income, to the extent that such payment or distribution is used exclusively to pay qualified family development expenses for the holder of the account or the spouse or dependent (as defined in section 152) of such holder.

''(2) QUALIFIED FAMILY DEVELOPMENT EXPENSES.—The term 'qualified family development expenses' means any of the following:

''(A) Qualified higher education expenses.

''(B) Qualified first-time homebuyer costs.

''(C) Qualified business capitalization costs.

''(D) Qualified medical expenses.

''(E) Qualified rollovers.

''(3) QUALIFIED HIGHER EDUCATION EXPENSES.—

''(A) IN GENERAL.—The term 'qualified higher education expenses' has the meaning given such term by section 72(t)(7), determined by treating postsecondary vocational educational schools as eligible educational institutions.

''(B) POSTSECONDARY VOCATIONAL EDUCATION SCHOOL.—The term 'postsecondary vocational educational school' means an area vocational education school (as defined in subparagraph (C) or (D) of section 521(4) of the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2471(4))) which is in any State (as defined in section 521(33) of such Act), as such sections are in effect on the date of the enactment of this section.

''(C) COORDINATION WITH OTHER BENEFITS.—The amount of qualified higher education expenses for any taxable year shall be reduced as provided in section 25A(g)(2).

''(4) QUALIFIED FIRST-TIME HOMEBUYER COSTS.—The term 'qualified first-time homebuyer costs' means qualified acquisition costs (as defined in section 72(t)(8) without regard to subparagraph (B) thereof) with respect to a principal residence (within the meaning of section 121) for a qualified first-time homebuyer (as defined in such section).

''(5) QUALIFIED BUSINESS CAPITALIZATION COSTS.—

''(A) IN GENERAL.—The term 'qualified business capitalization costs' means qualified expenditures for the capitalization of a qualified business pursuant to a qualified plan.

''(B) QUALIFIED EXPENDITURES.—The term 'qualified expenditures' means expenditures included in a qualified plan, including capital, plant, equipment, working capital, and inventory expenses.

''(C) QUALIFIED BUSINESS.—The term 'qualified business' means any business that does not contravene any law.

''(D) QUALIFIED PLAN.—The term 'qualified plan' means a business plan which meets such requirements as the Secretary may specify.

''(6) QUALIFIED MEDICAL EXPENSES.—The term 'qualified medical expenses' means any amount paid during the taxable year, not compensated for by insurance or otherwise, for medical care (as defined in section 213(d)) of the taxpayer, his spouse, or his dependent (as defined in section 152).

''(7) QUALIFIED ROLLOVERS.—The term 'qualified rollover' means any amount paid from a family development account of a taxpayer into another such account established for the benefit of—

''(A) such taxpayer, or

''(B) any qualified individual who is—

''(i) the spouse of such taxpayer, or

''(ii) any dependent (as defined in section 152) of the taxpayer.

Rules similar to the rules of section 408(d)(3) shall apply for purposes of this paragraph.

''(d) TAX TREATMENT OF ACCOUNTS.—

''(1) IN GENERAL.—Any family development account is exempt from taxation under this subtitle unless such account has ceased to be a family development account by reason of paragraph (2). Notwithstanding the preceding sentence, any such account is subject to the taxes imposed by section 511 (relating to imposition of tax on unrelated business income of charitable, etc., organizations). Notwithstanding any other provision of this title (including chapters 11 and 12), the basis of any person in such an account is zero.

''(2) LOSS OF EXEMPTION IN CASE OF PROHIBITED TRANSACTIONS.—For purposes of this section, rules similar to the rules of section 408(e) shall apply.

''(3) OTHER RULES TO APPLY.—Rules similar to the rules of paragraphs (4), (5), and (6) of section 408(d) shall apply for purposes of this section.

''(e) FAMILY DEVELOPMENT ACCOUNT.—For purposes of this title, the term 'family development account' means a trust created or organized in the United States for the exclusive benefit of a qualified individual or his beneficiaries, but only if the written governing instrument creating the trust meets the following requirements:

''(1) Except in the case of a qualified rollover (as defined in subsection (c)(7))—

''(A) no contribution will be accepted unless it is in cash, and

''(B) contributions will not be accepted for the taxable year in excess of $3,000 (determined without regard to any contribution made under section 1400I (relating to demonstration program to provide matching amounts in renewal communities)).

''(2) The requirements of paragraphs (2) through (6) of section 408(a) are met.

''(f) QUALIFIED INDIVIDUAL.—For purposes of this section, the term 'qualified individual' means, for any taxable year, an individual—

''(1) who is a bona fide resident of a renewal community throughout the taxable year, and

''(2) to whom a credit was allowed under section 32 for the preceding taxable year.

''(g) OTHER DEFINITIONS AND SPECIAL RULES.—

''(1) COMPENSATION.—The term 'compensation' has the meaning given such term by section 219(f)(1).

''(2) MARRIED INDIVIDUALS.—The maximum deduction under subsection (a) shall be computed separately for each individual, and this section shall be applied without regard to any community property laws.

''(3) TIME WHEN CONTRIBUTIONS DEEMED MADE.—For purposes of this section, a taxpayer shall be deemed to have made a contribution to a family development account on the last day of the preceding taxable year if the contribution is made on account of such taxable year and is made not later than the time prescribed by law for filing the return for such taxable year (not including extensions thereof).

''(4) EMPLOYER PAYMENTS; CUSTODIAL ACCOUNTS.—Rules similar to the rules of sections 219(f)(5) and 408(h) shall apply for purposes of this section.

''(5) REPORTS.—The trustee of a family development account shall make such reports regarding such account to the Secretary and to the individual for whom the account is maintained with respect to contributions (and the years to which they relate), distributions, and such other matters as the Secretary may require under regulations. The reports required by this paragraph—

''(A) shall be filed at such time and in such manner as the Secretary prescribes in such regulations, and

''(B) shall be furnished to individuals—

''(i) not later than January 31 of the calendar year following the calendar year to which such reports relate, and

''(ii) in such manner as the Secretary prescribes in such regulations.

''(6) INVESTMENT IN COLLECTIBLES TREATED AS DISTRIBUTIONS.—Rules similar to the rules of section 408(m) shall apply for purposes of this section.

''(h) PENALTY FOR DISTRIBUTIONS NOT USED FOR QUALIFIED FAMILY DEVELOPMENT EXPENSES.—

''(1) IN GENERAL.—If any amount is distributed from a family development account and is not used exclusively to pay qualified family development expenses for the holder of the account or the spouse or dependent (as defined in section 152) of such holder, the tax imposed by this chapter for the taxable year of such distribution shall be increased by the sum of—

''(A) 100 percent of the portion of such amount which is includible in gross income and is attributable to amounts contributed under section 1400I (relating to demonstration program to provide matching amounts in renewal communities), and

''(B) 10 percent of the portion of such amount which is includible in gross income and is not described in subparagraph (A).

For purposes of this subsection, distributions which are includable in gross income shall be treated as attributable to amounts contributed under section 1400I to the extent thereof. For purposes of the preceding sentence, all family development accounts of an individual shall be treated as one account.

''(2) EXCEPTION FOR CERTAIN DISTRIBUTIONS.—Paragraph (1) shall not apply to distributions which are—

''(A) made on or after the date on which the account holder attains age 59½,

''(B) made to a beneficiary (or the estate of the account holder) on or after the death of the account holder, or

''(C) attributable to the account holder's being disabled within the meaning of section 72(m)(7).

''(i) TERMINATION.—No deduction shall be allowed under this section for any amount

paid to a family development account for any taxable year beginning after December 31, 2006.

"SEC. 1400I. DEMONSTRATION PROGRAM TO PROVIDE MATCHING CONTRIBUTIONS TO FAMILY DEVELOPMENT ACCOUNTS IN CERTAIN RENEWAL COMMUNITIES.

''(a) DESIGNATION.—

''(1) DEFINITIONS.—For purposes of this section, the term 'FDA matching demonstration area' means any renewal community—

''(A) which is nominated under this section by each of the local governments and States which nominated such community for designation as a renewal community under section 1400E(a)(1)(A), and

''(B) which the Secretary of Housing and Urban Development designates as an FDA matching demonstration area after consultation with—

''(i) the Secretaries of Agriculture, Commerce, Labor, and the Treasury, the Director of the Office of Management and Budget, and the Administrator of the Small Business Administration, and

''(ii) in the case of a community on an Indian reservation, the Secretary of the Interior.

''(2) NUMBER OF DESIGNATIONS.—

''(A) IN GENERAL.—The Secretary of Housing and Urban Development may designate not more than 5 communities as FDA matching demonstration areas.

''(B) MINIMUM DESIGNATION IN RURAL AREAS.—Of the areas designated under subparagraph (A), at least 2 must be areas described in section 1400E(a)(2)(B).

''(3) LIMITATIONS ON DESIGNATIONS.—

''(A) PUBLICATION OF REGULATIONS.—The Secretary of Housing and Urban Development shall prescribe by regulation no later than 4 months after the date of the enactment of this section, after consultation with the officials described in paragraph (1)(B)—

''(i) the procedures for nominating a renewal community under paragraph (1)(A) (including procedures for coordinating such nomination with the nomination of an area for designation as a renewal community under section 1400E), and

''(ii) the manner in which nominated renewal communities will be evaluated for purposes of this section.

''(B) TIME LIMITATIONS.—The Secretary of Housing and Urban Development may designate renewal communities as FDA matching demonstration areas only during the 24-month period beginning on the first day of the first month following the month in which the regulations described in subparagraph (A) are prescribed.

''(4) DESIGNATION BASED ON DEGREE OF POVERTY, ETC.—The rules of section 1400E(a)(3) shall apply for purposes of designations of FDA matching demonstration areas under this section.

''(b) PERIOD FOR WHICH DESIGNATION IS IN EFFECT.—Any designation of a renewal community as an FDA matching demonstration area shall remain in effect during the period beginning on the date of such designation and ending on the date on which such area ceases to be a renewal community.

''(c) MATCHING CONTRIBUTIONS TO FAMILY DEVELOPMENT ACCOUNTS.—

''(1) IN GENERAL.—Not less than once each taxable year, the Secretary shall deposit (to the extent provided in appropriation Acts) into a family development account of each qualified individual (as defined in section 1400H(f))—

''(A) who is a resident throughout the taxable year of an FDA matching demonstration area, and

''(B) who requests (in such form and manner as the Secretary prescribes) such deposit for the taxable year,

an amount equal to the sum of the amounts deposited into all of the family development accounts of such individual during such taxable year (determined without regard to any amount contributed under this section).

''(2) LIMITATIONS.—

''(A) ANNUAL LIMIT.—The Secretary shall not deposit more than $1000 under paragraph (1) with respect to any individual for any taxable year.

''(B) AGGREGATE LIMIT.—The Secretary shall not deposit more than $2000 under paragraph (1) with respect to any individual for all taxable years.

''(3) EXCLUSION FROM INCOME.—Except as provided in section 1400H, gross income shall not include any amount deposited into a family development account under paragraph (1).

''(d) NOTICE OF PROGRAM.—The Secretary shall provide appropriate notice to residents of FDA matching demonstration areas of the availability of the benefits under this section.

''(e) TERMINATION.—No amount may be deposited under this section for any taxable year beginning after December 31, 2006.

"SEC. 1400J. DESIGNATION OF EARNED INCOME TAX CREDIT PAYMENTS FOR DEPOSIT TO FAMILY DEVELOPMENT ACCOUNT.

''(a) IN GENERAL.—With respect to the return of any qualified individual (as defined in section 1400H(f)) for the taxable year of the tax imposed by this chapter, such individual may designate that a specified portion (not less than $1) of any overpayment of tax for such taxable year which is attributable to the earned income tax credit shall be deposited by the Secretary into a family development account of such individual. The Secretary shall so deposit such portion designated under this subsection.

''(b) MANNER AND TIME OF DESIGNATION.—A designation under subsection (a) may be made with respect to any taxable year—

''(1) at the time of filing the return of the tax imposed by this chapter for such taxable year, or

''(2) at any other time (after the time of filing the return of the tax imposed by this chapter for such taxable year) specified in regulations prescribed by the Secretary.

Such designation shall be made in such manner as the Secretary prescribes by regulations.

''(c) PORTION ATTRIBUTABLE TO EARNED INCOME TAX CREDIT.—For purposes of subsection (a), an overpayment for any taxable year shall be treated as attributable to the earned income tax credit to the extent that such overpayment does not exceed the credit allowed to the taxpayer under section 32 for such taxable year.

''(d) OVERPAYMENTS TREATED AS REFUNDED.—For purposes of this title, any portion of an overpayment of tax designated under subsection (a) shall be treated as being refunded to the taxpayer as of the last date prescribed for filing the return of tax imposed by this chapter (determined without regard to extensions) or, if later, the date the return is filed.

''(e) TERMINATION.—This section shall not apply to any taxable year beginning after December 31, 2006.

"PART IV—ADDITIONAL INCENTIVES

''Sec. 1400K. Commercial revitalization credit.

''Sec. 1400L. Increase in expensing under section 179.

"SEC. 1400K. COMMERCIAL REVITALIZATION CREDIT.

''(a) GENERAL RULE.—For purposes of section 46, except as provided in subsection (e), the commercial revitalization credit for any taxable year is an amount equal to the applicable percentage of the qualified revitalization expenditures with respect to any qualified revitalization building.

''(b) APPLICABLE PERCENTAGE.—For purposes of this section—

''(1) IN GENERAL.—The term 'applicable percentage' means—

''(A) 20 percent for the taxable year in which a qualified revitalization building is placed in service, or

''(B) at the election of the taxpayer, 5 percent for each taxable year in the credit period.

The election under subparagraph (B), once made, shall be irrevocable.

''(2) CREDIT PERIOD.—

''(A) IN GENERAL.—The term 'credit period' means, with respect to any building, the period of 10 taxable years beginning with the taxable year in which the building is placed in service.

''(B) APPLICABLE RULES.—Rules similar to the rules under paragraphs (2) and (4) of section 42(f) shall apply.

''(c) QUALIFIED REVITALIZATION BUILDINGS AND EXPENDITURES.—For purposes of this section—

''(1) QUALIFIED REVITALIZATION BUILDING.—The term 'qualified revitalization building' means any building (and its structural components) if—

''(A) such building is located in a renewal community and is placed in service after December 31, 1999,

''(B) a commercial revitalization credit amount is allocated to the building under subsection (e), and

''(C) depreciation (or amortization in lieu of depreciation) is allowable with respect to the building.

''(2) QUALIFIED REVITALIZATION EXPENDITURE.—

''(A) IN GENERAL.—The term 'qualified revitalization expenditure' means any amount properly chargeable to capital account—

''(i) for property for which depreciation is allowable under section 168 and which is—

''(I) nonresidential real property, or

''(II) an addition or improvement to property described in subclause (I), and

''(ii) in connection with the construction of any qualified revitalization building which was not previously placed in service or in connection with the substantial rehabilitation (within the meaning of section 47(c)(1)(C)) of a building which was placed in service before the beginning of such rehabilitation.

''(B) DOLLAR LIMITATION.—The aggregate amount which may be treated as qualified revitalization expenditures with respect to any qualified revitalization building for any taxable year shall not exceed the excess of—

''(i) $10,000,000, reduced by

''(ii) any such expenditures with respect to the building taken into account by the taxpayer or any predecessor in determining the amount of the credit under this section for all preceding taxable years.

''(C) CERTAIN EXPENDITURES NOT INCLUDED.—The term 'qualified revitalization expenditure' does not include—

''(i) STRAIGHT LINE DEPRECIATION MUST BE USED.—Any expenditure (other than with respect to land acquisitions) with respect to which the taxpayer does not use the straight line method over a recovery period determined under subsection (c) or (g) of section 168. The preceding sentence shall not apply to any expenditure to the extent the alternative depreciation system of section 168(g) applies to such expenditure by reason of subparagraph (B) or (C) of section 168(g)(1).

''(ii) ACQUISITION COSTS.—The costs of acquiring any building or interest therein and any land in connection with such building to the extent that such costs exceed 30 percent

of the qualified revitalization expenditures determined without regard to this clause.

''(iii) OTHER CREDITS.—Any expenditure which the taxpayer may take into account in computing any other credit allowable under this title unless the taxpayer elects to take the expenditure into account only for purposes of this section.

''(d) WHEN EXPENDITURES TAKEN INTO ACCOUNT.—

''(1) IN GENERAL.—Qualified revitalization expenditures with respect to any qualified revitalization building shall be taken into account for the taxable year in which the qualified revitalization building is placed in service. For purposes of the preceding sentence, a substantial rehabilitation of a building shall be treated as a separate building.

''(2) PROGRESS EXPENDITURE PAYMENTS.—Rules similar to the rules of subsections (b)(2) and (d) of section 47 shall apply for purposes of this section.

''(e) LIMITATION ON AGGREGATE CREDITS ALLOWABLE WITH RESPECT TO BUILDINGS LOCATED IN A STATE.—

''(1) IN GENERAL.—The amount of the credit determined under this section for any taxable year with respect to any building shall not exceed the commercial revitalization credit amount (in the case of an amount determined under subsection (b)(1)(B), the present value of such amount as determined under the rules of section 42(b)(2)(C)) allocated to such building under this subsection by the commercial revitalization credit agency. Such allocation shall be made at the same time and in the same manner as under paragraphs (1) and (7) of section 42(h).

''(2) COMMERCIAL REVITALIZATION CREDIT AMOUNT FOR AGENCIES.—

''(A) IN GENERAL.—The aggregate commercial revitalization credit amount which a commercial revitalization credit agency may allocate for any calendar year is the amount of the State commercial revitalization credit ceiling determined under this paragraph for such calendar year for such agency.

''(B) STATE COMMERCIAL REVITALIZATION CREDIT CEILING.—The State commercial revitalization credit ceiling applicable to any State—

''(i) for each calendar year after 1999 and before 2007 is $2,000,000 for each renewal community in the State, and

''(ii) zero for each calendar year thereafter.

''(C) COMMERCIAL REVITALIZATION CREDIT AGENCY.—For purposes of this section, the term 'commercial revitalization credit agency' means any agency authorized by a State to carry out this section.

''(f) RESPONSIBILITIES OF COMMERCIAL REVITALIZATION CREDIT AGENCIES.—

''(1) PLANS FOR ALLOCATION.—Notwithstanding any other provision of this section, the commercial revitalization credit amount with respect to any building shall be zero unless—

''(A) such amount was allocated pursuant to a qualified allocation plan of the commercial revitalization credit agency which is approved (in accordance with rules similar to the rules of section 147(f)(2) (other than subparagraph (B)(ii) thereof)) by the governmental unit of which such agency is a part, and

''(B) such agency notifies the chief executive officer (or its equivalent) of the local jurisdiction within which the building is located of such allocation and provides such individual a reasonable opportunity to comment on the allocation.

''(2) QUALIFIED ALLOCATION PLAN.—For purposes of this subsection, the term 'qualified allocation plan' means any plan—

''(A) which sets forth selection criteria to be used to determine priorities of the commercial revitalization credit agency which are appropriate to local conditions,

''(B) which considers—

''(i) the degree to which a project contributes to the implementation of a strategic plan that is devised for a renewal community through a citizen participation process,

''(ii) the amount of any increase in permanent, full-time employment by reason of any project, and

''(iii) the active involvement of residents and nonprofit groups within the renewal community, and

''(C) which provides a procedure that the agency (or its agent) will follow in monitoring compliance with this section.

''(g) TERMINATION.—This section shall not apply to any building placed in service after December 31, 2006.

''SEC. 1400L. INCREASE IN EXPENSING UNDER SECTION 179.

''(a) GENERAL RULE.—In the case of a renewal community business (as defined in section 1400G), for purposes of section 179—

''(1) the limitation under section 179(b)(1) shall be increased by the lesser of—

''(A) $35,000, or

''(B) the cost of section 179 property which is qualified renewal property placed in service during the taxable year, and

''(2) the amount taken into account under section 179(b)(2) with respect to any section 179 property which is qualified renewal property shall be 50 percent of the cost thereof.

''(b) RECAPTURE.—Rules similar to the rules under section 179(d)(10) shall apply with respect to any qualified renewal property which ceases to be used in a renewal community by a renewal community business.

''(c) QUALIFIED RENEWAL PROPERTY.—For purposes of this section—

''(1) IN GENERAL.—The term 'qualified renewal property' means any property to which section 168 applies (or would apply but for section 179) if—

''(A) such property was acquired by the taxpayer by purchase (as defined in section 179(d)(2)) after December 31, 1999, and before January 1, 2007, and

''(B) such property would be qualified zone property (as defined in section 1397C) if references to renewal communities were substituted for references to empowerment zones in section 1397C.

''(2) CERTAIN RULES TO APPLY.—The rules of subsections (a)(2) and (b) of section 1397C shall apply for purposes of this section.''

SEC. 603. EXTENSION OF EXPENSING OF ENVIRONMENTAL REMEDIATION COSTS TO RENEWAL COMMUNITIES.

(a) EXTENSION.—Paragraph (2) of section 198(c) (defining targeted area) is amended by redesignating subparagraph (C) as subparagraph (D) and by inserting after subparagraph (B) the following new subparagraph:

''(C) RENEWAL COMMUNITIES INCLUDED.—Except as provided in subparagraph (B), such term shall include a renewal community (as defined in section 1400E).''

(b) EXTENSION OF TERMINATION DATE FOR RENEWAL COMMUNITIES.—Subsection (h) of section 198 is amended by inserting before the period ''(December 31, 2006, in the case of a renewal community, as defined in section 1400E).''

SEC. 604. EXTENSION OF WORK OPPORTUNITY TAX CREDIT FOR RENEWAL COMMUNITIES

(a) EXTENSION.—Subsection (c) of section 51 (relating to termination) is amended by adding at the end the following new paragraph:

''(5) EXTENSION OF CREDIT FOR RENEWAL COMMUNITIES.—

''(A) IN GENERAL.—In the case of an individual who begins work for the employer after the date contained in paragraph (4)(B), for purposes of section 38—

''(i) in lieu of applying subsection (a), the amount of the work opportunity credit determined under this section for the taxable year shall be equal to—

''(I) 15 percent of the qualified first-year wages for such year, and

''(II) 30 percent of the qualified second-year wages for such year,

''(ii) subsection (b)(3) shall be applied by substituting '$10,000' for '$6,000',

''(iii) paragraph (4)(B) shall be applied by substituting for the date contained therein the last day for which the designation under section 1400E of the renewal community referred to in subparagraph (B)(i) is in effect, and

''(iv) rules similar to the rules of section 51A(b)(5)(C) shall apply.

''(B) QUALIFIED FIRST- AND SECOND-YEAR WAGES.—For purposes of subparagraph (A)—

''(i) IN GENERAL.—The term 'qualified wages' means, with respect to each 1-year period referred to in clause (ii) or (iii), as the case may be, the wages paid or incurred by the employer during the taxable year to any individual but only if—

''(I) the employer is engaged in a trade or business in a renewal community throughout such 1-year period,

''(II) the principal place of abode of such individual is in such renewal community throughout such 1-year period, and

''(III) substantially all of the services which such individual performs for the employer during such 1-year period are performed in such renewal community.

''(ii) QUALIFIED FIRST-YEAR WAGES.—The term 'qualified first-year wages' means, with respect to any individual, qualified wages attributable to service rendered during the 1-year period beginning with the day the individual begins work for the employer.

''(iii) QUALIFIED SECOND-YEAR WAGES.—The term 'qualified second-year wages' means, with respect to any individual, qualified wages attributable to service rendered during the 1-year period beginning on the day after the last day of the 1-year period with respect to such individual determined under clause (ii).''

(b) CONGRUENT TREATMENT OF RENEWAL COMMUNITIES AND ENTERPRISE ZONES FOR PURPOSES OF YOUTH RESIDENCE REQUIREMENTS.—

(1) HIGH-RISK YOUTH.—Subparagraphs (A)(ii) and (B) of section 51(d)(5) are each amended by striking ''empowerment zone or enterprise community'' and inserting ''empowerment zone, enterprise community, or renewal community''.

(2) QUALIFIED SUMMER YOUTH EMPLOYEE.—Clause (iv) of section 51(d)(7)(A) is amended by striking ''empowerment zone or enterprise community'' and inserting ''empowerment zone, enterprise community, or renewal community''.

(3) HEADINGS.—Paragraphs (5)(B) and (7)(C) of section 51(d) are each amended by inserting ''OR COMMUNITY'' in the heading after ''ZONE''.

SEC. 605. CONFORMING AND CLERICAL AMENDMENTS.

(a) DEDUCTION FOR CONTRIBUTIONS TO FAMILY DEVELOPMENT ACCOUNTS ALLOWABLE WHETHER OR NOT TAXPAYER ITEMIZES.—Subsection (a) of section 62 (relating to adjusted gross income defined) is amended by inserting after paragraph (17) the following new paragraph:

''(18) FAMILY DEVELOPMENT ACCOUNTS.—The deduction allowed by section 1400H(a)(1)(A).''

(b) TAX ON EXCESS CONTRIBUTIONS.—

(1) TAX IMPOSED.—Subsection (a) of section 4973 is amended by striking ''or'' at the end of paragraph (3), adding ''or'' at the end of paragraph (4), and inserting after paragraph (4) the following new paragraph:

''(5) a family development account (within the meaning of section 1400H(e)),''.

(2) EXCESS CONTRIBUTIONS.—Section 4973 is amended by adding at the end the following new subsection:

''(g) FAMILY DEVELOPMENT ACCOUNTS.—For purposes of this section, in the case of a family development account, the term 'excess contributions' means the sum of—

''(1) the excess (if any) of—

''(A) the amount contributed for the taxable year to the account (other than a qualified rollover, as defined in section 1400H(c)(7), or a contribution under section 1400I), over

''(B) the amount allowable as a deduction under section 1400H for such contributions, and

''(2) the amount determined under this subsection for the preceding taxable year reduced by the sum of—

''(A) the distributions out of the account for the taxable year which were included in the gross income of the payee under section 1400H(b)(1),

''(B) the distributions out of the account for the taxable year to which rules similar to the rules of section 408(d)(5) apply by reason of section 1400H(d)(3), and

''(C) the excess (if any) of the maximum amount allowable as a deduction under section 1400H for the taxable year over the amount contributed to the account for the taxable year (other than a contribution under section 1400I).

For purposes of this subsection, any contribution which is distributed from the family development account in a distribution to which rules similar to the rules of section 408(d)(4) apply by reason of section 1400H(d)(3) shall be treated as an amount not contributed.''

(c) TAX ON PROHIBITED TRANSACTIONS.—Section 4975 is amended—

(1) by adding at the end of subsection (c) the following new paragraph:

''(6) SPECIAL RULE FOR FAMILY DEVELOPMENT ACCOUNTS.—An individual for whose benefit a family development account is established and any contributor to such account shall be exempt from the tax imposed by this section with respect to any transaction concerning such account (which would otherwise be taxable under this section) if, with respect to such transaction, the account ceases to be a family development account by reason of the application of section 1400H(d)(2) to such account.'', and

(2) in subsection (e)(1), by striking ''or'' at the end of subparagraph (E), by redesignating subparagraph (F) as subparagraph (G), and by inserting after subparagraph (E) the following new subparagraph:

''(F) a family development account described in section 1400H(e), or''.

(d) INFORMATION RELATING TO CERTAIN TRUSTS AND ANNUITY PLANS.—Subsection (c) of section 6047 is amended—

(1) by inserting ''or section 1400H'' after ''section 219'', and

(2) by inserting '', of any family development account described in section 1400H(e),'', after ''section 408(a)''.

(e) INSPECTION OF APPLICATIONS FOR TAX EXEMPTION.—Clause (i) of section 6104(a)(1)(B) is amended by inserting ''a family development account described in section 1400H(e),'' after ''section 408(a),''.

(f) FAILURE TO PROVIDE REPORTS ON FAMILY DEVELOPMENT ACCOUNTS.—Paragraph (2) of section 6693(a) is amended by striking ''and'' at the end of subparagraph (C), by striking the period and inserting '', and'' at the end of subparagraph (D), and by adding at the end the following new subparagraph:

''(E) section 1400H(g)(6) (relating to family development accounts).''

(g) CONFORMING AMENDMENTS REGARDING COMMERCIAL REVITALIZATION CREDIT.—

(1) Section 46 (relating to investment credit) is amended by striking ''and'' at the end of paragraph (2), by striking the period at the end of paragraph (3) and inserting '', and'', and by adding at the end the following new paragraph:

''(4) the commercial revitalization credit provided under section 1400K.''

(2) Section 39(d) is amended by adding at the end the following new paragraph:

''(9) NO CARRYBACK OF SECTION 1400K CREDIT BEFORE DATE OF ENACTMENT.—No portion of the unused business credit for any taxable year which is attributable to any commercial revitalization credit determined under section 1400K may be carried back to a taxable year ending before the date of the enactment of section 1400K.''

(3) Subparagraph (B) of section 48(a)(2) is amended by inserting ''or commercial revitalization'' after ''rehabilitation'' each place it appears in the text and heading.

(4) Subparagraph (C) of section 49(a)(1) is amended by striking ''and'' at the end of clause (ii), by striking the period at the end of clause (iii) and inserting '', and'', and by adding at the end the following new clause:

''(iv) the portion of the basis of any qualified revitalization building attributable to qualified revitalization expenditures.''

(5) Paragraph (2) of section 50(a) is amended by inserting ''or 1400K(d)(2)'' after ''section 47(d)'' each place it appears.

(6) Subparagraph (A) of section 50(a)(2) is amended by inserting ''or qualified revitalization building (respectively)'' after ''qualified rehabilitated building''.

(7) Subparagraph (B) of section 50(a)(2) is amended by adding at the end the following new sentence: ''A similar rule shall apply for purposes of section 1400K.''

(8) Paragraph (2) of section 50(b) is amended by striking ''and'' at the end of subparagraph (C), by striking the period at the end of subparagraph (D) and inserting ''; and'', and by adding at the end the following new subparagraph:

''(E) a qualified revitalization building (as defined in section 1400K) to the extent of the portion of the basis which is attributable to qualified revitalization expenditures (as defined in section 1400K).''

(9) The last sentence of section 50(b)(3) is amended to read as follows: ''If any qualified rehabilitated building or qualified revitalization building is used by the tax-exempt organization pursuant to a lease, this paragraph shall not apply for purposes of determining the amount of the rehabilitation credit or the commercial revitalization credit.''

(10) Subparagraph (C) of section 50(b)(4) is amended—

(A) by inserting ''or commercial revitalization'' after ''rehabilitated'' in the text and heading, and

(B) by inserting ''or commercial revitalization'' after ''rehabilitation''.

(11) Subparagraph (C) of section 469(i)(3) is amended—

(A) by inserting ''or section 1400K'' after ''section 42''; and

(B) by striking ''CREDIT'' in the heading and inserting ''AND COMMERCIAL REVITALIZATION CREDITS''.

(h) CLERICAL AMENDMENTS.—The table of subchapters for chapter 1 is amended by adding at the end the following new item:

''Subchapter X. Renewal Communities.''

SEC. 606. EVALUATION AND REPORTING REQUIREMENTS.

Not later than the close of the fourth calendar year after the year in which the Secretary of Housing and Urban Development first designates an area as a renewal community under section 1400E of the Internal Revenue Code of 1986, and at the close of each fourth calendar year thereafter, such Secretary shall prepare and submit to the Congress a report on the effects of such designations in stimulating the creation of new jobs, particularly for disadvantaged workers and long-term unemployed individuals, and promoting the revitalization of economically distressed areas.

TITLE VII—TAX REDUCTIONS CONTINGENT ON SAVING SOCIAL SECURITY

SEC. 701. TAX REDUCTIONS CONTINGENT ON SAVING SOCIAL SECURITY.

(a) REQUIREMENT FOR BALANCED BUDGET AND SOCIAL SECURITY SOLVENCY.—Notwithstanding any other provision of this Act, no provision of this Act (or amendment made thereby) shall take effect before the first January 1 after the date of the enactment of this Act that follows a calendar year for which there is a social security solvency certification.

(b) EXEMPTION OF FUNDED PROVISIONS .—The following provisions shall take effect without regard to subsection (a):

(1) Subtitle C of title I (relating to increase in social security earnings limit and recomputation of benefits).

(2) Section 213 (relating to production flexibility contract payments).

(3) Title III (relating to extension and modification of certain expiring provisions).

(4) Title IV (relating to revenue offset).

(5) Title V (relating to technical corrections).

(c) SOCIAL SECURITY SOLVENCY CERTIFICATION.—For purposes of subsection (a), there is a social security solvency certification for a calendar year if, during such year, the Board of Trustees of the Social Security Trust Funds certifies that the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund are in actuarial balance for the 75-year period utilized in the most recent annual report of such Board of Trustees pursuant to section 201(c)(2) of the Social Security Act (42 U.S.C. 401(c)(2)).

H.R. 4579

OFFERED BY: MR. STENHOLM

(Amendment in the Nature of a Substitute)

AMENDMENT NO. 2: Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE, ETC.

(a) SHORT TITLE.—This Act may be cited as the ''Taxpayer Relief Act of 1998''.

(b) AMENDMENT OF 1986 CODE.—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 section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

(c) TABLE OF CONTENTS.—

TITLE I—PROVISIONS PRIMARILY AFFECTING INDIVIDUALS AND FAMILIES

Subtitle A—General Provisions

SEC. 101. ELIMINATION OF MARRIAGE PENALTY IN STANDARD DEDUCTION.

(a) IN GENERAL.—Paragraph (2) of section 63(c) (relating to standard deduction) is amended—

(1) by striking ''$5,000'' in subparagraph (A) and inserting ''twice the dollar amount in effect under subparagraph (C) for the taxable year'',

(2) by adding ''or'' at the end of subparagraph (B),

(3) by striking ''in the case of'' and all that follows in subparagraph (C) and inserting ''in any other case.'', and

(4) by striking subparagraph (D).

(b) ADDITIONAL STANDARD DEDUCTION FOR AGED AND BLIND TO BE THE SAME FOR MARRIED AND UNMARRIED INDIVIDUALS.—

(1) Paragraphs (1) and (2) of section 63(f) are each amended by striking ''$600'' and inserting ''$750''.

(2) Subsection (f) of section 63 is amended by striking paragraph (3) and by redesignating paragraph (4) as paragraph (3).

(c) TECHNICAL AMENDMENTS.—

(1) Subparagraph (B) of section 1(f)(6) is amended by striking ''(other than with'' and all that follows through ''shall be applied'' and inserting ''(other than with respect to sections 63(c)(4) and 151(d)(4)(A)) shall be applied''.

(2) Paragraph (4) of section 63(c) is amended by adding at the end the following flush sentence:

''The preceding sentence shall not apply to the amount referred to in paragraph (2)(A).''

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1998.

SEC. 102. EXEMPTION OF CERTAIN INTEREST AND DIVIDEND INCOME FROM TAX.

(a) IN GENERAL.—Part III of subchapter B of chapter 1 (relating to amounts specifically excluded from gross income) is amended by inserting after section 115 the following new section:

''SEC. 116. PARTIAL EXCLUSION OF DIVIDENDS AND INTEREST RECEIVED BY INDIVIDUALS.

''(a) EXCLUSION FROM GROSS INCOME.—Gross income does not include dividends and interest received during the taxable year by an individual.

''(b) LIMITATIONS.—

''(1) MAXIMUM AMOUNT.—The aggregate amount excluded under subsection (a) for any taxable year shall not exceed $200 ($400 in the case of a joint return).

''(2) CERTAIN DIVIDENDS EXCLUDED.—Subsection (a) shall not apply to any dividend from a corporation which, for the taxable year of the corporation in which the distribution is made, or for the next preceding taxable year of the corporation, is a corporation exempt from tax under section 501 (relating to certain charitable, etc., organization) or section 521 (relating to farmers' cooperative associations).

''(c) SPECIAL RULES.—For purposes of this section—

''(1) EXCLUSION NOT TO APPLY TO CAPITAL GAIN DIVIDENDS FROM REGULATED INVESTMENT COMPANIES AND REAL ESTATE INVESTMENT TRUSTS.—

''For treatment of capital gain dividends, see sections 854(a) and 857(c).

''(2) CERTAIN NONRESIDENT ALIENS INELIGIBLE FOR EXCLUSION.—In the case of a nonresident alien individual, subsection (a) shall apply only—

''(A) in determining the tax imposed for the taxable year pursuant to section 871(b)(1) and only in respect of dividends and interest which are effectively connected with the conduct of a trade or business within the United States, or

''(B) in determining the tax imposed for the taxable year pursuant to section 877(b).

''(3) DIVIDENDS FROM EMPLOYEE STOCK OWNERSHIP PLANS.—Subsection (a) shall not apply to any dividend described in section 404(k).''

(b) CONFORMING AMENDMENTS.—

(1)(A) Subparagraph (A) of section 135(c)(4) is amended by inserting ''116,'' before ''137''.

(B) Subsection (d) of section 135 is amended by redesignating paragraph (4) as paragraph (5) and by inserting after paragraph (3) the following new paragraph:

''(4) COORDINATION WITH SECTION 116.—This section shall be applied before section 116.''

(2) Paragraph (2) of section 265(a) is amended by inserting before the period '', or to purchase or carry obligations or shares, or to make deposits, to the extent the interest thereon is excludable from gross income under section 116''.

(3) Subsection (c) of section 584 is amended by adding at the end thereof the following new flush sentence:

''The proportionate share of each participant in the amount of dividends or interest received by the common trust fund and to which section 116 applies shall be considered for purposes of such section as having been received by such participant.''

(4) Subsection (a) of section 643 is amended by redesignating paragraph (7) as paragraph (8) and by inserting after paragraph (6) the following new paragraph:

''(7) DIVIDENDS OR INTEREST.—There shall be included the amount of any dividends or interest excluded from gross income pursuant to section 116.''

(5) Section 854(a) is amended by inserting ''section 116 (relating to partial exclusion of dividends and interest received by individuals) and'' after ''For purposes of''.

(6) Section 857(c) is amended to read as follows:

''(c) RESTRICTIONS APPLICABLE TO DIVIDENDS RECEIVED FROM REAL ESTATE INVESTMENT TRUSTS.—

''(1) TREATMENT FOR SECTION 116.—For purposes of section 116 (relating to partial exclusion of dividends and interest received by individuals), a capital gain dividend (as defined in subsection (b)(3)(C)) received from a real estate investment trust which meets the requirements of this part shall not be considered as a dividend.

''(2) TREATMENT FOR SECTION 243.—For purposes of section 243 (relating to deductions for dividends received by corporations), a dividend received from a real estate investment trust which meets the requirements of this part shall not be considered as a dividend.''

(7) The table of sections for part III of subchapter B of chapter 1 is amended by inserting after the item relating to section 115 the following new item:

''Sec. 116. Partial exclusion of dividends and interest received by individuals.''

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1998.

SEC. 103. NONREFUNDABLE PERSONAL CREDITS ALLOWED AGAINST ALTERNATIVE MINIMUM TAX.

(a) IN GENERAL.—Subsection (a) of section 26 is amended to read as follows:

''(a) LIMITATION BASED ON AMOUNT OF TAX.—The aggregate amount of credits allowed by this subpart for the taxable year shall not exceed the sum of—

''(1) the taxpayer's regular tax liability for the taxable year, and

''(2) the tax imposed for the taxable year by section 55(a).

For purposes of applying the preceding sentence, paragraph (2) shall be treated as being zero for any taxable year beginning during 1998.''.

(b) CONFORMING AMENDMENTS.—

(1) Subsection (d) of section 24 is amended by striking paragraph (2) and by redesignating paragraph (3) as paragraph (2).

(2) Section 32 is amended by striking subsection (h).

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1997.

SEC. 104. 100 PERCENT DEDUCTION FOR HEALTH INSURANCE COSTS OF SELF-EMPLOYED INDIVIDUALS.

(a) IN GENERAL.—Paragraph (1) of section 162(l) (relating to special rules for health insurance costs of self-employed individuals) is amended to read as follows:

''(1) ALLOWANCE OF DEDUCTION.—In the case of an individual who is an employee within the meaning of section 401(c)(1), there shall be allowed as a deduction under this section an amount equal to 100 percent of the amount paid during the taxable year for insurance which constitutes medical care for the taxpayer, his spouse, and dependents.''

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 1998.

SEC. 105. SPECIAL RULE FOR MEMBERS OF UNIFORMED SERVICES AND FOREIGN SERVICE IN DETERMINING EXCLUSION OF GAIN FROM SALE OF PRINCIPAL RESIDENCE.

(a) IN GENERAL.—Subsection (d) of section 121 (relating to exclusion of gain from sale of principal residence) is amended by adding at the end the following new paragraph:

''(9) MEMBERS OF UNIFORMED SERVICES AND FOREIGN SERVICE.—

''(A) IN GENERAL.—The running of the 5-year period described in subsection (a) shall be suspended with respect to an individual during any time that such individual or such individual's spouse is serving on qualified official extended duty as a member of the uniformed services or of the Foreign Service.

''(B) QUALIFIED OFFICIAL EXTENDED DUTY.—For purposes of this paragraph—

''(i) IN GENERAL.—The term 'qualified official extended duty' means any period of extended duty as a member of the uniformed services or a member of the Foreign Service during which the member serves at a duty station which is at least 50 miles from such property or is under Government orders to reside in Government quarters.

''(ii) UNIFORMED SERVICES.—The term 'uniformed services' has the meaning given such term by section 101(a)(5) of title 10, United States Code, as in effect on the date of the enactment of the Taxpayer Relief Act of 1998.

''(iii) FOREIGN SERVICE OF THE UNITED STATES.—The term 'member of the Foreign Service' has the meaning given the term 'member of the Service' by paragraph (1), (2), (3), (4), or (5) of section 103 of the Foreign Service Act of 1980, as in effect on the date of the enactment of the Taxpayer Relief Act of 1998.

''(iv) EXTENDED DUTY.—The term 'extended duty' means any period of active duty pursuant to a call or order to such duty for a period in excess of 90 days or for an indefinite period.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to sales and exchanges after the date of the enactment of this Act.

SEC. 106. $1,000,000 EXEMPTION FROM ESTATE AND GIFT TAXES.

(a) IN GENERAL.—Subsection (c) of section 2010 (relating to applicable credit amount) is amended to read as follows:

''(c) APPLICABLE CREDIT AMOUNT.—

''(1) IN GENERAL.—For purposes of this section, the applicable credit amount is $345,800.

''(2) APPLICABLE EXCLUSION AMOUNT.—For purposes of the provisions of this title which refer to this subsection, the applicable exclusion amount is $1,000,000.''

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to estates of decedents dying, and gifts made, after December 31, 1998.

Subtitle B—Provisions Relating to Education

SEC. 111. ELIGIBLE EDUCATIONAL INSTITUTIONS PERMITTED TO MAINTAIN QUALIFIED TUITION PROGRAMS.

(a) IN GENERAL.—Paragraph (1) of section 529(b) (defining qualified State tuition program) is amended by inserting ''or by 1 or more eligible educational institutions'' after ''maintained by a State or agency or instrumentality thereof''.

(b) TECHNICAL AMENDMENTS.—

(1) The texts of sections 72(e)(9), 135(c)(2)(C), 135(d)(1)(D), 529, 530, and 4973(e)(1)(B) are each amended by striking ''qualified State tuition program'' each place it appears and inserting ''qualified tuition program''.

(2) The paragraph heading for paragraph (9) of section 72(e) and the subparagraph heading for subparagraph (B) of section 530(b)(2) are each amended by striking ''STATE''.

(3) The subparagraph heading for subparagraph (C) of section 135(c)(2) is amended by striking ''QUALIFIED STATE TUITION PROGRAM'' and inserting ''QUALIFIED TUITION PROGRAMS''.

(4) Sections 529(c)(3)(D)(i) and 6693(a)(2)(C) are each amended by striking ''qualified State tuition programs'' and inserting ''qualified tuition programs''.

(5)(A) The section heading of section 529 is amended to read as follows:

''SEC. 529. QUALIFIED TUITION PROGRAMS.''.

(B) The item relating to section 529 in the table of sections for part VIII of subchapter F of chapter 1 is amended by striking ''State''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on January 1, 1999.

SEC. 112. MODIFICATION OF ARBITRAGE REBATE RULES APPLICABLE TO PUBLIC SCHOOL CONSTRUCTION BONDS.

(a) IN GENERAL.—Subparagraph (C) of section 148(f)(4) is amended by adding at the end the following new clause:

''(xviii) 4-YEAR SPENDING REQUIREMENT FOR PUBLIC SCHOOL CONSTRUCTION ISSUE.—

''(I) IN GENERAL.—In the case of a public school construction issue, the spending requirements of clause (ii) shall be treated as met if at least 10 percent of the available construction proceeds of the construction issue are spent for the governmental purposes of the issue within the 1-year period beginning on the date the bonds are issued, 30 percent of such proceeds are spent for such purposes within the 2-year period beginning on such date, 50 percent of such proceeds are spent for such purposes within the 3-year period beginning on such date, and 100 percent of such proceeds are spent for such purposes within the 4-year period beginning on such date.

''(II) PUBLIC SCHOOL CONSTRUCTION ISSUE.—For purposes of this clause, the term 'public school construction issue' means any construction issue if no bond which is part of such issue is a private activity bond and all of the available construction proceeds of such issue are to be used for the construction (as defined in clause (iv)) of public school facilities to provide education or training below the postsecondary level or for the acquisition of land that is functionally related and subordinate to such facilities.

''(III) OTHER RULES TO APPLY.—Rules similar to the rules of the preceding provisions of this subparagraph which apply to clause (ii) also apply to this clause.''

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to obligations issued after December 31, 1998.

Subtitle C—Provisions Relating to Social Security

SEC. 121. INCREASES IN THE SOCIAL SECURITY EARNINGS LIMIT FOR INDIVIDUALS WHO HAVE ATTAINED RETIREMENT AGE.

(a) IN GENERAL.—Section 203(f)(8)(D) of the Social Security Act (42 U.S.C. 403(f)(8)(D)) is amended by striking clauses (iv) through (vii) and inserting the following new clauses:

''(iv) for each month of any taxable year ending after 1998 and before 2000, $1,416.66⅔,

''(v) for each month of any taxable year ending after 1999 and before 2001, $1,541.66⅔,

''(vi) for each month of any taxable year ending after 2000 and before 2002, $2,166.66⅔,

''(vii) for each month of any taxable year ending after 2001 and before 2003, $2,500.00,

''(viii) for each month of any taxable year ending after 2002 and before 2004, $2,608.33⅓,

''(ix) for each month of any taxable year ending after 2003 and before 2005, $2,833.33⅓,

''(x) for each month of any taxable year ending after 2004 and before 2006, $2,950.00,

''(xi) for each month of any taxable year ending after 2005 and before 2007, $3,066.66⅔,

''(xii) for each month of any taxable year ending after 2006 and before 2008, $3,195.83⅓, and

''(xiii) for each month of any taxable year ending after 2007 and before 2009, $3,312.50.''.

(b) CONFORMING AMENDMENTS.—

(1) Section 203(f)(8)(B)(ii) of such Act (42 U.S.C. 403(f)(8)(B)(ii)) is amended—

(A) by striking ''after 2001 and before 2003'' and inserting ''after 2007 and before 2009''; and

(B) in subclause (II), by striking ''2000'' and inserting ''2006''.

(2) The second sentence of section 223(d)(4)(A) of such Act (42 U.S.C. 423(d)(4)(A)) is amended by inserting ''and section 121 of the Taxpayer Relief Act of 1998'' after ''1996''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to taxable years ending after 1998.

SEC. 122. RECOMPUTATION OF BENEFITS AFTER NORMAL RETIREMENT AGE.

(a) IN GENERAL.—Section 215(f)(2)(D)(i) of the Social Security Act (42 U.S.C. 415(f)(2)(D)(i)) is amended to read as follows:

''(i) in the case of an individual who did not die in the year with respect to which the recomputation is made, for monthly benefits beginning with benefits for January of—

''(I) the second year following the year with respect to which the recomputation is made, in any such case in which the individual is entitled to old-age insurance benefits, the individual has attained retirement age (as defined in section 216(l)) as of the end of the year preceding the year with respect to which the recomputation is made, and the year with respect to which the recomputation is made would not be substituted in recomputation under this subsection for a benefit computation year in which no wages or self-employment income have been credited previously to such individual, or

''(II) the first year following the year with respect to which the recomputation is made, in any other such case; or''.

(b) CONFORMING AMENDMENTS.—

(1) Section 215(f)(7) of such Act (42 U.S.C. 415(f)(7)) is amended by inserting '', and as amended by section 122(b)(2) of the Taxpayer Relief Act of 1998,'' after ''This subsection as in effect in December 1978''.

(2) Subparagraph (A) of section 215(f)(2) of the Social Security Act as in effect in December 1978 and applied in certain cases under the provisions of such Act as in effect after December 1978 is amended—

(A) by striking ''in the case of an individual who did not die'' and all that follows and inserting ''in the case of an individual who did not die in the year with respect to which the recomputation is made, for monthly benefits beginning with benefits for January of—''; and

(B) by adding at the end the following:

''(i) the second year following the year with respect to which the recomputation is made, in any such case in which the individual is entitled to old-age insurance benefits, the individual has attained age 65 as of the end of the year preceding the year with respect to which the recomputation is made, and the year with respect to which the recomputation is made would not be substituted in recomputation under this subsection for a benefit computation year in which no wages or self-employment income have been credited previously to such individual, or

''(ii) the first year following the year with respect to which the recomputation is made, in any other such case; or''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to recomputations of primary insurance amounts based on wages paid and self employment income derived after 1997 and with respect to benefits payable after December 31, 1998.

TITLE II—PROVISIONS PRIMARILY AFFECTING FARMING AND OTHER BUSINESSES

Subtitle A—Increase in Expense Treatment for Small Businesses

SEC. 201. INCREASE IN EXPENSE TREATMENT FOR SMALL BUSINESSES.

(a) GENERAL RULE.—Paragraph (1) of section 179(b) (relating to dollar limitation) is amended to read as follows:

''(1) DOLLAR LIMITATION.—The aggregate cost which may be taken into account under subsection (a) for any taxable year shall not exceed $25,000.''

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 1998.

Subtitle B—Provisions Relating to Farmers

SEC. 211. INCOME AVERAGING FOR FARMERS MADE PERMANENT.

Subsection (c) of section 933 of the Taxpayer Relief Act of 1997 is amended by striking '', and before January 1, 2001''.

SEC. 212. 5-YEAR NET OPERATING LOSS CARRYBACK FOR FARMING LOSSES.

(a) IN GENERAL.—Paragraph (1) of section 172(b) (relating to net operating loss deduction) is amended by adding at the end the following new subparagraph:

''(G) FARMING LOSSES.—In the case of a taxpayer which has a farming loss (as defined in subsection (i)) for a taxable year, such farming loss shall be a net operating loss carryback to each of the 5 taxable years preceding the taxable year of such loss.''

(b) FARMING LOSS.—Section 172 is amended by redesignating subsection (i) as subsection (j) and by inserting after subsection (h) the following new subsection:

''(i) RULES RELATING TO FARMING LOSSES.—For purposes of this section—

''(1) IN GENERAL.—The term 'farming loss' means the lesser of—

''(A) the amount which would be the net operating loss for the taxable year if only income and deductions attributable to farming businesses (as defined in section 263A(e)(4)) are taken into account, or

''(B) the amount of the net operating loss for such taxable year.

''(2) COORDINATION WITH SUBSECTION (B)(2).—For purposes of applying subsection (b)(2), a farming loss for any taxable year shall be treated in a manner similar to the manner in which a specified liability loss is treated.

''(3) ELECTION.—Any taxpayer entitled to a 5-year carryback under subsection (b)(1)(G) from any loss year may elect to have the carryback period with respect to such loss year determined without regard to subsection (b)(1)(G). Such election shall be made in such manner as may be prescribed by the Secretary and shall be made by the due date (including extensions of time) for filing the taxpayer's return for the taxable year of the net operating loss. Such election, once made for any taxable year, shall be irrevocable for such taxable year.''

(c) COORDINATION WITH FARM DISASTER LOSSES.—Clause (ii) of section 172(b)(1)(F) is amended by adding at the end the following flush sentence:

''Such term shall not include any farming loss (as defined in subsection (i)).''

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to net operating losses for taxable years beginning after December 31, 1997.

SEC. 213. PRODUCTION FLEXIBILITY CONTRACT PAYMENTS.

The option under section 112(d)(3) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7212(d)(3)) shall be disregarded in determining the taxable year for which the payment for fiscal year 1999 under a production flexibility contract under subtitle B of title I of such Act is properly includible in gross income for purposes of the Internal Revenue Code of 1986.

Subtitle C—Increase in Volume Cap on Private Activity Bonds

SEC. 221. INCREASE IN VOLUME CAP ON PRIVATE ACTIVITY BONDS.

(a) IN GENERAL.—Subsection (d) of section 146 (relating to volume cap) is amended by striking paragraph (2), by redesignating paragraphs (3) and (4) as paragraphs (2) and (3), respectively, and by striking paragraph (1) and inserting the following new paragraph:

''(1) IN GENERAL.—The State ceiling applicable to any State for any calendar year shall be the greater of—

''(A) an amount equal to $75 multiplied by the State population, or

''(B) $225,000,000.

Subparagraph (B) shall not apply to any possession of the United States.''

(b) CONFORMING AMENDMENT.—Sections 25(f)(3) and 42(h)(3)(E)(iii) are each amended by striking ''section 146(d)(3)(C)'' and inserting ''section 146(d)(2)(C)''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to calendar years after 1998.

TITLE III—EXTENSION AND MODIFICATION OF CERTAIN EXPIRING PROVISIONS

Subtitle A—Tax Provisions

SEC. 301. RESEARCH CREDIT.

(a) TEMPORARY EXTENSION.—

(1) IN GENERAL.—Paragraph (1) of section 41(h) (relating to termination) is amended—

(A) by striking ''June 30, 1998'' and inserting ''February 29, 2000'',

(B) by striking ''24-month'' and inserting ''44-month'', and

(C) by striking ''24 months'' and inserting ''44 months''.

(2) TECHNICAL AMENDMENT.—Subparagraph (D) of section 45C(b)(1) is amended by striking ''June 30, 1998'' and inserting ''February 29, 2000''.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to amounts paid or incurred after June 30, 1998.

(b) INCREASE IN PERCENTAGES UNDER ALTERNATIVE INCREMENTAL CREDIT.—

(1) IN GENERAL.—Subparagraph (A) of section 41(c)(4) is amended—

(A) by striking ''1.65 percent'' and inserting ''2.65 percent'',

(B) by striking ''2.2 percent'' and inserting ''3.2 percent'', and

(C) by striking ''2.75 percent'' and inserting ''3.75 percent''.

(2) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years beginning after June 30, 1998.

SEC. 302. WORK OPPORTUNITY CREDIT.

(a) TEMPORARY EXTENSION.—Subparagraph (B) of section 51(c)(4) (relating to termination) is amended by striking ''June 30, 1998'' and inserting ''February 29, 2000''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to individuals who begin work for the employer after June 30, 1998.

SEC. 303. WELFARE-TO-WORK CREDIT.

Subsection (f) of section 51A (relating to termination) is amended by striking ''April 30, 1999'' and inserting ''February 29, 2000''.

SEC. 304. CONTRIBUTIONS OF STOCK TO PRIVATE FOUNDATIONS; EXPANDED PUBLIC INSPECTION OF PRIVATE FOUNDATIONS' ANNUAL RETURNS.

(a) SPECIAL RULE FOR CONTRIBUTIONS OF STOCK MADE PERMANENT.—

(1) IN GENERAL.—Paragraph (5) of section 170(e) is amended by striking subparagraph (D) (relating to termination).

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to contributions made after June 30, 1998.

(b) EXPANDED PUBLIC INSPECTION OF PRIVATE FOUNDATIONS' ANNUAL RETURNS, ETC.—

(1) IN GENERAL.—Section 6104 (relating to publicity of information required from certain exempt organizations and certain trusts) is amended by striking subsections (d) and (e) and inserting after subsection (c) the following new subsection:

''(d) PUBLIC INSPECTION OF CERTAIN ANNUAL RETURNS AND APPLICATIONS FOR EXEMPTION.—

''(1) IN GENERAL.—In the case of an organization described in subsection (c) or (d) of section 501 and exempt from taxation under section 501(a)—

''(A) a copy of—

''(i) the annual return filed under section 6033 (relating to returns by exempt organizations) by such organization, and

''(ii) if the organization filed an application for recognition of exemption under section 501, the exempt status application materials of such organization,

shall be made available by such organization for inspection during regular business hours by any individual at the principal office of such organization and, if such organization regularly maintains 1 or more regional or district offices having 3 or more employees, at each such regional or district office, and

''(B) upon request of an individual made at such principal office or such a regional or district office, a copy of such annual return and exempt status application materials shall be provided to such individual without charge other than a reasonable fee for any reproduction and mailing costs.

The request described in subparagraph (B) must be made in person or in writing. If such request is made in person, such copy shall be provided immediately and, if made in writing, shall be provided within 30 days.

''(2) 3-YEAR LIMITATION ON INSPECTION OF RETURNS.—Paragraph (1) shall apply to an annual return filed under section 6033 only during the 3-year period beginning on the last day prescribed for filing such return (determined with regard to any extension of time for filing).

''(3) EXCEPTIONS FROM DISCLOSURE REQUIREMENT.—

''(A) NONDISCLOSURE OF CONTRIBUTORS, ETC.—Paragraph (1) shall not require the disclosure of the name or address of any contributor to the organization. In the case of

an organization described in section 501(d), subparagraph (A) shall not require the disclosure of the copies referred to in section 6031(b) with respect to such organization.

''(B) NONDISCLOSURE OF CERTAIN OTHER INFORMATION.—Paragraph (1) shall not require the disclosure of any information if the Secretary withheld such information from public inspection under subsection (a)(1)(D).

''(4) LIMITATION ON PROVIDING COPIES.—Paragraph (1)(B) shall not apply to any request if, in accordance with regulations promulgated by the Secretary, the organization has made the requested documents widely available, or the Secretary determines, upon application by an organization, that such request is part of a harassment campaign and that compliance with such request is not in the public interest.

''(5) EXEMPT STATUS APPLICATION MATERIALS.—For purposes of paragraph (1), the term 'exempt status applicable materials' means the application for recognition of exemption under section 501 and any papers submitted in support of such application and any letter or other document issued by the Internal Revenue Service with respect to such application.''

(2) CONFORMING AMENDMENTS.—

(A) Subsection (c) of section 6033 is amended by adding ''and'' at the end of paragraph (1), by striking paragraph (2), and by redesignating paragraph (3) as paragraph (2).

(B) Subparagraph (C) of section 6652(c)(1) is amended by striking ''subsection (d) or (e)(1) of section 6104 (relating to public inspection of annual returns)'' and inserting ''section 6104(d) with respect to any annual return''.

(C) Subparagraph (D) of section 6652(c)(1) is amended by striking ''section 6104(e)(2) (relating to public inspection of applications for exemption)'' and inserting ''section 6104(d) with respect to any exempt status application materials (as defined in such section)''.

(D) Section 6685 is amended by striking ''or (e)''.

(E) Section 7207 is amended by striking ''or (e)''.

(3) EFFECTIVE DATE.—

(A) IN GENERAL.—Except as provided in subparagraph (B), the amendments made by this subsection shall apply to requests made after the later of December 31, 1998, or the 60th day after the Secretary of the Treasury first issues the regulations referred to such section 6104(d)(4) of the Internal Revenue Code of 1986, as amended by this section.

(B) PUBLICATION OF ANNUAL RETURNS.—Section 6104(d) of such Code, as in effect before the amendments made by this subsection, shall not apply to any return the due date for which is after the date such amendments take effect under subparagraph (A).

SEC. 305. SUBPART F EXEMPTION FOR ACTIVE FINANCING INCOME.

(a) INCOME DERIVED FROM BANKING, FINANCING OR SIMILAR BUSINESSES.—Section 954(h) (relating to income derived in the active conduct of banking, financing, or similar businesses) is amended to read as follows:

''(h) SPECIAL RULE FOR INCOME DERIVED IN THE ACTIVE CONDUCT OF BANKING, FINANCING, OR SIMILAR BUSINESSES.—

''(1) IN GENERAL.—For purposes of subsection (c)(1), foreign personal holding company income shall not include qualified banking or financing income of an eligible controlled foreign corporation.

''(2) ELIGIBLE CONTROLLED FOREIGN CORPORATION.—For purposes of this subsection—

''(A) IN GENERAL.—The term 'eligible controlled foreign corporation' means a controlled foreign corporation which—

''(i) is predominantly engaged in the active conduct of a banking, financing, or similar business, and

''(ii) conducts substantial activity with respect to such business.

''(B) PREDOMINANTLY ENGAGED.—A controlled foreign corporation shall be treated as predominantly engaged in the active conduct of a banking, financing, or similar business if—

''(i) more than 70 percent of the gross income of the controlled foreign corporation is derived directly from the active and regular conduct of a lending or finance business from transactions with customers which are not related persons,

''(ii) it is engaged in the active conduct of a banking business and is an institution licensed to do business as a bank in the United States (or is any other corporation not so licensed which is specified by the Secretary in regulations), or

''(iii) it is engaged in the active conduct of a securities business and is registered as a securities broker or dealer under section 15(a) of the Securities Exchange Act of 1934 or is registered as a Government securities broker or dealer under section 15C(a) of such Act (or is any other corporation not so registered which is specified by the Secretary in regulations).

''(3) QUALIFIED BANKING OR FINANCING INCOME.—For purposes of this subsection—

''(A) IN GENERAL.—The term 'qualified banking or financing income' means income of an eligible controlled foreign corporation which—

''(i) is derived in the active conduct of a banking, financing, or similar business by—

''(I) such eligible controlled foreign corporation, or

''(II) a qualified business unit of such eligible controlled foreign corporation,

''(ii) is derived from 1 or more transactions—

''(I) with customers located in a country other than the United States, and

''(II) substantially all of the activities in connection with which are conducted directly by the corporation or unit in its home country, and

''(iii) is treated as earned by such corporation or unit in its home country for purposes of such country's tax laws.

''(B) LIMITATION ON NONBANKING AND NONSECURITIES BUSINESSES.—No income of an eligible controlled foreign corporation not described in clause (ii) or (iii) of paragraph (2)(B) (or of a qualified business unit of such corporation) shall be treated as qualified banking or financing income unless more than 30 percent of such corporation's or unit's gross income is derived directly from the active and regular conduct of a lending or finance business from transactions with customers which are not related persons and which are located within such corporation's or unit's home country.

''(C) SUBSTANTIAL ACTIVITY REQUIREMENT FOR CROSS BORDER INCOME.—The term 'qualified banking or financing income' shall not include income derived from 1 or more transactions with customers located in a country other than the home country of the eligible controlled foreign corporation or a qualified business unit of such corporation unless such corporation or unit conducts substantial activity with respect to a banking, financing, or similar business in its home country.

''(D) DETERMINATIONS MADE SEPARATELY.—For purposes of this paragraph, the qualified banking or financing income of an eligible controlled foreign corporation and each qualified business unit of such corporation shall be determined separately for such corporation and each such unit by taking into account—

''(i) in the case of the eligible controlled foreign corporation, only items of income, deduction, gain, or loss and activities of such corporation not properly allocable or attributable to any qualified business unit of such corporation, and

''(ii) in the case of a qualified business unit, only items of income, deduction, gain, or loss and activities properly allocable or attributable to such unit.

''(4) LENDING OR FINANCE BUSINESS.—For purposes of this subsection, the term 'lending or finance business' means the business of—

''(A) making loans,

''(B) purchasing or discounting accounts receivable, notes, or installment obligations,

''(C) engaging in leasing (including entering into leases and purchasing, servicing, and disposing of leases and leased assets),

''(D) issuing letters of credit or providing guarantees,

''(E) providing charge and credit card services, or

''(F) rendering services or making facilities available in connection with activities described in subparagraphs (A) through (E) carried on by—

''(i) the corporation (or qualified business unit) rendering services or making facilities available, or

''(ii) another corporation (or qualified business unit of a corporation) which is a member of the same affiliated group (as defined in section 1504, but determined without regard to section 1504(b)(3)).

''(5) OTHER DEFINITIONS.—For purposes of this subsection—

''(A) CUSTOMER.—The term 'customer' means, with respect to any controlled foreign corporation or qualified business unit, any person which has a customer relationship with such corporation or unit and which is acting in its capacity as such.

''(B) HOME COUNTRY.—Except as provided in regulations—

''(i) CONTROLLED FOREIGN CORPORATION.—The term 'home country' means, with respect to any controlled foreign corporation, the country under the laws of which the corporation was created or organized.

''(ii) QUALIFIED BUSINESS UNIT.—The term 'home country' means, with respect to any qualified business unit, the country in which such unit maintains its principal office.

''(C) LOCATED.—The determination of where a customer is located shall be made under rules prescribed by the Secretary.

''(D) QUALIFIED BUSINESS UNIT.—The term 'qualified business unit' has the meaning given such term by section 989(a).

''(E) RELATED PERSON.—The term 'related person' has the meaning given such term by subsection (d)(3).

''(6) COORDINATION WITH EXCEPTION FOR DEALERS.—Paragraph (1) shall not apply to income described in subsection (c)(2)(C)(ii) of a dealer in securities (within the meaning of section 475) which is an eligible controlled foreign corporation described in paragraph (2)(B)(iii).

''(7) ANTI-ABUSE RULES.—For purposes of applying this subsection and subsection (c)(2)(C)(ii)—

''(A) there shall be disregarded any item of income, gain, loss, or deduction with respect to any transaction or series of transactions one of the principal purposes of which is qualifying income or gain for the exclusion under this section, including any transaction or series of transactions a principal purpose of which is the acceleration or deferral of any item in order to claim the benefits of such exclusion through the application of this subsection,

''(B) there shall be disregarded any item of income, gain, loss, or deduction of an entity which is not engaged in regular and continuous transactions with customers which are not related persons,

''(C) there shall be disregarded any item of income, gain, loss, or deduction with respect

to any transaction or series of transactions utilizing, or doing business with—

''(i) one or more entities in order to satisfy any home country requirement under this subsection, or

''(ii) a special purpose entity or arrangement, including a securitization, financing, or similar entity or arrangement,

if one of the principal purposes of such transaction or series of transactions is qualifying income or gain for the exclusion under this subsection, and

''(D) a related person, an officer, a director, or an employee with respect to any controlled foreign corporation (or qualified business unit) which would otherwise be treated as a customer of such corporation or unit with respect to any transaction shall not be so treated if a principal purpose of such transaction is to satisfy any requirement of this subsection.

''(8) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this subsection, subsection (c)(1)(B)(i), subsection (c)(2)(C)(ii), and the last sentence of subsection (e)(2).

''(9) APPLICATION.—This subsection, subsection (c)(2)(C)(ii), and the last sentence of subsection (e)(2) shall apply only to the first taxable year of a foreign corporation beginning after December 31, 1998, and before January 1, 2000, and to taxable years of United States shareholders with or within which such taxable year of such foreign corporation ends.''

(b) INCOME DERIVED FROM INSURANCE BUSINESS.—

(1) INCOME ATTRIBUTABLE TO ISSUANCE OR REINSURANCE.—

(A) IN GENERAL.—Section 953(a) (defining insurance income) is amended to read as follows:

''(a) INSURANCE INCOME.—

''(1) IN GENERAL.—For purposes of section 952(a)(1), the term 'insurance income' means any income which—

''(A) is attributable to the issuing (or reinsuring) of an insurance or annuity contract, and

''(B) would (subject to the modifications provided by subsection (b)) be taxed under subchapter L of this chapter if such income were the income of a domestic insurance company.

''(2) EXCEPTION.—Such term shall not include any exempt insurance income (as defined in subsection (e)).''

(B) EXEMPT INSURANCE INCOME.—Section 953 (relating to insurance income) is amended by adding at the end the following new subsection:

''(e) EXEMPT INSURANCE INCOME.—For purposes of this section—

''(1) EXEMPT INSURANCE INCOME DEFINED.—

''(A) IN GENERAL.—The term 'exempt insurance income' means income derived by a qualifying insurance company which—

''(i) is attributable to the issuing (or reinsuring) of an exempt contract by such company or a qualifying insurance company branch of such company, and

''(ii) is treated as earned by such company or branch in its home country for purposes of such country's tax laws.

''(B) EXCEPTION FOR CERTAIN ARRANGEMENTS.—Such term shall not include income attributable to the issuing (or reinsuring) of an exempt contract as the result of any arrangement whereby another corporation receives a substantially equal amount of premiums or other consideration in respect of issuing (or reinsuring) a contract which is not an exempt contract.

''(C) DETERMINATIONS MADE SEPARATELY.—For purposes of this subsection and section 954(i), the exempt insurance income and exempt contracts of a qualifying insurance company or any qualifying insurance company branch of such company shall be determined separately for such company and each such branch by taking into account—

''(i) in the case of the qualifying insurance company, only items of income, deduction, gain, or loss, and activities of such company not properly allocable or attributable to any qualifying insurance company branch of such company, and

''(ii) in the case of a qualifying insurance company branch, only items of income, deduction, gain, or loss and activities properly allocable or attributable to such unit.

''(2) EXEMPT CONTRACT.—

''(A) IN GENERAL.—The term 'exempt contract' means an insurance or annuity contract issued or reinsured by a qualifying insurance company or qualifying insurance company branch in connection with property in, liability arising out of activity in, or the lives or health of residents of, a country other than the United States.

''(B) MINIMUM HOME COUNTRY INCOME REQUIRED.—

''(i) IN GENERAL.—No contract of a qualifying insurance company or of a qualifying insurance company branch shall be treated as an exempt contract unless such company or branch derives more than 30 percent of its net written premiums from exempt contracts (determined without regard to this subparagraph)—

''(I) which cover applicable home country risks, and

''(II) with respect to which no policyholder, insured, annuitant, or beneficiary is a related person (as defined in section 954(d)(3)).

''(ii) APPLICABLE HOME COUNTRY RISKS.—The term 'applicable home country risks' means risks in connection with property in, liability arising out of activity in, or the lives or health of residents of, the home country of the qualifying insurance company or qualifying insurance company branch, as the case may be, issuing or reinsuring the contract covering the risks.

''(C) SUBSTANTIAL ACTIVITY REQUIREMENTS FOR CROSS BORDER RISKS.—A contract issued by a qualifying insurance company or qualifying insurance company branch which covers risks other than applicable home country risks (as defined in subparagraph (B)(ii)) shall not be treated as an exempt contract unless such company or branch, as the case may be—

''(i) conducts substantial activity with respect to an insurance business in its home country, and

''(ii) performs in its home country substantially all of the activities necessary to give rise to the income generated by such contract.

''(3) QUALIFYING INSURANCE COMPANY.—The term 'qualifying insurance company' means any controlled foreign corporation which—

''(A) is subject to regulation as an insurance (or reinsurance) company by its home country, and is licensed, authorized, or regulated by the applicable insurance regulatory body for its home country to sell insurance, reinsurance, or annuity contracts to persons other than related persons (within the meaning of section 954(d)(3)) in such home country,

''(B) derives more than 50 percent of its aggregate net written premiums from the issuance or reinsurance by such controlled foreign corporation and each of its qualifying insurance company branches of contracts—

''(i) covering applicable home country risks (as defined in paragraph (2)) of such corporation or branch, as the case may be, and

''(ii) with respect to which no policyholder, insured, annuitant, or beneficiary is a related person (as defined in section 954(d)(3)),

except that in the case of a branch, such premiums shall only be taken into account to the extent such premiums are treated as earned by such branch in its home country for purposes of such country's tax laws, and

''(C) is engaged in the insurance business and would be subject to tax under subchapter L if it were a domestic corporation.

''(4) QUALIFYING INSURANCE COMPANY BRANCH.—The term 'qualifying insurance company branch' means a qualified business unit (within the meaning of section 989(a)) of a controlled foreign corporation if—

''(A) such unit is licensed, authorized, or regulated by the applicable insurance regulatory body for its home country to sell insurance, reinsurance, or annuity contracts to persons other than related persons (within the meaning of section 954(d)(3)) in such home country, and

''(B) such controlled foreign corporation is a qualifying insurance company, determined under paragraph (3) as if such unit were a qualifying insurance company branch.

''(5) LIFE INSURANCE OR ANNUITY CONTRACT.—For purposes of this section and section 954, the determination of whether a contract issued by a controlled foreign corporation or a qualified business unit (within the meaning of section 989(a)) is a life insurance contract or an annuity contract shall be made without regard to sections 72(s), 101(f), 817(h), and 7702 if—

''(A) such contract is regulated as a life insurance or annuity contract by the corporation's or unit's home country, and

''(B) no policyholder, insured, annuitant, or beneficiary with respect to the contract is a United States person.

''(6) HOME COUNTRY.—For purposes of this subsection, except as provided in regulations—

''(A) CONTROLLED FOREIGN CORPORATION.—The term 'home country' means, with respect to a controlled foreign corporation, the country in which such corporation is created or organized.

''(B) QUALIFIED BUSINESS UNIT.—The term 'home country' means, with respect to a qualified business unit (as defined in section 989(a)), the country in which the principal office of such unit is located and in which such unit is licensed, authorized, or regulated by the applicable insurance regulatory body to sell insurance, reinsurance, or annuity contracts to persons other than related persons (as defined in section 954(d)(3)) in such country.

''(7) ANTI-ABUSE RULES.—For purposes of applying this subsection and section 954(i)—

''(A) the rules of section 954(h)(7) (other than subparagraph (B) thereof) shall apply,

''(B) there shall be disregarded any item of income, gain, loss, or deduction of, or derived from, an entity which is not engaged in regular and continuous transactions with persons which are not related persons,

''(C) there shall be disregarded any change in the method of computing reserves a principal purpose of which is the acceleration or deferral of any item in order to claim the benefits of this subsection or section 954(i),

''(D) a contract of insurance or reinsurance shall not be treated as an exempt contract (and premiums from such contract shall not be taken into account for purposes of paragraph (2)(B) or (3)) if—

''(i) any policyholder, insured, annuitant, or beneficiary is a resident of the United States and such contract was marketed to such resident and was written to cover a risk outside the United States, or

''(ii) the contract covers risks located within and without the United States and the qualifying insurance company or qualifying insurance company branch does not maintain such contemporaneous records, and

file such reports, with respect to such contract as the Secretary may require,

''(E) the Secretary may prescribe rules for the allocation of contracts (and income from contracts) among 2 or more qualifying insurance company branches of a qualifying insurance company in order to clearly reflect the income of such branches, and

''(F) premiums from a contract shall not be taken into account for purposes of paragraph (2)(B) or (3) if such contract reinsures a contract issued or reinsured by a related person (as defined in section 954(d)(3)).

For purposes of subparagraph (D), the determination of where risks are located shall be made under the principles of section 953.

''(8) COORDINATION WITH SUBSECTION (c).—In determining insurance income for purposes of subsection (c), exempt insurance income shall not include income derived from exempt contracts which cover risks other than applicable home country risks.

''(9) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this subsection and section 954(i).

''(10) APPLICATION.—This subsection and section 954(i) shall apply only to the first taxable year of a foreign corporation beginning after December 31, 1998, and before January 1, 2000, and to taxable years of United States shareholders with or within which such taxable year of such foreign corporation ends.

''(11) CROSS REFERENCE.—

''For income exempt from foreign personal holding company income, see section 954(i).''

(2) EXEMPTION FROM FOREIGN PERSONAL HOLDING COMPANY INCOME.—Section 954 (defining foreign base company income) is amended by adding at the end the following new subsection:

''(i) SPECIAL RULE FOR INCOME DERIVED IN THE ACTIVE CONDUCT OF INSURANCE BUSINESS.—

''(1) IN GENERAL.—For purposes of subsection (c)(1), foreign personal holding company income shall not include qualified insurance income of a qualifying insurance company.

''(2) QUALIFIED INSURANCE INCOME.—The term 'qualified insurance income' means income of a qualifying insurance company which is—

''(A) received from a person other than a related person (within the meaning of subsection (d)(3)) and derived from the investments made by a qualifying insurance company or a qualifying insurance company branch of its reserves allocable to exempt contracts or of 80 percent of its unearned premiums from exempt contracts (as both are determined in the manner prescribed under paragraph (4)), or

''(B) received from a person other than a related person (within the meaning of subsection (d)(3)) and derived from investments made by a qualifying insurance company or a qualifying insurance company branch of an amount of its assets allocable to exempt contracts equal to—

''(i) in the case of property, casualty, or health insurance contracts, one-third of its premiums earned on such insurance contracts during the taxable year (as defined in section 832(b)(4)), and

''(ii) in the case of life insurance or annuity contracts, 10 percent of the reserves described in subparagraph (A) for such contracts.

''(3) PRINCIPLES FOR DETERMINING INSURANCE INCOME.—Except as provided by the Secretary, for purposes of subparagraphs (A) and (B) of paragraph (2)—

''(A) in the case of any contract which is a separate account-type contract (including any variable contract not meeting the requirements of section 817), income credited under such contract shall be allocable only to such contract, and

''(B) income not allocable under subparagraph (A) shall be allocated ratably among contracts not described in subparagraph (A).

''(4) METHODS FOR DETERMINING UNEARNED PREMIUMS AND RESERVES.—For purposes of paragraph (2)(A)—

''(A) PROPERTY AND CASUALTY CONTRACTS.—The unearned premiums and reserves of a qualifying insurance company or a qualifying insurance company branch with respect to property, casualty, or health insurance contracts shall be determined using the same methods and interest rates which would be used if such company or branch were subject to tax under subchapter L, except that—

''(i) the interest rate determined for the functional currency of the company or branch, and which, except as provided by the Secretary, is calculated in the same manner as the Federal mid-term rate under section 1274(d), shall be substituted for the applicable Federal interest rate, and

''(ii) such company or branch shall use the appropriate foreign loss payment pattern.

''(B) LIFE INSURANCE AND ANNUITY CONTRACTS.—The amount of the reserve of a qualifying insurance company or qualifying insurance company branch for any life insurance or annuity contract shall be equal to the greater of—

''(i) the net surrender value of such contract (as defined in section 807(e)(1)(A)), or

''(ii) the reserve determined under paragraph (5).

''(C) LIMITATION ON RESERVES.—In no event shall the reserve determined under this paragraph for any contract as of any time exceed the amount which would be taken into account with respect to such contract as of such time in determining foreign statement reserves (less any catastrophe, deficiency, equalization, or similar reserves).

''(5) AMOUNT OF RESERVE.—The amount of the reserve determined under this paragraph with respect to any contract shall be determined in the same manner as it would be determined if the qualifying insurance company or qualifying insurance company branch were subject to tax under subchapter L, except that in applying such subchapter—

''(A) the interest rate determined for the functional currency of the company or branch, and which, except as provided by the Secretary, is calculated in the same manner as the Federal mid-term rate under section 1274(d), shall be substituted for the applicable Federal interest rate,

''(B) the highest assumed interest rate permitted to be used in determining foreign statement reserves shall be substituted for the prevailing State assumed interest rate, and

''(C) tables for mortality and morbidity which reasonably reflect the current mortality and morbidity risks in the company's or branch's home country shall be substituted for the mortality and morbidity tables otherwise used for such subchapter.

The Secretary may provide that the interest rate and mortality and morbidity tables of a qualifying insurance company may be used for 1 or more of its qualifying insurance company branches when appropriate.

''(6) DEFINITIONS.—For purposes of this subsection, any term used in this subsection which is also used in section 953(e) shall have the meaning given such term by section 953.''

(3) RESERVES.—Section 953(b) is amended by redesignating paragraph (3) as paragraph (4) and by inserting after paragraph (2) the following new paragraph:

''(3) Reserves for any insurance or annuity contract shall be determined in the same manner as under section 954(i).''

(c) SPECIAL RULES FOR DEALERS.—Section 954(c)(2)(C) is amended to read as follows:

''(C) EXCEPTION FOR DEALERS.—Except as provided by regulations, in the case of a regular dealer in property which is property described in paragraph (1)(B), forward contracts, option contracts, or similar financial instruments (including notional principal contracts and all instruments referenced to commodities), there shall not be taken into account in computing foreign personal holding company income—

''(i) any item of income, gain, deduction, or loss (other than any item described in subparagraph (A), (E), or (G) of paragraph (1)) from any transaction (including hedging transactions) entered into in the ordinary course of such dealer's trade or business as such a dealer, and

''(ii) if such dealer is a dealer in securities (within the meaning of section 475), any interest or dividend or equivalent amount described in subparagraph (E) or (G) of paragraph (1) from any transaction (including any hedging transaction or transaction described in section 956(c)(2)(J)) entered into in the ordinary course of such dealer's trade or business as such a dealer in securities, but only if the income from the transaction is attributable to activities of the dealer in the country under the laws of which the dealer is created or organized (or in the case of a qualified business unit described in section 989(a), is attributable to activities of the unit in the country in which the unit both maintains its principal office and conducts substantial business activity).''

(d) EXEMPTION FROM FOREIGN BASE COMPANY SERVICES INCOME.—Paragraph (2) of section 954(e) is amended by inserting ''or'' at the end of subparagraph (A), by striking '', or'' at the end of subparagraph (B) and inserting a period, by striking subparagraph (C), and by adding at the end the following new flush sentence:

''Paragraph (1) shall also not apply to income which is exempt insurance income (as defined in section 953(e)) or which is not treated as foreign personal holding income by reason of subsection (c)(2)(C)(ii), (h), or (i).''

(e) EXEMPTION FOR GAIN.—Section 954(c)(1)(B)(i) (relating to net gains from certain property transactions) is amended by inserting ''other than property which gives rise to income not treated as foreign personal holding company income by reason of subsection (h) or (i) for the taxable year'' before the comma at the end.

Subtitle B—Generalized System of Preferences

SEC. 311. EXTENSION OF GENERALIZED SYSTEM OF PREFERENCES.

(a) EXTENSION OF DUTY-FREE TREATMENT UNDER SYSTEM.—Section 505 of the Trade Act of 1974 (29 U.S.C. 2465) is amended by striking ''June 30, 1998'' and inserting ''February 29, 2000''.

(b) RETROACTIVE APPLICATION FOR CERTAIN LIQUIDATIONS AND RELIQUIDATIONS.—

(1) IN GENERAL.—Notwithstanding section 514 of the Tariff Act of 1930 or any other provision of law, and subject to paragraph (2), any entry—

(A) of an article to which duty-free treatment under title V of the Trade Act of 1974 would have applied if such title had been in effect during the period beginning on July 1, 1998, and ending on the day before the date of the enactment of this Act, and

(B) that was made after June 30, 1998, and before the date of the enactment of this Act, shall be liquidated or reliquidated as free of duty, and the Secretary of the Treasury shall refund any duty paid with respect to such entry. As used in this subsection, the term ''entry'' includes a withdrawal from warehouse for consumption.

(2) REQUESTS.—Liquidation or reliquidation may be made under paragraph (1) with respect to an entry only if a request therefor is filed with the Customs Service, within 180 days after the date of the enactment of this Act, that contains sufficient information to enable the Customs Service—

(A) to locate the entry; or

(B) to reconstruct the entry if it cannot be located.

TITLE IV—REVENUE OFFSET

SEC. 401. TREATMENT OF CERTAIN DEDUCTIBLE LIQUIDATING DISTRIBUTIONS OF REGULATED INVESTMENT COMPANIES AND REAL ESTATE INVESTMENT TRUSTS.

(a) IN GENERAL.—Section 332 (relating to complete liquidations of subsidiaries) is amended by adding at the end the following new subsection:

''(c) DEDUCTIBLE LIQUIDATING DISTRIBUTIONS OF REGULATED INVESTMENT COMPANIES AND REAL ESTATE INVESTMENT TRUSTS.—If a corporation receives a distribution from a regulated investment company or a real estate investment trust which is considered under subsection (b) as being in complete liquidation of such company or trust, then, notwithstanding any other provision of this chapter, such corporation shall recognize and treat as a dividend from such company or trust an amount equal to the deduction for dividends paid allowable to such company or trust by reason of such distribution.''.

(b) CONFORMING AMENDMENTS.—

(1) The material preceding paragraph (1) of section 332(b) is amended by striking ''subsection (a)'' and inserting ''this section''.

(2) Paragraph (1) of section 334(b) is amended by striking ''section 332(a)'' and inserting ''section 332''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to distributions after May 21, 1998.

TITLE V—TECHNICAL CORRECTIONS

SEC. 501. DEFINITIONS; COORDINATION WITH OTHER TITLES.

(a) DEFINITIONS.—For purposes of this title—

(1) 1986 CODE.—The term ''1986 Code'' means the Internal Revenue Code of 1986.

(2) 1998 ACT.—The term ''1998 Act'' means the Internal Revenue Service Restructuring and Reform Act of 1998 (Public Law 105–206).

(3) 1997 ACT.—The term ''1997 Act'' means the Taxpayer Relief Act of 1997 (Public Law 105–34).

(b) COORDINATION WITH OTHER TITLES.—For purposes of applying the amendments made by any title of this Act other than this title, the provisions of this title shall be treated as having been enacted immediately before the provisions of such other titles.

SEC. 502. AMENDMENTS RELATED TO INTERNAL REVENUE SERVICE RESTRUCTURING AND REFORM ACT OF 1998.

(a) AMENDMENT RELATED TO SECTION 1101 OF 1998 ACT.—Paragraph (5) of section 6103(h) of the 1986 Code, as added by section 1101(b) of the 1998 Act, is redesignated as paragraph (6).

(b) AMENDMENT RELATED TO SECTION 3001 OF 1998 ACT.—Paragraph (2) of section 7491(a) of the 1986 Code is amended by adding at the end the following flush sentence:

''Subparagraph (C) shall not apply to any qualified revocable trust (as defined in section 645(b)(1)) with respect to liability for tax for any taxable year ending after the date of the decedent's death and before the applicable date (as defined in section 645(b)(2)).''.

(c) AMENDMENTS RELATED TO SECTION 3201 OF 1998 ACT.—

(1) Section 7421(a) of the 1986 Code is amended by striking ''6015(d)'' and inserting ''6015(e)''.

(2) Subparagraph (A) of section 6015(e)(3) is amended by striking ''of this section'' and inserting ''of subsection (b) or (f)''.

(d) AMENDMENT RELATED TO SECTION 3301 OF 1998 ACT.—Paragraph (2) of section 3301(c) of the 1998 Act is amended by striking ''The amendments'' and inserting ''Subject to any applicable statute of limitation not having expired with regard to either a tax underpayment or a tax overpayment, the amendments''.

(e) AMENDMENT RELATED TO SECTION 3401 OF 1998 ACT.—Section 3401(c) of the 1998 Act is amended—

(1) in paragraph (1), by striking ''7443(b)'' and inserting ''7443A(b)''; and

(2) in paragraph (2), by striking ''7443(c)'' and inserting ''7443A(c)''.

(f) AMENDMENT RELATED TO SECTION 3433 OF 1998 ACT.—Section 7421(a) of the 1986 Code is amended by inserting ''6331(i),'' after ''6246(b),''.

(g) AMENDMENT RELATED TO SECTION 3708 OF 1998 ACT.—Subparagraph (A) of section 6103(p)(3) of the 1986 Code is amended by inserting ''(f)(5),'' after ''(c), (e),''.

(h) AMENDMENT RELATED TO SECTION 5001 OF 1998 ACT.—

(1) Subparagraph (B) of section 1(h)(13) of the 1986 Code is amended by striking ''paragraph (7)(A)'' and inserting ''paragraph (7)(A)(i)''.

(2)(A) Subparagraphs (A)(i)(II), (A)(ii)(II), and (B)(ii) of section 1(h)(13) of the 1986 Code shall not apply to any distribution after December 31, 1997, by a regulated investment company or a real estate investment trust with respect to—

(i) gains and losses recognized directly by such company or trust, and

(ii) amounts properly taken into account by such company or trust by reason of holding (directly or indirectly) an interest in another such company or trust to the extent that such subparagraphs did not apply to such other company or trust with respect to such amounts.

(B) Subparagraph (A) shall not apply to any distribution which is treated under section 852(b)(7) or 857(b)(8) of the 1986 Code as received on December 31, 1997.

(C) For purposes of subparagraph (A), any amount which is includible in gross income of its shareholders under section 852(b)(3)(D) or 857(b)(3)(D) of the 1986 Code after December 31, 1997, shall be treated as distributed after such date.

(D)(i) For purposes of subparagraph (A), in the case of a qualified partnership with respect to which a regulated investment company meets the holding requirement of clause (iii)—

(I) the subparagraphs referred to in subparagraph (A) shall not apply to gains and losses recognized directly by such partnership for purposes of determining such company's distributive share of such gains and losses, and

(II) such company's distributive share of such gains and losses (as so determined) shall be treated as recognized directly by such company.

The preceding sentence shall apply only if the qualified partnership provides the company with written documentation of such distributive share as so determined.

(ii) For purposes of clause (i), the term ''qualified partnership'' means, with respect to a regulated investment company, any partnership if—

(I) the partnership is an investment company registered under the Investment Company Act of 1940,

(II) the regulated investment company is permitted to invest in such partnership by reason of section 12(d)(1)(E) of such Act or an exemptive order of the Securities and Exchange Commission under such section, and

(III) the regulated investment company and the partnership have the same taxable year.

(iii) A regulated investment company meets the holding requirement of this clause with respect to a qualified partnership if (as of January 1, 1998)—

(I) the value of the interests of the regulated investment company in such partnership is 35 percent or more of the value of such company's total assets, or

(II) the value of the interests of the regulated investment company in such partnership and all other qualified partnerships is 90 percent or more of the value of such company's total assets.

(i) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the provisions of the 1998 Act to which they relate.

SEC. 503. AMENDMENTS RELATED TO TAXPAYER RELIEF ACT OF 1997.

(a) AMENDMENT RELATED TO SECTION 202 OF 1997 ACT.—Paragraph (2) of section 163(h) of the 1986 Code is amended by striking ''and'' at the end of subparagraph (D), by striking the period at the end of subparagraph (E) and inserting '', and'', and by adding at the end the following new subparagraph:

''(F) any interest allowable as a deduction under section 221 (relating to interest on educational loans).''

(b) PROVISION RELATED TO SECTION 311 OF 1997 ACT.—In the case of any capital gain distribution made after 1997 by a trust to which section 664 of the 1986 Code applies with respect to amounts properly taken into account by such trust during 1997, paragraphs (5)(A)(i)(I), (5)(A)(ii)(I), and (13)(A) of section 1(h) of the 1986 Code (as in effect for taxable years ending on December 31, 1997) shall not apply.

(c) AMENDMENT RELATED TO SECTION 506 OF 1997 ACT.—

(1) Section 2001(f)(2) of the 1986 Code is amended by adding at the end the following:

''For purposes of subparagraph (A), the value of an item shall be treated as shown on a return if the item is disclosed in the return, or in a statement attached to the return, in a manner adequate to apprise the Secretary of the nature of such item.''.

(2) Paragraph (9) of section 6501(c) of the 1986 Code is amended by striking the last sentence.

(d) AMENDMENTS RELATED TO SECTION 904 OF 1997 ACT.—

(1) Paragraph (1) of section 9510(c) of the 1986 Code is amended to read as follows:

''(1) IN GENERAL.—Amounts in the Vaccine Injury Compensation Trust Fund shall be available, as provided in appropriation Acts, only for—

''(A) the payment of compensation under subtitle 2 of title XXI of the Public Health Service Act (as in effect on August 5, 1997) for vaccine-related injury or death with respect to any vaccine—

''(i) which is administered after September 30, 1988, and

''(ii) which is a taxable vaccine (as defined in section 4132(a)(1)) at the time compensation is paid under such subtitle 2, or

''(B) the payment of all expenses of administration (but not in excess of $9,500,000 for any fiscal year) incurred by the Federal Government in administering such subtitle.''.

(2) Section 9510(b) of the 1986 Code is amended by adding at the end the following new paragraph:

''(3) LIMITATION ON TRANSFERS TO VACCINE INJURY COMPENSATION TRUST FUND.—No amount may be appropriated to the Vaccine Injury Compensation Trust Fund on and after the date of any expenditure from the Trust Fund which is not permitted by this

section. The determination of whether an expenditure is so permitted shall be made without regard to—

''(A) any provision of law which is not contained or referenced in this title or in a revenue Act, and

''(B) whether such provision of law is a subsequently enacted provision or directly or indirectly seeks to waive the application of this paragraph.''.

(e) AMENDMENTS RELATED TO SECTION 915 OF 1997 ACT.—

(1) Section 915 of the Taxpayer Relief Act of 1997 is amended—

(A) in subsection (b), by inserting ''or 1998'' after ''1997'', and

(B) by amending subsection (d) to read as follows:

''(d) EFFECTIVE DATE.—This section shall apply to taxable years ending with or within calendar year 1997.''.

(2) Paragraph (2) of section 6404(h) of the 1986 Code is amended by inserting ''Robert T. Stafford'' before ''Disaster''.

(f) AMENDMENTS RELATED TO SECTION 1012 OF 1997 ACT.—

(1) Paragraph (2) of section 351(c) of the 1986 Code, as amended by section 6010(c) of the 1998 Act, is amended by inserting '', or the fact that the corporation whose stock was distributed issues additional stock,'' after ''dispose of part or all of the distributed stock''.

(2) Clause (ii) of section 368(a)(2)(H) of the 1986 Code, as amended by section 6010(c) of the 1998 Act, is amended by inserting '', or the fact that the corporation whose stock was distributed issues additional stock,'' after ''dispose of part or all of the distributed stock''.

(g) AMENDMENT RELATED TO SECTION 1082 OF 1997 ACT.—Subparagraph (F) of section 172(b)(1) of the 1986 Code is amended by adding at the end the following new clause:

''(iv) COORDINATION WITH PARAGRAPH (2).—For purposes of applying paragraph (2), an eligible loss for any taxable year shall be treated in a manner similar to the manner in which a specified liability loss is treated.''

(h) AMENDMENT RELATED TO SECTION 1084 OF 1997 ACT.—Paragraph (3) of section 264(f) of the 1986 Code is amended by adding at the end the following flush sentence:

''If the amount described in subparagraph (A) with respect to any policy or contract does not reasonably approximate its actual value, the amount taken into account under subparagraph (A) shall be the greater of the amount of the insurance company liability or the insurance company reserve with respect to such policy or contract (as determined for purposes of the annual statement approved by the National Association of Insurance Commissioners) or shall be such other amount as is determined by the Secretary.''

(i) AMENDMENT RELATED TO SECTION 1205 OF 1997 ACT.—Paragraph (2) of section 6311(d) of the 1986 Code is amended by striking ''under such contracts'' in the last sentence and inserting ''under any such contract for the use of credit or debit cards for the payment of taxes imposed by subtitle A''.

(j) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the provisions of the Taxpayer Relief Act of 1997 to which they relate.

SEC. 504. AMENDMENTS RELATED TO TAX REFORM ACT OF 1984.

(a) IN GENERAL.—Subparagraph (C) of section 172(d)(4) of the 1986 Code is amended to read as follows:

''(C) any deduction for casualty or theft losses allowable under paragraph (2) or (3) of section 165(c) shall be treated as attributable to the trade or business; and''.

(b) CONFORMING AMENDMENTS.—

(1) Paragraph (3) of section 67(b) of the 1986 Code is amended by striking ''for losses described in subsection (c)(3) or (d) of section 165'' and inserting ''for casualty or theft losses described in paragraph (2) or (3) of section 165(c) or for losses described in section 165(d)''.

(2) Paragraph (3) of section 68(c) of the 1986 Code is amended by striking ''for losses described in subsection (c)(3) or (d) of section 165'' and inserting ''for casualty or theft losses described in paragraph (2) or (3) of section 165(c) or for losses described in section 165(d)''.

(3) Paragraph (1) of section 873(b) is amended to read as follows:

''(1) LOSSES.—The deduction allowed by section 165 for casualty or theft losses described in paragraph (2) or (3) of section 165(c), but only if the loss is of property located within the United States.''

(c) EFFECTIVE DATES.—

(1) The amendments made by subsections (a) and (b)(3) shall apply to taxable years beginning after December 31, 1983.

(2) The amendment made by subsection (b)(1) shall apply to taxable years beginning after December 31, 1986.

(3) The amendment made by subsection (b)(2) shall apply to taxable years beginning after December 31, 1990.

SEC. 505. OTHER AMENDMENTS.

(a) AMENDMENTS RELATED TO SECTION 6103 OF 1986 CODE.—

(1) Subsection (j) of section 6103 of the 1986 Code is amended by adding at the end the following new paragraph:

''(5) DEPARTMENT OF AGRICULTURE.—Upon request in writing by the Secretary of Agriculture, the Secretary shall furnish such returns, or return information reflected thereon, as the Secretary may prescribe by regulation to officers and employees of the Department of Agriculture whose official duties require access to such returns or information for the purpose of, but only to the extent necessary in, structuring, preparing, and conducting the census of agriculture pursuant to the Census of Agriculture Act of 1997 (Public Law 105–113).''.

(2) Paragraph (4) of section 6103(p) of the 1986 Code is amended by striking ''(j)(1) or (2)'' in the material preceding subparagraph (A) and in subparagraph (F) and inserting ''(j)(1), (2), or (5)''.

(3) The amendments made by this subsection shall apply to requests made on or after the date of the enactment of this Act.

(b) AMENDMENT RELATED TO SECTION 9004 OF TRANSPORTATION EQUITY ACT FOR THE 21ST CENTURY.—

(1) Paragraph (2) of section 9503(f) of the 1986 Code is amended to read as follows:

''(2) notwithstanding section 9602(b), obligations held by such Fund after September 30, 1998, shall be obligations of the United States which are not interest-bearing.''

(2) The amendment made by paragraph (1) shall take effect on October 1, 1998.

(c) CLERICAL AMENDMENTS.—

(1) Clause (i) of section 51(d)(6)(B) of the 1986 Code is amended by striking ''rehabilitation plan'' and inserting ''plan for employment''. The reference to plan for employment in such clause shall be treated as including a reference to the rehabilitation plans referred to in such clause as in effect before the amendment made by the preceding sentence.

(2) Subparagraphs (C) and (D) of section 6693(a)(2) of the 1986 Code are each amended by striking ''Section'' and inserting ''section''.

TITLE VI—AMERICAN COMMUNITY RENEWAL ACT OF 1998

SEC. 601. SHORT TITLE.

This title may be cited as the ''American Community Renewal Act of 1998''.

SEC. 602. DESIGNATION OF AND TAX INCENTIVES FOR RENEWAL COMMUNITIES.

(a) IN GENERAL.—Chapter 1 is amended by adding at the end the following new subchapter:

''Subchapter X—Renewal Communities

''PART I—DESIGNATION

''SEC. 1400E. DESIGNATION OF RENEWAL COMMUNITIES.

''(a) DESIGNATION.—

''(1) DEFINITIONS.—For purposes of this title, the term 'renewal community' means any area—

''(A) which is nominated by one or more local governments and the State or States in which it is located for designation as a renewal community (hereinafter in this section referred to as a 'nominated area'), and

''(B) which the Secretary of Housing and Urban Development designates as a renewal community, after consultation with—

''(i) the Secretaries of Agriculture, Commerce, Labor, and the Treasury; the Director of the Office of Management and Budget; and the Administrator of the Small Business Administration, and

''(ii) in the case of an area on an Indian reservation, the Secretary of the Interior.

''(2) NUMBER OF DESIGNATIONS.—

''(A) IN GENERAL.—The Secretary of Housing and Urban Development may designate not more than 20 nominated areas as renewal communities.

''(B) MINIMUM DESIGNATION IN RURAL AREAS.—Of the areas designated under paragraph (1), at least 4 must be areas—

''(i) which are within a local government jurisdiction or jurisdictions with a population of less than 50,000,

''(ii) which are outside of a metropolitan statistical area (within the meaning of section 143(k)(2)(B)), or

''(iii) which are determined by the Secretary of Housing and Urban Development, after consultation with the Secretary of Commerce, to be rural areas.

''(3) AREAS DESIGNATED BASED ON DEGREE OF POVERTY, ETC.—

''(A) IN GENERAL.—Except as otherwise provided in this section, the nominated areas designated as renewal communities under this subsection shall be those nominated areas with the highest average ranking with respect to the criteria described in subparagraphs (B), (C), and (D) of subsection (c)(3). For purposes of the preceding sentence, an area shall be ranked within each such criterion on the basis of the amount by which the area exceeds such criterion, with the area which exceeds such criterion by the greatest amount given the highest ranking.

''(B) EXCEPTION WHERE INADEQUATE COURSE OF ACTION, ETC.—An area shall not be designated under subparagraph (A) if the Secretary of Housing and Urban Development determines that the course of action described in subsection (d)(2) with respect to such area is inadequate.

''(C) PRIORITY FOR EMPOWERMENT ZONES AND ENTERPRISE COMMUNITIES WITH RESPECT TO FIRST HALF OF DESIGNATIONS.—With respect to the first 10 designations made under this section—

''(i) 10 shall be chosen from nominated areas which are empowerment zones or enterprise communities (and are otherwise eligible for designation under this section), and

''(ii) of such 10, 2 shall be areas described in paragraph (2)(B).

''(4) LIMITATION ON DESIGNATIONS.—

''(A) PUBLICATION OF REGULATIONS.—The Secretary of Housing and Urban Development shall prescribe by regulation no later than 4 months after the date of the enactment of this section, after consultation with the officials described in paragraph (1)(B)—

''(i) the procedures for nominating an area under paragraph (1)(A),

''(ii) the parameters relating to the size and population characteristics of a renewal community, and

''(iii) the manner in which nominated areas will be evaluated based on the criteria specified in subsection (d).

''(B) TIME LIMITATIONS.—The Secretary of Housing and Urban Development may designate nominated areas as renewal communities only during the 24-month period beginning on the first day of the first month following the month in which the regulations described in subparagraph (A) are prescribed.

''(C) PROCEDURAL RULES.—The Secretary of Housing and Urban Development shall not make any designation of a nominated area as a renewal community under paragraph (2) unless—

''(i) the local governments and the States in which the nominated area is located have the authority—

''(I) to nominate such area for designation as a renewal community,

''(II) to make the State and local commitments described in subsection (d), and

''(III) to provide assurances satisfactory to the Secretary of Housing and Urban Development that such commitments will be fulfilled,

''(ii) a nomination regarding such area is submitted in such a manner and in such form, and contains such information, as the Secretary of Housing and Urban Development shall by regulation prescribe, and

''(iii) the Secretary of Housing and Urban Development determines that any information furnished is reasonably accurate.

''(5) NOMINATION PROCESS FOR INDIAN RESERVATIONS.—For purposes of this subchapter, in the case of a nominated area on an Indian reservation, the reservation governing body (as determined by the Secretary of the Interior) shall be treated as being both the State and local governments with respect to such area.

''(b) PERIOD FOR WHICH DESIGNATION IS IN EFFECT.—

''(1) IN GENERAL.—Any designation of an area as a renewal community shall remain in effect during the period beginning on the date of the designation and ending on the earliest of—

''(A) December 31, 2006,

''(B) the termination date designated by the State and local governments in their nomination, or

''(C) the date the Secretary of Housing and Urban Development revokes such designation.

''(2) REVOCATION OF DESIGNATION.—The Secretary of Housing and Urban Development may revoke the designation under this section of an area if such Secretary determines that the local government or the State in which the area is located—

''(A) has modified the boundaries of the area, or

''(B) is not complying substantially with, or fails to make progress in achieving, the State or local commitments, respectively, described in subsection (d).

''(c) AREA AND ELIGIBILITY REQUIREMENTS.—

''(1) IN GENERAL.—The Secretary of Housing and Urban Development may designate a nominated area as a renewal community under subsection (a) only if the area meets the requirements of paragraphs (2) and (3) of this subsection.

''(2) AREA REQUIREMENTS.—A nominated area meets the requirements of this paragraph if—

''(A) the area is within the jurisdiction of one or more local governments,

''(B) the boundary of the area is continuous, and

''(C) the area—

''(i) has a population, of at least—

''(I) 4,000 if any portion of such area (other than a rural area described in subsection (a)(2)(B)(i)) is located within a metropolitan statistical area (within the meaning of section 143(k)(2)(B)) which has a population of 50,000 or greater, or

''(II) 1,000 in any other case, or

''(ii) is entirely within an Indian reservation (as determined by the Secretary of the Interior).

''(3) ELIGIBILITY REQUIREMENTS.—A nominated area meets the requirements of this paragraph if the State and the local governments in which it is located certify (and the Secretary of Housing and Urban Development, after such review of supporting data as he deems appropriate, accepts such certification) that—

''(A) the area is one of pervasive poverty, unemployment, and general distress,

''(B) the unemployment rate in the area, as determined by the most recent available data, was at least 1½ times the national unemployment rate for the period to which such data relate,

''(C) the poverty rate for each population census tract within the nominated area is at least 20 percent, and

''(D) in the case of an urban area, at least 70 percent of the households living in the area have incomes below 80 percent of the median income of households within the jurisdiction of the local government (determined in the same manner as under section 119(b)(2) of the Housing and Community Development Act of 1974).

''(4) CONSIDERATION OF HIGH INCIDENCE OF CRIME.—The Secretary of Housing and Urban Development shall take into account, in selecting nominated areas for designation as renewal communities under this section, the extent to which such areas have a high incidence of crime.

''(5) CONSIDERATION OF COMMUNITIES IDENTIFIED IN GAO STUDY.—The Secretary of Housing and Urban Development shall take into account, in selecting nominated areas for designation as renewal communities under this section, if the area has census tracts identified in the May 12, 1998, report of the Government Accounting Office regarding the identification of economically distressed areas.

''(d) REQUIRED STATE AND LOCAL COMMITMENTS.—

''(1) IN GENERAL.—The Secretary of Housing and Urban Development may designate any nominated area as a renewal community under subsection (a) only if—

''(A) the local government and the State in which the area is located agree in writing that, during any period during which the area is a renewal community, such governments will follow a specified course of action which meets the requirements of paragraph (2) and is designed to reduce the various burdens borne by employers or employees in such area, and

''(B) the economic growth promotion requirements of paragraph (3) are met.

''(2) COURSE OF ACTION.—

''(A) IN GENERAL.—A course of action meets the requirements of this paragraph if such course of action is a written document, signed by a State (or local government) and neighborhood organizations, which evidences a partnership between such State or government and community-based organizations and which commits each signatory to specific and measurable goals, actions, and timetables. Such course of action shall include at least five of the following:

''(i) A reduction of tax rates or fees applying within the renewal community.

''(ii) An increase in the level of efficiency of local services within the renewal community.

''(iii) Crime reduction strategies, such as crime prevention (including the provision of such services by nongovernmental entities).

''(iv) Actions to reduce, remove, simplify, or streamline governmental requirements applying within the renewal community.

''(v) Involvement in the program by private entities, organizations, neighborhood organizations, and community groups, particularly those in the renewal community, including a commitment from such private entities to provide jobs and job training for, and technical, financial, or other assistance to, employers, employees, and residents from the renewal community.

''(vi) State or local income tax benefits for fees paid for services performed by a nongovernmental entity which were formerly performed by a governmental entity.

''(vii) The gift (or sale at below fair market value) of surplus real property (such as land, homes, and commercial or industrial structures) in the renewal community to neighborhood organizations, community development corporations, or private companies.

''(B) RECOGNITION OF PAST EFFORTS.—For purposes of this section, in evaluating the course of action agreed to by any State or local government, the Secretary of Housing and Urban Development shall take into account the past efforts of such State or local government in reducing the various burdens borne by employers and employees in the area involved.

''(3) ECONOMIC GROWTH PROMOTION REQUIREMENTS.—The economic growth promotion requirements of this paragraph are met with respect to a nominated area if the local government and the State in which such area is located certify in writing that such government and State, respectively, have repealed or otherwise will not enforce within the area, if such area is designated as a renewal community—

''(A) licensing requirements for occupations that do not ordinarily require a professional degree,

''(B) zoning restrictions on home-based businesses which do not create a public nuisance,

''(C) permit requirements for street vendors who do not create a public nuisance,

''(D) zoning or other restrictions that impede the formation of schools or child care centers, and

''(E) franchises or other restrictions on competition for businesses providing public services, including but not limited to taxicabs, jitneys, cable television, or trash hauling,

except to the extent that such regulation of businesses and occupations is necessary for and well-tailored to the protection of health and safety.

''(e) COORDINATION WITH TREATMENT OF EMPOWERMENT ZONES AND ENTERPRISE COMMUNITIES.—For purposes of this title, if there are in effect with respect to the same area both—

''(1) a designation as a renewal community, and

''(2) a designation as an empowerment zone or enterprise community,

both of such designations shall be given full effect with respect to such area.

''(f) DEFINITIONS AND SPECIAL RULES.—For purposes of this subchapter—

''(1) GOVERNMENTS.—If more than one government seeks to nominate an area as a renewal community, any reference to, or requirement of, this section shall apply to all such governments.

''(2) STATE.—The term 'State' includes Puerto Rico, the Virgin Islands of the United States, Guam, American Samoa, the Northern Mariana Islands, and any other possession of the United States.

''(3) LOCAL GOVERNMENT.—The term 'local government' means—

''(A) any county, city, town, township, parish, village, or other general purpose political subdivision of a State,

''(B) any combination of political subdivisions described in subparagraph (A) recognized by the Secretary of Housing and Urban Development, and

''(C) the District of Columbia.

''(4) APPLICATION OF RULES RELATING TO CENSUS TRACTS AND CENSUS DATA.—The rules of sections 1392(b)(4) and 1393(a)(9) shall apply.

''PART II—RENEWAL COMMUNITY CAPITAL GAIN; RENEWAL COMMUNITY BUSINESS

''SEC. 1400F. RENEWAL COMMUNITY CAPITAL GAIN.

''(a) GENERAL RULE.—Gross income does not include any qualified capital gain recognized on the sale or exchange of a qualified community asset held for more than 5 years.

''(b) QUALIFIED COMMUNITY ASSET.—For purposes of this section—

''(1) IN GENERAL.—The term 'qualified community asset' means—

''(A) any qualified community stock,

''(B) any qualified community partnership interest, and

''(C) any qualified community business property.

''(2) QUALIFIED COMMUNITY STOCK.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), the term 'qualified community stock' means any stock in a domestic corporation if—

''(i) such stock is acquired by the taxpayer after December 31, 1999, and before January 1, 2007, at its original issue (directly or through an underwriter) from the corporation solely in exchange for cash,

''(ii) as of the time such stock was issued, such corporation was a renewal community business (or, in the case of a new corporation, such corporation was being organized for purposes of being a renewal community business), and

''(iii) during substantially all of the taxpayer's holding period for such stock, such corporation qualified as a renewal community business.

''(B) REDEMPTIONS.—A rule similar to the rule of section 1202(c)(3) shall apply for purposes of this paragraph.

''(3) QUALIFIED COMMUNITY PARTNERSHIP INTEREST.—The term 'qualified community partnership interest' means any interest in a partnership if—

''(A) such interest is acquired by the taxpayer after December 31, 1999, and before January 1, 2007,

''(B) as of the time such interest was acquired, such partnership was a renewal community business (or, in the case of a new partnership, such partnership was being organized for purposes of being a renewal community business), and

''(C) during substantially all of the taxpayer's holding period for such interest, such partnership qualified as a renewal community business.

A rule similar to the rule of paragraph (2)(B) shall apply for purposes of this paragraph.

''(4) QUALIFIED COMMUNITY BUSINESS PROPERTY.—

''(A) IN GENERAL.—The term 'qualified community business property' means tangible property if—

''(i) such property was acquired by the taxpayer by purchase (as defined in section 179(d)(2)) after December 31, 1999, and before January 1, 2007,

''(ii) the original use of such property in the renewal community commences with the taxpayer, and

''(iii) during substantially all of the taxpayer's holding period for such property, substantially all of the use of such property was in a renewal community business of the taxpayer.

''(B) SPECIAL RULE FOR SUBSTANTIAL IMPROVEMENTS.—The requirements of clauses (i) and (ii) of subparagraph (A) shall be treated as satisfied with respect to—

''(i) property which is substantially improved (within the meaning of section 1400B(b)(4)(B)(ii)) by the taxpayer before January 1, 2007, and

''(ii) any land on which such property is located.

''(c) CERTAIN RULES TO APPLY.—Rules similar to the rules of paragraphs (5), (6), and (7) of subsection (b), and subsections (e), (f), and (g), of section 1400B shall apply for purposes of this section.

''SEC. 1400G. RENEWAL COMMUNITY BUSINESS DEFINED.

''For purposes of this part, the term 'renewal community business' means any entity or proprietorship which would be a qualified business entity or qualified proprietorship under section 1397B if—

''(1) references to renewal communities were substituted for references to empowerment zones in such section; and

''(2) '80 percent' were substituted for '50 percent' in subsections (b)(2) and (c)(1) of such section.

''PART III—FAMILY DEVELOPMENT ACCOUNTS

''SEC. 1400H. FAMILY DEVELOPMENT ACCOUNTS FOR RENEWAL COMMUNITY EITC RECIPIENTS.

''(a) ALLOWANCE OF DEDUCTION.—

''(1) IN GENERAL.—There shall be allowed as a deduction—

''(A) in the case of a qualified individual, the amount paid in cash for the taxable year by such individual to any family development account for such individual's benefit, and

''(B) in the case of any person other than a qualified individual, the amount paid in cash for the taxable year by such person to any family development account for the benefit of a qualified individual but only if the amount so paid is designated for purposes of this section by such individual.

No deduction shall be allowed under this paragraph for any amount deposited in a family development account under section 1400I (relating to demonstration program to provide matching amounts in renewal communities).

''(2) LIMITATION.—

''(A) IN GENERAL.—The amount allowable as a deduction to any individual for any taxable year by reason of paragraph (1)(A) shall not exceed the lesser of—

''(i) $2,000, or

''(ii) an amount equal to the compensation includible in the individual's gross income for such taxable year.

''(B) PERSONS DONATING TO FAMILY DEVELOPMENT ACCOUNTS OF OTHERS.—The amount which may be designated under paragraph (1)(B) by any qualified individual for any taxable year of such individual shall not exceed $1,000.

''(3) SPECIAL RULES FOR CERTAIN MARRIED INDIVIDUALS.—Rules similar to rules of section 219(c) shall apply to the limitation in paragraph (2)(A).

''(4) COORDINATION WITH IRA'S.—No deduction shall be allowed under this section to any person by reason of a payment to an account for the benefit of a qualified individual if any amount is paid into an individual retirement account (including a Roth IRA) for the benefit of such individual.

''(5) ROLLOVERS.—No deduction shall be allowed under this section with respect to any rollover contribution.

''(b) TAX TREATMENT OF DISTRIBUTIONS.—

''(1) INCLUSION OF AMOUNTS IN GROSS INCOME.—Except as otherwise provided in this subsection, any amount paid or distributed out of a family development account shall be included in gross income by the payee or distributee, as the case may be.

''(2) EXCLUSION OF QUALIFIED FAMILY DEVELOPMENT DISTRIBUTIONS.—Paragraph (1) shall not apply to any qualified family development distribution.

''(c) QUALIFIED FAMILY DEVELOPMENT DISTRIBUTION.—For purposes of this section—

''(1) IN GENERAL.—The term 'qualified family development distribution' means any amount paid or distributed out of a family development account which would otherwise be includible in gross income, to the extent that such payment or distribution is used exclusively to pay qualified family development expenses for the holder of the account or the spouse or dependent (as defined in section 152) of such holder.

''(2) QUALIFIED FAMILY DEVELOPMENT EXPENSES.—The term 'qualified family development expenses' means any of the following:

''(A) Qualified higher education expenses.

''(B) Qualified first-time homebuyer costs.

''(C) Qualified business capitalization costs.

''(D) Qualified medical expenses.

''(E) Qualified rollovers.

''(3) QUALIFIED HIGHER EDUCATION EXPENSES.—

''(A) IN GENERAL.—The term 'qualified higher education expenses' has the meaning given such term by section 72(t)(7), determined by treating postsecondary vocational educational schools as eligible educational institutions.

''(B) POSTSECONDARY VOCATIONAL EDUCATION SCHOOL.—The term 'postsecondary vocational educational school' means an area vocational education school (as defined in subparagraph (C) or (D) of section 521(4) of the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2471(4))) which is in any State (as defined in section 521(33) of such Act), as such sections are in effect on the date of the enactment of this section.

''(C) COORDINATION WITH OTHER BENEFITS.—The amount of qualified higher education expenses for any taxable year shall be reduced as provided in section 25A(g)(2).

''(4) QUALIFIED FIRST-TIME HOMEBUYER COSTS.—The term 'qualified first-time homebuyer costs' means qualified acquisition costs (as defined in section 72(t)(8) without regard to subparagraph (B) thereof) with respect to a principal residence (within the meaning of section 121) for a qualified first-time homebuyer (as defined in such section).

''(5) QUALIFIED BUSINESS CAPITALIZATION COSTS.—

''(A) IN GENERAL.—The term 'qualified business capitalization costs' means qualified expenditures for the capitalization of a qualified business pursuant to a qualified plan.

''(B) QUALIFIED EXPENDITURES.—The term 'qualified expenditures' means expenditures included in a qualified plan, including capital, plant, equipment, working capital, and inventory expenses.

''(C) QUALIFIED BUSINESS.—The term 'qualified business' means any business that does not contravene any law.

''(D) QUALIFIED PLAN.—The term 'qualified plan' means a business plan which meets such requirements as the Secretary may specify.

''(6) QUALIFIED MEDICAL EXPENSES.—The term 'qualified medical expenses' means any amount paid during the taxable year, not compensated for by insurance or otherwise, for medical care (as defined in section 213(d)) of the taxpayer, his spouse, or his dependent (as defined in section 152).

''(7) QUALIFIED ROLLOVERS.—The term 'qualified rollover' means any amount paid from a family development account of a taxpayer into another such account established for the benefit of—

''(A) such taxpayer, or

''(B) any qualified individual who is—

''(i) the spouse of such taxpayer, or

''(ii) any dependent (as defined in section 152) of the taxpayer.

Rules similar to the rules of section 408(d)(3) shall apply for purposes of this paragraph.

''(d) TAX TREATMENT OF ACCOUNTS.—

''(1) IN GENERAL.—Any family development account is exempt from taxation under this subtitle unless such account has ceased to be a family development account by reason of paragraph (2). Notwithstanding the preceding sentence, any such account is subject to the taxes imposed by section 511 (relating to imposition of tax on unrelated business income of charitable, etc., organizations). Notwithstanding any other provision of this title (including chapters 11 and 12), the basis of any person in such an account is zero.

''(2) LOSS OF EXEMPTION IN CASE OF PROHIBITED TRANSACTIONS.—For purposes of this section, rules similar to the rules of section 408(e) shall apply.

''(3) OTHER RULES TO APPLY.—Rules similar to the rules of paragraphs (4), (5), and (6) of section 408(d) shall apply for purposes of this section.

''(e) FAMILY DEVELOPMENT ACCOUNT.—For purposes of this title, the term 'family development account' means a trust created or organized in the United States for the exclusive benefit of a qualified individual or his beneficiaries, but only if the written governing instrument creating the trust meets the following requirements:

''(1) Except in the case of a qualified rollover (as defined in subsection (c)(7))—

''(A) no contribution will be accepted unless it is in cash, and

''(B) contributions will not be accepted for the taxable year in excess of $3,000 (determined without regard to any contribution made under section 1400I (relating to demonstration program to provide matching amounts in renewal communities)).

''(2) The requirements of paragraphs (2) through (6) of section 408(a) are met.

''(f) QUALIFIED INDIVIDUAL.—For purposes of this section, the term 'qualified individual' means, for any taxable year, an individual—

''(1) who is a bona fide resident of a renewal community throughout the taxable year, and

''(2) to whom a credit was allowed under section 32 for the preceding taxable year.

''(g) OTHER DEFINITIONS AND SPECIAL RULES.—

''(1) COMPENSATION.—The term 'compensation' has the meaning given such term by section 219(f)(1).

''(2) MARRIED INDIVIDUALS.—The maximum deduction under subsection (a) shall be computed separately for each individual, and this section shall be applied without regard to any community property laws.

''(3) TIME WHEN CONTRIBUTIONS DEEMED MADE.—For purposes of this section, a taxpayer shall be deemed to have made a contribution to a family development account on the last day of the preceding taxable year if the contribution is made on account of such taxable year and is made not later than the time prescribed by law for filing the return for such taxable year (not including extensions thereof).

''(4) EMPLOYER PAYMENTS; CUSTODIAL ACCOUNTS.—Rules similar to the rules of sections 219(f)(5) and 408(h) shall apply for purposes of this section.

''(5) REPORTS.—The trustee of a family development account shall make such reports regarding such account to the Secretary and to the individual for whom the account is maintained with respect to contributions (and the years to which they relate), distributions, and such other matters as the Secretary may require under regulations. The reports required by this paragraph—

''(A) shall be filed at such time and in such manner as the Secretary prescribes in such regulations, and

''(B) shall be furnished to individuals—

''(i) not later than January 31 of the calendar year following the calendar year to which such reports relate, and

''(ii) in such manner as the Secretary prescribes in such regulations.

''(6) INVESTMENT IN COLLECTIBLES TREATED AS DISTRIBUTIONS.—Rules similar to the rules of section 408(m) shall apply for purposes of this section.

''(h) PENALTY FOR DISTRIBUTIONS NOT USED FOR QUALIFIED FAMILY DEVELOPMENT EXPENSES.—

''(1) IN GENERAL.—If any amount is distributed from a family development account and is not used exclusively to pay qualified family development expenses for the holder of the account or the spouse or dependent (as defined in section 152) of such holder, the tax imposed by this chapter for the taxable year of such distribution shall be increased by the sum of—

''(A) 100 percent of the portion of such amount which is includible in gross income and is attributable to amounts contributed under section 1400I (relating to demonstration program to provide matching amounts in renewal communities), and

''(B) 10 percent of the portion of such amount which is includible in gross income and is not described in subparagraph (A).

For purposes of this subsection, distributions which are includable in gross income shall be treated as attributable to amounts contributed under section 1400I to the extent thereof. For purposes of the preceding sentence, all family development accounts of an individual shall be treated as one account.

''(2) EXCEPTION FOR CERTAIN DISTRIBUTIONS.—Paragraph (1) shall not apply to distributions which are—

''(A) made on or after the date on which the account holder attains age 59½,

''(B) made to a beneficiary (or the estate of the account holder) on or after the death of the account holder, or

''(C) attributable to the account holder's being disabled within the meaning of section 72(m)(7).

''(i) TERMINATION.—No deduction shall be allowed under this section for any amount paid to a family development account for any taxable year beginning after December 31, 2006.

''SEC. 1400I. DEMONSTRATION PROGRAM TO PROVIDE MATCHING CONTRIBUTIONS TO FAMILY DEVELOPMENT ACCOUNTS IN CERTAIN RENEWAL COMMUNITIES.

''(a) DESIGNATION.—

''(1) DEFINITIONS.—For purposes of this section, the term 'FDA matching demonstration area' means any renewal community—

''(A) which is nominated under this section by each of the local governments and States which nominated such community for designation as a renewal community under section 1400E(a)(1)(A), and

''(B) which the Secretary of Housing and Urban Development designates as an FDA matching demonstration area after consultation with—

''(i) the Secretaries of Agriculture, Commerce, Labor, and the Treasury, the Director of the Office of Management and Budget, and the Administrator of the Small Business Administration, and

''(ii) in the case of a community on an Indian reservation, the Secretary of the Interior.

''(2) NUMBER OF DESIGNATIONS.—

''(A) IN GENERAL.—The Secretary of Housing and Urban Development may designate not more than 5 communities as FDA matching demonstration areas.

''(B) MINIMUM DESIGNATION IN RURAL AREAS.—Of the areas designated under subparagraph (A), at least 2 must be areas described in section 1400E(a)(2)(B).

''(3) LIMITATIONS ON DESIGNATIONS.—

''(A) PUBLICATION OF REGULATIONS.—The Secretary of Housing and Urban Development shall prescribe by regulation no later than 4 months after the date of the enactment of this section, after consultation with the officials described in paragraph (1)(B)—

''(i) the procedures for nominating a renewal community under paragraph (1)(A) (including procedures for coordinating such nomination with the nomination of an area for designation as a renewal community under section 1400E), and

''(ii) the manner in which nominated renewal communities will be evaluated for purposes of this section.

''(B) TIME LIMITATIONS.—The Secretary of Housing and Urban Development may designate renewal communities as FDA matching demonstration areas only during the 24-month period beginning on the first day of the first month following the month in which the regulations described in subparagraph (A) are prescribed.

''(4) DESIGNATION BASED ON DEGREE OF POVERTY, ETC.—The rules of section 1400E(a)(3) shall apply for purposes of designations of FDA matching demonstration areas under this section.

''(b) PERIOD FOR WHICH DESIGNATION IS IN EFFECT.—Any designation of a renewal community as an FDA matching demonstration area shall remain in effect during the period beginning on the date of such designation and ending on the date on which such area ceases to be a renewal community.

''(c) MATCHING CONTRIBUTIONS TO FAMILY DEVELOPMENT ACCOUNTS.—

''(1) IN GENERAL.—Not less than once each taxable year, the Secretary shall deposit (to the extent provided in appropriation Acts) into a family development account of each qualified individual (as defined in section 1400H(f))—

''(A) who is a resident throughout the taxable year of an FDA matching demonstration area, and

''(B) who requests (in such form and manner as the Secretary prescribes) such deposit for the taxable year,

an amount equal to the sum of the amounts deposited into all of the family development

accounts of such individual during such taxable year (determined without regard to any amount contributed under this section).

''(2) LIMITATIONS.—

''(A) ANNUAL LIMIT.—The Secretary shall not deposit more than $1000 under paragraph (1) with respect to any individual for any taxable year.

''(B) AGGREGATE LIMIT.—The Secretary shall not deposit more than $2000 under paragraph (1) with respect to any individual for all taxable years.

''(3) EXCLUSION FROM INCOME.—Except as provided in section 1400H, gross income shall not include any amount deposited into a family development account under paragraph (1).

''(d) NOTICE OF PROGRAM.—The Secretary shall provide appropriate notice to residents of FDA matching demonstration areas of the availability of the benefits under this section.

''(e) TERMINATION.—No amount may be deposited under this section for any taxable year beginning after December 31, 2006.

''SEC. 1400J. DESIGNATION OF EARNED INCOME TAX CREDIT PAYMENTS FOR DEPOSIT TO FAMILY DEVELOPMENT ACCOUNT.

''(a) IN GENERAL.—With respect to the return of any qualified individual (as defined in section 1400H(f)) for the taxable year of the tax imposed by this chapter, such individual may designate that a specified portion (not less than $1) of any overpayment of tax for such taxable year which is attributable to the earned income tax credit shall be deposited by the Secretary into a family development account of such individual. The Secretary shall so deposit such portion designated under this subsection.

''(b) MANNER AND TIME OF DESIGNATION.—A designation under subsection (a) may be made with respect to any taxable year—

''(1) at the time of filing the return of the tax imposed by this chapter for such taxable year, or

''(2) at any other time (after the time of filing the return of the tax imposed by this chapter for such taxable year) specified in regulations prescribed by the Secretary.

Such designation shall be made in such manner as the Secretary prescribes by regulations.

''(c) PORTION ATTRIBUTABLE TO EARNED INCOME TAX CREDIT.—For purposes of subsection (a), an overpayment for any taxable year shall be treated as attributable to the earned income tax credit to the extent that such overpayment does not exceed the credit allowed to the taxpayer under section 32 for such taxable year.

''(d) OVERPAYMENTS TREATED AS REFUNDED.—For purposes of this title, any portion of an overpayment of tax designated under subsection (a) shall be treated as being refunded to the taxpayer as of the last date prescribed for filing the return of tax imposed by this chapter (determined without regard to extensions) or, if later, the date the return is filed.

''(e) TERMINATION.—This section shall not apply to any taxable year beginning after December 31, 2006.

''PART IV—ADDITIONAL INCENTIVES

''SEC. 1400K. COMMERCIAL REVITALIZATION CREDIT.

''(a) GENERAL RULE.—For purposes of section 46, except as provided in subsection (e), the commercial revitalization credit for any taxable year is an amount equal to the applicable percentage of the qualified revitalization expenditures with respect to any qualified revitalization building.

''(b) APPLICABLE PERCENTAGE.—For purposes of this section—

''(1) IN GENERAL.—The term 'applicable percentage' means—

''(A) 20 percent for the taxable year in which a qualified revitalization building is placed in service, or

''(B) at the election of the taxpayer, 5 percent for each taxable year in the credit period.

The election under subparagraph (B), once made, shall be irrevocable.

''(2) CREDIT PERIOD.—

''(A) IN GENERAL.—The term 'credit period' means, with respect to any building, the period of 10 taxable years beginning with the taxable year in which the building is placed in service.

''(B) APPLICABLE RULES.—Rules similar to the rules under paragraphs (2) and (4) of section 42(f) shall apply.

''(c) QUALIFIED REVITALIZATION BUILDINGS AND EXPENDITURES.—For purposes of this section—

''(1) QUALIFIED REVITALIZATION BUILDING.—The term 'qualified revitalization building' means any building (and its structural components) if—

''(A) such building is located in a renewal community and is placed in service after December 31, 1999,

''(B) a commercial revitalization credit amount is allocated to the building under subsection (e), and

''(C) depreciation (or amortization in lieu of depreciation) is allowable with respect to the building.

''(2) QUALIFIED REVITALIZATION EXPENDITURE.—

''(A) IN GENERAL.—The term 'qualified revitalization expenditure' means any amount properly chargeable to capital account—

''(i) for property for which depreciation is allowable under section 168 and which is—

''(I) nonresidential real property, or

''(II) an addition or improvement to property described in subclause (I), and

''(ii) in connection with the construction of any qualified revitalization building which was not previously placed in service or in connection with the substantial rehabilitation (within the meaning of section 47(c)(1)(C)) of a building which was placed in service before the beginning of such rehabilitation.

''(B) DOLLAR LIMITATION.—The aggregate amount which may be treated as qualified revitalization expenditures with respect to any qualified revitalization building for any taxable year shall not exceed the excess of—

''(i) $10,000,000, reduced by

''(ii) any such expenditures with respect to the building taken into account by the taxpayer or any predecessor in determining the amount of the credit under this section for all preceding taxable years.

''(C) CERTAIN EXPENDITURES NOT INCLUDED.—The term 'qualified revitalization expenditure' does not include—

''(i) STRAIGHT LINE DEPRECIATION MUST BE USED.—Any expenditure (other than with respect to land acquisitions) with respect to which the taxpayer does not use the straight line method over a recovery period determined under subsection (c) or (g) of section 168. The preceding sentence shall not apply to any expenditure to the extent the alternative depreciation system of section 168(g) applies to such expenditure by reason of subparagraph (B) or (C) of section 168(g)(1).

''(ii) ACQUISITION COSTS.—The costs of acquiring any building or interest therein and any land in connection with such building to the extent that such costs exceed 30 percent of the qualified revitalization expenditures determined without regard to this clause.

''(iii) OTHER CREDITS.—Any expenditure which the taxpayer may take into account in computing any other credit allowable under this title unless the taxpayer elects to take the expenditure into account only for purposes of this section.

''(d) WHEN EXPENDITURES TAKEN INTO ACCOUNT.—

''(1) IN GENERAL.—Qualified revitalization expenditures with respect to any qualified revitalization building shall be taken into account for the taxable year in which the qualified revitalization building is placed in service. For purposes of the preceding sentence, a substantial rehabilitation of a building shall be treated as a separate building.

''(2) PROGRESS EXPENDITURE PAYMENTS.—Rules similar to the rules of subsections (b)(2) and (d) of section 47 shall apply for purposes of this section.

''(e) LIMITATION ON AGGREGATE CREDITS ALLOWABLE WITH RESPECT TO BUILDINGS LOCATED IN A STATE.—

''(1) IN GENERAL.—The amount of the credit determined under this section for any taxable year with respect to any building shall not exceed the commercial revitalization credit amount (in the case of an amount determined under subsection (b)(1)(B), the present value of such amount as determined under the rules of section 42(b)(2)(C)) allocated to such building under this subsection by the commercial revitalization credit agency. Such allocation shall be made at the same time and in the same manner as under paragraphs (1) and (7) of section 42(h).

''(2) COMMERCIAL REVITALIZATION CREDIT AMOUNT FOR AGENCIES.—

''(A) IN GENERAL.—The aggregate commercial revitalization credit amount which a commercial revitalization credit agency may allocate for any calendar year is the amount of the State commercial revitalization credit ceiling determined under this paragraph for such calendar year for such agency.

''(B) STATE COMMERCIAL REVITALIZATION CREDIT CEILING.—The State commercial revitalization credit ceiling applicable to any State—

''(i) for each calendar year after 1999 and before 2007 is $2,000,000 for each renewal community in the State, and

''(ii) zero for each calendar year thereafter.

''(C) COMMERCIAL REVITALIZATION CREDIT AGENCY.—For purposes of this section, the term 'commercial revitalization credit agency' means any agency authorized by a State to carry out this section.

''(f) RESPONSIBILITIES OF COMMERCIAL REVITALIZATION CREDIT AGENCIES.—

''(1) PLANS FOR ALLOCATION.—Notwithstanding any other provision of this section, the commercial revitalization credit amount with respect to any building shall be zero unless—

''(A) such amount was allocated pursuant to a qualified allocation plan of the commercial revitalization credit agency which is approved (in accordance with rules similar to the rules of section 147(f)(2) (other than subparagraph (B)(ii) thereof)) by the governmental unit of which such agency is a part, and

''(B) such agency notifies the chief executive officer (or its equivalent) of the local jurisdiction within which the building is located of such allocation and provides such individual a reasonable opportunity to comment on the allocation.

''(2) QUALIFIED ALLOCATION PLAN.—For purposes of this subsection, the term 'qualified allocation plan' means any plan—

''(A) which sets forth selection criteria to be used to determine priorities of the commercial revitalization credit agency which are appropriate to local conditions,

''(B) which considers—

''(i) the degree to which a project contributes to the implementation of a strategic

plan that is devised for a renewal community through a citizen participation process,

''(ii) the amount of any increase in permanent, full-time employment by reason of any project, and

''(iii) the active involvement of residents and nonprofit groups within the renewal community, and

''(C) which provides a procedure that the agency (or its agent) will follow in monitoring compliance with this section.

''(g) TERMINATION.—This section shall not apply to any building placed in service after December 31, 2006.

''SEC. 1400L. INCREASE IN EXPENSING UNDER SECTION 179.

''(a) GENERAL RULE.—In the case of a renewal community business (as defined in section 1400G), for purposes of section 179—

''(1) the limitation under section 179(b)(1) shall be increased by the lesser of—

''(A) $35,000, or

''(B) the cost of section 179 property which is qualified renewal property placed in service during the taxable year, and

''(2) the amount taken into account under section 179(b)(2) with respect to any section 179 property which is qualified renewal property shall be 50 percent of the cost thereof.

''(b) RECAPTURE.—Rules similar to the rules under section 179(d)(10) shall apply with respect to any qualified renewal property which ceases to be used in a renewal community by a renewal community business.

''(c) QUALIFIED RENEWAL PROPERTY.—For purposes of this section—

''(1) IN GENERAL.—The term 'qualified renewal property' means any property to which section 168 applies (or would apply but for section 179) if—

''(A) such property was acquired by the taxpayer by purchase (as defined in section 179(d)(2)) after December 31, 1999, and before January 1, 2007, and

''(B) such property would be qualified zone property (as defined in section 1397C) if references to renewal communities were substituted for references to empowerment zones in section 1397C.

''(2) CERTAIN RULES TO APPLY.—The rules of subsections (a)(2) and (b) of section 1397C shall apply for purposes of this section.''

SEC. 603. EXTENSION OF EXPENSING OF ENVIRONMENTAL REMEDIATION COSTS TO RENEWAL COMMUNITIES.

(a) EXTENSION.—Paragraph (2) of section 198(c) (defining targeted area) is amended by redesignating subparagraph (C) as subparagraph (D) and by inserting after subparagraph (B) the following new subparagraph:

''(C) RENEWAL COMMUNITIES INCLUDED.—Except as provided in subparagraph (B), such term shall include a renewal community (as defined in section 1400E).''

(b) EXTENSION OF TERMINATION DATE FOR RENEWAL COMMUNITIES.—Subsection (h) of section 198 is amended by inserting before the period ''(December 31, 2006, in the case of a renewal community, as defined in section 1400E).''

SEC. 604. EXTENSION OF WORK OPPORTUNITY TAX CREDIT FOR RENEWAL COMMUNITIES

(a) EXTENSION.—Subsection (c) of section 51 (relating to termination) is amended by adding at the end the following new paragraph:

''(5) EXTENSION OF CREDIT FOR RENEWAL COMMUNITIES.—

''(A) IN GENERAL.—In the case of an individual who begins work for the employer after the date contained in paragraph (4)(B), for purposes of section 38—

''(i) in lieu of applying subsection (a), the amount of the work opportunity credit determined under this section for the taxable year shall be equal to—

''(I) 15 percent of the qualified first-year wages for such year, and

''(II) 30 percent of the qualified second-year wages for such year,

''(ii) subsection (b)(3) shall be applied by substituting '$10,000' for '$6,000',

''(iii) paragraph (4)(B) shall be applied by substituting for the date contained therein the last day for which the designation under section 1400E of the renewal community referred to in subparagraph (B)(i) is in effect, and

''(iv) rules similar to the rules of section 51A(b)(5)(C) shall apply.

''(B) QUALIFIED FIRST- AND SECOND-YEAR WAGES.—For purposes of subparagraph (A)—

''(i) IN GENERAL.—The term 'qualified wages' means, with respect to each 1-year period referred to in clause (ii) or (iii), as the case may be, the wages paid or incurred by the employer during the taxable year to any individual but only if—

''(I) the employer is engaged in a trade or business in a renewal community throughout such 1-year period,

''(II) the principal place of abode of such individual is in such renewal community throughout such 1-year period, and

''(III) substantially all of the services which such individual performs for the employer during such 1-year period are performed in such renewal community.

''(ii) QUALIFIED FIRST-YEAR WAGES.—The term 'qualified first-year wages' means, with respect to any individual, qualified wages attributable to service rendered during the 1-year period beginning with the day the individual begins work for the employer.

''(iii) QUALIFIED SECOND-YEAR WAGES.—The term 'qualified second-year wages' means, with respect to any individual, qualified wages attributable to service rendered during the 1-year period beginning on the day after the last day of the 1-year period with respect to such individual determined under clause (ii).''

(b) CONGRUENT TREATMENT OF RENEWAL COMMUNITIES AND ENTERPRISE ZONES FOR PURPOSES OF YOUTH RESIDENCE REQUIREMENTS.—

(1) HIGH-RISK YOUTH.—Subparagraphs (A)(ii) and (B) of section 51(d)(5) are each amended by striking ''empowerment zone or enterprise community'' and inserting ''empowerment zone, enterprise community, or renewal community''.

(2) QUALIFIED SUMMER YOUTH EMPLOYEE.—Clause (iv) of section 51(d)(7)(A) is amended by striking ''empowerment zone or enterprise community'' and inserting ''empowerment zone, enterprise community, or renewal community''.

(3) HEADINGS.—Paragraphs (5)(B) and (7)(C) of section 51(d) are each amended by inserting ''OR COMMUNITY'' in the heading after ''ZONE''.

SEC. 605. CONFORMING AND CLERICAL AMENDMENTS.

(a) DEDUCTION FOR CONTRIBUTIONS TO FAMILY DEVELOPMENT ACCOUNTS ALLOWABLE WHETHER OR NOT TAXPAYER ITEMIZES.—Subsection (a) of section 62 (relating to adjusted gross income defined) is amended by inserting after paragraph (17) the following new paragraph:

''(18) FAMILY DEVELOPMENT ACCOUNTS.—The deduction allowed by section 1400H(a)(1)(A).''

(b) TAX ON EXCESS CONTRIBUTIONS.—

(1) TAX IMPOSED.—Subsection (a) of section 4973 is amended by striking ''or'' at the end of paragraph (3), adding ''or'' at the end of paragraph (4), and inserting after paragraph (4) the following new paragraph:

''(5) a family development account (within the meaning of section 1400H(e)),''.

(2) EXCESS CONTRIBUTIONS.—Section 4973 is amended by adding at the end the following new subsection:

''(g) FAMILY DEVELOPMENT ACCOUNTS.—For purposes of this section, in the case of a family development account, the term 'excess contributions' means the sum of—

''(1) the excess (if any) of—

''(A) the amount contributed for the taxable year to the account (other than a qualified rollover, as defined in section 1400H(c)(7), or a contribution under section 1400I), over

''(B) the amount allowable as a deduction under section 1400H for such contributions, and

''(2) the amount determined under this subsection for the preceding taxable year reduced by the sum of—

''(A) the distributions out of the account for the taxable year which were included in the gross income of the payee under section 1400H(b)(1),

''(B) the distributions out of the account for the taxable year to which rules similar to the rules of section 408(d)(5) apply by reason of section 1400H(d)(3), and

''(C) the excess (if any) of the maximum amount allowable as a deduction under section 1400H for the taxable year over the amount contributed to the account for the taxable year (other than a contribution under section 1400I).

For purposes of this subsection, any contribution which is distributed from the family development account in a distribution to which rules similar to the rules of section 408(d)(4) apply by reason of section 1400H(d)(3) shall be treated as an amount not contributed.''

(c) TAX ON PROHIBITED TRANSACTIONS.—Section 4975 is amended—

(1) by adding at the end of subsection (c) the following new paragraph:

''(6) SPECIAL RULE FOR FAMILY DEVELOPMENT ACCOUNTS.—An individual for whose benefit a family development account is established and any contributor to such account shall be exempt from the tax imposed by this section with respect to any transaction concerning such account (which would otherwise be taxable under this section) if, with respect to such transaction, the account ceases to be a family development account by reason of the application of section 1400H(d)(2) to such account.'', and

(2) in subsection (e)(1), by striking ''or'' at the end of subparagraph (E), by redesignating subparagraph (F) as subparagraph (G), and by inserting after subparagraph (E) the following new subparagraph:

''(F) a family development account described in section 1400H(e), or''.

(d) INFORMATION RELATING TO CERTAIN TRUSTS AND ANNUITY PLANS.—Subsection (c) of section 6047 is amended—

(1) by inserting ''or section 1400H'' after ''section 219'', and

(2) by inserting '', of any family development account described in section 1400H(e),'', after ''section 408(a)''.

(e) INSPECTION OF APPLICATIONS FOR TAX EXEMPTION.—Clause (i) of section 6104(a)(1)(B) is amended by inserting ''a family development account described in section 1400H(e),'' after ''section 408(a),''.

(f) FAILURE TO PROVIDE REPORTS ON FAMILY DEVELOPMENT ACCOUNTS.—Paragraph (2) of section 6693(a) is amended by striking ''and'' at the end of subparagraph (C), by striking the period and inserting '', and'' at the end of subparagraph (D), and by adding at the end the following new subparagraph:

''(E) section 1400H(g)(6) (relating to family development accounts).''

(g) CONFORMING AMENDMENTS REGARDING COMMERCIAL REVITALIZATION CREDIT.—

(1) Section 46 (relating to investment credit) is amended by striking ''and'' at the end of paragraph (2), by striking the period at the end of paragraph (3) and inserting '', and'', and by adding at the end the following new paragraph:

''(4) the commercial revitalization credit provided under section 1400K.''

(2) Section 39(d) is amended by adding at the end the following new paragraph:

''(9) NO CARRYBACK OF SECTION 1400K CREDIT BEFORE DATE OF ENACTMENT.—No portion of the unused business credit for any taxable year which is attributable to any commercial revitalization credit determined under section 1400K may be carried back to a taxable year ending before the date of the enactment of section 1400K.''

(3) Subparagraph (B) of section 48(a)(2) is amended by inserting ''or commercial revitalization'' after ''rehabilitation'' each place it appears in the text and heading.

(4) Subparagraph (C) of section 49(a)(1) is amended by striking ''and'' at the end of clause (ii), by striking the period at the end of clause (iii) and inserting '', and'', and by adding at the end the following new clause:

''(iv) the portion of the basis of any qualified revitalization building attributable to qualified revitalization expenditures.''

(5) Paragraph (2) of section 50(a) is amended by inserting ''or 1400K(d)(2)'' after ''section 47(d)'' each place it appears.

(6) Subparagraph (A) of section 50(a)(2) is amended by inserting ''or qualified revitalization building (respectively)'' after ''qualified rehabilitated building''.

(7) Subparagraph (B) of section 50(a)(2) is amended by adding at the end the following new sentence: ''A similar rule shall apply for purposes of section 1400K.''

(8) Paragraph (2) of section 50(b) is amended by striking ''and'' at the end of subparagraph (C), by striking the period at the end of subparagraph (D) and inserting ''; and'', and by adding at the end the following new subparagraph:

''(E) a qualified revitalization building (as defined in section 1400K) to the extent of the portion of the basis which is attributable to qualified revitalization expenditures (as defined in section 1400K).''

(9) The last sentence of section 50(b)(3) is amended to read as follows: ''If any qualified rehabilitated building or qualified revitalization building is used by the tax-exempt organization pursuant to a lease, this paragraph shall not apply for purposes of determining the amount of the rehabilitation credit or the commercial revitalization credit.''

(10) Subparagraph (C) of section 50(b)(4) is amended—

(A) by inserting ''or commercial revitalization'' after ''rehabilitated'' in the text and heading, and

(B) by inserting ''or commercial revitalization'' after ''rehabilitation''.

(11) Subparagraph (C) of section 469(i)(3) is amended—

(A) by inserting ''or section 1400K'' after ''section 42''; and

(B) by striking ''CREDIT'' in the heading and inserting ''AND COMMERCIAL REVITALIZATION CREDITS''.

(h) CLERICAL AMENDMENTS.—The table of subchapters for chapter 1 is amended by adding at the end the following new item:

''Subchapter X. Renewal Communities.''

SEC. 606. EVALUATION AND REPORTING REQUIREMENTS.

Not later than the close of the fourth calendar year after the year in which the Secretary of Housing and Urban Development first designates an area as a renewal community under section 1400E of the Internal Revenue Code of 1986, and at the close of each fourth calendar year thereafter, such Secretary shall prepare and submit to the Congress a report on the effects of such designations in stimulating the creation of new jobs, particularly for disadvantaged workers and long-term unemployed individuals, and promoting the revitalization of economically distressed areas.

TITLE VII—TAX REDUCTIONS CONTINGENT ON BALANCED BUDGET

SEC. 701. TAX REDUCTIONS CONTINGENT ON BALANCED BUDGET.

(a) IN GENERAL.—Notwithstanding any other provision of this Act, no provision of this Act (or amendment made thereby) shall take effect before the first January 1 after the date of the enactment of this Act that follows a calendar year for which there is a balanced budget certification.

(b) EXEMPTION OF FUNDED PROVISIONS.—The following provisions shall take effect without regard to subsection (a):

(1) Subtitle C of title I (relating to increase in social security earnings limit and recomputation of benefits).

(2) Section 213 (relating to production flexibility contract payments).

(3) Title III (relating to extension and modification of certain expiring provisions).

(4) Title IV (relating to revenue offset).

(5) Title V (relating to technical corrections).

(c) BALANCED BUDGET CERTIFICATION.—There is a balanced budget certification if the Director of the Office of Management and Budget certifies that—

(1) there is a surplus in the budget of the United States for the fiscal year ending in the calendar year (excluding the receipts and disbursements of the Federal Old Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund), and

(2) there will continue to be such a surplus in each of the next 5 fiscal years even if the provisions of this Act were in effect.

United States
of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE *105th* CONGRESS, SECOND SESSION

Vol. 144 WASHINGTON, THURSDAY, SEPTEMBER 24, 1998 *No. 129*

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. Madison T. Shockley II, of Congregational Church of Christian Fellowship, United Church of Christ, Los Angeles, CA, offered the following prayer:

Good morning, Senators. Please join me in a word of prayer.

Dear God of all, though You look upon Your creation and see our world without the borders we draw or the barriers we erect, hear the cry of Your people in this corner of Your great universe. We implore You on behalf of the men and women who govern these United States of America as Senators to grant to them wisdom, justice, mercy, and love in quantities not common to humankind. For, indeed, the task they share and the burden they bear is not a common one. Charged as they are to lead a Nation which stands out among all the nations of the world, the very fate of this planet is altered by what they do.

Mighty and ever loving God, You have been so gracious to us, we cannot begin to express our gratitude for the rich resources of fertile land, refreshing rivers, and majestic forests with which You have blessed this Nation. All this is magnified by the fact that no merit of ours has earned these blessings—no merit. For who can claim merit in the presence of Your divine goodness? Who can claim merit before Your sublime righteousness? And so with these awesome blessings come great responsibility. For You have instructed us that ''From the one to whom much has been entrusted, even more will be demanded''. —Luke 12:48.

Sovereign Spirit, help the Senators hear Your demand upon a people of freedom to seek liberation for all; a people of wealth to seek prosperity for everyone; a people of justice to seek righteousness for all. May all gathered here execute their office with mercy, love, and compassion. May this august assembly seek to share the blessings of this Nation with all of its people and even with those who do not share this badge of our citizenship but who still are our brothers and sisters whom You have commanded us to love and who share in that larger circle of the whole human family of which You are the one Divine Parent.

Let us all say—amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The able acting majority leader is recognized.

SCHEDULE

Mr. ASHCROFT. Mr. President, this morning there will be an immediate vote on the motion to invoke cloture on the motion to proceed to the so-called Vacancies Act. Following that vote, the Senate will resume consideration of the FAA authorization bill, with an almost immediate vote on or in relation to the Inhofe amendment regarding emergency license removal. Following that vote, the Senate will continue consideration of the FAA bill with amendments being offered and debated throughout today's session. Therefore, Members should expect rollcall votes during the day and into the evening in relation to the FAA bill or any other legislative or executive items cleared for action.

Finally, the leader would like to notify all Members that there will be rollcall votes during Friday's session of the Senate.

I thank my colleagues for their attention.

The PRESIDING OFFICER (Mr. GREGG). The Senator from California.

Mrs. BOXER. Thank you, Mr. President.

REV. MADISON T. SHOCKLEY II

Mrs. BOXER. Mr. President, I am so pleased and proud to welcome Rev. Madison Shockley to the Senate today where he has just delivered the opening prayer. Reverend Shockley is pastor of the Congregational Church of Christian Fellowship, United Church of Christ in Los Angeles, CA.

Mr. President, I had the great pleasure of attending services at his church a few weeks ago. On that particular day, we were reeling from a number of things both at home and abroad. His words were so fitting and healing. I was honored to be sitting in his congregation.

Reverend Shockley has been a civil rights and human rights leader in Los Angeles for more than a decade. His accomplishments, his leadership and his compassion make him one of California's most respected members of the clergy.

Following the 1992 civil unrest in Los Angeles, Reverend Shockley helped establish a 3-year program of ''community conversation,'' bringing together people from all racial and ethnic backgrounds, as well as leaders from across this country, to talk about the causes of unrest and tension and to bring peace and love to a community that was torn by hate and fear.

Most recently, Pastor Shockley has authored a series of critically acclaimed articles in the Los Angeles Times covering a broad range of important social topics. I congratulate and I thank Reverend Shockley for coming all the way from California on a redeye flight, no less, which is not easy to do, and to share his prayers with us today. Our country so needs the healing message that he brings us every day.

I yield the floor.

● This ''bullet'' symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

FEDERAL VACANCIES REFORM ACT OF 1988—MOTION TO PROCEED

CLOTURE MOTION

The PRESIDING OFFICER. Under rule XXII, the clerk will now report the motion to invoke cloture on the motion to proceed to S. 2176.

The legislative clerk read as follows:

CLOTURE MOTION

We the undersigned Senators, in accordance with the provision of Rule XXII of the Standing Rules of the Senate, do hereby move to bring to a close debate on the motion to proceed to S. 2176, the Vacancies Act:

Trent Lott, Strom Thurmond, Charles Grassley, Thad Cochran, Wayne Allard, Ben Nighthorse Campbell, Don Nickles, Orrin G. Hatch, Pat Roberts, Tim Hutchinson, Richard Shelby, Conrad Burns, Jim Inhofe, Connie Mack, Fred Thompson, Spencer Abraham, and Robert C. Byrd.

CALL OF THE ROLL

The PRESIDING OFFICER. By unanimous consent, the mandatory quorum under the rule is waived.

VOTE

The PRESIDING OFFICER. The question is, Is it the sense of the Senate that debate on the motion to proceed to S. 2176, the vacancy bill, shall be brought to a close?

The yeas and nays are required under the rule. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Ohio (Mr. GLENN) and the Senator from Illinois (Ms. MOSELEY-BRAUN), are absent on official business.

I also announce that the Senator from Minnesota (Mr. WELLSTONE) is attending a funeral.

I further announce that, if present and voting, the Senator from Minnesota (Mr. WELLSTONE) would vote ''aye.''

The yeas and nays resulted—yeas 96, nays 1, as follows:

[Rollcall Vote No. 285 Leg.]

YEAS—96

Abraham	Faircloth	Lieberman
Akaka	Feingold	Lott
Allard	Feinstein	Lugar
Ashcroft	Ford	Mack
Baucus	Frist	McCain
Bennett	Gorton	McConnell
Biden	Graham	Mikulski
Bingaman	Gramm	Moynihan
Bond	Grams	Murkowski
Boxer	Grassley	Murray
Breaux	Gregg	Nickles
Brownback	Hagel	Reed
Bryan	Harkin	Reid
Bumpers	Hatch	Robb
Burns	Helms	Roberts
Byrd	Hollings	Rockefeller
Campbell	Hutchinson	Roth
Chafee	Hutchison	Santorum
Cleland	Inhofe	Sarbanes
Coats	Inouye	Sessions
Cochran	Jeffords	Shelby
Collins	Johnson	Smith (NH)
Conrad	Kempthorne	Smith (OR)
Coverdell	Kennedy	Snowe
Craig	Kerrey	Specter
D'Amato	Kerry	Stevens
Daschle	Kohl	Thomas
DeWine	Kyl	Thompson
Dodd	Landrieu	Thurmond
Domenici	Lautenberg	Torricelli
Dorgan	Leahy	Warner
Enzi	Levin	Wyden

NAYS—1

Durbin

NOT VOTING—3

Glenn Moseley-Braun Wellstone

The PRESIDING OFFICER (Mr. SANTORUM). On this vote, the yeas are 96, the nays are 1. Three-fifths of the Senators duly chosen and sworn having voted in the affirmative, the motion is agreed to.

Mr. LOTT addressed the Chair.

The PRESIDING OFFICER. The majority leader.

UNANIMOUS-CONSENT AGREEMENT

Mr. LOTT. I ask unanimous consent that notwithstanding rule XXII, the Senate immediately proceed to the order with respect to the Inhofe amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LOTT. For the information, then, of all Senators, another vote will occur in approximately 10 minutes relative to the Inhofe amendment which is pending to the FAA reauthorization bill, and after that vote we will announce what the process will be thereafter.

WENDELL H. FORD NATIONAL AIR TRANSPORTATION SYSTEM IMPROVEMENT ACT OF 1998

The PRESIDING OFFICER. The Senate will proceed to S. 2279 which the clerk will report.

The legislative clerk read as follows:

A bill (S. 2279) to amend title 49, United States Code, to authorize programs of the Federal Aviation Administration for fiscal years 1999, 2000, 2001 and 2002, and for other purposes.

The Senate resumed consideration of the bill.

Pending:

Inhofe amendment No. 3620, to provide for the immediate application of certain orders relating to the amendment, modification, suspension, or revocation of certificates under chapter 447 of title 49, United States Code.

AMENDMENT NO. 3620

The PRESIDING OFFICER. The Senate will come to order.

There are 10 minutes equally divided on the Inhofe amendment. Who yields time?

Mr. MCCAIN. Mr. President, I ask unanimous consent that because of his eloquence, the Senator from Oklahoma be allowed 7 minutes and I will take 3 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Oklahoma.

Mr. INHOFE. Mr. President, there is a process that is used by the FAA which is known as the emergency revocation process. This process will allow an inspector in the event of an alleged violation by a licensed pilot to take away the pilot's certificate. He would take away the certificate under the emergency revocation clause declaring that an emergency exists.

The problem with this is that many times when you have an inspector do this, or an examiner take away a certificate, there is not even an emergency nature to the revocation. Consequently, we have many, many cases where the individuals have been abused.

I would like to suggest that Ted Stewart, who is an American Airlines pilot, has been a pilot for over 12 years and presently flying Boeing 767s. In May of 1995, there was an emergency revocation. He was not guilty of anything. There was not an emergency attached to this. There was never any hazard to anyone's health or safety.

However, it was 2 months until he was able to get his certificate back. Then an examiner went back to him in June of 1996 and again revoked his certificate under the emergency revocation. Consequently, for another 2 months he was unable to earn a living. Fortunately, he worked for American Airlines; they were good enough to keep his paychecks coming, but in many cases that is not the case.

I happen to be a very close friend of a man named Bob Hoover. I think most of you can remember who Bob Hoover is. He is considered to be the best performer in the circuit of airshows. In fact, I have flown airshows with him. In 1992—and I was there at the time—an inspector came in, an examiner for the FAA, and said to him, We think you have a problem. We think perhaps there is a mental problem or something—they didn't really define it—and they revoked his certificate. It wasn't for another 4 years he was able to get his certificate back. In the meantime, he was flying his airshows but outside the United States.

Now, very simply, what my amendment does is set up a process whereby if you lose your certificate, you have 48 hours to take it to the NTSB and let the NTSB make a determination as to whether or not there is any kind of an emergency nature to the revocation. After they have looked this over and decided there is no emergency involved to the nature of the revocation, then at the end of 7 days the pilot will get his certificate back. If there is, then he would not get it back. They can go ahead then and go through the normal adjudication of the violation.

This is something that has been going on for quite some time. We have been concerned about reforming this process. This is a compromise, because this makes it very clear if there is any hazard out there, if there is any risk to anyone's safety, the flying public or the pilot himself, the pilot is not going to be able to fly. It is as simple as that.

A lot of people say that there are only 300 emergency revocations a year. Therefore, it is not really a problem; it doesn't really affect that many people. I suggest to you that if you take 300 people, there might be 20 or 30 of those who make their living flying airplanes for American Airlines or one of the other airlines, in which case that takes them out of their occupation.

The other problem we have is there are 650,000 pilots right now licensed in

the United States and they all live in mortal fear that something like this would happen to them.

At this point let me yield 1 minute to Senator FRIST.

The PRESIDING OFFICER. The Senator from Tennessee is recognized.

Mr. FRIST. Mr. President, I rise in support of the Inhofe amendment. Clearly, the FAA will be against this amendment because they will not voluntarily relinquish anything in terms of regulatory authority. I believe this amendment is reasonable. It provides, in essence, due process for pilots who do have their privileges revoked, with attention given to safety. It really assures accountability within the FAA.

As a pilot who has been witness to the potential abuses—and the Senator from Oklahoma has demonstrated several well-documented examples of how the FAA has really unfairly used a necessary power to prematurely revoke certificates—this amendment will address the issue while assuring accountability.

I rise in support of the amendment, a more reasonable approach which assures accountability and assures due process.

Mr. INHOFE. I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. MCCAIN. Mr. President, I, of course, respect very much the views expressed by Senators FRIST and INHOFE, both of whom are pilots. The FAA has objected to this amendment. I believe it goes too far. I understand Senator INHOFE's concerns. They were voiced a couple of years ago on a similar measure when we were doing another bill, the aviation bill. The fact is, we need to address this issue.

I believe this goes too far. I look forward to working with Senator INHOFE and Senator FRIST on it, but I am very hesitant to take a measure which could, at the end of the day, possibly endanger safety. That is why I have to oppose this amendment at this time.

I yield 30 seconds to the Senator from Kentucky.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. FORD. Mr. President, I have to oppose this amendment, also. The FAA must have the ability to act when it believes safety is at risk. The FAA is often criticized for not acting quickly enough on safety matters. Here they revoke a certificate for safety purposes and we want to make it harder for them to act. Right now the court of appeals has upheld the FAA actions in every case. They do not second guess the agency charged with the regulation of safety, so let's be sure we give the FAA the authority for safety in the air.

The PRESIDING OFFICER. The time of the Senator has expired. The Senator from Oklahoma.

Mr. INHOFE. Mr. President just a few years ago we went through the same thing with the civil penalties of the FAA Act, so there would be someone other than the FAA involved. Prior to that time, the FAA was the judge, the jury, and the appellate court. They made all the decisions and they were protecting their own, because every bureaucracy does this—EPA, IRS, FDA and all the rest of them.

We changed the regulation so the NTSB, then, would be the appellate court for civil penalties, and it has worked very well. The junior Senator from Texas served on the NTSB, and I yield her whatever time she needs.

The PRESIDING OFFICER. The Senator is recognized for 1 minute 20 seconds.

Mrs. HUTCHISON. Mr. President, I do support the Inhofe amendment. Having served on the National Transportation Safety Board, I can tell you that the NTSB normally does not overturn the FAA revocation of pilots' licenses. But they do, after they go through the process and look at all of the evidence. I think it is quite fair to say if someone is going to be disadvantaged by having a license revoked, that the NTSB could very easily, and quickly, look at the type of evidence that they are going to hear and, without making a final adjudication, determine that this person would or would not be eligible to fly during the pendency of the proceedings.

I think it would introduce a new level in the process. It would be the emergency level. I think the NTSB can handle this. I think they are competent to do it, and I think their record shows that they have done it in the past.

I do support the amendment.

Mr. INHOFE. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 14 seconds.

Mr. INHOFE. I will conclude by saying this in no way impairs the flying safety of the flying public or the pilots. The fact that the average time between the alleged violation and the revocation is 132 days pretty much tells you it is not really an emergency problem in most of these cases. I urge you to join the 625,000 pilots and myself in supporting the Inhofe amendment.

The PRESIDING OFFICER. The time of the Senator has expired.

The Senator from Arizona has 1 minute 30 seconds.

Mr. MCCAIN. Mr. President, I thank the Senator from Oklahoma. If he does not prevail on this amendment, which I oppose, I want to pledge to him that I will work with him. There have been abuses. He pointed out the case of Mr. Hoover, who was respected and admired by all of us, who was mistreated by the bureaucracy. Unfortunately, there are always cases where these things happen. But I think we have always to keep safety as the paramount concern, and I believe this amendment possibly—I am not saying absolutely—but possibly could endanger the FAA's ability to carry out their primary responsibilities.

I thank the Senator from Oklahoma for his deep involvement in this and other aviation issues. I look forward to working with him in addressing what is clearly a problem.

I yield back the remainder of my time.

The PRESIDING OFFICER. All time has expired. The question is on agreeing to the amendment. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Ohio (Mr. GLENN) and the Senator from Illinois (Ms. MOSELEY-BRAUN) are necessarily absent.

I also announce that the Senator from Minnesota (Mr. WELLSTONE) is absent attending a funeral.

I further announce that, if present and voting, the Senator from Minnesota (Mr. WELLSTONE) would vote ''no.''

The result was announced—yeas 46, nays 51, as follows:

[Rollcall Vote No. 286 Leg.]

YEAS—46

Abraham	Enzi	Murkowski
Allard	Faircloth	Nickles
Ashcroft	Frist	Roberts
Bennett	Grams	Santorum
Bond	Grassley	Sessions
Breaux	Hatch	Shelby
Brownback	Helms	Smith (NH)
Burns	Hutchinson	Smith (OR)
Campbell	Hutchison	Snowe
Chafee	Inhofe	Specter
Coats	Jeffords	Stevens
Cochran	Kempthorne	Thomas
Collins	Kyl	Thurmond
Coverdell	Lott	Warner
Craig	Lugar	
Domenici	McConnell	

NAYS—51

Akaka	Feinstein	Leahy
Baucus	Ford	Levin
Biden	Gorton	Lieberman
Bingaman	Graham	Mack
Boxer	Gramm	McCain
Bryan	Gregg	Mikulski
Bumpers	Hagel	Moynihan
Byrd	Harkin	Murray
Cleland	Hollings	Reed
Conrad	Inouye	Reid
D'Amato	Johnson	Robb
Daschle	Kennedy	Rockefeller
DeWine	Kerrey	Roth
Dodd	Kerry	Sarbanes
Dorgan	Kohl	Thompson
Durbin	Landrieu	Torricelli
Feingold	Lautenberg	Wyden

NOT VOTING—3

Glenn	Moseley-Braun	Wellstone

The amendment (No. 3620) was rejected.

Mr. FORD. Mr. President, I move to reconsider the vote.

Mr. LOTT. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MCCAIN. Mr. President, I thank Senator INHOFE. I intend to work with him. We are going to take this bill to conference. He has a legitimate concern here and the closeness of the vote indicated that. I will work with him on this. He has clearly identified this as a serious problem, and I thank him for the spirited debate and the ventilation of a very important issue.

FEDERAL VACANCIES REFORM ACT OF 1998—MOTION TO PROCEED

The Senate continued with the motion to proceed.

Mr. LOTT addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. LOTT. Mr. President, what is the pending business?

The PRESIDING OFFICER. A motion to proceed to S. 2176, postcloture.

Mr. LOTT. I know of no further debate.

The PRESIDING OFFICER. The question is on agreeing to the motion to proceed to S. 2176.

The motion was agreed to.

FEDERAL VACANCIES REFORM ACT OF 1998

The PRESIDING OFFICER. The clerk will report the bill.

The legislative clerk read as follows:

A bill (S. 2176) to amend sections 3345 through 3349 of title 5, United States Code (commonly referred to as the ''Vacancies Act'') to clarify statutory requirements relating to vacancies in and appointments to certain Federal offices, and for other purposes.

The Senate proceeded to consider the bill, which had been reported from the Committee on Governmental Affairs, with amendments, as follows:

(The parts of the bill intended to be stricken are shown in boldface brackets and the parts of the bill intended to be inserted are shown in italic,)

S. 2176

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 ''Federal Vacancies Reform Act of 1998''.

SEC. 2. FEDERAL VACANCIES AND APPOINTMENTS.

(a) IN GENERAL.—Chapter 33 of title 5, United States Code, is amended by striking sections 3345 through 3349 and inserting the following:

''§ 3345. Acting officer

''(a) If an officer of an Executive agency (including the Executive Office of the President, and other than the General Accounting Office) whose appointment to office is required to be made by the President, by and with the advice and consent of the Senate, dies, resigns, or is otherwise unable to perform the functions and duties of the office—

''(1) the first assistant of such officer shall perform the functions and duties of the office temporarily in an acting capacity, subject to the time limitations of section 3346; or

''(2) notwithstanding paragraph (1), the President (and only the President) may direct a person who serves in an office for which appointment is required to be made by the President, by and with the advice and consent of the Senate, to perform the functions and duties of the office temporarily in an acting capacity, subject to the time limitations of section 3346.

''(b) Notwithstanding section 3346(a)(2), a person may not serve as an acting officer for an office under this section, if—

''(1) on the date of the death, resignation, or beginning of inability to serve of the applicable officer, such person serves in the position of first assistant to such officer;

''(2) during the 365-day period preceding such date, such person served in the position of first assistant to such officer for less than 180 days; and

''(3) the President submits a nomination of such person to the Senate for appointment to such office.

''(c) With respect to the office of the Attorney General of the United States, the provisions of section 508 of title 28 shall be applicable.

''§ 3346. Time limitation

''(a) The person serving as an acting officer as described under section 3345 may serve in the office—

''(1) for no longer than 150 days beginning on the date the vacancy occurs; or

''(2) subject to subsection (b), once a first or second nomination for the office is submitted to the Senate, *from the date of such nomination* for the period that the nomination is pending in the Senate.

''(b)(1) If the first nomination for the office is rejected by the Senate, withdrawn, or returned to the President by the Senate, the person may continue to serve as the acting officer for no more than 150 days after the date of such rejection, withdrawal, or return.

''(2) **[**If**]** *Notwithstanding paragraph (1), if* a second nomination for the office (of a different person than first nominated in the case of a rejection or withdrawal) is submitted to the Senate **[**during the 150-day period**]** after the rejection, withdrawal, or return of the first nomination, the person serving as the acting officer may continue to serve—

''(A) until the second nomination is confirmed; or

''(B) for no more than 150 days after the second nomination is rejected, withdrawn, or returned.

''(c) If a person begins serving as an acting officer during an adjournment of the Congress sine die, the 150-day period under subsection (a) shall begin on the date that the Senate first reconvenes.

''§ 3347. Application

''(a) Sections 3345 and 3346 are applicable to any office of an Executive agency (including the Executive Office of the President, and other than the General Accounting Office) for which appointment is required to be made by the President, by and with the advice and consent of the Senate, unless—

''(1) another statutory provision expressly provides that such provision supersedes sections 3345 and 3346;

[''(2) a statutory provision in effect on the date of enactment of the Federal Vacancies Reform Act of 1998 expressly authorizes the President, or the head of an Executive department, to designate an officer to perform the functions and duties of a specified office temporarily in an acting capacity; or**]**

''(2) a statutory provision in effect on the date of enactment of the Federal Vacancies Reform Act of 1998 expressly—

''(A) authorizes the President, a court, or the head of an Executive department, to designate an officer or employee to perform the functions and duties of a specified office temporarily in an acting capacity; or

''(B) designates an officer or employee to perform the functions and duties of a specified office temporarily in an acting capacity; or

''(3) the President makes an appointment to fill a vacancy in such office during the recess of the Senate pursuant to clause 3 of section 2 of article II of the United States Constitution.

''(b) Any statutory provision providing general authority to the head of an Executive agency (including the Executive Office of the President, and other than the General Accounting Office) to delegate duties to, or to reassign duties among, officers or employees of such Executive agency, is not a statutory provision to which subsection (a)(2) applies.

''§ 3348. Vacant office

''(a) In this section—

''(1) the term 'action' includes any agency action as defined under section 551(13); and

''(2) the term 'function or duty' means any function or duty of the applicable office that—

''(A)(i) is established by statute; and

''(ii) is required by statute to be performed by the applicable officer (and only that officer); or

''(B)(i)(I) is established by regulation; and

''(II) is required by such regulation to be performed by the applicable officer (and only that officer); and

''(ii) includes a function or duty to which clause (i) (I) and (II) applies, and the applicable regulation is in effect at any time during the 180-day period preceding the date on which the vacancy occurs, notwithstanding any regulation that—

''(I) is issued on or after the date occurring 180 days before the date on which the vacancy occurs; and

''(II) limits any function or duty required to be performed by the applicable officer (and only that officer).

''(b) Subject to section 3347 and subsection (c)—

''(1) if the President does not submit a first nomination to the Senate to fill a vacant office within 150 days after the date on which a vacancy occurs—

''(A) the office shall remain vacant until the President submits a first nomination to the Senate; and

''(B) in the case of an office other than the office of the head of an Executive agency (including the Executive Office of the President, and other than the General Accounting Office), only the head of such Executive agency may perform any function or duty of such office, until a nomination is made in accordance with subparagraph (A);

''(2) if the President does not submit a second nomination to the Senate within 150 days after the date of the rejection, withdrawal, or return of the first nomination—

''(A) the office shall remain vacant until the President submits a second nomination to the Senate; and

''(B) in the case of an office other than the office of the head of an Executive agency (including the Executive Office of the President, and other than the General Accounting Office), only the head of such Executive agency may perform any function or duty of such office, until a nomination is made in accordance with subparagraph (A); and

''(3) if an office is vacant after 150 days after the rejection, withdrawal, or return of the second nomination—

''(A) the office shall remain vacant until a person is appointed by the President, by and with the advice and consent of the Senate; and

''(B) in the case of an office other than the office of the head of an Executive agency (including the Executive Office of the President, and other than the General Accounting Office), only the head of such Executive agency may perform any function or duty of such office, until an appointment is made in accordance with subparagraph (A).

''(c) If the last day of any 150-day period under subsection (b) is a day on which the Senate is not in session, the first day the Senate is next in session and receiving nominations shall be deemed to be the last day of such period.

''(d)(1) Except as provided under paragraphs (1)(B), (2)(B), and (3)(B) of subsection (b), an action shall have no force or effect if such action—

''(A)(i) is taken by any person who fills a vacancy in violation of subsection (b); and

''(ii) is the performance of a function or duty of such vacant office; or

''(B)(i) is taken by a person who is not filling a vacant office; and

''(ii) is the performance of a function or duty of such vacant office.

''(2) An action that has no force or effect under paragraph (1) may not be ratified.

''(d) This section shall not apply to—

''(1) the General Counsel of the National Labor Relations Board;

''(2) the General Counsel of the Federal Labor Relations Authority; or

''(3) any Inspector General appointed by the President, by and with the advice and consent of the Senate.

''§ 3349. Reporting of vacancies

''(a) The head of each Executive agency (including the Executive Office of the President, and other than the General Accounting Office) shall submit to the Comptroller General of the United States and to each House of Congress—

''(1) notification of a vacancy and the date such vacancy occurred immediately upon the occurrence of the vacancy;

''(2) the name of any person serving in an acting capacity and the date such service began immediately upon the designation;

''(3) the name of any person nominated to the Senate to fill the vacancy and the date such nomination is submitted immediately upon the submission of the nomination; and

''(4) the date of a rejection, withdrawal, or return of any nomination immediately upon such rejection, withdrawal, or return.

''(b) If the Comptroller General of the United States makes a determination that an officer is serving longer than the 150-day period including the applicable exceptions to such period under section 3346, the Comptroller General shall report such determination to—

''(1) the Committee on Governmental Affairs of the Senate;

''(2) the Committee on Government Reform and Oversight of the House of Representatives;

''(3) the Committees on Appropriations of the Senate and House of Representatives;

''(4) the appropriate committees of jurisdiction of the Senate and House of Representatives;

''(5) the President; and

''(6) the Office of Personnel Management.

''§ 3349a. Presidential inaugural transitions

''(a) In this section, the term 'transitional inauguration day' means the date on which any person swears or affirms the oath of office as President, if such person is not the President on the date preceding the date of swearing or affirming such oath of office.

[''(b) With respect to any vacancy that exists during the 60-day period beginning on a transitional inauguration day, the 150-day period under section 3346 or 3348 shall be deemed to—

[''(1) begin on the later of—

[''(A) the date following such transitional inauguration day; or

[''(B) the date the vacancy occurs; and

[''(2) be a period of 180 days.**]**

''(b) With respect to any vacancy that exists during the 60-day period beginning on a transitional inauguration day, the 150-day period under section 3346 or 3348 shall be deemed to begin on the later of the date occurring—

''(1) 90 days after such transitional inauguration day; or

''(2) 90 days after the date on which the vacancy occurs.

''§ 3349b. Holdover provisions relating to certain independent establishments

''With respect to any independent establishment for which a single officer is the head of the establishment, sections 3345 through 3349a shall not be construed to affect any statute that authorizes a person to continue to serve in any office—

''(1) after the expiration of the term for which such person is appointed; and

''(2) until a successor is appointed or a specified period of time has expired.

''§ 3349c. Exclusion of certain officers

''Sections 3345 through 3349b shall not apply to—

''(1) any member who is appointed by the President, by and with the advice and consent of the Senate to any board, commission, or similar entity that—

''(A) is composed of multiple members; and

''(B) governs an independent establishment or Government corporation; or

''(2) any commissioner of the Federal Energy Regulatory Commission.''.

(b) TECHNICAL AND CONFORMING AMENDMENT.—

(1) TABLE OF SECTIONS.—The table of sections for chapter 33 of title 5, United States Code, is amended by striking the matter relating to subchapter III and inserting the following:

''SUBCHAPTER III—DETAILS, VACANCIES, AND APPOINTMENTS

''3341. Details; within Executive or military departments.
''[3342. Repealed.]
''3343. Details; to international organizations.
''3344. Details; administrative law judges.
''3345. Acting officer.
''3346. Time limitation.
''3347. Application.
''3348. Vacant office.
''3349. Reporting of vacancies.
''3349a. Presidential inaugural transitions.
''3349b. Holdover provisions relating to certain independent establishments.
''3349c. Exclusion of certain officers.''.

(2) SUBCHAPTER HEADING.—The subchapter heading for subchapter III of chapter 33 of title 5, United States Code, is amended to read as follows:

''SUBCHAPTER III—DETAILS, VACANCIES, AND APPOINTMENTS''.

SEC. 3. EFFECTIVE DATE AND APPLICATION.

(a) EFFECTIVE DATE.—This Act and the amendments made by this Act shall take effect on the date of enactment of this Act.

(b) APPLICATION.—This Act shall apply to any office that—

(1) becomes vacant after the date of enactment of this Act; or

(2) is vacant on such date, except sections 3345 through 3349 of title 5, United States Code (as amended by this Act), shall apply as though such office first became vacant on such date.

CLOTURE MOTION

Mr. LOTT. Mr. President, I send a cloture motion to the desk.

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair directs the clerk to read the motion.

The legislative clerk read as follows:

CLOTURE MOTION

We the undersigned Senators, in accordance with the provision of Rule XXII of the Standing Rules of the Senate, do hereby move to bring to a close debate on S. 2176, the Vacancies Act:

Trent Lott, Strom Thurmond, Charles Grassley, Thad Cochran, Wayne Allard, Ben Nighthorse Campbell, Don Nickles, Orrin G. Hatch, Pat Roberts, Tim Hutchinson, Richard Shelby, Conrad Burns, Jim Inhofe, Connie Mack, Fred Thompson, Spencer Abraham.

Mr. LOTT. Mr. President, for the information of all Senators, this cloture vote will occur Monday, September 28. I now ask unanimous consent that, notwithstanding rule XXII, the cloture vote occur at 5:30 p.m. on Monday and the mandatory quorum under rule XXII be waived. I further ask that at 3:30 p.m. on Monday, the Senate resume the bill for debate only, with no action occurring, and that there be 2 hours of debate equally divided between the two leaders, or their designees.

The PRESIDING OFFICER. Without objection, it is so ordered.

WENDELL H. FORD NATIONAL AIR TRANSPORTATION SYSTEM IMPROVEMENT ACT OF 1998

Mr. LOTT. Mr. President, I now ask unanimous consent that the Senate resume consideration of the FAA reauthorization bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report the bill.

The legislative clerk read as follows:

A bill (S. 2279) to amend title 49, United States Code, to authorize the programs of the Federal Aviation Administration for fiscal years 1999, 2000, 2001, and 2002, and for other purposes.

The Senate continued with the consideration of the bill.

Mr. LOTT. Mr. President, I ask unanimous consent that no call for the regular order be in order prior to the conclusion of the FAA reauthorization bill.

Mr. MCCAIN. Mr. President, reserving the right to object. I ask the leader, does the leader intend to attempt for us to move forward with the Internet Tax Freedom Act as well?

Mr. LOTT. Certainly, I do. We have tried to get that cleared a couple times and there have been objections. I know there is a lot of interest in it. I am receiving calls, and I know there is support for it on both sides of the aisle. So we will continue to try to work that out, and we will try to get an agreement to go forward on it later today.

Mr. MCCAIN. I will not object.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LOTT. Mr. President, I yield the floor.

Mr. MCCAIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. MCCAIN. Mr. President, we are back on the FAA authorization bill. We have a number of amendments that will require debate and votes. We also are working to resolve a number of them. I want to say to my colleagues that I don't know what the leaders on both sides intend to do this evening, but the Senator from Kentucky and I intend to try to get rid of all amendments by this evening. If we are unable to have Members come over here to propose amendments, then, obviously, we have no choice but to move forward

on the legislation. We have a number of amendments: A Dorgan amendment, a Mikulski-Sarbanes amendment, a Torricelli amendment, a Robb amendment, a Domenici amendment, and others that are on the unanimous-consent agreement. I hope that those Senators will come over and offer the amendments and stand ready to debate them and vote on them.

I yield the floor.

Mr. FORD addressed the Chair.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. FORD. Mr. President, I join my colleague in asking the Senators to help us move this bill along. We worked late into the night last evening in order to try to accommodate as many Senators as we could. There were some changes in language to where the amendments could be agreeable. Those amendments will be offered because both sides have agreed. We are down to maybe five or six amendments that will need votes. I don't know of any other vote that would be necessary.

Under the unanimous consent agreement of last evening, we said that these were first-degree amendments and that there might be second-degree amendments. We hope not. I want to encourage those on my side, if they have amendments that they want to debate and discuss, we are ready to take the time to do it now.

It gets a little frustrating here at the end of a session when everybody wants something done and nobody is here to help us get things done. It is the ''nature of the brute,'' as I have heard quite often. But we will be in a crunch, we will be here Saturdays and Sunday afternoon if we are going to get out by October 9, or we will be labeled as a ''do-nothing Congress.'' I don't like that label, and I don't like to work on Saturdays or Sundays. I don't think my colleagues do either.

If they would just come and offer their amendments and give us a time agreement, we can stack votes. We can do a lot of things to accommodate our Members.

I hope they will listen to the admonishment of my friend from Arizona that we want to finish this bill today, if at all possible. We intend to do that. If colleagues are not cooperative, then third reading is always possible.

I thank the Chair, and I yield the floor.

Mr. FEINGOLD addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. FEINGOLD. Mr. President, I ask unanimous consent to speak as if in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FORD. Mr. President, how long will the Senator be?

Mr. FEINGOLD. Up to 20 minutes.

Mr. FORD. The reason I ask—I apologize for interrupting—is for others who want to come to the floor, and we can give them a time at which they can get here. So it would be roughly 10 minutes after 11.

I thank the Senator.

Mr. FEINGOLD. Mr. President, I thank the Senator from Kentucky.

THE 1998 TAX MEASURE

Mr. FEINGOLD. Mr. President, I rise to offer a few comments on the budget picture and the tax measure that appears likely to move through Congress in these few days remaining in the session.

Over the last several days, a number of my colleagues have come to the floor to voice concerns about the increasing use of the emergency spending provisions in our budget rule as a device to circumvent the tough limits we have imposed on our budget requiring that all new spending be paid for.

Those Members are properly alarmed because those spending provisions, which by any reasonable measure were predictable and expected, have now been designated as emergency appropriations precisely to avoid the need for offsetting spending cuts.

Mr. President, I want you to know that I share the concerns of those Members.

The spending limits to which we agreed in the bipartisan budget agreement last year are indeed tough. They were intended to be tough. But if we are to make progress toward a truly balanced budget, those limits have to be respected—not just last year's but also this year and into the future.

Along those same lines, I have some very serious concerns about the proposed tax bill that is working its way through Congress. To many it will not come as a surprise that I have serious concerns about this measure.

In 1994, I was the first Member of either House to fault both parties for the irresponsible tax policies they were advocating while our Nation still faced a very serious budget deficit. Then, as now, I firmly believed that balancing the budget has to be our highest economic priority, and that the irresponsible tax legislation being offered at that time made that task much harder. I think that subsequent events have proved that point.

The 104th Congress pursued the so-called Contract With America budget, a proposal that featured massive cuts in Medicare and Medicaid to help fund an irresponsible tax cut. That proposal in effect tried to serve two masters at the same time—a reduced deficit, and a massive tax cut.

The result was a measure that was unsustainable economically and politically, and the political gridlock that followed in the wake of that budget produced a Government shutdown, and little, if any, new progress toward balancing the Federal budget.

So the result was that the 104th Congress missed an important opportunity to finish the job that we started in the 103d Congress with the successful enactment of the historic deficit reduction package passed in August of 1993. It was the 1993 deficit reduction package that helped finally turn the budget around. It also helped turn Congress around by focusing attention on the need for continuing deficit reduction.

Unfortunately, the 104th Congress failed to advance the work of the 103d Congress. It sadly lost the focus of deficit reduction and the politically driven tax cut proposal undercut the potential for a sustainable deficit reduction package.

Then, at the beginning of the 105th Congress, we began to regain part of our focus on reducing the deficit. The political gridlock that characterized most of the previous Congress was really a slap in the face to many, and the following Congress—this Congress—there was a historic bipartisan effort to get back on track.

As a Member of the Senate Budget Committee, I was proud to be part of that bipartisan effort.

Once again, let me pay special notice to our distinguished chairman, the Senator from New Mexico, and our ranking member, the Senator from New Jersey, for their leadership in helping to craft a bipartisan spending-cut bill that we passed in 1997.

Mr. President, taken together, the 1993 deficit package, and to a lesser but still important extent the 1997 budget-cutting bill, have put this Nation on the road—''on the road''; we are not there yet, but on the road—to a truly balanced budget. We are not there yet, but the goal is in sight.

As I noted, I was proud to support the budget-cutting bill last year. I voted for the tough spending cuts that included. However, I did not support the separate irresponsible tax-cut bill that was also part of those discussions.

A large part of the reason we have not reached our goal of a balanced budget is last year's tax-cut legislation. In fact, that tax cut should not have been enacted for a great many reasons. But first and foremost, Mr. President, it shouldn't have been enacted because it was premature. In effect, it created over a 10-year period a $292 billion net tax cut—a net tax cut of $292 billion—while we were still facing significant budget deficits.

Mr. President, the bottom line is that because our budget is still in deficit, the tax cut was effectively funded with Social Security revenues. Make no mistake about it. That $292 billion comes out of the Social Security trust fund, because it is the only pot that is left when you have a deficit.

Mr. President, this terrible problem in last year's tax bill is the very same problem that plagued this year's tax proposal.

There are other problems, as well, with last year's tax bill. Not only was it premature, but the bill's costs were heavily backloaded, putting even a greater burden on our children and grandchildren, and even adding more complexity, if you can believe it—even more complexity—to a Tax Code already thick with it.

And by committing revenues to a variety of specific interests, it further

jeopardized the broad-based tax reform that so many of us genuinely want to see, and that we really thought was going to happen after the 1994 election.

Mr. President, the most telling legacy of last year's premature tax cut is that, if it had not been enacted, our Federal budget would have finally achieved a significant surplus by 2002 instead of having to wait until at least as long as 2006, 4 years earlier.

Mr. President, this bears repeating.

As we have talked for years about how we wanted to have a truly balanced budget by the year 2002, that goal and that achievement was sacrificed to the desire to give out a premature tax cut last year. If Congress had not enacted last year's premature tax cut, today we would be looking at the chance of real budget surpluses in the year 2002 instead of having to wait at least until the year 2006, and perhaps beyond, if the appetite for premature tax cuts is not satiated.

Mr. President, this mistake of last year should have been a lesson for us. Regrettably, it appears at least some have not learned a lesson.

We now come to the end of the 105th Congress, and again we are presented with yet another tax-cut proposal.

Estimates from the Joint Committee on Taxation puts the cost of the tax cuts in this new proposal at about $86 billion over the next 5 years. Naturally, all of us who care about truly balancing the budget say, ''OK. Where are the offsets? What about the offsets? What revenue increases or spending cuts are included in the package to offset this cost of $86 billion in lost revenue?''

Apparently, other than about $5 billion in revenue offsets, there are none. So it begins to look an awful lot like the 1997 tax bill, which involved at least $86 billion to $90 billion in net tax reductions—not offsets—over the course of 5 years.

Mr. President, this new proposal essentially has no offsets. It is a net $80-billion-deficit increase.

How can this be? What possible justification is offered to again balloon the deficit in this way?

The answer is the same shell-game explanation that has been given to the public for about 30 years.

Proponents of this legislation argue that somehow there is no deficit, that the budget currently has a surplus, and that all this tax bill does is merely return some of that surplus to the taxpayer.

That portrayal of our budget is simply wrong and, frankly, is misleading.

We do not have the surplus. The budget this year is projected to have about a $40 billion deficit. And except for briefly achieving balance in 2002 and 2005, the Congressional Budget Office does not project a significant budget surplus until at least the year 2006, 8 years from now, if, and only if, their economic assumptions hold. And they, of course, are optimistic economic assumptions based on the rather healthy economy we have enjoyed for several years.

In response to a letter from our ranking member on the Budget Committee, the Congressional Budget Office indicates that if a recession similar to the one that occurred in 1990 and 1991 were to begin in late 1999, the budget's bottom line in that year would be close to $50 billion worse than is currently projected. CBO goes on to note that this impact on the budget would grow to almost $150 billion by the year 2002.

Put simply, if we were to experience a recession similar to the one we experienced in 1990 and 1991, instead of having a balanced budget in the year 2002, we would have a budget deficit of $150 billion—all the more reason for us to be fiscally prudent.

Let me reiterate, we do not have a budget surplus today. Our budget is currently projected to end the current fiscal year with a deficit of about $40 billion. How can proponents argue that we have a budget surplus when we do not? What is the difference? What is the difference between their view and their argument and the real budget? The difference is Social Security. Those who are pushing this tax measure want to include Social Security trust fund balances in our budget. They want to use Social Security balances to pay for their tax cut. And that is what is wrong with this tax cut.

A recent release from the Concord Coalition said it quite well. They said, ''It is inconsistent for Congress to say that Social Security is 'off budget' while at the same time using the Social Security surplus to pay for tax cuts or new spending.''

That is exactly what is being proposed here. Years of fiscal discipline are being squandered for the sake of an election year tax cut bill.

What is equally troubling, the future discipline that will be needed to finish the job and balance the budget is also put at risk by this tax bill. Our budget rules cannot by themselves eliminate our deficit and balance the budget, but they can help sustain the tough decisions we make here. They play an important role in ensuring that Congress does not backslide in efforts to balance the budget.

The tax measure as it currently is being debated in the other body appears to violate several critical budget rules. It violates the pay-go rule, which is supposed to ensure that tax and entitlement bills do not aggravate the deficit. It violates section 311(A)(2)(b) of the Budget Act by undercutting the revenue levels established in the most recent budget resolution. And it may violate section 306 of the Budget Act if, as some believe will happen, the majority includes language which would include further provisions to avoid the automatic cuts made by the sequester process.

This proposal may well become a triple threat. It ignores rules requiring offsets, it ignores rules establishing revenue floors, and before we are done it may also seek to circumvent the sequester provisions—the last line of defense to protect the budget.

I know this can sound very complicated. The people pushing this tax bill are counting on it sounding complicated. But it is really not complicated. Put simply, what they want to do, just like they did last year, is to use the Social Security trust funds to pay for an election year tax cut. They will balloon the deficit and imperil Social Security, and that is a bad idea.

This is the legacy of the tax bill as it is the legacy of the 1997 tax bill—raiding the Social Security trust fund, busting the budget and trashing budget discipline, all for an election year tax cut. For the sake of expediency, this body will be asked to put fiscal prudence on the block.

Last year's tax bill was premature. This year's tax bill is equally reckless. We are within sight of our goal of a truly balanced budget. We really should not stray from that path. I urge my colleagues to join with me to oppose any tax measure which violates our budget rules and sets us once again on a fiscally irresponsible course.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. TORRICELLI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

WENDELL H. FORD NATIONAL AIR TRANSPORTATION SYSTEM IMPROVEMENT ACT OF 1998

The Senate continued the consideration of the bill.

AMENDMENT NO. 3627

(Purpose: To reestablish the Office of Noise Abatement and Control in the Environmental Protection Agency)

Mr. TORRICELLI. Mr. President, I rise today to offer an amendment on the underlying legislation of FAA reauthorization. I do so in recognition of the reality of life of hundreds of thousands of people that I represent—and, indeed, most Members of the Senate represent—who, by the chance of the place of their birth or where they choose to live, have a daily encounter with the rising problem of airplane noise in our country.

We have through recent decades learned to expand our concept of pollution of the air and the water to toxins, to chemicals we work with every day. But to most Americans they, in their own lives, have already come to understand and reach the decision that I bring before this Senate today: Noise is a pollution, and it is a very real part of the quality of life of most people in our country, impacting their communities.

I offer this amendment because this problem will not solve itself and, indeed, as the years pass, it is clear it is

going to get worse. The FAA predicts that by the year 2007 there will be 36 percent more airplane flights than this Nation will experience this year; 60 of the 100 largest airports in this country in each of our major metropolitan regions are planning expansions with new runways. To some, this is a choice between economic expansion and the quality of life or health of our families. We do not have to reach that choice. If we build airports, plan their expansion, and deal with the issue of flight paths with good, scientific information, understanding the impact of noise on health and how it can be mitigated, there is no reason to compromise economic growth while we legitimately address the health of our families.

We already know that 25 million Americans are impacted by noise problems every day. Even the rudimentary studies that have been undertaken lead us to understand that noise exposure is an element of hypertension difficulties and cardiovascular problems. It is estimated that another 40 million people with different levels of noise exposure have sleep or work disruption that affect their productivity and their own quality of life.

The Environmental Protection Agency for a time was involved in these issues. Some of the judgment I bring before the Senate today was made more than two decades ago. Then Congress understood the impact of noise on health and quality of life. But in 1981 the Congress eliminated the Office of Noise Abatement and Control, so much scientific work and the advice of scientists and others with this responsibility ceased.

In the EPA's absence, the Federal Aviation Administration has been charged with the responsibility of monitoring aircraft noise. Mr. President, the FAA has a mission, it has technical capabilities, and it performs its mission admirably. But dealing with the problem of noise is not its expertise or its mission. There is an obvious conflict of interest between promoting the expansion of the aviation industry and its airports and their operations, and dealing with the problem of noise. This conflict was recently highlighted by the Natural Resources Defense Council's own study that found that the FAA's policy, relying on a 65-decibel threshold for determining the level of noise compatibility with residential communities, was far too high and completely inappropriate. Yet that is the level the FAA continues to use because it does not force the critical choices in dealing with noise abatement.

I cannot adequately describe, for the quarter of a million people who live in New Jersey who are impacted by noise problems from Newark Airport, JFK, and La Guardia every day, how disappointing it is that this work in the Federal Government has ceased and the FAA alone is exercising this responsibility.

In our absence in these 17 years, much of this work and much of the progress on the question of noise and airports has been ceded to European leadership where much of the current health studies are being undertaken. For example, in Munich, Germany, a scientific study recently found that chronic exposure to airplane noise was affecting the psychological well-being of young children. Another study in England, where in our absence this work also was continuing, found that children studying under flight paths to Heathrow Airport in London had a reading age 6 months behind children who were not similarly exposed to aircraft noise.

The amendment I offer today, of which I now speak, would reengage the EPA in the serious business of evaluating alternatives and the impacts of airplane noise. It is based on legislation that I introduced last year with Senators SARBANES, WELLSTONE, LAUTENBERG, MOYNIHAN, MURRAY, D'AMATO, and BOXER. I have termed it the ''Quiet Communities Act,'' and it would reestablish within the EPA an Office of Noise Abatement and Control.

Some of that mission is reflected in the amendment I bring to the floor today for this authorization legislation. It will require the EPA to conduct a study which examines the FAA selection of noise measurement methodologies, so we know when the FAA does undertake studies whether their methodologies are sound and reasonable, as well as establishing a threshold of noise at which health impacts are felt.

So that in communities all across America, when people gather with local airport authorities and State authorities and Federal authorities, there is a scientific basis to know with some certainty whether or not their children's health is being impacted.

It is important to note that this bill will only give the EPA the authority to recommend new standards. It will only give them authority to recommend. It imposes nothing. The EPA can make its suggestions. It can do scientific studies. It can give a baseline. It will not change the authority in making final judgments.

Mr. President, I believe this is a reasonable suggestion to go down the path that other industrialized democracies have followed and which this Congress recognized two decades ago, that noise is a real and persistent problem in America that affects health. It is only reasonable that on a voluntary basis the EPA be able to make recommendations at what level and what methodologies so we can have an informed debate.

Mr. President, I offer this amendment for my colleagues' consideration, and I urge its adoption.

I yield the floor.

Mr. MCCAIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. MCCAIN. Mr. President, I understand that the Senator from New Jersey seeks a recorded vote on this; is that correct?

Mr. TORRICELLI. That is correct.

Mr. MCCAIN. I will make a motion to table the Torricelli-Lautenberg amendment and ask for the yeas and nays.

The PRESIDING OFFICER. There is no amendment pending.

Mr. MCCAIN. I say to my friend from New Jersey, I do not believe he has sent the amendment to the desk yet.

Mr. TORRICELLI. It is at the desk.

The PRESIDING OFFICER. Does the Senator from New Jersey ask that it be reported?

Mr. TORRICELLI. I ask that it be reported, and I ask unanimous consent that before the recorded vote, each side be given 2 minutes to explain their positions.

Mr. MCCAIN. That is fine.

Who has the floor, Mr. President?

The PRESIDING OFFICER. The unanimous consent agreement calls for 1 hour of debate on this amendment, evenly divided.

Mr. MCCAIN. Sure.

Mr. TORRICELLI. I reserve the remainder of my time pending Senator LAUTENBERG having a chance to come to the floor.

The PRESIDING OFFICER. The clerk will report the amendment.

The bill clerk read as follows:

The Senator from New Jersey [Mr. TORRICELLI], for himself, Mr. LAUTENBERG, Mr. D'AMATO, Mr. MOYNIHAN and Mr. WELLSTONE, proposes an amendment numbered 3627.

Mr. MCCAIN. I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The text of the amendment is printed in today's RECORD under ''Amendments Submitted.'')

The PRESIDING OFFICER. The Senator from Arizona is recognized.

Mr. MCCAIN. Mr. President, we will be glad to use whatever time the Senator from New Jersey desires, along with his colleague.

I still move to table the amendment, and ask unanimous consent that the time for that vote——

The PRESIDING OFFICER. A motion to table is not in order until the time has been used.

Mr. MCCAIN. Until such time as the time has expired or the Senator from New Jersey yields back, at that time, I intend to seek a tabling motion, and that tabling motion would be at the agreement of the two leaders, since it is not clear as to exactly when that vote would be held. So that is my intention.

Mr. President, I would like to speak on the amendment.

This amendment to reestablish the Office of Noise Abatement and Control in the EPA is something that I believe is very unnecessary. The language of the proposal is being represented as dealing with noise from all sources. It is clearly targeted at aviation noise.

I also say to the Senator from New Jersey, I understand the aviation noise problems in his State, as well as neighboring States.

Mr. President, aviation noise issues involve a careful balancing of many concerns, including technology, safety, airspace management, research and education, and land use. The expertise and necessary center of authority for dealing with these highly interrelated matters has always resided in the FAA.

Replication of the necessary expertise within the EPA, along with the creation of jurisdictional ambiguities, would not only be wasteful of our limited Federal resources, but would also serve to complicate and confound existing efforts to deal with and better understand community noise concerns. The fact of the matter is that the EPA does not have any expertise in aerodynamics, which is fundamental to addressing aircraft noise issues.

Mr. President, I think it is important to point out that noisy Stage 2 aircraft are currently being phased out. The FAA estimates that by the year 2000, the population exposed to significant aircraft noise will be approximately 600,000. That is a dramatic decrease from the more than 4.5 million just 8 years ago. It is clear that current noise mitigation efforts have significantly reduced the exposure of a great many people to aircraft noise. We should allow this substantive work to continue without any interference.

Reestablishing the Office of Noise Abatement and Control strikes me as a needless return to big government. The last thing I think we need to be doing now is funding, even with a budget surplus, another bureaucratic office, especially when the underlying concerns are already being addressed.

Mr. President, the FAA News, i.e., the press release that was issued on September 9, says:

Aircraft Noise Levels Continue to Decline, Secretary Slater Announces.

It goes on to say:

With the continued removal of noisier aircraft and the introduction of quieter airplanes to the U.S. fleet, approximately 80 percent of airplanes operating in the United States today are the quieter Stage 3 aircraft, Secretary of Transportation Rodney E. Slater reported today.

* * * * * *

This is the sixth consecutive year that the aircraft fleet has been ahead of the requirement to transition to a quieter aircraft. The Airport Noise and Capacity Act of 1990 requires that all airplanes meet quieter Stage 3 noise levels by the year 2000.

I might add that that legislation was a direct result of the efforts of the Senator from Kentucky.

Secretary Slater's report to Congress shows that operators surpassed the Dec. 31 interim compliance requirement. Operators either had to reduce noisier Stage 2 airplanes by 50 percent or have 65 percent of the quieter Stage 3 airplanes in their fleets. Just this past year, 225 noisier Stage 2 aircraft have been removed from service while 554 quieter Stage 3 aircraft have entered service in the United States.

Mr. President, I ask unanimous consent that this complete statement be printed in the RECORD.

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

[From FAA News, Sept. 9, 1998]

AIRCRAFT NOISE LEVELS CONTINUE TO DECLINE, SECRETARY SLATER ANNOUNCES

WASHINGTON.—With the continued removal of noisier aircraft and the introduction of quieter airplanes to the U.S. fleet, approximately 80 percent of airplanes operating in the United States today are the quieter Stage 3 aircraft, Secretary of Transportation Rodney E. Slater reported today.

''President Clinton is committed to protecting the environment, and I am pleased by this progress,'' said Secretary Slater.

This is the sixth consecutive year that the aircraft fleet has been ahead of the requirement to transition to quieter aircraft. The Airport Noise and Capacity Act of 1990 requires that all airplanes meet quieter Stage 3 noise levels by the year 2000.

Secretary Slater's report to Congress shows that operators surpassed the Dec. 31 interim compliance requirement. Operators either had to reduce noisier Stage 2 airplanes by 50 percent or have 65 percent of the quieter Stage 3 airplanes in their fleets. Just this past year, 225 noisier Stage 2 aircraft have been removed from service while 554 quieter Stage 3 aircraft have entered service in the United States.

FAA Administrator Jane F. Garvey said, ''I applaud the continued commitment of airplane operators and manufacturers. The operators continue to meet or exceed interim compliance dates and manufacturers continue to develop quieter aircraft and engines.''

Stage 2 airplanes include Boeing models 727–200, 737–200 and McDonnell Douglas model DC–9. Stage 3 airplanes include Boeing models 737–300, 757, 777 and McDonnell Douglas models MD–80 and 90.

Some operators are complying with the Stage 2 airplane phaseout by installing FAA certified Stage 3 noise level hushkits to their Stage 2 fleet. Many airline operators have already met the criteria for the next interim compliance date, which is Dec. 31, 1998.

Mr. MCCAIN. Mr. President, we are making progress, a lot of it due to the exhaustive efforts of the Aviation Subcommittee of the Commerce Committee under the leadership of Senator FORD. We are making progress. It is exceeding the goals that everyone agreed were reasonable at the time we passed the act in 1990. I strongly recommend that we do not set up or reestablish another bureaucracy to address a problem which, although is still in existence, clearly is being addressed in a manner which exceeds our expectations.

Again, I have great sympathy for the Senator from New Jersey and the people who live in these air corridors where there is exceedingly high noise levels. My message to them is: Help is not only on the way but it has been on the way for some years now. In fact, for the sixth consecutive year noise levels have been reduced. I know that is of small consolation to some, but over time we will have much quieter communities in New Jersey, as well as Arizona, Kentucky, and every other State in America.

As I said before, Mr. President, I intend to move to table the amendment, either at the expiration of all time or the yielding back of time before the vote. I tell my colleagues, I will let them know as soon as possible, because the two leaders would have to consult on the time of that vote.

Mr. President, I yield the floor.

Mr. LEAHY addressed the Chair.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. Mr. President, if there are no others seeking recognition on this amendment—and the distinguished Senator from Arizona has noted the procedure following the vote—I ask unanimous consent that I be allowed to proceed as in morning business to speak about the issue of impeachment.

Mr. MCCAIN. For how long?

Reserving the right to object, Mr. President, for 1 minute, 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. LEAHY. 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. LEAHY. Mr. President, I renew my earlier unanimous-consent request.

Mr. MCCAIN. Reserving the right to object, is that request for a maximum of 20 minutes?

Mr. LEAHY. Yes, an absolute maximum of 20 minutes.

Mr. MCCAIN. As long as that unanimous-consent request includes not longer than 20 minutes.

Mr. LEAHY. I amend it to so state.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Vermont.

Mr. LEAHY. I thank the Senator from Arizona and the Senator from Kentucky for their usual courtesies.

CONGRESS' RESPONSIBILITY REGARDING THE REFERRAL FROM KENNETH STARR

Mr. LEAHY. Mr. President, I come to the floor today to speak about the responsibility of Congress considering the referral from Kenneth Starr.

I am deeply concerned about how this is unfolding. This process is fast losing credibility. It is enough off track that the national interest, which should be our paramount concern, is suffering. It is enough off track that our institutions of government—the Congress, the Presidency, and the Constitution itself—may suffer damage that will linger long after we are all gone from the scene. The way we handle this responsibility, the character of our own institution is also at stake.

America, look where we are. The President has misused his office. Kenneth Starr is leaving in his wake a body of debris that will bring down the entire independent counsel law. And now that this matter is on our doorstep, we in the Congress increasingly risk, through our actions, undermining the public's faith and trust in our own institution of our own national government.

In these early stages of this inquiry into the actions of the President of the

United States, it is time we ask whether we, ourselves, are on the verge of becoming not part of the solution but, instead, part of the problem, by harming our national interests and further eroding the public's confidence in their government.

Should we be disappointed and offended and angered by the President's conduct? Certainly we should be. As a father, a husband, as an American, and as someone who knows this President and supports the good he has done for the Nation, I am appalled and saddened by this episode.

These are difficult days in Washington and they are difficult days for the Nation. But this is a time when the Congress must rise above partisanship and look beyond short-term political objectives. We must consider what best serves the common good of the American people.

Four tenets must guide Congress' proper handling of the referral from Mr. Starr: We should put the national interests first in all of our considerations. Secondly, proceedings should be structured and enjoined to be as bipartisan as possible. Third, we must be fair. And fourth, we must move toward resolving this controversy as promptly as possible.

Early statements by the House leadership point in the right direction, but these have been overtaken by events and actions. I have noted on many other occasions my respect for HENRY HYDE, chairman of the House Judiciary Committee, and JOHN CONYERS, ranking Democratic member of that committee. These two distinguished leaders have the wisdom and experience to work together for the good of the country and to construct a fair, bipartisan process. It does not augur well for such a process, however, that unilateral decisions and party-line votes already have become the norm, and the House has paid little attention to ensuring fairness in its initial decisions and actions.

The past several weeks have not been reassuring. The other body has yet to determine what rules and procedures should govern their actions, how our traditional notions of due process and fundamental fairness will be guaranteed, and how to prevent this process from degenerating into a partisan exercise. The House only now is beginning to examine the precedence and bipartisan actions of the House Judiciary Committee that considered the impeachment of President Nixon. In effect, they have put the cart before the horse.

Perhaps the meeting yesterday involving the House leadership will yield some progress. It is time for leaders in the House and the Senate, leaders from both parties, people of good will who put the national interests first, to reconsider how this matter is being handled and where it is headed.

A partisan train seems to be rolling out of the House station in a decidedly political direction. Perhaps it is too much to hope that Members, in the midst of reelection efforts, would view this matter through any prism other than their own campaigns or prospects for majority control in the Congress and the presidential election in 2000. The public is wondering whether this Congress can do anything serious now that election season is upon us.

Congress risks undermining the public's trust in our institutions of our national government. We must consider what best serves the common good of the American people and our national interests. This is a time when Congress must rise above partisanship and look beyond short-term political objectives.

Like Dwight Eisenhower before him, my friend and former colleague Senator Dole used his Farewell Address to the Senate in 1996 to warn of an impending danger to the Nation. He chose to speak about a fundamental lesson he learned in his years in Washington: that people of both parties must work together. He reminded Senators that we represent all our constituents—Republicans, Democrats, and independents.

On any consideration of proceedings to inquire into the possible impeachment of the President of the United States, as on matters of such overriding significance as the declaration of war or amending the Constitution, all Members of Congress must be mindful of the Nation's interests and the potential for harm that can be caused by pursuing narrow partisan goals.

We have already seen personal criticism of the President while he was overseas on a trip to Russia and Ireland. On Monday, the videotape of the President's appearance before one of the Starr grand juries was broadcast over the airwaves, even while the President of the United States was making a major address before the United Nations on international terrorism—one of the greatest current threats to our Nation's security and to stability around the world. These rash acts harm the Nation and they harm the international standing of the United States. Such actions may help the political fortunes of some in Congress, but they ignore the precedent of past Congresses where criticisms of the President were put on hold during those periods when he represents the United States in issues with other countries.

The national interest would not be served by a divided House membership proceeding to punt this matter to the Senate while they crossed their fingers and hoped for the Senate to bail them out of an ill-considered finding. The national interest should not be hostage to months of meandering through an undefined partisan process that leads inexorably to impasse. A lengthy, partisan impeachment inquest would serve no national purpose but only lead to a year of balkanized polarization that would poison a generation of relationships across the aisle in Congress and even across the Nation.

A fundamental lesson I learned as a practicing lawyer and that was reinforced when I served as the State's Attorney for Chittenden County, in my work as a U.S. Senator, as a member of the Senate Judiciary Committee and now as its ranking member, is that fairness in a process is critical to the result of that process. The process must be fair for the American people to find it credible. If it is not fair, the American people will not find it credible.

One measure of a prosecutor's fairness is fulfilling the duty to disclose exculpatory evidence. That aspect of fairness has constitutional implication in criminal matters. Now, weeks after the allegations have saturated the public media, we find buried in the thousands of pages of documents, transcripts and appendices that Ms. Lewinsky, the principal witness upon whom Mr. Starr relies for his charges, volunteered at the conclusion of her testimony before the grand jury that ''no one ever asked me to lie and I was never promised a job for my silence.'' Neither Mr. Starr, nor the lawyers working for him, felt any duty of fairness to ask this critical question. It was left to an anonymous juror who felt an obligation to the real issue at the heart of this matter.

One measure of the credibility of the House's proceedings will be whether it achieves the balance and fairness that so far has been lacking in the work of Mr. Starr's office.

An independent counsel does not have the checks and the accountability that enforce judgment and discretion in other prosecutors in this country. Wielding that enormous authority, therefore, it is incumbent upon an independent counsel to discipline himself with discretion and judgment. Unfortunately, in this matter, it is by this juncture quite clear that the report from Mr. Starr is an advocate's brief, intended to persuade, rather than the balanced presentation that should be the hallmark of such a somber exercise.

And, again, this makes it all the more important that the House exercise independent judgment and provide the balance and fairness that is lacking from the work of a zealous band of prosecutors.

I am concerned that the same House that is charged with this awesome responsibility is the body that is being asked to hold the Attorney General of the United States in contempt for having sought to protect the investigative process in connection with the ongoing campaign finance investigation.

I participated in a lengthy meeting with Senator HATCH, Mr. HYDE, Mr. BURTON, Mr. WAXMAN, and the Attorney General on this matter on September 2. The Attorney General extensively consulted with us in a sincere effort to allow congressional oversight without compromising the ongoing investigation. In spite of the efforts she

made to satisfy any legitimate congressional oversight interest, and despite the lack of any basis to charge contemptuous conduct, the House persists in its efforts to pressure and sanction.

This effort and the lack of balance it signals do not bode well for the House's other tasks.

I recall, as well, that it was not too many months ago in this same Congress that Republican leaders in the House were urging that impeachment be used as a device to intimidate federal judges when they rendered decisions that a Republican Member did not like. Impeachment should not be used as a partisan, ideological bludgeon in any context. That is not the proper use of this important constitutional authority. Such comments, at a minimum, complicate the task at hand.

Nor is it reassuring to read accounts of meetings, on the other side of the aisle, in this body, where partisan litmus tests on this matter are being applied to those chairing committees in the Senate.

There are few matters of such possible significance that may come before Congress as the matter of a President's fitness to serve.

The people of the United States elected William Jefferson Clinton to the Presidency in 1992 and reelected him in 1996. He and the Vice President are the only people serving anywhere in the Nation in any office who were elected by the entire country.

Under our Constitution, the Senate is charged with the ultimate responsibility to act as the jury in connection with any charges that the House were to deem worthy of impeachment.

Never in our history as a country has the Senate convicted a President of an impeachable offense. Only in the tumultuous times following the Civil War has the Senate been through the ordeal of a Presidential impeachment trial.

Mr. President, I am honored to have been elected by the people of Vermont to serve as their United States Senator. In our history, only 20 other Vermonters have had the privilege to hold the seat I now have representing our State. I am proud to serve as the ranking Democrat on the Senate Judiciary Committee. I appreciate my limited role in the Senate and in our government. I cannot take lightly being asked to judge whether a President, elected by the people of the United States, ought to be removed from office by an act of the Congress of the United States.

Now, the search for blame is a practiced congressional skill. It always bears fruit—sometimes bitter fruit. But the acceptance of our own solemn responsibility is more difficult. We must discharge our duties by serving the national interest, not by appealing to partisan or even public passions.

Let our actions not compound the Nation's anguish, harm the common good, nor further shake the public's faith in our institutions of self-government. These institutions have served this country well for over 200 years, in accordance with our Constitution, which has been a guidepost for that time. Our Constitution has survived because good men and women have stood up when needed to make sure it survives.

Mr. President, I yield the floor and I yield back the remainder of my time.

WENDELL H. FORD NATIONAL AIR TRANSPORTATION SYSTEM IMPROVEMENT ACT OF 1998

The Senate continued with the consideration of the bill.

Mr. LAUTENBERG addressed the Chair.

The PRESIDING OFFICER. The Senator from New Jersey is recognized.

AMENDMENT NO. 3227

Mr. LAUTENBERG. Mr. President, can you tell me how much time is available?

The PRESIDING OFFICER. Senator TORRICELLI controls 30 minutes as a proponent of his amendment.

Mr. LAUTENBERG. On Senator TORRICELLI's time, I yield myself as much time as I need, which will probably be less than 10 minutes.

The PRESIDING OFFICER. The Senator from New Jersey is recognized.

Mr. LAUTENBERG. Mr. President, I rise as a cosponsor of the pending amendment, offered by my friend and colleague from New Jersey, Senator TORRICELLI. The amendment, called the Quiet Communities Act, will reestablish the Environmental Protection Agency's appropriate role in noise abatement.

This amendment simply reactivates an office in the EPA—the Office of Noise Abatement and Control—that was unfunded in 1981 at the request of the Reagan administration. The Office of Noise Abatement and Control will coordinate Federal noise abatement activities, develop noise standards, provide technical assistance to local communities, and promote research and education on the impacts of noise pollution.

This office will be a resource to the millions of Americans who are affected by noise pollution, and particularly aircraft noise.

Those of us who are in the New York-New Jersey region know only too well what effect aircraft noise has on our communities. It is a serious problem for populations across our country who are constantly harassed by airplane noise, truck noise, construction noise, and other noise, when they can never find peace in their own homes. In our region, with the several airports we have operating—La Guardia and Kennedy and Newark, and others—it is a constant. We have to find ways to deal with it.

Just like air and water pollution, noise pollution is an environmental health issue. People who are tormented by noise pollution experience a range of health problems, such as hearing loss, stress, high blood pressure, sleep deprivation, distraction, and lost productivity. Aircraft noise is especially detrimental to human health.

Some studies indicate that persistent exposure to high levels of aircraft noise is linked to hypertension, cardiovascular and gastrointestinal problems, among other disorders.

Noise pollution is particularly troublesome in parts of the State of New Jersey.

New Jersey is the most densely populated State in the Nation, and millions of New Jerseyans live close to major transportation centers that generate significant levels of noise in their neighborhoods. For example, aircraft approaching and departing from Newark International Airport are guided along flight paths routed over residential neighborhoods, patterns which disrupt families and disturb the community's quality of life. Communities affected by aircraft noise have been living with the pain for over 10 years and they must find relief.

Unfortunately, the Federal Aviation Administration, which is charged with the responsibility of monitoring aircraft noise, has not adequately addressed the noise problems in New Jersey, and when attempted, its approach toward these problems is often flawed.

For example the FAA's current threshold of 65 decibels Day-Night Level—or DNL—that the FAA indicates is compatible with residential use is often criticized as problematic and, in the opinion of the National Resources Defense Council, significantly underestimates the level at which many people are affected by aircraft noise.

The fact that this fundamental threshold is controversial and the science behind it is disputed points to the fact that more research is needed on these issues.

Mr. President, citizens living near airports have few resources at their disposal to find out more about the effects of air noise on their health and their environment.

The Office of Noise Abatement and Control used to be one resource, and it has been dormant for too long.

Simply put, Mr. President, noise pollution, and particularly aircraft noise, is a serious environmental health issue that deserves attention from the primary Federal agency whose responsibility is environmental protection—the EPA.

Unfortunately, Mr. President, that was not the view in 1981. But now we have an opportunity to correct this mistake by adopting this amendment.

Besides reactivating the Office of Noise Abatement and Control, the bill authorizes funding of $5 million a year for the first 2 years and $8 million a year for the subsequent years to fund Office's activities.

According to the National Institutes of Health, more than 20 million Americans are exposed on a regular basis to

hazardous noise levels that could result in hearing loss and other psychological and physiological damage. In my view, $5 million a year to address a problem affecting over 20 million Americans is a sound investment.

The bill also requires the Office of Noise Abatement and Control to produce a study. The study must examine the FAA's selection of noise measurement methodologies, determine the threshold of noise at which health impacts are felt and determine the effectiveness of noise abatement programs at airports around the United States.

The EPA would then issue recommendations—recommendations, Mr. President, not directives—to the FAA on measures that will mitigate the impact of air noise on affected communities. In my opinion, Mr. President, this study is long overdue, and particularly long overdue for the millions of Americans who live every day with the nuisance of aircraft noise in their lives.

Mr. President, back in 1990, I sponsored a provision in the Airport Noise and Capacity Act, that required all commercial airlines to convert their fleets from Stage II to Stage III noise certification levels, a quieter plane, by the year 2000. I am pleased to say that many of the commercial airlines are ahead of their schedules and we have seen positive benefits.

Research is continuing on even quieter aircraft, and we may soon see fleets that would satisfy Stage IV noise certification levels. However, as air travel increases, communities will experience more aircraft noise. This issue will not go away. Indeed, if nothing is done, it will only get worse.

Mr. President, this amendment simply reactivates a program in EPA that has been dormant for too long, a program that addressed a serious environmental health issue, in the Federal agency that is responsible for mitigating environmental health problems. This amendment makes sense, and will provide some element of relief for the millions of Americans who face debilitating noise pollution, such as aircraft pollution, every day.

Mr. President, we have a chance to do something about this at a fairly modest cost overall, and to say to those people, simply because they live in an area that is crowded, that is a transportation center and so forth, that you shouldn't have to suffer a different way of life, or a less pleasant way of life than other citizens across this country.

We do all kinds of things to mitigate against noise. We build highway noise barriers and have all kinds of systems. We have police rules that say you can't blow your horn unnecessarily—all kinds of programs that would reduce the amount of noise pollution that we endure each and every day.

I strongly support this amendment and urge my colleagues to think through what it means to their communities, to their States, and do the same thing.

I yield the floor.

Mr. MCCAIN. Mr. President, I ask unanimous consent that the time between now and 12:10 p.m. be equally divided in the usual form for debate on the pending Torricelli amendment prior to the motion to table. I further ask that upon the expiration of time Senator MCCAIN be recognized to offer a motion to table the amendment. Finally, I ask that no second-degree amendments be in order prior to the vote.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. MCCAIN. Mr. President, I just want to mention that I received information from Senator CHAFEE, chairman of the Environment and Public Works Committee, who feels very strongly that legislation of this nature should—and I agree with him—very appropriately go through the Environment and Public Works Committee. That is another reason why I hope my colleagues will support the motion to table at the appropriate time.

Mr. President, I yield the floor.

Mr. FORD. Mr. President.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. FORD. Mr. President, it is always painful to be against an amendment by one of your colleagues, and particularly a friend. But I think under the circumstances it is a little premature to go with this when the Environment Committee has asked that this come through their committee and not be offered on the floor. But attacking noise is a difficult problem that requires a coordinated effort involving research, airport grant money, flight paths, and phaseout of noisy aircraft.

The FAA has been successful in its efforts to reduce airplane noise. In fact, the FAA has spent in the last few years $2 billion for sound insulation and property purchase around our U.S. airports. And duplicating the expertise of the FAA within the EPA and costing the taxpayers some $21 million would be wasteful, in my opinion, of government resources. It would complicate and confuse efforts to deal with and better understand community noise concerns. And it would, Mr. President, create a judicial ambiguity that could have real problems as we reduce aircraft noise worldwide.

Since 1993, the Federal Interagency Committee on Aircraft Noise has worked successfully to advance cooperative noise research among the various Federal agencies with an interest in this area. The participants of this interagency committee on noise includes the National Park Service; EPA is a part of this, FAA, NASA, HUD housing, Department of Defense, National Institutes of Health, and others. And the participating agencies have and continue to address all of the responsibilities envisioned in the Quiet Communities Act through their cooperative research work, and EPA is, has been, and will remain an active participant in this process.

Mr. President, there is no need to change their current structure. I want to reiterate:—There does not appear to be any substantive reason to expend $21 million and add needless jurisdictional confusion to the ongoing efforts to deal effectively with community aircraft noise.

I go back to the struggle we had to eliminate Stage 2 aircraft engines. There were 4.5 million, as my friend from Arizona said, people that were subjected to noise as it relates to aircraft. We have been quite successful. We have reduced that now by 90 percent. We are down to a mere 10 percent. And by January 1, 2000, all aircraft will have to be Stage 3. So the noise is going to be reduced even further.

I understand the problems. But we have been working on it for some time. I hope that our colleagues will leave the authority with FAA and let them continue with all the groups in the Federal Government, such as NASA, Housing, Defense, National Institutes of Health, and EPA that are working together.

I am going to join with my friend in endorsing his motion to table.

I yield the floor.

Mr. President, the proponent of this amendment, Senator TORRICELLI, wanted at least 2 minutes. I don't believe Senator MCCAIN and I have any time left. I will suggest the absence of a quorum and ask that the time be charged equally to both sides up to no more than 2 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. TORRICELLI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. ROBERTS). Without objection, it is so ordered.

The Senator has 2 minutes remaining.

Mr. TORRICELLI. Mr. President, in a few moments, the Senate will vote on an amendment that I have offered with my colleague, Senator LAUTENBERG. The amendment could not be simpler on its face or more modest in its intent. We could have required an environmental impact statement for every time the FAA changes a flight path. We did not do that. We could have given the EPA the power to set standards for noise, for health. Maybe we should have, but we did not do that.

All that we have asked is that, as with each of our other major industrial competitors in the western world, noise be considered as a factor in the operation of this Nation's airports. That is all. And on two bases. First, when the FAA establishes methodology to determine whether or not particular noise involving airplanes is safe for schoolchildren or families or recreation, that methodology be evaluated by the EPA. That is all. They will not establish it. They will not make the decisions. They

will evaluate whether the methodology is sound because scientific studies are indicating our current methodology does not accurately gauge whether or not our children are safe.

Second, that the appropriate levels of what is safe be established. There is also independent scientific evidence, as confirmed by European allies, that current levels may allow a level of noise pollution that does have detrimental health impacts. We would like the EPA's judgment on what the appropriate levels might be. They will not make a decision. They will offer their advice.

Mr. President, it is modest in its intent. It recognizes that noise is a real part of their lives for 40 million Americans every day of this expansion of our air networks. I urge adoption of this amendment.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. MCCAIN. Mr. President, I am very appreciative of and I believe sympathetic to the concerns of the Senator from New Jersey, Senator TORRICELLI. There are very large noise issues in his State and in States surrounding his. I just think it is important for us to recognize that noise levels have decreased by some 80 percent around America. We are moving to Stage 3 aircraft. We do not need to reestablish another bureaucracy. I am confident in the FAA in that the provisions of the 1990 act, which Senator FORD was responsible for, are being carried out in an accelerated fashion. I pledge to the Senator from New Jersey that if there is not continued progress, I would be more than happy to revisit this issue with him.

Mr. President, I yield the remainder of my time. I move to table the Torricelli amendment.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question occurs on agreeing to the motion to table the amendment, No. 3627, offered by the Senator from New Jersey. The yeas and nays have been ordered.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Ohio (Mr. GLENN), the Senator from South Carolina (Mr. HOLLINGS), and the Senator from Illinois (Ms. MOSELEY-BRAUN) are necessarily absent. I also announce that the Senator from Minnesota (Mr. WELLSTONE) is attending a funeral.

I further announce that, if present and voting, the Senator from Minnesota (Mr. WELLSTONE) would vote ''no.''

The result was announced—yeas 69, nays 27, as follows:

[Rollcall Vote No. 287 Leg.]

YEAS—69

Abraham	Dorgan	Landrieu
Akaka	Enzi	Lott
Allard	Faircloth	Lugar
Ashcroft	Feingold	Mack
Baucus	Ford	McCain
Bennett	Frist	McConnell
Bingaman	Gorton	Murkowski
Bond	Graham	Nickles
Breaux	Gramm	Roberts
Brownback	Grams	Rockefeller
Bryan	Grassley	Roth
Burns	Gregg	Santorum
Campbell	Hagel	Sessions
Chafee	Harkin	Shelby
Cleland	Hatch	Smith (NH)
Coats	Helms	Smith (OR)
Cochran	Hutchinson	Snowe
Collins	Inhofe	Stevens
Conrad	Inouye	Thomas
Coverdell	Kempthorne	Thompson
Craig	Kerrey	Thurmond
Daschle	Kohl	Warner
DeWine	Kyl	Wyden

NAYS—27

Biden	Hutchison	Mikulski
Boxer	Jeffords	Moynihan
Bumpers	Johnson	Murray
Byrd	Kennedy	Reed
D'Amato	Kerry	Reid
Dodd	Lautenberg	Robb
Domenici	Leahy	Sarbanes
Durbin	Levin	Specter
Feinstein	Lieberman	Torricelli

NOT VOTING—4

Glenn	Moseley-Braun
Hollings	Wellstone

The motion to lay on the table the amendment (No. 3627) was agreed to.

Mr. MCCAIN. Mr. President, I see Senator ABRAHAM on the floor. Before I yield, I want to say that I believe we are very close. We have about two or three amendments left, on which I believe we will be able to set times for debate, and we will have votes on those amendments before 6 o'clock this evening, when the Senate will recess for the evening.

I thank all of my colleagues for their assistance in narrowing down what looks like about 30 or 40 amendments to 2 or 3. There are a couple of recalcitrant, obstinate Members who will shortly show up on the floor, but the rest we thank very much.

Mr. FORD. Mr. President, if the Senator will yield, as we go through these amendments that we have worked out, with the Senator's agreement, as amendments on my side come, I will offer those and get them done so we can move on when we come to 6 o'clock tonight and try to get a final vote on this piece of legislation so that we will not be kept here after 6 o'clock.

Mr. MCCAIN. Mr. President, I made a comment in jest, and I want to make sure the Record is clear that it was in jest. The Senator from North Dakota, as well as the Senator from Rhode Island, who are waiting to address these very serious issues. I have discussed, on several occasions, the situation that existed in North Dakota. When there was a Northwest Airlines strike, his State was, for all intents and purposes, shut down. The Senator from North Dakota has been an important member of our committee and a serious student and expert on these aviation issues. I certainly was not in any way making light of his involvement or that of the Senator from Rhode Island in these aviation issues.

I yield the floor.

Mr. ABRAHAM addressed the Chair.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. ABRAHAM. Mr. President, I ask unanimous consent to speak up to 10 minutes as in morning business.

The PRESIDING OFFICER. Is there objection?

Mr. FORD. Reserving the right to object, do we have Senators who want to offer amendments?

Mr. MCCAIN. I ask the Senator from Kentucky if we can let him speak for 10 minutes.

Mr. FORD. That will be fine, since we don't have a Senator on the floor wanting to offer an amendment right now.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from Michigan is recognized for 10 minutes.

AMERICAN COMPETITIVENESS

Mr. ABRAHAM. Mr. President, I rise to announce an agreement between the White House and supporters of the American Competitiveness Act which I hope and expect will insure passage and implementation of legislation to safeguard the competitive edge of American business.

Mr. President, the American Competitiveness Act was designed to address a growing shortage of skilled workers for certain high technology positions important to American business.

This shortage threatens all sectors of our economy. Economist Larry Kudlow reports that high technology companies account for about one third of real economic growth. Overall, electronic commerce is expected to grow to $80 billion by the year 2000.

But high technology firms are running into serious worker shortages.

A study conducted by Virginia Tech estimates that right now we have more than 340,000 unfilled positions for highly skilled information technology workers.

And, while Department of Labor figures project our economy will produce more than 1.3 million information technology jobs over the next 10 years, our universities will not produce the graduates needed to fill those positions.

In fact, it is estimated that the shortfall will be very, very substantial. If they are to keep their major operations in America, firms must find workers with the skills needed to fill important positions in their companies. This requires that we do more as a nation to encourage our young people to choose high-technology fields for study and for their careers. In the long term this is the only way we can stay competitive and protect American jobs.

As I said, the shortfalls clearly demonstrate the need for us to grow more talent here at home. In fact, you need

only look at the high-tech companies that are feeling this shortage. When I visit manufacturing companies in my State, they indicate that they are having increasing trouble finding sufficient information technology workers to meet their needs. This is because so many of our industries are now, in one form or another, dependent on technology jobs. For the long term, the solution clearly must rest here at home, with American workers being trained to fill these jobs, with college students being given incentives to study in the areas where the next century's job creation will take place.

However, over the short term, until we are producing more qualified high technology graduates we must do more to fill the gap between high technology needs and high technology skills.

This has required that we allow companies to hire a limited number of highly skilled workers from overseas to fill essential roles. To do this they must go through a fairly onerous process to get one of the 65,000 ''H–1B'' temporary worker visas allotted by the INS.

Mr. President, in the history of this program, that 65,000 limit was never breached until last year when we hit the 65,000 annual limit at the end of August. The limit was hit this year in May. It is projected that if we do not change the limit, it will be hit next year as early as February. What that means, in short, as so many of my colleagues know, is that since May of this year not one American company, regardless of the emergency circumstances and the needs, has been able to bring in a highly skilled foreign worker to fill a job slot. As a consequence of that, we have lost opportunities and economic growth is paying a price.

This is dangerous for our economy. And that is why my American Competitiveness Act, in addition to providing significant incentives for Americans to enter the high technology sector, will add a limited number of additional H–1B visas so companies can find the workers they need to keep facilities and jobs in the United States, and keep our high-tech industry competitive in the global marketplace.

Let me be specific, Mr. President. In the absence of an increase in these numbers, if we can't find the people to fill the jobs here in this country, what is going to happen is American companies are going to shift operations overseas, and that means not only the loss of the particular job which an H–1B worker might fill, but it means the loss of other jobs in the division of the company where the H–1B position is vacant.

Let me just quickly outline the compromise agreement reached by the White House with our office.

First, the bill provides increased access to skilled personnel for American companies and universities. It will do this by increasing the number of H–1B temporary worker visas from 65,000 now to 115,000 in fiscal year 1999, 115,000 in fiscal year 2000, and 107,500 in fiscal year 2001. The visa limit will then return to 65,000 in the year 2002.

In addition, Mr. President, the bill provides new funding for college scholarships and job training for American workers.

10,000 scholarships per year will be provided to low income students in math, engineering and computer science through the National Science Foundation, with training provided through the Jobs Partnership Act.

This program will be funded by a $500 fee per visa petition and a $500 fee for visa renewals, which combined will raise an estimated $75 million each year.

Further, Mr. President, this legislation provides three types of layoff protection for American workers.

Let me add that throughout the process of working on this legislation, we have been very mindful of the concerns people have that somehow these H–1B temporary workers might end up filling a position where an American worker could have filled the slot. Our goal is to make sure that does not happen, and we have built protections into this agreement which we and the administration feel will accomplish that objective.

First, any company with 15% or more of its workforce in the United States on H–1B visas must attest that it will not lay off an American employee in the same job 90 days or less before or after the filing of a petition for an H–1B professional.

Second, an H–1B dependent company acting as a contractor must attest that it also will not place an H–1B professional in another company to fill the same job held by a laid off American 90 days before or after the date of placement.

Third, any employer, whether H–1B dependent or not, will face severe penalties for committing a willful violation of H–1B rules, underpaying an individual on an H–1B visa and replacing an American worker. That company will be debarred for 3 years from all employment immigration programs and fined $35,000 for each violation. Penalties for other violations also will be substantially increased.

In addition, Mr. President, H–1B dependent companies must attest that they recruit according to industry-wide standards and that the H–1B-holding individual was as, or more, qualified than any American job applicant. An American not hired can file a complaint with an arbitration panel, which can fine employers violating this provision.

Penalties and enforcement will be increased from those under current law.

The Department of Labor will be given authority to investigate suspected willful and serious violations of H–1B visas if it receives specific and credible evidence of such violations and receives the personal sign-off of the Secretary of Labor.

The purpose of this authority is to respond to situations of potentially egregious wrongdoing where a complaint had not been filed. This new authority sunsets with the increase in the visas, which will give Congress the opportunity for close scrutiny of whether or not DOL acts responsibly.

Finally, Mr. President, this legislation eliminates any financial incentive for companies to hire under-compensated foreign temporary workers by permanently reforming the prevailing wage attestation that is required prior to the hiring of anyone under the H–1B program.

Under this legislation, employers must offer benefits and the opportunity to earn bonuses to H–1B employees if those benefits and bonuses are available to that company's similarly-employed American workers.

In short, it will not be possible to bring in a foreign worker under the H–1B program to fill a job where that person is not being paid the prevailing wage inclusive of potential benefits and other forms of compensation.

In addition, this legislation provides sanctions for violations of new whistleblower protections and contains provisions against unconscionable contracts and against so-called benching.

I am convinced, Mr. President, that this legislation is crucial to maintaining American economic competitiveness and to protect American jobs.

It will increase the skills and employability of American workers while making certain that no qualified American worker is replaced by any immigrant worker.

It gives our high technology companies the tools they need to compete in world markets without sacrificing in any way the economic opportunities and well-being of American workers. Indeed, by keeping America competitive it will increase economic growth and the ability of all Americans to achieve and maintain economic security and prosperity. And as we move this bill through the final process—first, of course, in the House and then hopefully here soon—I will be urging my colleagues to support the legislation.

In closing, Mr. President, let me just summarize as follows: We have a serious crisis confronting our high-tech industries. We need to have more skilled workers on a longer-term basis. We need the scholarship and job training programs contained in this legislation to achieve the technology worker goals that we have set, but until those programs are adequate to meet the demand, we need to fill the gaps that exist today.

This legislation will increase on a temporary basis the number of temporary workers who can come to this country which will help us meet that challenge. In short, it will allow us to keep the economy going and at the same time prepare us for the future. Most importantly, it will protect American workers so that this program

cannot be exploited in any fashion that would cause somebody to lose a job or lose the chance to be hired for a job because a foreign worker was being selected for that assignment.

So there are safeguards for workers. There are the long-range education and job training components and there is the temporary increase in the number of workers who can come into this country to meet the immediate crisis. It is a balanced approach. It is one that, I think, deserves our support.

In closing, let me say thanks to those in the administration with whom we have been working. But also I would like to thank a number of our colleagues who have worked with me throughout this process, including Senator HATCH, chairman of the Judiciary Committee; Senator GORTON, who has had a special interest in this for a variety of reasons relating to his interest in high-tech companies; the majority leader, who has been very supportive; Senator PHIL GRAMM, who worked with me on a number of the negotiations; Senator LIEBERMAN, who played a very active role throughout the process, both here in the Senate and in the recent deliberations; Senator BOB GRAHAM, who was an early and active supporter of this effort; and especially to the chairman of the Commerce Committee who worked with me as we moved this legislation forward, both here in the Senate and in the intervening timeframes. Senator MCCAIN, whose commitment to this type of an approach of making sure on a variety of fronts that America is ready to enter the digital age and the digital economy, has given the kind of leadership I think we all admire. I thank him especially for his efforts.

Mr. President, I yield the floor.

Mr. MCCAIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona is recognized.

Mr. MCCAIN. Mr. President, let me say that what the Senator from Michigan, Senator ABRAHAM, has described today is a signal event. I recently visited Silicon Valley, which politicians seem to be doing more and more of nowadays. I was told that there were two major priorities that they felt were critical to the future of their industry. One was this, what we know now as the H–1B visa bill, and the other is the Internet tax freedom bill.

Senator ABRAHAM took an issue, which very few believed we could, and turned it into reality. He worked with both sides of the aisle, with the White House, and with the Silicon Valley folks, as well as labor. I believe that he has come up with a remarkable package, a remarkable product, which will allow us to maintain the incredible high-tech lead we have in the world. Without the ability to have trained, qualified and educated people in this industry, obviously we cannot have as predictable a future as we would like.

A part of this bill, Mr. President, will be the National Science Foundation Scholarship Program for Science and Math. At the appropriate time, I will offer language to name these scholarships the ''Spencer Abraham Scholarship Program.''

Again, I congratulate Senator ABRAHAM, because what he has achieved in this time of labeling the Congress as a ''do-nothing Congress,'' very frankly, is the best example of working on both sides of the aisle and with the administration for the good of the Nation. I hope that many of the rest of us, including this Senator, will follow his example.

I also hope we will be able to take up the Internet Tax Freedom Act so that we can also get that legislation passed before we leave.

I note the presence of Senator DORGAN on the floor. I thank him for his patience. I yield the floor.

Mr. DORGAN addressed the Chair.

The PRESIDING OFFICER. The distinguished Senator from North Dakota is recognized.

WENDELL H. FORD NATIONAL AIR TRANSPORTATION SYSTEM IMPROVEMENT ACT OF 1998

The Senate continued with the consideration of the bill.

AMENDMENT NO. 3628

(Purpose: To amend the Internal Revenue Code of 1986 to provide an investment credit to promote the availability of jet aircraft to underserved communities, to reduce the passenger tax rate on rural domestic flight segments, and for other purposes)

Mr. DORGAN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The bill clerk read as follows:

The Senator from North Dakota [Mr. DORGAN] proposes an amendment numbered 3628.

Mr. DORGAN. 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 printed in today's RECORD under ''Amendments Submitted.'')

Mr. DORGAN. I have indicated that I will offer two amendments to this piece of legislation. This would be the first. I intend, however, not to seek a vote on this amendment. I intend to ask unanimous consent that it be withdrawn. I am offering it for this reason. This legislation provides tax credits under certain circumstances. I recognize that it would cause a blue slip on this bill because this tax legislation must originate in the House of Representatives. I do not intend or want to cause that kind of problem for this bill, but I believe very strongly that this amendment is part of the solution to a very large problem we have, and I introduce it today for the purpose of describing to my colleagues an approach that I would intend to offer to some future tax legislation that will be considered by the Senate and the House.

Mr. President, the chairman of the subcommittee—excuse me, chairman of the full committee—I have demoted him—the chairman of the full committee, Senator MCCAIN, and the ranking member, Senator FORD, have brought a bill to the floor of the Senate that is very important.

Mr. FORD. Mr. President, will the Senator yield for just one moment.

Mr. DORGAN. I will be happy to yield.

Mr. FORD. We have worked out Senator REED's amendment. I know the Senator does not want to lose his train of thought here, but Senator REED has an important engagement, and I know Senator DORGAN does, too. This one will take about 2 minutes.

I ask unanimous consent that this amendment be set aside and that we recognize Senator REED, and that at the end of Senator REED's amendment we return, then, to Senator DORGAN's amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The distinguished Senator from Rhode Island is recognized.

AMENDMENT NO. 3629

(Purpose: To provide for the expenditure of certain unobligated funds for noise abatement discretionary grants)

Mr. REED. I thank the Chair.

First, let me thank Senator DORGAN for his graciousness in allowing me to present my amendment and also thank Senator MCCAIN and Senator FORD for their understanding and cooperation.

I have an amendment at the desk which I call up now.

The PRESIDING OFFICER. The clerk will report the amendment.

The bill clerk read as follows:

The Senator from Rhode Island [Mr. REED] proposes an amendment numbered 3629.

Mr. REED. 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 title II, insert the following:

SEC. 2 . DISCRETIONARY GRANTS.

Notwithstanding any limitation on the amount of funds that may be expended for grants for noise abatement, if any funds made available under section 48103 of title 49, United States Code, remain available at the end of the fiscal year for which those funds were made available, and are not allocated under section 47115 of that title, or under any other provision relating to the awarding of discretionary grants from unobligated funds made available under section 48103 of that title, the Secretary of Transportation may use those funds to make discretionary grants for noise abatement activities.

Mr. REED. I thank the Chair.

Mr. President, my amendment is a very straightforward attempt to find additional resources to help neighborhoods that surround airports and are confronting the problem of airport noise. My State of Rhode Island is home to one of the fastest growing airports in the country, T.F. Green Airport. Indeed, over the past two years,

T.F. Green has seen roughly an annual increase of 55 percent in passenger traffic. This is compared to a national average increase of 4 percent a year. So you can well appreciate that the impact of additional flights coming in has caused severe noise problems around the airport.

This has been a source of great strength, the growth of T.F. Green, in terms of our economy; it has brought visitors; it has become a gateway to New England. It has created jobs. All of these are extremely positive. But it has also generated increased noise with increased numbers of flights. The Rhode Island Airport Corporation, the city of Warwick, and community groups are working together. We have been successful in securing grants from the FAA for noise abatement. But I think we have to do much more to ensure that all the homes that need soundproofing with all of the techniques that we can use to mitigate and minimize noise are effectively employed to assist the people of Rhode Island.

I am very pleased with what has already been done in this legislation. Both Senator MCCAIN and Senator FORD have taken a very strong, positive step to ensure that we are sensitive to the noise problem at airports. This legislation includes a set-aside for noise abatement of approximately 35 percent rather than the 31 percent in the bill that has been passed by the other body. This is a very, very positive development, but I think we can do more. I would also be very supportive of Senator MCCAIN and Senator FORD's efforts to maintain that 35 percent set-aside.

What my amendment does is simply lift the existing cap on the total amount of funds that the FAA may spend on noise abatement when the FAA distributes unexpended funds at the end of a fiscal year. This, we hope, would allow for additional resources to be devoted towards noise abatement. It would be consistent with and within the confines and framework of the existing appropriations bills. It is a modest, but I think very important step forward to help address the problem of noise around airports.

I, indeed, am very pleased that Senator MCCAIN and Senator FORD have taken such a strong step in this bill to protect airport neighborhoods from the increased level of noise.

With this, I urge passage of the amendment.

Mr. MCCAIN. Mr. President, I urge adoption of the amendment.

The PRESIDING OFFICER (Mr. KYL). If there is no further debate, without objection, the amendment is agreed to.

The Amendment (No. 3629) was agreed to.

Mr. MCCAIN. Mr. President, I move to reconsider the vote.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. FORD. I thank the Senator, and I particularly thank Senator DORGAN for allowing us to move this amendment along.

AMENDMENT NO. 3628

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Mr. President, as I was saying, the amendment that I have offered to the FAA bill is an amendment that is very important to the country and especially to my region of the country. Just before I yielded the floor, I was talking about the leadership of Senator MCCAIN and Senator FORD. I think they have both done a wonderful job with this piece of legislation. It is an important piece of legislation for the country's sake, and it now appears that we will get this through the Senate and probably be completed with the legislation today, and that will be in no small measure due to their tenacity and their skill at crafting and moving this piece of legislation.

Let me describe what I intend to do with this amendment, and I will not talk about the second amendment which I intend to offer later today and hope that that will be approved by the Senate.

In late August, Northwest Airlines had a pilot strike and therefore a shutdown of their airline service. That might not have meant much to some. In some airports, I assume Northwest was one of a number of carriers that was serving certain airports and serving passengers. But in North Dakota, the State which I represent, Northwest Airlines was the only airline providing jet service to my State. That is a very different picture than the last time we had an airline strike, which was over 25 years ago.

Nearly a quarter of a century ago when Northwest had another strike and a shutdown prior to deregulation of the airlines, we had five different airline companies flying jets into the State of North Dakota—five different jet carriers in North Dakota. And then we had folks in Congress saying, you know what we really need to do to foster competition? We need to deregulate the airline industry. And so we deregulated the airline industry. I wasn't here at the time. But we deregulated them and we went from five jet carriers in North Dakota to one.

So I am thinking to myself, all those folks who are choking on the word ''competition,'' we need to deregulate so we stimulate more competition, where are they now so they can really choke on the word ''competition''? We have much less competition in airlines today, much less competition with a couple of exceptions.

If you live in Chicago and you are flying to New York or Los Angeles, God bless you, because you are going to have a lot of carriers to choose from and you are going to find very inexpensive ticket prices, and you can make a choice of carriers and ticket prices that are very attractive to you. You live in a city with millions and millions of people and you want to fly to another city with millions and millions of people. Guess what. This is not an awfully big deal for you; more choices and low fares. But you get beyond those cities and ask how has this airline deregulation affected other Americans, and what you will find is less selection, fewer choices, and higher prices.

North Dakota is just one example, but the most striking example—one airline with jet service. And on that night at midnight, when the strike was called and the airline shut down, just like that, an entire State lost all of its jet service.

What does that mean to a State? It begins to choke the economy very quickly. People can't move in and out. North Dakota is a sparsely populated State, 640,000 people. Up in the northern tier, we are 10 times the size of Massachusetts in land mass—big State, 640,000 people, and one airline serving with jets.

Now, I happen to think Northwest is a good carrier. I believe the same about all the major carriers. Most of them are well-run, good companies; they went through tough times, now are doing better, and I admire them.

What I do not admire is what they have done—retreating into regional monopolies in this country, retreating into hub and spoke so that they control the hub.

You go to any big area in this country and take a look at what they do. The major carriers have retreated so that they now, one company, will control 60 or 70 or 80 percent of all the gates at that airport. They control that hub. Do you think anybody is going to come in and take them on, anybody is going to come in and compete aggressively and say, ''Boy, this is a free market; we are going to go into your hub and we are going to compete against you?'' This is not happening. They cut the pie, created the slices, retreated into their little slices, and there is no competition. We now have regional monopolies without any regulation.

What sense does that make, to have monopolies without regulation? The minute I say ''regulation,'' we have people here having apoplectic seizures on the floor of the Senate. Oh, Lord, we should talk about regulation? I am not standing here today talking about regulation because I want to reregulate the airlines. All I want to do is see if we can provide some sort of industrial-strength vitamin B–12 shot right in the rump of those airlines to see if we cannot get them competing again. How do we do that? We do it by creating the conditions that require competition. This amendment is one.

Let us assume there is somebody out there who says, ''You know what I would like to do, I would like to run an airline. I have the money, I have the energy, I have the time, I have the skill. I want to create a regional airline, and I want to fly in an area where

nobody else is flying a jet, and I want to haul people to a major hub.''

They create their airline and fly to a major hub and they drop somebody off. And guess what. That somebody in most cases is going beyond that hub.

Let me give an example, of Bismarck going to Denver, which is a major hub. For 35 years, we had jet service with Frontier Airlines and then Continental, from Bismarck, ND, to Denver, a major hub. Now we do not. So a new company comes in and says, ''I will connect Bismarck to Denver, a major hub.'' But about 70 percent of the people leaving Bismarck are not going to just Denver, they are going beyond, to Los Angeles, San Francisco, Phoenix—you name it.

So this airline carrier starts up and hauls the Bismarck passengers to Denver and opens the door of the airplane, and they disembark on a sunny Denver day and discover they cannot go anywhere else, because if they walk over to United or another carrier, they don't have the opportunity to get a joint fare ticket. They charge them an arm and a leg. In fact, they even have trouble getting their baggage moved from one airline to another, because the big airlines do not want competition. They have their hub, they don't want anybody messing with it, and they certainly do not want these upstart regional airlines springing up, hauling people into their hub.

So what you have is a circumstance where there is deregulation of the airlines, and the major carriers have merged. There has been all this romance going on; they decided they like each other a lot. Pretty soon they are going to get married. They merge up, two airlines become one, and now we have five or six large airlines in this country because they like each other so much, and they have retreated into these regional monopolies because they don't want to compete with each other. They create their own hub and they create their own spokes and they say to those who want to start up, ''We are sorry but we are not interested.''

Having said all that, and that is a mouthful, and having said I admire the majors—most of them are good carriers and they have good management and they do what they do in their interest—there is their interest and then there is a parallel and sometimes not parallel public interest. In some cases it is not a parallel public interest, as the case where we have areas that used to be served and are now not served but could be served by a new carrier if only the majors would cooperate with those new carriers.

In order to encourage new startup regional jet service, I am proposing a 10 percent investment tax credit for regional jet purchases. That is, those startup companies that want to begin regional jet service to fly these new regional jets between certain cities and hubs that are not now served with regional jet service, we would say to them that we will help with a 10 percent investment tax credit on the purchase or lease of those regional jets. We will help because we want to provide incentives for the establishment of regional jet service once again in our country.

My legislation would require that they serve those markets for a minimum of 5 years. We have defined exactly what those underserved markets are. It is targeted, it makes good sense, and will stimulate investment in an activity that this country very much needs and an activity that the so-called free market now does not accommodate, because the free market is clogged. There is kind of an airline cholesterol here that clogs up the arteries, and they say, ''This is the way we work, these are our hubs, these are our spokes, and you cannot mess with them.''

My legislation simply says we would like to encourage areas that no longer have jet service but could support it. We would like to encourage companies that decide they want to come in and serve there to be able to purchase the regional jets and be able to initiate that kind of service.

My legislation has a second provision which reduces the airline ticket tax for certain qualified flights in rural America. This proposal also has a revenue offset so it would not be a net loser for the Federal budget.

Having described all that, the second amendment I am going to offer also addresses this in a different way. My hope is we could work to get that accepted. We have been working hard with a number of Members of the Senate to see if we cannot get that accepted.

I just want to make two more points.

We are not in a situation in rural areas of this country where we can just sit back and say what is going to happen to us is going to happen to us and there is nothing we can do about it. There are some, I suppose, who sit around and wring their hands and gnash their teeth and fret and sweat and say, ''I really cannot alter things very much, this is the way it is.''

The way it is is not satisfactory to the people of my State. It is not satisfactory to have only one jet carrier serving our entire State. Our State's transportation services and airline service, especially jet airline service, is an essential transportation service. It ought not be held hostage by labor problems or other problems of one jet carrier. We must have competition. If all of those in this Chamber who mean what they say when they talk about competition will weigh in here and say, ''Let's stand for competition, let's stand for the free market, let's try to help new starts, let's breed opportunities for broader based economic ownership and more competition in the airline industry,'' then I think we will have done something important and useful and good for States like mine and for many other rural States in this country.

Mr. President, as I indicated when I started, I will offer my second amendment later this afternoon, which I hope will be accepted, because the amendment I have just described and offered has a blue slip attached to it in the sense it would be objected to, because a revenue measure must begin in the Ways and Means Committee of the House of Representatives—and I used to serve in the House and used to serve on the Ways and Means Committee, and we were fierce in our determination to make certain that committee always had original jurisdiction on those issues. I am willing to say I understand that. But I wanted my colleagues to be able to review this amendment in the RECORD, because if and when there is a piece of legislation dealing with tax issues later this year, it is my intention to see that this becomes part of that discussion.

With that, I ask unanimous consent my amendment be withdrawn.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment (No. 3628) was withdrawn.

Mr. DORGAN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. DORGAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DORGAN. I ask unanimous consent to speak for 10 minutes as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE FAMILY FARM CRISIS

Mr. DORGAN. Mr. President, we are going to conference, I think, this afternoon or tomorrow on the agriculture appropriations bill. I want to make some comments so that those in this Chamber who believe what some are proposing to go to conference with is adequate will understand it is not adequate at all.

We have a farm crisis in our country that is as significant a crisis as we have had since perhaps the 1930s. As you know, farm prices have collapsed. The price of wheat has dropped nearly 60 percent. We have farmers facing a serious, serious problem, many of whom will not be able to continue farming next year.

That means that yard light someplace out in the country is going out, that family farm is losing their money, their farm, their hope, their dreams. This Congress has the capability to do something about it or it has the capability to ignore it.

We have had two votes here in the Senate to increase price supports to give family farmers some hope. Twice we have been turned back. We are going to have a third vote. I am not sure when that is going to happen. As soon as we have the opportunity to

offer the emergency plan sent down by the President on Monday of this week, we are going to have another vote. We have only lost by a handful of votes.

The future of a lot of farm families will depend on that next vote. Some have offered an alternative plan in recent days. I am told they intend to put that in the agriculture appropriations conference in the next day or so. I would say to them, it is not going to work. It is not enough. It is offering a 4-foot rope to somebody drowning in 10 feet of water. ''Well, thanks for the rope, but it doesn't help.''

This Congress has to decide that it is going to help family farmers when prices collapse. If it does not build a bridge over price valleys, we will not have family farmers left.

I have a letter from a young boy named Wyatt that I mentioned the other day on the floor of the Senate. Wyatt is 15-years old, a sophomore at Stanley High School in Stanley, ND. He comes from a family farm. Wyatt said, after a long description of the problems his family is having, ''My dad is a family farmer. And my dad can feed 180 people, but he can't feed his family.'' It just breaks your heart to get letters like Wyatt's, and so many others, who write to us talking about what happens to them when prices collapse.

Our farmers in North Dakota lost 98 percent of their net farm income in 1 year. Washed away was 98 percent of their income—gone. Just have any neighborhood, any block, any community, any group of people think to themselves, ''Where would I be if I lost 98 percent of my income?'' I know where I would be. I bet I know where you would be. That is what farmers are facing right now in my State and all up and down the farm belt.

People seem to think, ''You know, things will be just fine. Food comes from the store. Butter comes from a carton. Milk comes from a bottle.'' Things will not be just fine if this country loses its family farms and America's farmers to big agrifactories from California to Maine. I will tell you what will happen to food costs.

The way you get good, wholesome, safe food—the best in the world, at the best possible price—is to have a network of family farmers farming this country and putting food on our tables, at a price that gives them a decent opportunity to earn a living.

We have had this kind of economic circumstance in our country recently where I guess the farm belt is viewed as one giant economic cow. Nobody is willing to feed it, but everybody wants to milk it from every single direction. Well, the cow is about out of milk. The question for this Congress is: Are you going to step up, when you pass a farm bill that says, ''Let's have farmers operate in the free market,'' but then in every direction the farmer turns, there is no free market?

Want to market some cows? Guess what? Eighty-five percent of the cattle slaughtered in this country is done by four firms—four. They will tell a family farmer what they are going to pay them. If they do not like it, tough luck.

Want to ship your wheat on a train? Well, there is one train that comes through our State to haul that wheat. They will tell the farmer what they are going to charge them. If the farmer does not like it, tough luck.

Let me give you a little example about what farmers face on transportation. Ship a carload of wheat from Bismarck, ND, to Minneapolis; the railroad says that is $2,300—that is what it is going to cost you to ship that wheat to Minneapolis. Ship the same wheat from Minneapolis to Chicago—about the same distance—the railroad says that is $1,000. So you ask the railroad, ''Why do you double-charge North Dakota farmers?'' The answer is because there is competition between Minneapolis and Chicago and there is none in North Dakota. So the railroad says, ''We're able to double-charge farmers in North Dakota.''

So send a cow to market; you face a monopoly. Take your grain to the railroad; you face a monopoly and get double-charged. Send a hog to market; the same thing. Send your grain to a flour mill; the same thing. And 50, 60, 70 percent of the milling, the slaughter, the transportation—all controlled by a couple big corporations that then tell family farmers, ''Yeah, you worked hard, you plowed this soil in the spring, you planted the seed, you nurtured it, you put some chemicals on it to keep the bugs away and the weeds out, put some nitrogen in to make it grow, and then you harvested it—and, by the way, when you are done, we're going to pay you half of what it's worth and half of what it cost you to produce. And if you don't like it, tough luck.'' Well, that does not work for this country. That is not the way this country's economy should be allowed to work. It is not a free market.

So let's assume a farmer would be able to find a benevolent railroad—that is, of course, an oxymoron. Let's assume the farmer was able to market up through a cattle market that was not controlled by monopolies. Let's assume all of that worked—it does not—but let's assume it all did. The only thing left that farmer would face is a series of other countries, like Europe. The farmer then finds half of his grain, or her grain, goes overseas to a foreign market where they compete with other governments that subsidize the sale of their grain into northern African markets and other places to the tune of 10 times the United States.

People here say to farmers, ''Well, go compete in the free market.'' Yes, the farmer should compete against the big grain companies, against the big chemical companies, against the big railroads, against the big packing plants, and against European countries, and against the Canadians. And if all of that were settled—if all of that were settled—those farmers would still be told, ''Just compete in the free market. And here's one more piece of the free market. We've signed you up for some competition with a trade agreement that we've negotiated with Canada.'' And my colleagues have heard me speak about this many times. That trade agreement says to the Canadians, ''You just flood us with your grain and your cattle and your hogs. You just run them over, just bring them right on down. And we can't get our grain up, but you just keep bringing your grain down here, undercut our price.'' That is the kind of trade agreement we negotiated. We send incompetent negotiators to negotiate bad agreements, and then we do not even enforce them.

We had farmers gather at the Canadian border the other day. The Canadians are good neighbors of ours, have been for a long while, but the trade agreement with Canada is unfair and taking money right out of the pockets of our farmers. And we have trade officials who do not seem to want to do much about it.

So every direction you turn, we have these problems that press in on our family farmers. We face the prospect of up to 20 percent of our family farmers in North Dakota not being able to plant in the next spring or the spring thereafter. You fly over my State and look out at night from a small plane, look out that window and look at those yard lights that shine down on a family trying to make a living out on the land; and then see them turn off, one by one, because public policy says to them, ''You don't matter anymore. This country doesn't need you anymore.'' Ask yourself whether this country is going to be a better or a weaker country when family farmers are gone.

They are talking about bringing the endangered species bill to the floor of the Senate soon. I am thinking of enlisting family farmers. I know it will list birds and butterflies, frogs, and flowers. I am the first one to say I like birds, I like butterflies, and sign me up for frogs and flowers, as well. I think they are good for our environment and good to have around.

However, another endangered species in this country is Wyatt. He is a young boy that comes from a family that will lose their farm, and there won't be another family like Wyatt's out there. There is only one family like Wyatt's. Does it matter if Wyatt and his folks and tens of thousands of others are told, ''You are too small an operator, you don't matter.''

I think this country will make a huge mistake. The reason I wanted to speak for a moment now is we are fixing—I think tomorrow—to take a pathetic little plan that has been offered that will maybe pole-vault some farmers between now and December, just over the next election, but won't do nearly enough to get those family farmers into the field next spring and give them some hope that they can get a harvest next fall. It is a pathetic little plan. It will be offered, perhaps, in

the agriculture appropriations conference tomorrow, and then people will wash their hands and say, ''We sure took care of that.''

No, they won't have taken care of anything. All they will have done is nudged enough resources out of the scarce pot of money to get them from here to December, to be able to say to farmers here is a little, but it is not enough. We understand you won't make it.

There are some of us in this Chamber who are not willing to stand for that and are not willing to let that be the last word on the fight for the family farmers' future in the 105th Congress. I don't mean to sound challenging—yes, I do, now that I think about it. Of course I do. It is unforgivable in my judgment when we have people coming to the floor of the Senate and the House and there are hundreds of millions of dollars here and billions of dollars there and they have appetites for everything and everything is important, for us to go home and decide it is not important to save family farmers. I do want to challenge that.

In my judgment, that is a goofy set of priorities for this country. Thomas Jefferson said 200 years ago that those who live on that land and produce that food are the best Americans, the first Americans. He wasn't necessarily saying that nobody else is any good, I am sure. Thomas Jefferson believed in everyone's worth and he believed in broad-based economic ownership. Part of what makes this country so strong is the opportunities for people around the country to engage in broad-based ownership of America's economy and resources. No one represents that more than families living on the farm trying to make a decent living.

I hope in the next 2 weeks we will have the opportunity to convince the leadership of this Congress that family farmers matter and the submission on Monday by President Clinton of an emergency plan to respond to this farm crisis is the right step for this Congress to take. If Congress does not stand for family farmers, if it fails to take the step the President has requested, if it decides that this doesn't matter somehow, then we will have made a very fatal error.

The Senator from Kentucky stood on this floor month after month this year in very tough circumstances when we were debating the tobacco bill. He said he understood the public policy issues of tobacco, but he said I want the Congress to understand the public policy issues of family farmers out there raising tobacco, as well. Their interests need to be heard. I know he did that and I watched the passion with which he did that. He feels very strongly about the interests of those family farmers. I feel as strongly about his farmers as I do about mine and all of the farmers up and down that farm belt.

I just want to say to those who think they will shortcut this issue and they will ram some pathetic plan home tomorrow, take a deep breath, because you are in for a heck of a fight in the coming weeks if you think that is how you will solve the problem.

I yield the floor.

Mr. FORD. Mr. President, let me compliment and thank my friend from North Dakota. No one has worked harder or spoken more eloquently in support of the small family farm than the Senator from North Dakota. How well I understand what he is going through.

We heard on this floor yesterday afternoon that we are getting ready to spend money for ''emergencies,'' but we ought to give a tax break. What is an emergency? Farmers, the Senator said. We should have known there would be a drought or there would be too much water. We ought to have put money in the budget for it.

''Emergency'' is something that is on occasion. We cannot anticipate an emergency. We can't do that. But a tax break is in perpetuity. It goes on forever. Emergency is one time.

So we try to cover up by accelerating the payments under Freedom to Farm. I voted against the North American Free Trade Agreement, one of seven in this body. It is awfully hard to get a Senator with something on his mind, with a philosophy that never looks in the future. The future is now at hand on that vote on the North American Free Trade Agreement when we are being flooded not only with farm products but wool and everything else relating to our people trying to make suits, pants and so forth in the textile business. It is driving our people out of this country.

The Senator is absolutely correct, we need that safety net for our farmers.

I have sat on too many front porches of farm families. I have been in the kitchen with the farmer and his wife and family. I understand what they are going through. They can't compete.

One of the finest men I know was in my office yesterday taking a load of hogs to the slaughter house. He got $3,500 for hogs that a year ago would have brought $7,000. What did he get? Nothing. We don't have any compassion for him; we don't have any reason to try to help him keep that farm. He put everything into that load of hogs. What does he get back? He couldn't even pay for the feed.

So we say ''compete.'' Competition is like dialing a new bank at home. The tape says if you want so and so, push 1; if you want so and so, push 2; if you want so and so, push 3. You keep on pushing the phone and finally people throw the phone out the door. They want to talk to a human being, but we call another State to talk about local loan problems or financial problems.

We are getting into an intolerable situation. I hope the Senator never lets his vote die as it relates to the family farm. I compliment the Senator for what he is trying to do.

I understand we have been debating the aviation bill, but he has an amendment that talks sense. The commodity we have so little of here is common sense. Common sense, I think, if it prevails, the Senator might win a couple of amendments in the not-too-distant future.

I yield the floor.

Mr. WYDEN. Mr. President, I ask unanimous consent to speak for up to 10 minutes as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

LETHAL DRUG ABUSE PREVENTION ACT

Mr. WYDEN. Mr. President, today I informed the minority leader that I will object to any unanimous consent requests to proceed to S. 2151 or any similar legislation containing provisions that would override Oregon's assisted suicide law. Should S. 2151, the Lethal Drug Abuse Prevention Act come to the floor, I intend to insist that this body clearly hear the arguments against this legislation before voting on it, even if I must filibuster to assure that this occurs.

Let me state, as I have done before on this floor, that I have personal reservations about the assisted suicide concept. I voted twice against assisted suicide in my home State, and I joined our colleagues in voting against Federal funding of assisted suicide.

I personally believe that nowhere near enough has been done to promote hospice care, pain management, comfort care, and other approaches to deal with the end of life.

The people of my State entered into an honest, direct, and exhausting discussion on the issue of assisted suicide—not once, but twice—through our public referenda process. I am not going to let that vote be set aside without an extended debate on the floor of the U.S. Senate.

S. 2151 attempts to override the popular will of the citizens of my State who have made a judgment about what is acceptable medical practice. Medical practice is a matter that has been traditionally left to the States to regulate. However, in overriding the will of the Oregon voters, S. 2151 strikes at the people across this country who are terminally ill and the millions of individuals who suffer in great pain daily.

Almost all of our States have laws in effect, or about to go into effect, with respect to physician-assisted suicide. All of our States have laws that regulate medical practice, including the use of controlled substances. The underlying message of S. 2151 is that the U.S. Congress knows better than voters in Coos Bay, Bend, and La Grande, OR. Does this Congress, meeting here in Washington, DC, believe it is better equipped than the citizens of my State to make moral decisions about acceptable medical practice in Oregon?

This Senator is not going to sit by while there is an abbreviated debate that cuts off the rights of Oregonians. I want the Senate to understand that today.

S. 2151 would amend the Controlled Substances Act to allow the Drug Enforcement Agency to deny DEA registration of providers determined to have assisted in causing or participating in a physician-assisted suicide. The advocates of this legislation say that good physicians would have no problem with this legislation.

The record shows otherwise. The record shows that more than 50 medical groups, including physicians, nurses, pharmacists, and hospice programs—a variety of medical groups—believe this legislation would have a chilling effect on pain management programs, on hospice care services, and on comfort care. I want my colleagues to understand that. More than 50 medical groups in our country believe this legislation will have a chilling effect on our ability to make sure that our citizens can get good pain management services, hospice programs and comfort care.

What is especially striking is that even Americans who are opposed to Oregon's law and are opposed to assisted suicide do not want to see the U.S. Congress overturn this law. Pain management, palliative care, and hospice services are still evolving fields. Not enough has been done to comfort patients in these tragic situations, and Americans know that in the current regulatory environment there can be a chilling effect on the pain management services by laws such as the one proposed in S. 2151. This legislation also runs counter to the recent Supreme Court decision on physician-assisted suicide that encourages the States to continue to debate this question.

Mr. President, this bill is not going to stop assisted suicide. What it is going to do is set up new roadblocks to ensuring that there are good pain management programs in our country. This bill is going to harm pain management for millions of Americans, turn the resources of the Drug Enforcement Agency from looking at drug diversion and drug trafficking to reviewing the intent of physicians and pharmacists as they try to alleviate the pain of their patients. That is not what the DEA was set up to do. It was not set up to deal with overseeing hospice programs, and the like.

If Congress tramples on the twice-expressed popular will of the people of Oregon, it is going to feed the fires of cynicism and frustration about Government across our land.

Mr. President, I will conclude with this. We all know that so often in coffee shops, churches, grange halls and senior centers, we hear Americans say: You know, our vote doesn't matter. After we vote, those politicians are going to say we really don't get it, the citizens don't understand. So we will just vote again; we will just vote, vote and vote until we set aside what their judgment has been.

I am here to say that I don't think the U.S. Congress knows better than those voters in Coos Bay and Bend and La Grande. I don't think the U.S. Congress, meeting here in Washington, DC, is better equipped than the citizens of my State to make a moral decision about what is acceptable medical practice in Oregon. This Congress should not try to settle this issue in a hasty debate in the last hours of the U.S. Congress.

I have informed the minority leader that I will have a hold on this legislation. Senator GRASSLEY and I have, for some time, been encouraging Senators to announce publicly their intentions with respect to holds. I have done that in a letter to Senator DASCHLE. I will make that letter a part of the RECORD. I am going to insist on my rights as a Senator, representing thousands and thousands of Oregonians who have weighed in on this issue, that this Senate is going to have a real debate on this legislation before there is a vote on it. I am going to assure that there is such a debate, even if I must filibuster to assure that this occurs.

I ask unanimous consent that my letter to Senator DASCHLE be printed in the RECORD.

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

U.S. SENATE,
Washington, DC, September 23, 1998.

Hon. TOM DASCHLE,
Minority Leader,
U.S. Capitol, Washington, DC.

DEAR SENATOR DASCHLE: I previously wrote you requesting I be consulted should S. 2151 or any other legislation concerning physician assisted suicide come to the Senate floor for consideration.

I am now writing to clearly state that I will object to any motion to proceed should S. 2151 or any legislation containing provisions over-riding Oregon's physician assisted suicide law come to the Senate floor.

Should you have any questions, please feel free to contact Stephanie Kennan of my staff at 4–6070.

Sincerely,

RON WYDEN.

Mr. GRAMS addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

Mr. GRAMS. I ask unanimous consent to speak as in morning business for up to 5 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The remarks of Mr. GRAMS pertaining to the introduction of S. 2517 are located in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

WENDELL H. FORD NATIONAL AIR TRANSPORTATION SYSTEM IMPROVEMENT OF 1998

The Senate continued with the consideration of the bill.

Mr. MCCAIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. MCCAIN. Mr. President, for the benefit of our colleagues, we are rapidly reaching the point where we only have a couple more amendments which will require debate and votes.

I urge those who have amendments to come to the floor so that we can get moving on those.

We will be able, I think, to conclude the amending process before 6 o'clock this evening.

In the meantime, 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. KENNEDY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. GRAMS). Without objection, it is so ordered.

PATIENTS' BILL OF RIGHTS

Mr. KENNEDY. Mr. President, I want to point out once again to the Senate that we have been in a quorum call for about a half hour, and we are waiting to conclude the FAA legislation. As I understand, it has been tentatively agreed to be concluded later in the afternoon sometime—5 or 6 o'clock this evening—and we can anticipate perhaps one or two more votes.

But I want to bring to the attention of the Senate again that we could be using this time to debate the Patients' Bill of Rights. We have by now seen the majority leader's priorities—the FAA bill, which is important to a number of communities, including my own State of Massachusetts is not a matter of insignificance—but we have had the salting legislation, we have had other pieces of legislation that have been advanced, and still the Republican leadership refuses to call up or permit our debate here on issues relating to the quality of health of some 140 million Americans, those Americans that are covered in various HMOs.

In my own State of Massachusetts, we have some of the very best in terms of HMOs. The HMO program really took off, expanded, and we now find many high-quality HMOs. But in my State, and across the country, HMOs too often are making judgments and decisions based upon what insurance company accountants say, not what members of the medical profession recommend.

I heard the President of the United States speak eloquently about his strong support for the Patients' Bill of Rights just a few days ago. And he made a point which I think is worth underlining here in the U.S. Senate this afternoon. He said that no one in these HMOs ever loses their job when they deny a procedure that a patient's doctor requests, because these HMOs are organized so that there are several different levels of approval required to receive medical care.

The deep concern that many of us have is that these decisions be made at the ground level—by doctors and other trained medical professionals—so that American families receive the care that they need.

And if decisions are going to be made that are in the interests of the profit of the HMO and not the health of the patient, and as a result of those decisions that that individual is killed or permanently disabled, there ought to be some form of remedy. That is a key part in our Patients' Bill of Rights.

Why should we say that there is only going to be one industry in America that is going to be free from accountability to the American citizens? Why should they be the only one? They are, today, effectively the only one.

Under existing law, the health insurance industry is the only industry in America where, if there is negligence resulting in the loss of life or serious bodily injury, they are essentially free of accountability. That is wrong. Most Americans believe that is wrong, and it is wrong.

Accountability is an essential part of our Patients' Bill of Rights. Medical decisions should be made by medical professionals and not by accountants. And if a negligent decision was made, there should be accountability. Or what will happen to the family of the patient who died because an HMO refused to pay for a medical test? What will happen to the education of the children of the patient who is permanently disabled because she could not receive care at the closest emergency room?

Our Republican friends say that is too bad, we don't want to change that provision. Why can't we debate that? Why are we taking time in a quorum, or the time used yesterday waiting for amendments to the FAA bill? We understand that there is no long list of speakers to come to the floor even this afternoon. Why aren't we debating managed care reform here on the floor this afternoon? Why aren't we able to make some decision that affects millions of families today, across this country, on the issues of accountability?

It isn't just accountability. Another very important provision in our Patients' Bill of Rights would require HMOs to pay for routine medical costs associated with clinical trials for their patients. We know—I know from personal experience—the importance of clinical trials. These trials don't, in fact, add any substantial additional cost to the HMO, because most of the patient's expenses are covered by the trial protocol—the grant for that particular trial. There are very small additional expenses—very, very small additional expenses.

And clinical trials are enormously important. They are enormously important for children who have cancer and other serious and dread diseases. My own son was involved in an NIH clinical trial when he had osteosarcoma. Only 22 children had been in that clinical trial prior to my son. He lost his leg to cancer. But his chances of surviving were 15–18 percent before he entered that clinical trial. And he survived, as about 85 percent of the children who got into that clinical trial did. Now the treatment used in that trial is a generally accepted procedure for children who have osteosarcoma, bone sarcoma.

The idea of denying children the opportunity to enter clinical trials is outrageous. What are we supposed to say to a parent? ''Yes, we know your child has osteosarcoma. We know there is a clinical trial that could save his life. But we are not going to permit you to enlist your child in that clinical trial''?

That is happening in the United States today in HMOs. These families say, ''My goodness, what will I do?'' They appeal the decision, they wait, they go to desperate lengths requiring tremendous courage, and finally they get in the clinical trial weeks or months later. But it is too late; that tumor that was a fraction of a centimeter has enlarged. There can be no treatment now.

Denying our citizens an opportunity to participate in the greatest advances that are taking place in the medical profession is effectively a death sentence.

We have made great advances in the war on cancer, especially in children's diseases. And I don't know what we would have done if we didn't have clinical trials for these children, and for patients with other diseases. We now have some very important opportunities for treatments of breast cancer, colon cancer, ovarian cancer, cancer of the stomach, and colorectal cancer.

Diseases like breast cancer are becoming more and more of a challenge. Yet we are experiencing these breakthrough therapies that can make an enormous difference in saving the lives of our fellow citizens.

I seriously believe that the next millennium will be the millennium of the life sciences, breakthroughs in terms of medicine. It will offer enormous opportunities. The opportunities of mapping the human genome alone—which our good friend, the Senator from Iowa, Senator HARKIN, has been such a leader on here in the U.S. Senate—are just mind boggling.

But we also have the opportunity now to make a difference in people's lives—to make sure that, when medical professionals recommend that patients enroll in clinical trials, these decisions are not overruled by insurance company accountants. That decision effectively denies them the opportunity to save their lives or to get the best in terms of medicine.

Every single day we have examples of this type of situation. I will mention one, Diane Bergin. I have Diane Bergin's testimony from a forum that was held on the Patients' Bill of Rights. We talk about the Patients' Bill of Rights as a piece of legislation, but it is really an issue of lifesaving protections. That is what the legislation is really about, lifesaving protections, and we do it in a number of different ways.

Mr. President, this is Diane Bergin's comment:

My name is Diane Bergin and I was diagnosed with ovarian cancer two years ago. I had always been very healthy—so the news was particularly devastating. The only time I had been in the hospital was when I had my three children. My primary care physician referred me to a specialist at Georgetown, where I eventually had my surgery and received standard chemotherapy treatment. For three months, everything looked good. At my next checkup, however, the cancer had come back.

My physician recommended that I consider getting a bone marrow transplant. Before I could get treated, however, I had to go through a round of medical testing to see if I was a good candidate for a transplant. All through the testing I kept hoping that I would qualify. I worked hard to keep my spirits up and be optimistic. But in addition to worrying about whether I would qualify for a transplant, I also had to worry over whether my insurance would cover the procedure. It felt like the insurance company held the balance of my life in their hands. I had no guarantee that if I qualified, I would be covered.

My husband and family couldn't have been any more supportive. They told me to count on getting the transplant and that they would somehow find a way to pay for it. In my heart I couldn't accept that I would impoverish my family to have a chance at prolonging my life.

Fortunately we weren't asked to make that decision. My insurer finally sent me a letter approving my treatment.

Again I improved immediately after the transplant, but six weeks later I was not so lucky. I was sent to another specialist in Philadelphia who put me on tamoxifen. This was the only drug I could tolerate because my condition was so fragile after the transplant and there was some hope it would help me. Unfortunately I didn't improve.

It was then that my physician suggested that I enroll in a clinical trial for a new treatment at the Lombardi Cancer Center. Even though I had been on an emotional roller coaster waiting for my insurer to approve other treatments, I never thought my insurer wouldn't pay now.

But on the Friday before I was to start my treatment, I was called and told that my request had been rejected. I was devastated and didn't know how I could get through the weekend with my husband and son out of town. It struck me how arbitrary the insurance system was. They were acting as judge and jury on what medical care I could receive even though my doctors recommended this care. The denial felt like a death sentence—that I wouldn't have any more chances to fight for my very survival.

I refused to accept that I couldn't get this treatment that I so desperately needed. I objected and started my appeal. When my family returned, they joined in the fight. Fortunately, my son works at the Cancer Center and is very involved in the clinical trial program there. With all our efforts, and the aggressive appeal by my clinical team at Lombardi, my insurer finally agreed to pay the routine costs of my care. I'm in the midst of that trial right now.

I don't know if this trial will help me. And I don't know what will happen if I should need to seek treatment through another clinical trial. I anticipate another fight, only next time I may not be so lucky.

I wanted to come today to tell my story because I believe that no one facing a serous illness should be denied access to care because that treatment is being provided through a clinical trial. Sometimes, it is the only hope we have. And the benefit to me, whether short or long term, will surely help those women who come after me, seeking a

cure—a chance to prolong their life for just a little while, just so that they can attend a graduation, or a wedding, or the birth of a grandchild.

I strongly support, and my family is right there with me, requiring insurers to pay for the routine costs of care that are part of an approved clinical trial. I think the cures of the future depend on it.

Mr. President, letters signed by scores of groups supporting the right to get into clinical trials, and we have letters signed by scores of groups regarding access to specialists, such as pediatric oncologists.

In our legislation, we also have provisions for guaranteeing that a child can see a specialist if that child has a serious illness. That is not in the Republican program. We in the Senate ought to be able to debate the merits of this provision.

But the bottom line, at the end of the day, is what the additional costs are going to be. We ought to be able to debate these, as well. You will find out that the cost of our protections is approximately $2 per worker per month. I think most workers would be glad to pay that additional $2 a month for the kind of protections we are talking about here in terms of clinical trials and specialists for members of their family. Why not give us an opportunity to debate that? Why not call the roll on those particular provisions?

We need to have a debate on the situation we see taking place around this country, where if you are a member of an HMO, your ambulance will drive by the nearest hospital and go to another hospital on the other side of town just because they are a member of that HMO. They will drive right by it. If a family goes to the closer hospital, the HMO will charge the family for the emergency care, which perhaps saved their child's life. We ought to be able to debate that. Why are we being shut out and denied? Why are we continuing in these quorum calls that last the course of the afternoon? Why didn't we take time yesterday and why aren't we taking time this afternoon to move ahead on this kind of legislation?

Mr. President, many of the guarantees that have been included in the Patients' Bill of Rights are guarantees that were unanimously recommended by the bipartisan President's Commission on Quality Care. In fairness, I will say that the Commission didn't recommend that these recommendations necessarily be put in legislation. But if all of the HMOs had just accepted those requirements, then we would not be needing this legislation. The problem is that the good ones have it, but the others don't.

So we are saying that we want to make sure that the protections are going to be across the board. If all of the HMOs complied with the legislation, we would not need it.

But these are very sensible and responsible recommendations. Half of them have been recommended by the President's Commission, half of them by the American Association of Health Plans. We have more than half of them that are already in existence included in form of Medicare, and 32 million Americans get those protections. So they are working in the Medicare, but they are not available for other Americans. Other protections in our bill were recommended by the National Association of Insurance Commissions—again, a bipartisan group of insurance commissioners representing the States who have a pretty good understanding and awareness of what is needed.

There is not one of our recommendations—not one of them—that has not been recommended by one of those four organizations or groups. Not one.

Mr. President, what I am saying is that these protections have been well thought out. They are reasonable, they are sensible, they are responsible, and they will make a significant difference in terms of protecting the health care of the American people. Now, Mr. President, it is time to give us an opportunity to debate those and act on them.

I will wind up with these final comments. We have every professional medical organization, every nursing organization, every consumer group in the country supporting our Patients' Bill of Rights. Not one is supporting the Republican proposal. Not one. No matter how many staffers go out and search, they can't find one.

The doctors and the medical profession understand the importance of this, as well as the parents. Every children's group, every disability group, every women's group, every one of those groups support this because this is the way to protect children, the disabled, women, and families.

With all respect to the importance of the legislation that we are currently considering, we have few days left to debate the Patients' Bill of Rights. We continue to implore the Republican leadership to bring up this legislation and permit the Senate to work its will so that we can do something to protect the American consumer in health care.

Mr. President, I see my friend and colleague from Arizona on the floor. I yield the floor.

Mr. MCCAIN. Mr. President, I thank the Senator from Massachusetts for shortening, somewhat, his statement today. I appreciate it, because I know the obvious passion with which he addresses the issue.

WENDELL H. FORD NATIONAL AIR TRANSPORTATION SYSTEM IMPROVEMENT ACT OF 1998

The Senate continued with the consideration of the bill.

AMENDMENT NO. 3631

(Purpose: To express the sense of the Senate that the Secretary of Transportation should ensure the enforcement of the rights of the United States under the air service agreement between the United States and the United Kingdom known as the ''Bermuda II Agreement'')

Mr. MCCAIN. Mr. President, I have an amendment at the desk for Mr. FAIRCLOTH, Mr. HOLLINGS and Mr. HELMS.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Arizona (Mr. MCCAIN), for Mr. FAIRCLOTH, for himself, Mr. HOLLINGS, and Mr. HELMS, proposes an amendment numbered 3631.

Mr. MCCAIN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The text of the amendment is printed in today's RECORD under ''Amendments Submitted.'')

Mr. FAIRCLOTH. Mr. President, this Sense of the Senate resolution puts the Senate on record about a transportation issue in the largest city in my State.

The failure of this Administration to stand up for American carriers under our air services agreements with foreign governments is a serious issue. The unwillingness of this Administration to stand up for American interests undercuts our international position in critical negotiations and promotes intransigence amongst other parties to these negotiations.

Specifically, Mr. President, this Administration has not fought to enforce the rights of American citizens, American communities, and American air carriers.

Under the existing air services agreement between the United States and the United Kingdom, the so-called Bermuda II agreement, the United States has the right to designate a U.S. flag carrier to serve the Charlotte-London route.

On February 20, 1998, the U.S. Department of Transportation awarded this route to US Airways. US Airways announced its plans to launch nonstop service on May 7, 1998 and to compete with British Airways' monopoly on this route.

With its network at Charlotte, US Airways was prepared to offer convenient one-stop service to the United Kingdom from dozens of cities in North Carolina, South Carolina, and the surrounding area.

However, the government of the United Kingdom failed to provide US Airways with commercially viable landing and take-off rights at Gatwick Airport, London's secondary airport.

The Bermuda II agreement prohibits US Airways from serving Heathrow Airport at all. Only two U.S. carriers are allowed to serve Heathrow. I want to remind my colleagues that the British are blocking access not to the primary airport, Heathrow, but even to the secondary airport, Gatwick.

Yes, Mr. President, the British Government refused to facilitate access to its secondary airport for a competitor to the British Airways monopoly on the Charlotte-London route.

US Airways tried to obtain landing and take-off rights at Gatwick airport. The British refuse to budge. As a result, US Airways was forced to cancel its Charlotte-London service for the

high-peak summer of 1998 and for the winter of 1998–1999 as well.

The outrage is that not only was British Airways' monopoly at Charlotte preserved, but the Department of Transportation granted British Airways yet another monopoly route—between London and Denver.

That's right, while the British refused to comply with their Bermuda II obligations, our Department of Transportation gave them another monopoly route.

While the US Airways Charlotte flight remains grounded, and while the British thumb their noses at us, British Airways now has a monopoly on ten routes between the U.S. and the U.K.

This Sense of the Senate urges the U.S. Government, especially the U.S. Secretary of Transportation, to act to enforce U.S. rights under the Bermuda II agreement.

Our government seems willing to grant foreign carriers the right to serve our airports on a monopoly basis but unwilling to take a firm stand with foreign governments.

We need the Administration to ensure that our carriers have the right to serve our citizens and enforce their rights under international law.

We hear a lot of talk from the Administration these days about ''Open Skies'' with the U.K. We understand that negotiations are about to begin to achieve a more competitive marketplace.

It is critical, however, that the Secretary of Transportation first ensure that existing rights are enforced for the benefit of U.S. citizens.

The people of the Southeast have been denied the benefits of competitive service by a U.S. flag carrier to the U.K.

Surely, an Administration that refuses to enforce existing rights cannot possibly negotiate an agreement that is less than a full surrender to the British. We didn't surrender in 1776 and we will not surrender now.

Mr. HOLLINGS. Mr. President, I want to thank the Chairman and Senator FORD for their support on this issue. This is a simple matter of fairness and equity. The unreasonable and anticompetitive conduct of the United Kingdom has gone on far too long and exacted an unacceptable toll on the Carolinas.

Mr. President, the Secretary awarded the Charlotte-London (Gatwick) route to US Airways on September 12, 1997. On May 7, 1998, US Airways announced plans to launch nonstop service in competition with British Airways, providing a convenient one-stop service from dozens of cities in North and South Carolina. Unfortunately, US Airways was forced to cancel this service because of the UK refusal to provide commercially viable access to Gatwick.

It is now time for the Secretary to assert our rights and enforce the Bermuda II Agreement.

Mr. President, before the Secretary enters into negotiations on a new broad bilateral agreement, equity dictates that the Secretary must resolve this issue.

Mr. MCCAIN. Mr. President, this sense-of-the-Senate amendment is agreeable on both sides. I urge its adoption.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 3631) was agreed to.

Mr. MCCAIN. Mr. President, I move to reconsider the vote.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 3632

(Purpose: To express the sense of the Senate that the Secretary of Transportation should ensure the enforcement of the rights of the United States under the air service agreement between the United States and the United Kingdom known as the ''Bermuda II Agreement'')

Mr. MCCAIN. Mr. President, I send an amendment on behalf of Mr. DEWINE to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Arizona (Mr. MCCAIN), for Mr. DEWINE proposes an amendment numbered 3632.

Mr. MCCAIN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The text of the amendment is printed in today's RECORD under ''Amendments Submitted.'')

Mr. MCCAIN. Mr. President, this amendment has been examined on both sides. I don't believe there is further debate.

I yield the floor.

Mr. FORD. Mr. President, I have no objection on this side. This side has no objection. We are perfectly willing to let the amendment go forward.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 3632) was agreed to.

Mr. MCCAIN. Mr. President, I move to reconsider the vote.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 3633

(Purpose: To provide for criminal penalties for pilots operating in air transportation without an airman's certificate)

Mr. MCCAIN. Mr. President, I send an amendment to the desk on behalf of Mr. THOMPSON and myself.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Arizona (Mr. MCCAIN), for Mr. THOMPSON, proposes an amendment numbered 3633.

Mr. MCCAIN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in title III, insert the following:

SEC. 3 . CRIMINAL PENALTY FOR PILOTS OPERATING IN AIR TRANSPORTATION WITHOUT AN AIRMAN'S CERTIFICATE.

(a) IN GENERAL.—Chapter 463 of title 49, United States Code, is amended by adding at the end the following:

''§ 46317. Criminal penalty for pilots operating in air transportation without an airman's certificate

''(a) APPLICATION.—This section applies only to aircraft used to provide air transportation.

''(b) GENERAL CRIMINAL PENALTY.—An individual shall be fined under title 18, imprisoned for not more than 3 years, or both, if that individual—

''(1) knowingly and willfully serves or attempts to serve in any capacity as an airman without an airman's certificate authorizing the individual to serve in that capacity; or

''(2) knowingly and willfully employs for service or uses in any capacity as an airman an individual who does not have an airman's certificate authorizing the individual to serve in that capacity.

''(c) CONTROLLED SUBSTANCE CRIMINAL PENALTY.—(1) In this subsection, the term 'controlled substance' has the same meaning given that term in section 102 of the Comprehensive Drug Abuse Prevention and Control Act of 1970 (21 U.S.C. 802).

''(2) An individual violating subsection (b) shall be fined under title 18, imprisoned for not more than 5 years, or both, if the violation is related to transporting a controlled substance by aircraft or aiding or facilitating a controlled substance violation and that transporting, aiding, or facilitating—

''(A) is punishable by death or imprisonment of more than 1 year under a Federal or State law; or

''(B) is related to an act punishable by death or imprisonment for more than 1 year under a Federal or State law related to a controlled substance (except a law related to simple possession (as that term is used in section 46306(c)) of a controlled substance).

''(3) A term of imprisonment imposed under paragraph (2) shall be served in addition to, and not concurrently with, any other term of imprisonment imposed on the individual subject to the imprisonment.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 463 of title 49, United States Code, is amended by adding at the end the following:

''46317. Criminal penalty for pilots operating in air transportation without an airman's certificate.''.

Mr. MCCAIN. Mr. President, this amendment has been cleared on both sides of the aisle. I don't believe there is any further debate. I yield the floor.

Mr. FORD. Mr. President, this side has no objection to this amendment. It is long overdue. It is directed at enforcement of certificates for pilots. We think it is needed; therefore, this side approves it.

The PRESIDING OFFICER. If there is no objection, the amendment is agreed to.

The amendment (No. 3633) was agreed to.

Mr. MCCAIN. Mr. President, I move to reconsider the vote.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MCCAIN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. ROBB. 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. 3634

(Purpose: To ensure consumers benefit from any changes to the slot rule and perimeter rule at Ronald Reagan Washington National Airport)

Mr. ROBB. Mr. President, I have an amendment, and I send it to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Virginia (Mr. ROBB), for himself, Ms. SNOWE, Ms. COLLINS and Mr. GREGG, proposes an amendment numbered 3634.

Mr. ROBB. 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 41, line 22, strike the ''and''.

On page 41, line 23, strike the period and insert ''; ''.

On page 41, line 24 insert the following:

''(3) not reduce travel options for communities served by small hub airports and medium hub airports within the perimeter described in section 49109 of title 49, United States Code; and

''(4) not result in meaningfully increased travel delays.''

Mr. ROBB. Mr. President, I understand that a number of Senators could conceivably benefit from the additional flights at National. Current language in the bill directs the Secretary of Transportation to award new flights for service outside the perimeter if those flights will provide ''network benefits beyond the perimeter'' and ''increase competition in multiple markets.''

I believe this proposed test tilts the Secretary's decision in favor of consumers flying beyond the perimeter and away from considering the benefits to all consumers using this region's airports. For that reason, I am proposing an amendment to provide a more balanced approach. Consumers using the airports are not just worried about the availability of long-haul service, they are also worried about timely service and the availability of service to smaller airports.

The amendment I am offering would simply require the Secretary to consider those factors in awarding any new slots at National. Senators GREGG, SMITH of New Hampshire, GRAHAM of Florida, SNOWE, and COLLINS have agreed to cosponsor this amendment.

Mr. President, I ask unanimous consent that Senator SMITH of New Hampshire and Senator GRAHAM of Florida be added as cosponsors to the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBB. Again, Mr. President, I believe very strongly—and will have more to say later this afternoon—that it is wrong for the Congress to retreat from its promise to the citizens of this region, and I believe the changes in this bill will be harmful to the capital area's economy as well as its quality of life. If we are going to meddle in the rules governing service at National, however, we should do so in a way that is fair to all consumers.

I understand that this amendment has been accepted by the managers on both sides, and I thank the managers for their assistance. I am prepared to move it or set it aside, whichever would be the preference of either manager at this time.

Mr. SESSIONS. I must say it is not cleared on this side at this time. We would be glad to continue to evaluate that, but I am not at liberty to accept it at this point.

Mr. ROBB. I understand. With that, I ask unanimous consent that it be temporarily laid aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBB. 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. ROBB. 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. GRAHAM. Mr. President, I rise in support of the amendment proposed by Mr. ROBB of which I am proud to be a cosponsor.

This amendment addresses an issue of great importance to the State of Florida. Specifically, concern has been expressed about the weakening of the ''Perimeter Rule,'' and the availability of nonstop flights between smaller airports and Reagan National Airport. I have been in touch with representatives from Jacksonville, Ft. Meyers, West Palm Beach, and Fort Lauderdale. They are convinced that a substantial portion of the direct flights to National that operate out of these airports would eventually be eliminated because the airlines would choose the higher revenue options. A study done by the Washington Airports Task Force supports this opinion.

The study shows that if the perimeter rule was essentially eliminated or weakened by allowing exemptions, economics will drive the airlines to take that airport's capacity away from markets within the perimeter and re-apply it to the higher value markets outside of the perimeter. That means that as many as 25 cities within the perimeter would be vulnerable to loss of some or all of their nonstop service to National. The study also shows that as many as 1.6 million air travelers in 93 congressional districts could be affected.

This amendment assures that, for those communities that are served by small and medium hub airports that fall within the perimeter, travel options will not be reduced and consumers will not be subjected to increased travel delays. In addition, this legislation protects the level of service and choices for consumers in the State of Florida and throughout the country.

I hope that you can support our efforts to ensure that the aviation service in our States are not threatened.

Mr. ROBB. Mr. President, I understand that the managers are now prepared to weigh in on this particular amendment. I yield to the managers of the amendment for any comments they might like to make.

Mr. SESSIONS. Mr. President, we are prepared to accept this amendment. I know of no objection.

Mr. BRYAN. No objection on this side of the aisle.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 3634) was agreed to.

Mr. ROBB. I move to reconsider the vote.

Mr. BRYAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. SESSIONS. I suggest the absence of a quorum.

Mr. MOYNIHAN. Mr. President, I ask the distinguished manager to withhold the request.

Mr. SESSIONS. I withdraw that request, Mr. President.

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

AMENDMENT NO. 3635

(Purpose: To provide for reporting of certain amounts contributed to the Airport and Airway Trust Fund and funding of States for airport improvement)

Mr. MOYNIHAN. Mr. President, I send to the desk an amendment 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 New York (Mr. MOYNIHAN) proposes an amendment numbered 3635.

Mr. MOYNIHAN. 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 title V, insert the following:

SEC. 5 . ALLOCATION OF TRUST FUND FUNDING.

(a) DEFINITIONS.—In this section:

(1) AIRPORT AND AIRWAY TRUST FUND.—The term ''Airport and Airway Trust Fund'' means the trust fund established under section 9502 of the Internal Revenue Code of 1986.

(2) SECRETARY.—The term ''Secretary'' means the Secretary of Transportation.

(3) STATE.—The term ''State'' means each of the States, the District of Columbia, and the Commonwealth of Puerto Rico.

(4) STATE DOLLAR CONTRIBUTION TO THE AIRPORT AND AIRWAY TRUST FUND.—The term ''State dollar contribution to the Airport and Airway Trust Fund'', with respect to a State and fiscal year, means the amount of funds equal to the amounts transferred to the Airport and Airway Trust Fund under section 9502 of the Internal Revenue Code of 1986 that are equivalent to the taxes described in section 9502(b) of the Internal Revenue Code of 1986 that are collected in that State.

(b) REPORTING.—

(1) IN GENERAL.—As soon as practicable after the date of enactment of this Act, and annually thereafter, the Secretary of the Treasury shall report to the Secretary the amount equal to the amount of taxes collected in each State during the preceding fiscal year that were transferred to the Airport and Airway Trust Fund.

(2) REPORT BY SECRETARY.—Not later than 90 days after the date of enactment of this Act, and annually thereafter, the Secretary shall prepare and submit to Congress a report that provides, for each State, for the preceding fiscal year—

(A) the State dollar contribution to the Airport and Airway Trust Fund; and

(B) the amount of funds (from funds made available under section 48103 of title 49, United States Code) that were made available to the State (including any political subdivision thereof) under chapter 471 of title 49, United States Code.

Mr. MOYNIHAN. Mr. President, this is a simple proposal to obtain numbers about a Federal program as regards the respective States. As a member of the Committee on Environment and Public Works for the last 22 years, I served as chairman, at one point, and handled a number of highway bills, as we call them, transportation bills, and have been involved with negotiations with the House in these matters.

One of the subjects that comes forward continuously is the payments by respective State residents, or persons passing through a State, into the highway trust fund. This was established in 1956 by President Eisenhower, under his administration, on the recommendation of a commission headed by General Clay, with the previous Speaker, Mr. Wright of Texas, as one of the persons animating the effort in the Congress. There was a source of funding for the Interstate and Defense Highway Program. Indeed, there was, and we have very successfully finished that program and we continue to fund transportation projects across the Nation with those revenues as they come in.

Now, in 1986 we established the airport and airway trust fund. It is a ticket tax and other taxes. It brings considerable revenue, as anyone who has recently ridden on the Washington-New York shuttle can attest. In fiscal year 1998, we estimate that $4.5 billion was collected in ticket taxes.

However, we have no State-by-State analysis of the dollar contributions. Inevitably and properly, the moneys are used by the Federal Aviation Administration to provide airport projects around the Nation, but with no accounting for the relative contributions of the different States with the thought that there be some proportionality as to the return to the States. I say ''some''—nothing precise, nothing is proposed in this amendment to make such a proportionality requirement. Indeed, it is not desired.

Public policy on transportation should follow the needs of transportation, and yet it is reasonable to assume that Senators and Representatives will expect some relationship between what their State provides and what it receives. That may now take place; it may not take place. The answer is we don't know.

The most normal function of government when it collects a tax is to record the origins and the specifics of the revenue stream. There will be some difficulty doing this. It is tricky. A good number of airline tickets are now purchased on the Internet as opposed to travel agents or at the airport. These are methodological problems which the Treasury is entirely capable of dealing with through sampling and other devices. This amendment quite specifically says, ''as soon as practicable after the date of enactment of this act and annually thereafter,'' that the Secretary of the Treasury will report to the Secretary of Transportation.

The term ''as soon as practicable'' gives the Treasury the leeway it requires to get these numbers and break them down. It is routine government. It is good government. It is an opportunity to avoid a great deal of misunderstanding and discord in the committees involved and on the floor as we ask how appropriate, and in a general sense, how fair the use of these funds is—the allocation of these funds once they have been obligated through taxation.

Accordingly, I hope the Senate can approve this amendment.

Mr. President, I respectfully inquire of the managers whether this straightforward measure could be accepted and spare the Senate the time.

Mr. BRYAN. If I might respond to the inquiry from my friend, the distinguished Senator from New York, I am informed at this point we are not able to accept the amendment. The floor leader is absent from the floor temporarily and will return shortly. Perhaps the Senator may be able to engage in a conversation with him and the distinguished Senator on the other side of the aisle as to working out this point. I am not able to give the distinguished Senator the assurance that he needs that we can approve it.

Mr. MOYNIHAN. My friend from Alabama?

Mr. SESSIONS. I thank the distinguished Senator.

This amendment has just been presented and is now being seen by the managers. I think both sides of the aisle have expressed some concerns, so we will have to study it some more.

Mr. MOYNIHAN. In that regard, Mr. President, I wonder if I could, with the understanding of the managers, ask for the yeas and nays with the understanding that if the managers, after consideration of this very simple proposal, decide that it is acceptable, when that moment comes when this amendment comes up after 5 o'clock, that the yeas and nays be vitiated and the amendment be accepted; if not, we will have a vote.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. MOYNIHAN. Once again, if on further consideration the managers would like to accept the amendment, we will vitiate the vote when the time comes.

I thank the Chair, and 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. GRAMM. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. GORTON). Without objection, it is so ordered.

Mr. GRAMM. Mr. President, I ask unanimous consent to speak as in morning business for 25 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE HEALTH CARE SYSTEM

Mr. GRAMM. Mr. President, about an hour ago, our dear friend, Senator KENNEDY from Massachusetts, came on the floor to talk about health care and, like Goliath of old, challenged us to respond to his cry to allow him to dramatically change our health care system. Since it appears that there is a break in the legislative action,—-I see no one standing around waiting to speak or amend—I thought I would make Senator KENNEDY's day, so-to-speak, by coming over and responding to him.

Mr. President, there are several points I want to make and I will try not to belabor any of them. First of all, there is something to be said about having an institutional memory. I would like to take our colleagues, at least those who are now eager to remake our health care system in their ideal image, down memory lane, and remind them that it was only in 1993 that President Clinton and Senator KENNEDY told us in a debate, which lasted for 18 months in the Senate, that they knew how to solve our health care problem.

Our health care problem, in 1993, according to President Clinton and Senator KENNEDY, was an access problem, that 40 million Americans did not have health insurance, and their solution was to have the Government take over and run the health care system and create one giant HMO that I think they called a ''health care purchasing collective.'' All Americans were going to be forced into one giant Government-run HMO, and the benefit we were going to get from it was that everyone

would be covered. The cost of it, obviously, was that we would lose our right to choose.

Now, in that program, no one had the right to sue the Government based on poor medical treatment. They had the right that you have under current law to sue an HMO if they violate their contract. But we were told in 1993 that the problem was access to health care, and that the right to choose your own doctor, the right to choose your own hospital, and the right to sue was not important. What was important—in the words of Senator KENNEDY and the President, which still ring in our ears —was ''access.''

Now, here we are 5 years later and we are now being told that the problem is not access, the problem is not that 40 million Americans are having trouble paying for health insurance, and that in fact we should take action to make millions more unable to pay for their health insurance; we are now being told that the problem is that HMOs limit choice.

Now, Mr. President, I can't help but be struck by the fact that the same people who, 5 years ago, said the problem is access and we should sacrifice choice by putting everybody into one giant Government-run HMO called a ''health care collective,'' and that we should limit the ability of people to sue in the name of access—those same people are now saying that the problem is that HMOs limit choice. Specifically, they are saying the problem is that, under current law, you can't sue an HMO.

The only point I want to make—and I think it is a very important point—is that, 5 years ago, the President and Senator KENNEDY loved HMOs. They loved them so much they wanted to put every American into one, regardless of their circumstances, and not allow anyone, under punishment of law, to buy health care outside the system. They wanted to have everyone in one giant Government health care HMO called a ''health care collective.''

Now, they don't love HMOs anymore. Then they cared about people having health insurance, and now they don't care about people having health insurance. In fact, under their bill, even under the most conservative estimates, hundreds of thousands, millions of families will lose health insurance. Suddenly, they don't like HMOs, and they want to protect people from the very same health care system that they wanted to impose on the Nation on a mandatory basis just 5 years ago.

Now, what is their real objective? We all know their real objective because, one thing about them—and they are not trying to hide it—is that they really believe the Government ought to run the health care system. We know what their ideal plan looked like; we had it 5 years ago. By the way, it looked very menacing. We had about 70 Members of the Senate who were cosponsoring these Government-run health care collectives. It looked like a 20-foot tall giant until, finally, a few Members of the Senate went up and stuck a pin in its big belly and it deflated. People realized that when their mama got sick, she was going to have to talk to a bureaucrat instead of a doctor, so we killed the Kennedy–Clinton health care plan.

Well, they are back. Since we are not going to let them run the health care system, they have decided they are going to tell the private sector how to run it.

Let me address the problems with HMOs. Let me say that, unlike the President and Senator KENNEDY, I never was in love with their idea of an HMO. I was opposed to forcing people, on a mandatory basis, to go to a Government-run HMO. I want people to have choices. Now, Senator KENNEDY says these HMOs are bad, but he doesn't want to give people the power to fire them, which I want to do. He wants to give people the ability to sue them.

I want to give people the ability to have real choices. That is what our bill is about.

Let me try to define the problem. I want to define it generically, and then I want to talk about the problem as people see it. Then I want to talk about Senator KENNEDY's solution and then about the Republican solution.

Here is the real problem. HMOs have grown like wildfire because of exploding medical costs. Under our old medical system, which we all loved and which was wonderful, except for one thing—nobody could afford it—with fee-for-service medicine and low-deductible health insurance policies, we all bought health care where somebody else paid for it.

Under our old health care system, if you went to the hospital, somebody else paid 95 percent of your bill. Sometimes that was private health insurance; sometimes it was Medicare; sometimes it was Medicaid; sometimes it was indigent care. But the bottom line was, under our old fee-for-service health care system where Americans with Medicaid, Medicare, and private health insurance had a third party paying, when you went to the hospital somebody else paid 95 percent of your costs.

Can you imagine if we had grocery insurance, so that when we went to the grocery store 95 percent of everything we put in our basket was paid for by our grocery insurance? We would all eat differently, and so would our dogs. Grocery stores as we know them wouldn't exist. They would have 20 times as many people working at the supermarket as they have now. They would have all kinds of luxury foods and prepared foods. And we would all love the grocery store, and we would all hate our grocery insurance bills.

That is the situation we were in. Government, as usual, did nothing about it. In fact, Government policy made all those problems worse. Then the private sector started to move to solve the problem. And one of the innovations was the development of the HMO. People have gone into HMOs, through their jobs, by the millions because they are cheaper, because they exercise more judgment in spending and because they make health care more affordable.

But there is a problem. The problem is that the way the HMOs control cost is by exerting influence over the health care you consume. Here is the problem with our national psyche. The problem is, we all want the benefits of cost control, but we don't want to bear the burden of having the cost control imposed on us and our family. We want the lower rates of the HMOs. We want to make the HMOs give us whatever we want, but we don't want them to charge us more to pay for it.

In other words, as usual, we want a free lunch. We want something for nothing. But that can never be, because one of the things God decided a long time ago is, you can't get something for nothing. If you drive up costs, you have to pay for it ultimately.

Here is Senator KENNEDY's definition of the problem, and here is his solution.

His definition of the problem, which millions of Americans identify with—and so do I—is when you go to see your doctor and you are a member of an HMO, when you go into the examining room, the HMO has its gatekeeper in the examining room, in essence, making decisions with your doctor as to what you need.

We don't want somebody else in our examining room. When we go into the examining room with the doctor, we want to be alone with the doctor. The problem is, with HMOs, one of the prices we pay for lower cost is having a gatekeeper involved in our health care, which almost literally means having a third person in the examining room.

What do Americans want, and what does Senator KENNEDY want?

Americans want to get the gatekeeper out of the examining room. They want to be alone with their doctors. What Senator KENNEDY says is, ''OK, you do not like having a gatekeeper in your examining room. So what we will do is this.''

If you will adopt Senator KENNEDY's bill, he will bring into the examining room a Government bureaucrat, whom he will choose, who will be there to regulate the gatekeeper and your doctor. And then you will get to hire with your money a lawyer, who can be there to watch the doctor and the gatekeeper and to be there to sue them on your behalf.

I thought it would be instructive to take a simple medical device, the stethoscope, invented by the ancient Greeks and used to this day to listen to people's hearts, and demonstrate graphically what Kennedy–Care looks like. What Kennedy–Care looks like is this stethoscope.

When you go into the examining room, under Senator KENNEDY's program, you are at this end—this part

right here where they put that right up against your heart. So that is where you are. Then your doctor has one set of earpieces so that he can listen to your heart and determine if something is wrong with you.

Then the problem everybody is concerned about is, the HMO has a gatekeeper there with his stethoscope next to your heart listening to your beat, second-guessing your doctor.

What you would like to do is cut this part of the stethoscope off. That is what every American who is a member of an HMO would like. But what does Senator KENNEDY do? He adds another stethoscope for the Government bureaucrat that he is going to choose. So the Government bureaucrat is going to be listening to your heartbeat, second-guessing the HMO, and second-guessing your doctor, and trying to tell them both what to do.

In addition, Senator KENNEDY lets you hire a lawyer to come, and gives him another stethoscope.

So here you are. What you wanted was to be alone with your doctor. But now, under the Kennedy plan, you are in the examining room not only with your doctor and the HMO gatekeeper, but also with a bureaucrat chosen by Senator KENNEDY, and a lawyer, whom you pay for. So there you are, and there are four people in the examining room with you, three of whom you don't want.

It is Senator KENNEDY's solution to the problem.

You wanted to get rid of the gatekeeper. But he keeps the gatekeeper, because he doesn't give you the ability to fire the HMO, but he sends his bureaucrats in and then takes your money to hire you a lawyer. Suddenly, you have four people in the examining room with you and you are three times as unhappy as you were before.

That is not the solution that most Americans have in mind.

What is the solution they have in mind? The solution they have in mind is what I call ''medical savings account care.'' Under our program, which is embodied in the Republican alternative, this is what the stethoscope looks like—again, exactly like the Greeks designed it.

Here you are. The doctor is listening to your heart. Here is the doctor. But you have gotten rid of the HMO gatekeeper. You didn't have to hire Senator KENNEDY's bureaucrat. You didn't have to hire Senator KENNEDY's lawyer. What you have is simply you and your doctor.

That is what people want.

How do we do it?

I conducted an interesting experiment the other day and I want to show you a chart and share the results with you today. I took a page of medical providers out of the Yellow Pages. I called up, and asked them if they were part of the largest HMO in Washington, Kaiser HMO. Then I asked if they were part of the largest preferred provider organization. That is Blue Cross, PPO. Then I asked them about the Republican solution, which is based on medical savings accounts, and I will explain more about them in a minute.

The Republican bill—I want to congratulate our leader, DON NICKLES, and the members of our task force who put together an excellent bill that deals with the legitimate concerns that Americans have about HMOs. But we do more on that to try to deal with HMO abuses, because we give people the power to fire their HMO—something Senator KENNEDY does not do. He gives you the power to have a Government bureaucrat oversee your HMO, gives you the power to have a lawyer to sue them, but he doesn't give you the power to fire them.

Now, in addition to dealing with the legitimate concerns about HMOs, we did something so much better, and that is we brought freedom into the Patients' Bill of Rights. What are the Bill of Rights about if they are not about the right to choose. So we create real medical savings accounts, and here is how they work. Let's say I have two children, which I do, and I have a wife. And I am grateful for the children and my wife. I buy the standard option Blue Cross/Blue Shield, and it costs my employer about $4,000 a year. Now, I could buy that same coverage, if it had a $3,000 high deductible, for just $2,000 a year. That is because the first $2,000 of medical costs are prepaid medical expenses rather than insurance.

So under our bill, people would have the right—no one would make you do it, but you would have the right to choose a medical savings account. What it would mean, especially for young couples with a moderate income, is that you could at a low cost buy a high-deductible policy to protect your family in case something really bad happened and yet you could still afford it.

The way it would work is your company, which is currently buying you a $4,000 Blue Cross/Blue Shield standard option, low-deductible policy, would instead buy for $2,000 the high-deductible plan and then deposit the $2,000 it saves into your medical savings account. With that $2,000, and the $1,000 you would normally spend on both health premiums and out of pocket medical expenses, your medical savings account would have $3,000 to pay for all your health care expenses up to $3,000. Any further medical expenses above $3,000 in a year would be covered by your high-deductible insurance.

Now, there are two reasons why this is important. One, at the end of the year, if you had not spent that $3,000 in your medical savings account on medicine, it is your money. If you go to the doctor and you say, I have a terrible headache, and the doctor looks at you, examines you, and he says, look, you probably have a headache and you have two options: One, I can give you two aspirins and it will probably go away, or I can give you a brain scan that will cost $1,000. If you take the two aspirins and it doesn't go away, you can come back tomorrow and I can give you the brain scan. With the medical savings account, since you get to keep that $1,000 if you don't spend it on a brain scan, you will see more rational economic decisions. You will probably ask the doctor what he really thinks, and in all probability, you re going to take the two aspirins and come back tomorrow if the headache is not gone.

On the other hand, under Senator KENNEDY's plan, if you have low-deductible insurance, you will say, well, does this brain scan hurt? And they will say, no, it doesn't hurt at all. In fact, it is very interesting. You can actually watch it. You might say, great, let's have the brain scan.

The point is, if I am spending my money I behave differently than if I am spending someone else's money. But under the medical savings account, at the end of the year, if all I had was a headache, I am $1,000 better off in my pocket—to send my children to Texas A&M or to go on a vacation or buy a refrigerator—if I went with the two aspirins and I didn't need the brain scan. But the most important thing about our medical savings accounts is I get to choose.

Now, let me get back to my experiment. I took a page out of the Yellow Pages. In my Yellow Pages test on the Kennedy health care plan and the Republican health care plan, I decided to give him the benefit of the doubt and assumed that everyone was in the biggest HMO in Washington. Many people won't be. Or let's say everyone went with the most popular preferred provider organization, the Blue Cross/Blue Shield PPO. So what we did was, starting with Ginsberg, Susan M. Ginsberg, M.D., at 106 Irving Street, NW, 723–4015, we went through and called each of these physicians and we asked them three questions: One, Do you participate in the Kaiser HMO?

Ten of them did. So if I were a member of the Kaiser HMO, I could see one of their doctors. If I could get to see somebody under the Kennedy plan, I would even have a Government bureaucrat in the examining room with me sharing my intimate experiences, along with a gatekeeper at Kaiser, but only 10 doctors of the 28 on this list would see me under the Kaiser HMO plan.

Now, if I had the Blue Cross PPO, 17 physicians that are listed on page 1017 of the Yellow Pages, 17 of the 28 physicians would take Blue Cross/Blue Shield. But then we asked them another question. We asked these physicians if they would take a check from a medical savings account. Golden Rule is a just one company that offers these MSA checking accounts. When you go to the doctor, you simply pay with your MSA check.

Then you have, through Mellon Bank with MasterCard, a MasterCard medical savings account. The way it works is you don't call up any gatekeeper. You don't say, do you take my preferred provider? Or, do you participate

in this HMO? You simply call up and say, do you take MasterCard? And through the medical savings account at Mellon Bank you can get a MasterCard for participating in the program. And then there is Health Value, which has a medical savings account through Visa.

I performed an additional experiment. After we had asked them, Do you take Kaiser HMO, and 10 of the 28 did; Do you take Blue Cross preferred provider, and 17 of the 28 did. Then we said, Do you take Visa? Every one of the 28 took Visa. Do you take MasterCard? Every one of them took MasterCard. If I have identification, do you take a check? Every one of them took a check.

Now, there is the power of real freedom of choice. The freedom of choice is you do not have to go to an HMO. You do not have to go to some preferred provider. You do not have to appeal to an outside appeals board. You do not have to file a lawsuit. You do not have to have a Government bureaucrat. All you have to do is pick up the phone and call the doctor or the specialist you want and say, ''Dr. Goldbaum, do you take MasterCard?'' If he takes MasterCard, you don't care whether he is on somebody's preferred provider list or whether he is a referral specialist. He is your primary care physician, if he takes MasterCard.

What our proposal does is set people free to choose. Senator KENNEDY and the President hate medical savings accounts. They respond to medical savings accounts the way vampires react to a cross. And the reason is simply this: They understand that medical savings accounts empower people. And once somebody has a medical savings account, they do not want a Government bureaucrat. They do not need a lawyer. And if they need one, they can go into court and hire the lawyer. They do not have to fool around with gatekeepers. They just simply pick up the phone and dial William D. Goldman, Pediatrics-Adolescent Medicine. He could be a referral doctor for Kaiser or Blue Cross/Blue Shield. But they call up Dr. Goldman, and they have one simple question for Dr. Goldman: ''Dr. Goldman, do you take Visa?'' If Dr. Goldman takes Visa, they are in. We set them free to choose.

Now, Senator KENNEDY and the President understand that if we ever have medical savings accounts that will work, their idea of having the Government taking over and running the health care system of America is dead. It will never be brought back to life. So they do not like this provision in our bill. But the wonderful thing about it is we do not make people buy medical savings accounts. Many people love HMOs. My mother-in-law participates in an HMO and loves it, and she ought to have the right to choose it. Many people love preferred providers. All we do is make it possible for people to have real choice so if their baby is sick and they want to get in to see a specialist, if they want to see William D. Goldman, pediatrics and adolescent medicine, they don't go to a gatekeeper; they just pick up the phone and say do you take MasterCard? He does? They are in.

Senator KENNEDY tells us that he wants to vote on health care. I find it very interesting that we have offered him the ability to present to the Senate his plan, change it any way he wants to change it—put two Federal bureaucrats in every examining room, hire five lawyers, whatever works for him—develop the best system he can develop for America, we will not try to change it. We will not try to be mischievous and offer an amendment to it. He tells us how to fix the health care system. And then the Republican Task Force, of which I am a proud member, will present our alternative and what will happen is we will let people choose.

Senator KENNEDY, knowing we are in session for 10 more days—I ask unanimous consent for 5 additional minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRAMM. Senator KENNEDY, knowing we are in session for only 10 more days, wants to do all these amendments. He wants to amend our proposal. We do not want to amend his proposal. All we want to do is give people a choice. We think we have a better way. He, obviously, thinks highly of his plan. It is much closer to the world as he sees it.

What we are saying is, if he really wants to vote on his plan, we can have a vote this afternoon. But what we want to do, instead of getting into all these games with only 10 days left where we try to amend each other's plan and mess it up and end up with something nobody in the world wants, what we have offered, and very generously offered as the majority—I don't ever remember it happening when we were the minority on a major bill—we have offered to Senator KENNEDY, you take your health care plan and you write it exactly as you want it and you offer it and we will vote on it. And if you get 50 votes, you can get the Vice President to come over, break the tie, and you are in. You can put a Government bureaucrat in every examining room, you can have people hire lawyers, you can do it however you want to do it. But we think we have a better way.

What we would like to say to Senator KENNEDY is, we will give you a vote on your plan, and then you give us a vote on our plan. If we win and you do not, then we go forward with our bill. If you win and we don't, we go forward with your bill. But I am afraid there is a growing suspicion—I would never say this because I try to never be suspicious of people's motives—but there are some people who believe all of this discussion about health care is political. There are some people who believe that Senator KENNEDY does not really want his bill voted on because he knows it is not going to pass. Some suspect he knows some of the Democrats are not going to vote for it. And I believe he suspects our proposal would pass.

But the point is, if we really want to vote on health care with just 10 days left, let's stop all the games; let's let the Democrats sit down in a room and write the best plan they can write and we will not try to amend it. We will not try to stall it. We will let them bring it forward, tell us why it is the right idea, and we will vote up or down. Then we would like to have the same right on our plan, and if we are successful then we can go to the House very quickly, work out our differences, and let the bill go to the President. If we really want to do something about health care, that is what we need to do.

Finally, before my time runs out, I want to simply say that I believe that a lot of work has gone into this issue. I will congratulate Senator KENNEDY and others for raising the issue. I think we have a better way, as Republicans. I think our bill is better. I think it gives more choice. I congratulate Doug Badger, who has been the staff director who, through some 25 meetings, has helped us put together, with Senator NICKLES' leadership, what I believe is an excellent program. I would be happy for our program to become law.

But we have 10 legislative days left. If we want to have any opportunity to do something about health care, there is only one way: the Democrats put together their best bill. If that is Senator KENNEDY's bill, that is fine. If they want to change his bill, we are not going to interfere because we are not trying to make mischief. But we have a better way which we think will improve health care in America. We think it will make HMOs more responsive. We think it deals with legitimate concerns without denying millions of people access to health care because they will not be able to afford it, and it gives people the freedom to choose.

Remember the Yellow Pages test. On the Yellow Pages test, if the Republican plan passes and you want a medical savings account—you can have one, but nobody makes you get one. You can do a HMO, you can do Blue Cross/Blue Shield, you can do whatever you want to do. But if you want to choose for your family, we put you in a position so when you call up Seth Goldberg—who is ear, nose, throat, facial plastic reconstructive surgery—you don't have to go through a gatekeeper, on the Republican plan. You just call up Dr. Goldberg and say, ''Dr. Goldberg, I wanted to come see you but I had to ask you a question.''

So Dr. Goldberg gets out his big file and he figures we are about to ask him do you participate in the Joe B. Brown HMO, and he is going to look it up and see if he does. We just simply say, ''Dr. Goldberg, will you take a check?''

He is going to say, ''Yes.'' And when he says yes, if your baby has a throat problem, you are going to get to see a specialist and you are not going to have to go through a gatekeeper.

Senator KENNEDY will let you sue if the gatekeeper says no, and he will have a Government bureaucrat there, with your child, if you ever get in to see the ear, nose and throat specialist. But the point is, if your baby is sick and your baby has a 104-degree fever, you don't care about suing. You want to go to see Dr. Goldberg.

Our plan gets you in the door. Our plan gets your baby medical attention because it empowers you. Hallelujah.

The PRESIDING OFFICER. The time of the Senator has expired. The Senator from North Dakota.

Mr. DORGAN. Mr. President, I ask consent to speak in morning business for 3 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DORGAN. Mr. President, I will shortly offer an amendment to the FAA bill on the floor. But I could not help but listen to my colleague from Texas. I should not frame it that way, I ''could not help but listen to him.'' I was here and listened to him, and I couldn't help but have a desire, an urgency to respond to some of it. I shall not do that now, but reserve the time later.

I notice he talked about the KENNEDY plan. He is probably talking about the plan that is embraced by hundreds of organizations in this country, by the President, by the American Medical Association, and others who believe that health care ought to be practiced in a doctor's office or in a hospital room, not by some insurance accountant 500 miles away, and who understand the stories we have told on the floor of the Senate about a little boy had cerebral palsy whose HMO says this boy only has a 50 percent chance of being able to walk by age 5, and that is insignificant, and therefore we will not give this young boy the kind of therapy he needs. That decision was not made by a doctor. The doctor of that boy recommended therapy. That decision was made by an accountant, and had everything to do with an HMO's bottom line, not health care. That is the issue.

The issue is, do patients have a set of rights here? Do patients, when sick, and who present themselves to a doctor and hospital, have a right to know all of their medical options? Or do they have a right to know only the cheapest medical option?

Does a patient have a right to be taken to an emergency room when they have just broken their neck? I will give you an example of somebody who broke their neck, went to the emergency room, unconscious, and the HMO said, ''We can't pay for that because you didn't get prior clearance.'' That is health care? That is a decision a doctor would make? I do not think so.

That is why doctors across this country, health care professionals across this country, and increasing numbers of people who have been herded into these shoots called ''managed care,'' 160 million of them are now saying, there needs to be some changes here.

Health care ought to be practiced in the doctor's office, in a hospital room. I understand there is great passion about this issue. I hope this Congress will address this issue. The Senator from Texas proposes a way to address it. ''We have a bill; they have a bill. We have a vote; they have a vote.''

What about regular order? Why does the Senator from Texas propose that we not have regular order? Bring your bill to the floor—we have amendments, they have amendments—vote on the amendments one by one. How do you propose to deal with emergency care? What about the choice of specialists when you need it? What about the ability to know all of your medical options? What about the issue of bringing managed care to the floor of the Senate, a Patients' Bill of Rights—any version—and then having votes, amendment after amendment after amendment?

WENDELL H. FORD NATIONAL AIR TRANSPORTATION SYSTEM IMPROVEMENT ACT OF 1998

The Senate continued with the consideration of the bill.

Mr. DORGAN. Mr. President, I ask to be recognized to offer an amendment to the underlying bill.

The PRESIDING OFFICER. The Senator is recognized.

The pending business is the Moynihan amendment.

Mr. DORGAN. I ask unanimous consent to set aside the current amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 3636

(Purpose: To facilitate air service to underserved communities and encourage airline competition through non-discriminatory interconnection requirements between air carriers)

Mr. DORGAN. 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 North Dakota [Mr. DORGAN], for himself, Ms. SNOWE and Mr. WELLSTONE, proposes an amendment numbered 3636.

Mr. DORGAN. 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 new section—

SEC. . NON-DISCRIMINATORY INTERLINE INTERCONNECTION REQUIREMENTS

(a) IN GENERAL.—Subchapter I of chapter 417 of title 49, United States Code, is amended by adding at the end thereof the following:

''(a) NON-DISCRIMINATORY REQUIREMENTS.—If a major air carrier that provides air service to an essential airport facility has any agreement involving ticketing, baggage and ground handling, and terminal and gate access with another carrier, it shall provide the same services to any requesting air carrier that offers service to a community selected for participation in the program under section 41743 under similar terms and conditions and on a non-discriminatory basis within 30 days after receiving the request, as long as the requesting air carrier meets such safety, service, financial, and maintenance requirements, if any, as the Secretary may by regulation establish consistent with public convenience and necessity. The Secretary must review any proposed agreement to determine if the requesting carrier meets operational requirements consistent with the rules, procedures, and policies of the major carrier. This agreement may be terminated by either party in the event of failure to meet the standards and conditions outlined in the agreement.

(b) DEFINITIONS.—In this section:

''(1) ESSENTIAL AIRPORT FACILITY.—The term 'essential airport facility' means a large hub airport (as defined in section 41731(a)(3)) in the contiguous 48 states in which one carrier has more than 50 percent of such airport's total annual enplanements.''

(c) CLERICAL AMENDMENT.—The chapter analysis for chapter 417 of title 49, United States Code, is amended by inserting after the item relating to section 41715 the following:

''41716. Interline agreements for domestic transportation.''.

Between lines 13 and 14 on page 151, insert the following—

''(d) ADDITIONAL ACTION.—Under the pilot program established pursuant to subsection (a), the Secretary shall work with air carriers providing service to participating communities and major air carriers serving large hub airports (as defined in section 41731(a)(3)) to facilitate joint fare arrangements consistent with normal industry practice.''

Mr. DORGAN. Mr. President, as I indicated when I spoke previously on this bill, I think Senator MCCAIN and Senator FORD have done a remarkably good job on this piece of legislation, and I appreciate their work so much. And I think many involved in airline issues in this country, such as safety and so many other related issues, feel the same way. This is an important piece of legislation, and we very much appreciate their good work. I think both of them will be on the floor shortly, but I did want to offer the amendment and begin a discussion of it.

Let me first describe why I felt a requirement to offer an amendment of this type. I offered an amendment similar to this in the Commerce Committee and lost by a vote of 11–9. It is interesting to me. I always remember the exact vote when I lose—11–9—and somehow that sticks with me, because I understand why I lost: there are people who view these issues differently.

My concern here is about competition in the airline industry. I know about competition. I come from a town of 300 people. I grew up in that town. I was in a high school class of nine. We had one blacksmith. We had one doctor. We had one barber. We had one of almost everything. Actually, we had a couple of bars. I guess that is probably typical of a lot of small towns. But we had one of most things. I understand that.

The fact is, most of the people who had their exclusive services that they

offered in my hometown always priced their service in a very reasonable way. Go to the barber and the haircut was just very little cost. Same was true with the blacksmith. But then, as I left my small hometown in southwestern North Dakota and started studying economics and lived in some big cities and went off to graduate school and so on, I began to understand that is not always true in our economy. When you have one entity providing a service or a commodity, it is not always true that they will always price that service in the public interest. Sometimes they will price it in their interest.

I began to understand what monopolies were. I studied economics. Actually, I taught economics for a couple years in college. And I have told people I was able to overcome that experience, nonetheless. But I understood about economic concentration, market dominance.

Then I watched what has happened in the airline industry in the last 20 to 30 years. I understood some of the things that I had studied and learned and understood something in the field of economics relates to what we are experiencing in this country in the airline industry.

In 1938, when the Federal Government began to regulate air transportation, there were 16 carriers—16 carriers—who accounted for virtually all of the air traffic in our country. It was a pretty primitive system back then. If you looked at those airplanes now down at the Smithsonian Institution you would say, ''Gee, I'm not sure I would want to ride very far in those airplanes,'' but people did. Sixteen air carriers accounted for the total traffic in our U.S. domestic market.

By 1978, 40 years later, the year that Congress passed something called deregulation of the airlines, those same 16 carriers had reduced to 11. They were merged. A couple went out of business. So you had 11 carriers. Those 11 carriers accounted for 94 percent of all the airline business in the country.

Today, those 11 carriers have been reduced to seven airline carriers because of mergers, a couple bankruptcies—a lot of mergers. Those seven now account for over 80 percent of all the total traffic. American Airlines, Continental Airlines, Delta, Northwest, United and USAir—they account for 95 percent of the total air traffic in the domestic U.S., with their cochair partners.

Since deregulation, 1978, it was estimated that we have had about 120 new airlines appear. And then about 200 different airlines have disappeared, appeared, disappeared, merged, been purchased. But we do not have more competition after deregulation; we actually have less competition.

Between 1979 and 1988, there were 51 airline mergers and acquisitions. Twenty of those were approved by the Department of Transportation after 1985 when it assumed all the jurisdiction over mergers and acquisition requests. In fact, the Department of Transportation approved every airline merger that was sent to it. You do not need a human being to do that. You do not need somebody that breathes and lives and eats breakfast; all you need is a big rubber stamp. If we are going to have a Department of Transportation that will say, ''Gee, no merger is too big. No merger's consequence is too significant for market dominance. We'll just stamp 'approve' with a big, big ink pad and a big stamp,'' we don't need to pay anybody any significant amount to do that kind of Government work. Every airline merger submitted to it was approved.

The 15 independent airlines operating at the beginning of 1986 had been merged into six megacarriers by the end of 1987.

The father of deregulation, Alfred Kahn, testified recently at one of our hearings. He said that he had great disappointment in the industry concentration because he said it perverted the purpose of deregulation. And he pinned most of the blame on mergers and the Department of Transportation's approval of all of these mergers.

What has happened is that these megacarriers—I will probably describe in a moment ''megacarriers''—have created competition-free zones in effect, securing dominant market shares at regional hubs.

Let me describe a couple of these.

Atlanta: Atlanta is a big, old city. If you go down to Atlanta, Atlanta is bustling. It has an economy that is vibrant, a huge city, big airport, a lot of folks coming and going, a lot of traffic. One airline has 82 percent of all traffic in and out of the airport in Atlanta.

Why would that be the case? A city that big, that vibrant, an economy that strong, one airline virtually dominates the hub? Why? Because that is the way the airline companies have sliced up the pie.

Charlotte: One airline, 92 percent in and out of Charlotte.

Cincinnati: One airline, 94 percent.

Dallas-Fort Worth, a big city: One airline, 72 percent.

Denver: One airline, 74 percent,

Detroit: One airline, 82 percent.

Well, I do not need to go through all of them, but you get the picture. This is not exactly the picture of a robust American economy in which there thrives aggressive, interesting competition, one company competing with another for the consumers' business, deciding ''I'll offer a better product. I'll offer a lower price.'' That is what competition is about.

Most businesses understand competition. The airlines have constructed a series of regional hubs which have dominance for major carriers, and then they retreat from the kind of competition you would have expected.

That is my way of describing my criticism of where we find ourselves. I would like to infuse some competition here.

I would like to see if we can find ways to say to the major carriers, ''We need more competition.'' The consumer deserves more competition, the consumer deserves more choices, and the consumer deserves lower prices with respect to airlines.

We have had plenty of studies about this issue. I come from a sparsely populated State, and deregulation has affected us in a much more detrimental way than in other parts of the country. Here are some studies—just a few—that describe deregulation and its impact on small States and rural economies: Airline Competition, Industry Operating and Marketing Practices Limit Market Entry; Trends and Air Fares at Airports in Small- and Medium-sized Communities; Fares and Competition at Small City Airports; Effects of Air Competition and Barriers to Entry. The list goes on and on, study after study.

We don't need to study this. We know what is happening. We know what has happened. Most of us know what should happen. We should do something to help provide competition, certainly in areas that are underserved. For areas that used to have service but don't now have jet service, we ought to find some way to allow that service to exist. I have produced a piece of legislation that I think will do that.

I mentioned that we had an airline shutdown as a result of a labor strike recently. That shutdown was very inconvenient to a lot of people, but it was much more inconvenient to my State. Just prior to deregulation, we had five airline companies flying jets in and out of my State. Now we have one. That one happened to shut down as a result of a labor strike. At 12:01 a.m. on August 30, there were no more jet flights in and out of our State. It was devastating to North Dakota, to the passengers, and to the economy.

That kind of dominance by a carrier I admire. I think the carrier that serves our State is a wonderful carrier. It has some labor problems and other issues, but the fact is, they fly good planes and they have been serving North Dakota for many, many decades. I hope they will continue to serve many decades. I have told their president that one day there will be another carrier and some competition. Although I hope to get them some competition, I want them to stay there because they are a good airline carrier.

But I also want to plug some holes in service that does not now exist, that should exist, and used to exist. For example, a State like North Dakota, for 35 years, had jet service connecting North Dakota to a hub in Denver, CO. After 35 years, that jet service was gone. We no longer have jet service to Denver, CO. The only way a jet service can exist between North Dakota and Denver, CO, is if you have a regional jet service that starts up and can cooperate with and have interline and other agreements with the major carrier that dominates in Denver. We had

a company that started and tried to do that, but, of course, the major carrier in Denver said, ''We want nothing to do with you; we don't want to do interline agreements with you.''

So the only passengers they could haul were the passengers going from North Dakota to Denver. In fact, 70 percent of our people were going beyond Denver. They were flying North Dakota to Denver to Phoenix, to Tulsa, to Tucson, to Los Angeles, to San Francisco. That airline pulled out because they couldn't make it. The large carriers will coshare with each other, they will do all kinds of interline agreements with each other, but they don't want regional jet service to start up and flourish in these regions.

I don't understand that. It seems to me it would benefit them to have regional jet service startups.

However, I proposed something I hope will address this issue in the Commerce Committee that lost 11–9, as I mentioned before. I have modified that substantially now. But even with those modifications, it embodies the principles I am trying to establish: the opportunity for new regional jet service carriers to compete in a regional market by encouraging agreements between new regional jet carriers and large airlines with respect to a number of items—gates, baggage, and other issues.

I will not read the amendment, but let me say that the current Presiding Officer, the Senator from the State of Washington, Senator GORTON, is someone who has spent a great deal of time on airline issues. I will be careful not to mischaracterize any of his views. I hope it is accurate to say that he has been someone who has felt very strongly that he does not want to move in the direction of reregulating air service. While we might disagree on some issues, I very much respect his views, and he has been very strong in asserting his views on a range of these issues.

I have worked with Senator GORTON and others in the last few days to see if we could find agreement on a set of principles in this amendment that will accomplish the purposes and the goals that I want for my region of the country and other regions without abridging the principles that he has with respect to the consistency, deregulation, and other areas. I think we have done that.

The amendment I have sent to the desk, I believe, is an amendment that is approved by Senator GORTON, who is the chairman of the subcommittee on the Commerce Committee that deals with these issues. I want to say to the Senator I very much appreciate his willingness to work with me to address this issue. It is more urgent than it has been in the past, because everyone understands the dilemma that we faced with this shutdown. It could happen again. We have other circumstances out there that could very well result in it happening again. I just want the Congress to send a signal that we are going to provide some workable solutions to allow regional carriers to serve areas not now served, in a way that can give them a viable opportunity to make it. That is the purpose of this amendment.

I think I have described the amendment without spending time on a great deal of detail about the amendment itself. I have worked with Senator MCCAIN, his staff, and Senator FORD. I recognize that doing anything in this area causes some heartburn for some people. There are some who are still not pleased because they would prefer the existing order—leave things as they are. Honestly, we can't leave things as they are. We must make some thoughtful changes here. That is what I propose to do with my amendment.

Since the chairman of the subcommittee and Senator FORD were not here, let me again say I thank them very much for their cooperation. I am pleased we were able to work out this amendment. I hope very much they will be able to help me prevail in conference with the House on this very important amendment.

I yield the floor.

Mr. FORD. Mr. President, let me say to my friend from North Dakota, no one has worked any harder or had a deeper interest in trying to accommodate his constituency. He has been typical Henry Clay in this operation; he has been willing to compromise. As Henry Clay said, compromise is negotiated hurt. So he has given up something that hurt, and others have, too.

I am very pleased we have gotten to this point. If I have any ability to help the Senator in conference, I promise him I certainly will.

The PRESIDING OFFICER (Mr. MCCAIN). The Senator from Washington.

Mr. GORTON. Mr. President, I want to express my agreement with this amendment and also express my admiration for both the dedication and the persistence of the Senator from North Dakota. It is a quality in him I greatly admire.

We did start from very, very different points of view on this subject. Mine emphasized to the greatest extent free market principles and a lack of interference, whenever possible, with business organizations; his, a deep concern, and an appropriate concern, for smaller cities in which the kind of competitive advantage that my major city, Seattle, clearly has are simply not present.

From the beginning, I have thought that his goal was an appropriate one, to try to see to it that better service was provided his constituents, was proper public policy, and at the same time feared the constrictions that some elements of his amendment imposed.

I think at this point we have something with which we can live temporarily. It is not all that the Senator from North Dakota wants. I don't know everything about this field myself.

One element of this amendment will try to get us the most objective possible information about the nature of the problem and perhaps the best solutions. We will be back—even if this bill passes in its present form—we will be back with another FAA bill in 2 years, all of us with much more knowledge.

So my tribute to the Senator from North Dakota for his dedication to a cause that is significant. I hope we have done it in a way that will not damage the competition among major airlines or minor airlines, and in a way that will be of some real benefit to his constituents and to many other people in cities across the country in similar areas.

I approve of the amendment.

The PRESIDING OFFICER. Is there further debate?

Without objection, the amendment is agreed to.

The amendment (No. 3636) was agreed to.

Mr. FORD. Mr. President, I move to reconsider the vote.

Mr. GORTON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MCCAIN addressed the Chair.

The PRESIDING OFFICER (Mr. GORTON). The Senator from Arizona.

Mr. MCCAIN. Mr. President, I also want to add my words of appreciation to the Senator from North Dakota. It seems that he and I are destined to spend a lot of time together, especially since we are going to take up the Internet Tax Freedom Act here soon. He and I will be having a vigorous discussion on that.

I want to point out something again that I pointed out three times. Deregulation of the airlines is a wonderful and marvelous thing and has done great things for America. But when we have a situation where the State of the Senator from North Dakota is shut down because of one airline going on strike, obviously, we have to look at this whole environment of competition. Mr. President, it is not right; it is not right when an entire region of the country is dependent upon one airline. That is true, perhaps to a lesser degree, for other regions in the country. The concerns of the Senator from North Dakota, not only affecting his own State but the entire Nation, include the dramatic disparity, according to GAO, of airfares and where there is hub concentration and competition, which is clearly something that is indisputable.

So it seems to me that the Senator from Washington, chairman of the Aviation Subcommittee, and I, and others should devote a lot of attention to this issue, as to whether there is true competition and whether people in rural areas and in smaller markets in America are being deprived as a penalty because of where they live. So I want to tell the Senator from North Dakota again, I want to work with him and with the distinguished Senator from Washington, and other members

of the committee, next year as we address this issue.

I am afraid, Mr. President, that concentration is increasing rather than decreasing. That trend can only be reversed when we get new entrants into the airline business. I am very disappointed at some of the information—much of it anecdotal—that I hear of the major airlines basically preventing that competition from beginning, or even existing, for a long period of time.

I thank the Senator from North Dakota and I look forward to more work with him on this issue and other issues, such as Internet tax freedom.

I yield to the Senator from North Dakota.

Mr. DORGAN. Mr. President, I was thinking as the Senator from Arizona talked about fares, the ultimate objective of more competition is more kinds of service and lower fares. I pointed out on the Commerce Committee—and I thought maybe I should for my colleagues on the floor—the disparity in fares. I pointed out in the Commerce Committee that we may fly from Washington, DC, to Los Angeles to go to Disneyland and see Mickey Mouse, which is all the way across the country. Or, instead, we could choose to fly to Bismarck, ND, which is half the trip, and see the world's largest cow sitting on a hill outside New Salem. If you wanted to see Salem Sue, the largest cow in the world, you would pay twice as much to go half as far than if you were to go see Mickey Mouse.

Mr. MCCAIN. Is that cow alive?

Mr. DORGAN. No; the cow is dead. Because you might be interested in going there, I will tell you that it is a big metal cow that sits on a hill.

My point is that we have a fare structure that says you can go twice as far and pay half as much. Or, if you choose, if you want to go half as far, you get to pay twice as much. People talk about bureaucrats, and the discussion here a while ago was about bureaucrats and the HMO issue. I can't think of many Americans who could sit down and develop a rate structure that says, ''You know, we are going to tell people that if they will just go farther, we will cut their ticket in half, but if they don't go as far, we will double their price,'' and think that marketing strategy has any relevance at all. That has everything to do with competition. Where there isn't competition, they will price at whatever they want to price. Where there is competition, of course, prices must come down because that is the regulator in the competitive system.

Mr. MCCAIN. I thank the Senator. I want to say that I am going to urge all of my colleagues to go view that cow.

Mr. FORD. At twice the price.

Mr. MCCAIN. At twice the price.

Mr. SARBANES. I wonder if that cow gives milk.

Mr. DORGAN. No.

Mr. FORD. You could prime it.

Mr. MCCAIN. Mr. President, I also want to say again to the Senator from North Dakota, I was in Iowa, strangely enough, and I found out—to validate the point of the Senator from North Dakota—that it costs more to fly from Des Moines, IA, to Chicago, IL, than it does from Chicago, IL, to Tokyo. Now, these distortions have to be fixed because we are penalizing Americans who don't have access to major hubs. That is not fair to the American citizens. I know that the Senator from North Dakota will not give up on this particular issue.

Mr. D'AMATO. Mr. President, I would like to raise an important issue with chairman of the Commerce Committee.

I strongly support vigorous competition in the aviation industry. Competition provides greater travel opportunities at lower prices for the people of New York. As the Chairman knows, when discussing increased activities at major airports we must be very mindful of the impact that aircraft noise has on surrounding communities.

A new start-up airline intends to provide new low-fare jet service out of JFK International Airport and is willing to purchase a number of new Stage III aircraft to place into service in New York. These aircraft will be the quietest aircraft manufactured, even quieter than aircraft that are retro-fitted with Stage III technology known as ''hush kits.'' In selecting airlines to receive slot exemptions to enhance competition at JFK, the Secretary should give preference to the quietest aircraft willing to fill such slots, which, as I said, would be newly manufactured Stage III jets.

Mr. MOYNIHAN. I would like to amplify the comments of my colleague from New York on aircraft noise. I strongly endorse increasing travel opportunities and lower air fares for the traveling public, especially in upstate New York where we have some of the highest air fares in the country.

Mr. MCCAIN. I would strongly agree with the Senators from New York. Noise is an important issue and all considerations held equal the Secretary should give preference to the quietest aircraft in the awarding of slot exemptions at JFK.

AMENDMENT NO. 3635

The PRESIDING OFFICER. The pending question is the Moynihan amendment.

Mr. FORD. Mr. President, I understand that this is acceptable on both sides.

Mr. MOYNIHAN. Mr. President, I ask that Senators CHAFEE, KENNEDY, and D'AMATO be added as cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MOYNIHAN. Mr. President, I understand that the amendment is acceptable to our distinguished managers. I earlier indicated if that would be the case, I would ask that the yeas and nays be vitiated, and I do that now.

The PRESIDING OFFICER. Is there objection to vitiating the yeas and nays?

Without objection, it is so ordered.

Mr. MOYNIHAN. I ask that the amendment be adopted.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 3635) was agreed to.

Mr. FORD. Mr. President, I move to reconsider the vote.

Mr. MCCAIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MOYNIHAN. Mr. President, I thank the managers.

If I might just add a little tale, the manager remarked about Chicago and Hong Kong. In the city of Rochester, a major city in our State, and in the Nation, the flight to Chicago and the flight to Hong Kong cost exactly the same. And the Kodak company, as I understand it, has taken to having their employees who do business in Chicago drive there. There is something deeply mistaken about all of this. Thank heaven, we have you here.

I yield the floor.

Mr. MCCAIN. I thank the Senator from New York. I thank him for his abiding concern about Rochester, Ithaca, a number of small- and medium-sized markets in his State that, frankly, have great difficulty getting to New York City, at great expense. I believe his amendment will be helpful in that direction.

I yield the floor.

Mr. SARBANES addressed the Chair.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. SARBANES. Mr. President, I am concerned about the provisions in sections 606 and 607 of this legislation which would increase the number of flights and grant exemptions to the 1,250-mile nonstop perimeter rule at Reagan Washington National Airport. These changes would alter longstanding Federal policies and agreements governing the operations of the three Washington area airports—Reagan National, Dulles, and BWI—and could result in unacceptable noise impacts for tens of thousands of citizens living in the flight path of Reagan National along the Potomac.

I recognize that the chairman and other Members are concerned about potential barriers to entry of new carriers at Reagan Washington National. While recognizing this, I think we must seek a careful balance between the benefits of increased competition and legitimate concerns of our citizens about aircraft noise. Anyone who lives in the flight path of Reagan Washington National Airport knows what a serious problem aircraft noise poses for human health, and even for performing daily activities.

Despite having restrictive nighttime noise rules, aircraft noise remains a major concern for many of our citizens who live in Reagan Washington National's flight path.

The Citizens for the Abatement of Aircraft Noise, a coalition of citizens

and civic associations which has been working for more than a decade to reduce aircraft noise in the Washington metropolitan area, has analyzed data from a recent Metropolitan Washington Airports Authority report which shows that approximately 1/3 of the 32 noise-monitoring stations in the region have a day-night average sound level which is higher than the 65-decibel level that has been established by the EPA and the American National Standards Institute as a threshold above which residential living is considered compatible.

Addressing existing noise impacts and the impacts of noise from further flights into Reagan Washington National Airport must, therefore, be a top priority.

Senators MIKULSKI, ROBB, and WARNER have joined with me in framing some amendments to the pending bill to address the potential impact that would arise from increasing the slots and changing the perimeter at National Airport. These amendments seek to provide a noise safety net to mitigate adverse environmental noise consequences of exemptions to the existing operating rules.

Ms. MIKULSKI, Mr. President, today, I rise to offer three amendments with my colleague, Senator SARBANES to address the needs of my constituents in regard to this legislation.

I also note that I am a proud co-sponsor of two amendments offered by Senator WARNER of Virginia that further addresses our citizens concerns.

Mr. President, I want to make it very clear that I am opposed to any changes in the perimeter rule and slot rules at Ronald Reagan National Airport.

I believe the present balance among the three regional airports serves the public well. The present slot rules governing Reagan National work well and should be maintained.

However, I recognize that this legislation has overwhelming support in the Senate and will pass with a majority vote.

As a result, Senator SARBANES and I have crafted two amendments to minimize any potential impact from changes to the slot and perimeter rules.

The first amendment creates a mandatory set-aside of federal funds to mitigate any noise impacts that arise from changes to the perimeter and slot rules.

The amendment requires the Metropolitan Washington Airports Authority to set aside no less than ten percent of their federal funds to prevent noise pollution in areas affected by noise from National and Dulles International Airports.

For my constituents, this means that they will be eligible for financial assistance to soundproof their homes and schools. This amendment will ensure that residents in Montgomery and Prince Georges Counties will finally get some relief from noise that impacts their communities.

Currently, the Metropolitan Washington Airports Authority does not utilize federal funds for noise mitigation activities.

This amendment will ensure that federal funds are used for noise mitigation. For the first time, federal funds will be dedicated to reducing noise in the Washington area.

The second amendment requires that any new slots be distributed evenly during the day to avoid the possibility of stacking new flights early in the morning or in the evening.

I want to make sure that my constituents do not suffer additional noise during the time they are at home in the morning or the evening. When families are together, they should not have to endure additional aircraft noise when enjoying their breakfast or dinner.

The third amendment gives the Washington Airports Authority and the State of Maryland priority consideration for airport improvement grants.

Because Maryland is affected by changes to the perimeter and slot rules, this area should receive priority consideration.

In addition, to the amendments sponsored by myself and Senator SARBANES, we have worked closely with Senator WARNER on two other amendments to further address the needs of our constituents.

One amendment requires a formal environmental review and public hearing before new slot exemptions are granted at Reagan National.

I believe this is fair and necessary to ensure that our constituents have a role in this process and have their voices heard.

A second amendment seeks to guarantee that the pending nominations to the Metropolitan Washington Airports Authority Board are confirmed in an expeditious manner.

A fully functioning board is necessary to proceed with the modernization of Reagan National and Dulles and I support the pending nominations.

Mr. President, I could not stop this bill, so Senator SARBANES and I decided to change it.

For the first time, we succeeded in providing funds for noise mitigation for our constituents.

While I would have preferred no changes to the slot and perimeter rules, I believe our amendments will go a long way to reducing noise impact for our constituents.

AMENDMENT NO. 3637

(Purpose: To ensure that certain funds made available to the Metropolitan Washington Airports Authority are used for noise compatibility planning and programs)

Mr. SARBANES. Mr. President, I send the first of these amendments to the desk.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Maryland (Mr. SARBANES), for himself, Ms. MIKULSKI, Mr. ROBB, and Mr. WARNER, proposes an amendment numbered 3637.

Mr. SARBANES. 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:

Strike section 607(c), as included in the manager's amendment, and insert the following:

(c) MWAA NOISE-RELATED GRANT ASSURANCES.—

(1) IN GENERAL.—In addition to any condition for approval of an airport development project that is the subject of a grant application submitted to the Secretary of Transportation under chapter 471 of title 49, United States Code, by the Metropolitan Washington Airports Authority, the Authority shall be required to submit a written assurance that, for each such grant made to the Authority for fiscal year 1999 or any subsequent fiscal year—

(A) the Authority will make available for that fiscal year funds for noise compatibility planning and programs that are eligible to receive funding under chapter 471 of title 49, United States Code, in an amount not less than 10 percent of the aggregate annual amount of financial assistance provided to the Authority by the Secretary as grants under chapter 471 of title 49, United States Code; and

(B) the Authority will not divert funds from a high priority safety project in order to make funds available for noise compatibility planning and programs.

(2) WAIVER.—The Secretary of Transportation may waive the requirements of paragraph (1) for any fiscal year for which the Secretary determines that the Metropolitan Washington Airports Authority is in full compliance with applicable airport noise compatibility planning and program requirements under part 150 of title 14, Code of Federal Regulations.

(3) SUNSET.—This subsection shall cease to be in effect 5 years after the date of enactment of this Act, if on that date the Secretary of Transportation certifies that the Metropolitan Washington Airports Authority has achieved full compliance with applicable noise compatibility planning and program requirements under part 150 of title 14, Code of Federal Regulations.

Mr. SARBANES. Mr. President, this amendment is intended to assure that the Metropolitan Washington Airports Authority provide funding for noise abatement activities such as soundproofing of homes and schools, buying homes that are affected by noise, and improving land use planning. It provides that the Metropolitan Washington Airports Authority will expend at least 10 percent of its FAA grant money on noise compatibility planning and programming.

Let me note in submitting this amendment that MWAA is currently spending hundreds of millions of dollars of capital improvement at Reagan National, yet it is not spending a dime on the noise abatement activities. By comparison, Chicago O'Hare is currently spending $205 million of its passenger facility charges on noise abatement and mitigation activities.

In my own State of Maryland, BWI is spending a substantial portion of its AIP fund for noise mitigation efforts. In fact, since enactment of the AIP program, the Maryland Aviation Administration has received 46 AIP

grants for BWI, totaling approximately $119 million. Seventeen of these grants, totaling more than $52 million, were for noise mitigation. In other words, 44 percent of all AIP grants for BWI have been for noise mitigation activities.

In direct contrast, since 1991, when Reagan Washington National Airport first became eligible for AIP funds, the Metropolitan Washington Airports Authority has received $106 million in AIP discretionary entitlement funds and none of those funds for financing of the airport's passenger facilities charges has been used for noise abatement activity.

I understand that the rationale that MWAA has given for not spending any funds for noise abatement was that it cannot have a 150 noise compatibility plan approved by FAA. Now that it has such an approved plan, it is time that AIP funds be spent to provide some relief for noise-impacted communities.

This amendment seeks to have the Federal Government address the need for greater balance between airport expansion and associated environmental impact. I know this is an issue that the chairman has taken an interest in. I know he raised it in confirmation hearings with respect to members of the MWAA. We very much welcome his interest. We have tried to work with the committee as we deal with these amendments.

It is my understanding that the amendment is acceptable to the committee. I urge its adoption.

Mr. MCCAIN. Mr. President, I want to congratulate both Senators from Maryland who have been steadfast and tenacious in their efforts to further not only improve BWI but also Washington National and Dulles Airports.

Senator SARBANES I think has a very important amendment. Noise abatement is a very serious issue. I am glad to say that at least partially due to his efforts, BWI has made significant improvements. Unfortunately, that has not been the case with Reagan National Airport, which is interesting. That is one of the things that Senator SARBANES is trying to do with this amendment, and is doing at all airports in the Washington metropolitan area under the Metropolitan Washington Airports Authority's work on noise compatibility, planning, and programs.

I think this is an excellent amendment. I thank the Senator for the amendment. We obviously support it. But I know the Senator has other amendments.

I want to additionally state that I understand how difficult some of these issues are for the Senators from Maryland, especially Senator SARBANES who has been involved with these airports for many, many years. I think Senator SARBANES was involved with these airports when Dulles was viewed as a white elephant, and now certainly it is a very busy airport.

I was pleased—and I know Senator SARBANES was—the other day to see an article in the Washington Post that says business at BWI is at an all-time high. It has turned into an outstanding facility.

I thank Senator SARBANES not only for his amendment but the following amendments in his efforts to help the Metropolitan Airports Authority, the districts, and his willingness to work with us on what is a very contentious issue amongst his constituents. I thank him for it.

Mr. President, I believe there is no more debate on this amendment.

The PRESIDING OFFICER. Is there further debate on the amendment?

Hearing none, the amendment is agreed to.

The amendment (No. 3637) was agreed to.

Mr. MCCAIN. Mr. President, I move to reconsider the vote.

Mr. SARBANES. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 3638

(Purpose: To mitigate adverse environmental noise consequences of exemptions of additional air carrier slots added to Ronald Reagan Washington National Airport as a result of exemption)

Mr. SARBANES. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Maryland (Mr. SARBANES), for himself, Ms. MIKULSKI, Mr. WARNER, and Mr. ROBB, proposes an amendment numbered 3638.

Mr. SARBANES. 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:

In section 607(a)(2), as included the manager's amendment, in section 41716(c) of title 49, United States Code, as added by that section, strike paragraph (2) and insert the following:

''(2) GENERAL EXEMPTIONS.—The exemptions granted under subsections (a) and (b) may not increase the number of operations at Ronald Reagan Washington National Airport in any 1-hour period during the hours between 7:00 a.m. and 9:59 p.m. by more than 2 operations.''.

Mr. SARBANES. Mr. President, this amendment seeks to mitigate the environmental noise consequences of new air carrier slots added to the Ronald Reagan National Airport inventory. By precluding air carrier slot clustering during the operational day, it would prohibit more than two new operations per hour during the period between 7 a.m. and 9:59 p.m.

It seeks to achieve a more appropriate balance between the commercial interests of air carriers, the demands of the traveling and shipping public, and the concerns of residents living under the flight pattern. We understand the addition of the slots. This is primarily an effort to spread them out over the course of the operational day and to prevent heavy clustering, particularly in the early morning or late evening hours. I understand the committee feels that this is compatible with the objectives we are trying to seek.

I urge adoption of the amendment.

Mr. MCCAIN. Mr. President, I support the amendment. I think it is important. I know both sides support it. I believe there is no further debate on the amendment.

The PRESIDING OFFICER. If there is no further debate on the amendment, the amendment is agreed to.

The amendment (No. 3638) was agreed to.

Mr. MCCAIN. Mr. President, I move to reconsider the vote.

Mr. SARBANES. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 3639

(Purpose: To mitigate adverse environmental noise consequences of exemptions for Ronald Reagan Washington National Airport flight operations by making available financial assistance for noise compatibility planning and programs)

Mr. SARBANES. 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 Maryland (Mr. SARBANES), for himself, Ms. MIKULSKI, Mr. WARNER, and Mr. ROBB, proposes an amendment numbered 3639.

Mr. SARBANES. 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:

Strike the first subsection designated as subsection (d) in section 607, as included in the manager's amendment, and insert the following:

(d) NOISE COMPATIBILITY PLANNING AND PROGRAMS.—Section 47117(e) is amended by adding at the end the following:

''(3) Subject to section 47114(c), to promote the timely development of the forecast of cumulative noise exposure and to ensure a coordinated approach to noise monitoring and mitigation in the region of Washington, D.C., and Baltimore, Maryland, the Secretary shall give priority to any grant application made by the Metropolitan Washington Airports Authority or the State of Maryland for financial assistance from funds made available for noise compatibility planning and programs.''.

Mr. SARBANES. Mr. President, this amendment seeks to mitigate adverse consequences of the exemptions from the rules governing Ronald Reagan Washington National Airport flight operations by requiring the Secretary of Transportation to make both the Metropolitan Washington Airports Authority and the State of Maryland eligible for priority consideration when the FAA distributes noise discretionary funds under the Airport Improvement Program. With increases in the amount of flights at Reagan National—and these other two airports are interrelated, of course, Dulles and BWI—the problem of noise pollution is likely to grow, and it is vital that we make prudent investments in noise abatement activities.

Therefore, we seek this priority status in order to be able to ensure that we are doing everything we can to soundproof homes and schools and take other steps to address the noise pollution problem for those living in the flight paths.

I understand, Mr. President, that the committee has, as it were, a refinement of this amendment, and this is certainly acceptable to us.

I, again, express my appreciation to the chairman and the ranking member for working with us in such a positive and constructive way on this issue.

AMENDMENT NO. 3640 TO AMENDMENT NO. 3639

Mr. MCCAIN. Mr. President, I have a second-degree amendment at the desk, and I ask for its immediate consideration.

The PRESIDING OFFICER (Mr. COATS). The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Arizona [Mr. MCCAIN] proposes an amendment numbered 3640 to amendment No. 3639.

Mr. MCCAIN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 7, strike through line 10 and insert the following:

''(3) The Secretary shall give priority in making grants under paragraph (1)(A) to applications for airport noise compatibility planning and programs at and around airports where operations increase under title VI of the Wendell H. Ford National Air Transportation System Improvement Act of 1998 and amendments made by that title.''.

Mr. MCCAIN. Mr. President, in consultation with Senator SARBANES, this amendment basically ensures that neighborhoods around high-density airports are eligible for priority consideration for noise mitigation funding. It is an acceptable amendment.

I believe the Senator from Maryland accepts it and believes it is of some improvement to his amendment. I know of no further debate on the amendment.

Mr. SARBANES. Mr. President, as I understand it, this reference to the high-density airport encompasses what I was specifically directing toward, but it gives it a more general statement, and it is certainly acceptable to us in light of that.

The PRESIDING OFFICER. Is there further discussion on the amendment?

If there is no objection, the amendment is agreed to.

The amendment (No. 3640) was agreed to.

Mr. MCCAIN. Mr. President, I move to reconsider the vote.

Mr. SARBANES. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. SARBANES. Mr. President, again I thank Senator MCCAIN and ranking member FORD for their cooperation throughout this effort. As the chairman has recognized, this is a very sensitive problem, and we recognize what the chairman and others are seeking to accomplish here in terms of increased competition in further flights, but we felt it necessary, obviously, to press the case for the noise mitigation problem. I must say both the chairman and ranking member have recognized that problem. We think what we have proposed here will help solve that.

I thank the Senator.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. MCCAIN. Mr. President, again, I thank the Senator from Maryland. I believe we have taken significant measures to mitigate any additional noise problems that may result upon passage of this legislation.

AMENDMENT NO. 3641

(Purpose: To require the Administrator of the Federal Aviation Administration to conduct a demonstration project to require aircraft to maintain a minimum altitude over Taos Pueblo and the Blue Lake Wilderness Area of Taos Pueblo, New Mexico, and for other purposes)

Mr. MCCAIN. Mr. President, I send an amendment to the desk on behalf of Senator BINGAMAN and Senator DOMENICI and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The bill clerk read as follows:

The Senator from Arizona [Mr. MCCAIN], for Mr. BINGAMAN, for himself and Mr. DOMENICI, proposes an amendment numbered 3641.

Mr. MCCAIN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in title V, insert the following:

SEC. 5 . TAOS PUEBLO AND BLUE LAKES WILDERNESS AREA DEMONSTRATION PROJECT.

(a) IN GENERAL.—Within 18 months after the date of enactment of this Act, the Administrator of the Federal Aviation Administration shall work with the Taos Pueblo to study the feasibility of conducting a demonstration project to require all aircraft that fly over Taos Pueblo and the Blue Lake Wilderness Area of Taos Pueblo, New Mexico, to maintain a mandatory minimum altitude of at least 5,000 feet above ground level.

Mr. MCCAIN. Mr. President, this amendment by Senator BINGAMAN and Senator DOMENICI has been discussed on both sides. It is acceptable.

Mr. FORD. Mr. President, we are agreeable with this amendment on this side.

The PRESIDING OFFICER. If there is no objection, the amendment is agreed to.

The amendment (No. 3641) was agreed to.

Mr. MCCAIN. Mr. President, I move to reconsider the vote.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 3642

(Purpose: To require the Secretary of Transportation to promulgate regulations to improve notification to consumers of air transportation from an air carrier of the corporate identity of the transporting air carrier)

Mr. MCCAIN. Mr. President, on behalf of Senator REED, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

Mr. MCCAIN. Senator REED of Rhode Island.

The bill clerk read as follows:

The Senator from Arizona [Mr. MCCAIN], for Mr. REED, proposes an amendment numbered 3642.

Mr. MCCAIN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in title V, insert the following:

SEC. 5. . AIRLINE MARKETING DISCLOSURE.

(a) DEFINITIONS.—In this section:

(1) AIR CARRIER.—The term ''air carrier'' has the meaning given that term in section 40102 of title 49, United States Code.

(2) AIR TRANSPORTATION.—The term ''air transportation'' has the meaning given that term in section 40102 of title 49, United States Code.

(b) FINAL REGULATIONS.—Not later than 90 days after the date of enactment of this Act, the Secretary of Transportation shall promulgate final regulations to provide for improved oral and written disclosure to each consumer of air transportation concerning the corporate name of the air carrier that provides the air transportation purchased by that consumer. In issuing the regulations issued under this subsection the Secretary shall take into account the proposed regulations issued by the Secretary on January 17, 1995, published at 60 Fed. Reg. 3359.

Mr. REED. Mr. President, I rise today to speak on an issue which affects many of our nation's air travelers. I am pleased to offer an amendment to the Senate's Federal Aviation Administration (FAA) reauthorization bill which requires the Secretary of Transportation to implement regulations that ensure airline passengers are more aware of the true corporate identity of the airline on which they are flying.

I am pleased that the managers of the FAA reauthorization legislation have agreed to accept my amendment to their bill. I believe this amendment will go a long way to ensure that airline passengers are better informed.

As you know, Mr. President, following the deregulation of the airline industry in the late 1970's, major airlines began to enter into cooperative agreements with smaller airlines to offer air transportation service to smaller, underserved areas. Common in such agreements is the practice of ''code-sharing,'' where the smaller independent airlines use the name and identification code of the larger airline. For example, for a two-leg ''code-shared'' flight, where a large air carrier operates one leg and a smaller commuter

carrier operates the other, air service for both flight segments is listed under the same identification code. As such, consumers purchasing ''code-shared'' air service are frequently unaware of the actual corporate identity of the smaller commuter airline on which they are flying.

Mr. President, this lack of disclosure can cause consumers to be completely unaware of the true identity of their transporting air carrier, and therefore, lessen a consumer's ability to make the most informed transportation decision.

Mr. President, under current law, U.S. air carrier ticket agents are required to verbally indicate to consumers the corporate identity of the airline they are flying on, when a ticket is purchased.

However, in practice, Mr. President, these verbal disclosure rules are difficult to enforce. Furthermore, the rules are not applied universally because they do not cover travel agents, who sell a majority of the airline tickets issued in the United States.

As a result, Mr. President, consumers are often surprised to discover that a segment of their flight, although listed under the ''code'' or name of a large air carrier, could be serviced by a different airline.

Now, Mr. President, I do not mean to suggest that smaller commuter airlines are not safe, nor, do I mean to diminish the valuable service ''code-sharing'' arrangements bring to many smaller and rural areas in the nation. Rather, I want to help ensure that consumers are aware of the true identity of the airline they are scheduled to fly on.

For these reasons, I offered this amendment to require stronger airline ticketing disclosure rules, an issue the Department of Transportation recently considered.

Indeed, in 1994, the Department of Transportation proposed a rule to require that at the time of sale, travel or airline ticket agents provide consumers with written notification of each airline's corporate name that participate in ''code-sharing'' agreements. The Department asserted such steps would help to ensure that a consumer had a complete understanding of the transportation they were purchasing. However, to date, the Department has not issued a final rule on this matter.

Mr. President, the Department of Transportation was on the right track, and we need to encourage the DOT to follow through and implement better ticketing disclosure regulations to help better inform consumers. My amendment is simple and straightforward, and does just that. It requires the DOT to implement regulations 90 days after enactment of this bill requiring improved written and oral notification of the corporate name of ''code-sharing'' airlines. Such requirements would inform consumers of the identity of the air transportation carrier actually providing service, and thereby allow consumers to make more informed purchasing decisions. My amendment also grants the DOT flexibility in this process, and allows the Department to choose the method it deems most appropriate to achieve this goal.

Mr. President, the basis for my amendment is also straightforward: Just four years ago, a constituent of mine, Ms. Pauline Josefson, of Warwick, Rhode Island died in a commuter airline crash. The airline she flew on was listed under a major carrier's identification code.

Ms. Josefson had every reason to assume that the air service she had purchased was that of the major carrier, as her airline tickets indicated. However, she was flying on a plane piloted by an individual who had been repeatedly criticized by other airlines for poor performance and flying ability. If the little known airline's actual corporate name had been disclosed when the ticket was purchased, Ms. Josefson would have had an opportunity to make a fully informed travel decision.

I share the concerns of the Josefson family and others that airline consumers deserve greater disclosure. That is why I have offered this amendment today, Mr. President, which is supported by the Aviation Consumer Action Project, a non-profit organization dedicated to the safety and protection of the flying public, and I ask unanimous consent that a letter of support for this amendment be printed in the RECORD.

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

AVIATION CONSUMER
ACTION PROJECT,
September 24, 1998.

Re: legislation requiring airline disclosure of code sharing arrangements to consumers.

Senator JACK REED,
U.S. Senate,
Washington, DC.

DEAR SENATOR REED: In response to your request for our comments concerning your draft legislation on code sharing disclosure, the Aviation Consumer Action Project supports such a measure as necessary to curb a common deceptive marketing practice by airlines which is not permitted in other industries.

General Motors cannot sell you a Cadillac then deliver a Toyota or even a Mercedes without first informing the customer. Only the airlines are except from state and local consumer protection and deceptive advertising laws and even most federal labeling laws. The U.S. DOT is the exclusive agency protecting aviation consumers since the enactment of the Airline Deregulation Act of 1978.

Airlines, using techniques known as ''code sharing'' and ''wet leases'', are now allowed to sell consumers tickets on other airlines as though they were their own. So for example, someone booking a flight on a U.S. carrier to Warsaw, Poland may actually be flying from New York to London on an American carrier and then to Poland on Lod Airlines (the Polish national carrier) at both a higher cost than if tickets were separately booked and with what most would regard as a lower level of safety and service. Similarly, many airlines use prop commuter airplanes that they do not own or operate with a U.S. carrier brand name like ''Delta Connection''. After the recent crash of Swissair 111 which killed all on board, it was disclosed that 53 of the passengers were actually Delta passengers, flying under an apparently undisclosed code sharing agreement. Such marketing arrangements are inherently deceptive and should be prohibited, unless disclosed in advance to the airline passenger. The consumer can then decide whether to purchase the ticket or call another airline.

The consumer notice should be in the form as proposed by the U.S. DOT in 1995 which was never acted upon, i.e. ''IMPORTANT NOTICE: Service between XYZ City and ABC City will be operated by Jane Doe Airlines'', and in advertising airlines should be required to identify the carrier(s) that will actually provide the service by corporate name.

Should you wish further comments, please do not hesitate to contact the undersigned. ACAP is a non-profit corporation dedicated to assisting and speaking out for the flying public on issues of safety, cost and convenience. The organization was founded by Ralph Nader in 1971. It receives no funding from the aviation industry or the Federal Government.

Sincerely,

PAUL HUDSON,
Executive Director.

Mr. REED, I thank the managers of this legislation for accepting this amendment, and for joining me in support of improved airline ticketing disclosure rules to better protect our nation's air travelers.

Mr. MCCAIN. Again, this amendment has been discussed on both sides. We think it is a good amendment by the Senator from Rhode Island. By the way, we are appreciative of his involvement in this issue. I do not believe there is any further debate on the amendment.

Mr. FORD. Mr. President, we have no objections on this side and look forward to passing the amendment.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 3642) was agreed to.

Mr. MCCAIN. Mr. President, I move to reconsider the vote.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MCCAIN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. 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.

Mr. THOMAS. Mr. President, I would like to talk just a few minutes on this bill, particularly with respect to rural air service and some of the problems that we face in areas with small towns and small populations.

First, let me say that I certainly support what the Senator from Arizona and the Senator from Kentucky are doing here. I think this is a valuable bill, and I think we should move forward with it quickly.

I do want to emphasize, however, the difficulty that we have in rural America with regard to air transportation. I

must confess that it is not a new problem. As we deregulate various industries—and I happen to be for deregulation and letting competition work—we find ourselves with some problems in rural areas, whether it be telephones, or the deregulation of electricity, or air transportation. The obvious effect of deregulation is that capital and facilities, in this case airplanes, move to where there is the greatest usage, where there is the highest density.

So we have made some arrangements, for instance, in telephones with universal service to ensure that despite the fact that the real advantages of competition go to where the heavy volume is, we do continue to provide service to rural areas.

My State of Wyoming is struggling to maintain dependable, scheduled, available air service to airline hubs like Denver and Salt Lake City. We are in the process of seeking to strengthen our economy there, to recruit businesses to move to Wyoming. Travel and tourism is one of the three major economic activities in Wyoming, and so transportation is a vital component of our future. But we are having some problems.

Last year, for example, Mesa Airlines, which operated as United Express, pulled service from five towns in Wyoming that they had been servicing in years past. I worked with Senator ENZI, my associate here, Congresswoman CUBIN, the Governor, and others, and we finally were able to keep service to these towns. In fact, we had to go all the way to the chairman of the board of United Airlines to make this happen. Unfortunately, in most of these towns, we were only able to keep Essential Air Service (EAS). This provides just a bare minimum of service and I am glad we have it, but it does not provide the kind of service that is necessary if you are really going to have economic growth and development. In addition, in other Wyoming communities we continue to face cutbacks in the number of seats that are available every day as well as the loss of jet service to some of these towns.

Those of you who are familiar with Jackson Hole, WY, know that it is a travel town. That is where a great number of people come and go. It is just devastating to the local economy when there are not enough seats to service demand.

As I mentioned, Mr. President, I am in favor of deregulation. I think that makes for healthy competition. But I am concerned that sometimes we have to try another approach. As I mentioned, the investment in dollars nationally—and I understand it—go to where the yield is. They go to where the traffic is. That, I do think we have to understand. But we met with Delta Airlines which serves Salt Lake City and Jackson Hole, WY, and talked a little bit about the fact that there is a need for service, and frankly if we do not have service in some of these places I think you are going to see a continued interest in going back to some re-regulation in air service. I hope it doesn't come to that.

Part of the problem, as I understand it, is the so-called code-share agreements between the big carriers and the commuters airlines. If you go to Denver from Casper, WY, a part of that fare subsidizes the cost of the trip that takes you from Denver to Washington. That does not seem right. That isn't the way it ought to be.

These airlines are basically moving toward a monopolistic situation in the large ''hub'' airports, served almost entirely by one carrier, which makes serving rural America very difficult because then those airlines can dictate everything—fares, schedules, you name it.

This is kind of unusual for me. I am a marketplace guy. I am one who wants competition. But I also firmly believe that when it comes to these vital services, there has to be a way to ensure that all of America will be served.

I have been involved, because of my chairmanship of the Subcommittee on East Asia, in the rights to go overseas—''beyond rights.'' I have to think, myself, why are we spending a lot of time and energy talking about expanding air service to somewhere in China when you can't go to Cody, WY?

So that's the situation we find ourselves in today. I don't have all the answers. But I do know that we will continue to work at this issue in Congress. The Essential Air Service (EAS) program works well. But we need to do more. Dependable and safe air travel is an economic lifeline for our State, as it is whether you are in Boston or whether you are in San Francisco. We depend on tourism and small businesses to drive our economy in Wyoming.

We need to come up with a long-term solution to this problem. Hopefully, it will be done in the marketplace so it will be something that is not forced upon the airlines. However, it is hard for me, as I said earlier, to get excited about working on ''beyond rights,'' when we can't get to our own towns.

I am glad we are considering this bill. We need to get this done so our airports can be financed. I am very involved in what is going on with Wyoming's air service. I happen to be a private pilot and have flown quite often into these airports. I know how important it is for us to have that air service.

I commend the Senators who have worked on this bill. I suggest we always need to keep in mind those rural areas to which we find it difficult to provide service.

I yield the floor.

The PRESIDING OFFICER. The Senator from Virginia.

AMENDMENT NO. 3643

Mr. WARNER. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Virginia [Mr. WARNER], for himself, Mr. SARBANES, Ms. MIKULSKI and Mr. ROBB, proposes an amendment numbered 3643.

Mr. WARNER. 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 47 of the manager's amendment, between lines 6 and 7, insert the following:

SEC. 607. (g) PROHIBITION.—Notwithstanding any other provisions of this Act, including the amendments made by this Act, unless all of the members of the Board of the Metropolitan Washington Airports Authority established under section 49106 of title 49, United States Code, have been appointed to the Board under subsection (c) of that section and this is no vacancy on the Board, the Secretary may not grant exemptions provided under section 41716 of title 49, United States Code.

Mr. WARNER. Mr. President, I urge the adoption of the amendment.

The PRESIDING OFFICER. Without objection, the amendment offered by the Senator from Virginia is adopted.

The amendment (No. 3643) was agreed to.

Mr. WARNER. Mr. President, I move to reconsider the vote.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. WARNER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. MCCONNELL. 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. MCCONNELL. I ask unanimous consent to proceed for 10 minutes as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

CATASTROPHE IN KOSOVO

Mr. MCCONNELL. Mr. President, I rise today to draw attention to the foreign policy catastrophe unraveling in Kosovo. Yogi Berra immortalized the phrase ''this is deja vu all over again''—and that is just what we are seeing in Kosovo—Bosnia, all over again. Today, just like yesterday and the day before, men, women, and children in Kosovo are living and dying witnesses to a rerun of the tragic experience suffered by Bosnia for three brutal years. Hundreds of thousands of civilians are, once again, the victims of our false promises and a deeply flawed policy.

Take a minute to review the events as they have unfolded on the ground to establish exactly what I think Belgrade has learned about United States policy. What Milosevic and his mafia have figured out is—we bluster and threaten,

we issue ultimatums and condemnations, but the policy is hollow, the threats are empty, the show is a charade.

A recent Congressional Research Service chronology provides stark evidence of this sad pattern of Western threats and demands, always swiftly challenged by vicious Serbian violence and assaults against Kosovo's civilians. And, the response to these attacks? Concessions and inaction.

The United States has not failed alone. We are joined in this collective dishonor by the G–7 nations, the OSCE, the European Union, the Contact Group, and even the United Nations which have individually and collectively reneged on commitments made to take action to stop the bloodshed, to produce a cease-fire, to prompt a withdrawal of Serb troops, and to protect the rapidly mounting numbers of refugees and displaced people.

The CRS report tell us:

On January 8, the six nations of the Contact Group declared Kosovo a matter of priority urging a peaceful dialogue to begin between parties. This message was reinforced by Special Envoy Gelbard in meetings with Milosevic in Belgrade. The response, within days, was attacks by the Serbian police on a small village leaving ethnic Albanians dead and more wounded. While this was a relatively small assault, the beginning of the coming trend was marked by 20,000 people turning out for the funeral in protest of that action.

On February 23, Gelbard announced some minor concessions to the Serbs including restoring landing rights for their airlines. At the same time the Contact Group foreign ministers issued a statement expressing concern about the lack of progress in dialogue. In an attempt at balance and fairness they even condemned terrorist acts by the Kosovo Liberation Army and reiterated their lack of support for Kosovo independence.

What did the Serbs do in response to these generous gestures? Within three days, Serbian forces launched major attacks on villages in central Kosovo. CRS reports the attacks were ''spearheaded by thousands of Serbian police and Interior Ministry troops and resulted in 20 to 30 deaths mostly of ethnic Albanians.''

On March 2, the United Stats and the European Union joined voices in condemning violence by Serb forces. On March 5, Serb police and special antiterrorist units ''began their second largest offensive in central Kosovo. KLA strongholds were attacked with armored vehicles and helicopter gun ships * * * the assault continued for 2 days and claimed the lives of 6 police officers and over 50 Kosovar Albanians.''

On March 4, Mr. Gelbard said, ''I guarantee you we simply won't brook any renewal of violence,'' followed on March 7, by Secretary Albright who issued her now famous ultimatum. She said, Milosevic ''will have to pay a price. The international community will not stand by and watch the Serbian authorities do in Kosovo what they can no longer get away with doing in Bosnia.'' Her statement was backed up by a Contact Group declaration demanding Milosevic take specific steps within ten days including withdrawing paramilitary troops and allowing Red Cross access conflict zones.

As the Contact Group was issuing its statement, in a gruesome public spectacle, Serb troops dumped 51 bodies at a warehouse, each one an ethnic Albanian, 25 of them were women and children. Before international forensics experts could complete autopsies, the Serbs bulldozed the bodies into a mass grave.

This pattern of challenge and brutal response continued weekly through the spring and summer. Threats of western actions have been dismissed by Serb attacks, after attack, after attack.

Villages are shelled, burned and looted. Crops and fields are burned. The death toll and refugee population swells. Yesterday a Kosovo journalist told me that the Serbs have now destroyed 400 of the 700 villages in Kosovo.

And, the world watches. Deja vu all over again.

I thought we had reached an all time low in June when 84 NATO planes carried out a six nation exercise in Albania and Macedonia intended as a show of strength and force. The Washington Post summed up the events saying, ''Yugoslavia's reply to threats of NATO air strikes could be heard for miles around in the nightly bombardment of border villages.''

Mr. President, the tragedy continues. Winter's cold curtain now falls upon the weakened shoulders of tens of thousands of families expelled from their homes, in hiding in the mountains and forests of Kosovo. Soon, we will begin to see the heart-rending, pitiful images of ailing, elderly women, clutching babies and toddlers, every possession they could salvage strapped to their backs, stagger out of hiding, hoping to cross borders into safe haven, but more likely, stumbling into harm's way.

And, this time, Mr. President, the consequences of inertia are deadly serious. I agree with Ambassador Holbrooke's assessment that Kosovo is ''the most explosive tinderbox in the region.'' Unlike Bosnia, the long-standing frictions involving Kosovars, Albanian, Serbs, and Macedonians have consequences in Greece and Turkey—precarious NATO partners in the best of times.

The conditions in Kosovo have demanded action for months. Instead we have been a state of policy stall. Now, as much in recognition of the weather, the Administration has turned a lethal pattern of appeasement into a dangerous policy of collaboration and containment.

Let me point to two examples of the current approach which seeks a partnership with Belgrade rather than protection of innocent refugees. As conditions worsen, the Administration seems seized with a containment strategy, which balances on improving delivery of relief while controlling what they view as potentially messy regional spillover problem.

There are two prongs to this misguided effort. First, let me describe what the Administration is considering on the relief front. Earlier this month, administration officials announced plans to work in Kosovo through twelve centers established by Serb security forces to distribute emergency food and supplies to the victims of this savage war. I am not sure what surprised me more—the fact that we would work with the very forces which carried out the atrocities creating hundreds of thousands of victims, or the fact that we decided to encourage this cooperation by actually making food available to Serb troops. The new chief of the Bureau for Humanitarian Affairs offered and has provided thousands of food rations to Serb troops fresh from bloody killing fields. He even asked NGO representatives to cooperate with this plan and work through these twelve centers. As one representative described it to me, the NGOs were the bait, intended to lure refugees into Serb centers. AID claims that this plan was agreed to by the major non-government organizations carrying out humanitarian relief in Kosovo, but I can't find one that thinks collaborating with Belgrade makes any sense.

This effort to control and contain the problem also has a military component—but the wrong military component. Last week, the foreign Operations Subcommittee was briefed on Administration plans to provide $7.3 million in security assistance loans to Macedonia. This train an equip initiative will provide night vision goggles, surveillance radar, ammunition, body armor, howitzers and trucks to 3,000 Macedonian soldiers—troops with longstanding ties to Serbian security forces. Coincidentally, Macedonia also has an ethnic Albanian community which suffer what many describe as apartheid-like conditions.

Arming the Macedonians is the wrong substitute for the current policy failure in Kosovo. Having failed to talk Milosevic into submission, this program strikes me as a complete retreat in which the United States is supplying an effort to establish a cordon sanitaire isolating Kosovo. Strengthening Macedonian troops may have a defense purpose but it also clearly serves an offensive one—to curb the flow of people and supplies into and out of Kosovo.

I hope we all learned at least one lesson in Bosnia—we pay a huge price for imposing an unfair and imbalanced embargo against only one party in a conflict. In good conscience, I for one, cannot support an initiative designed intentionally or otherwise to surround and choke off Kosovo. I have made

clear to the Secretaries of State and Defense that I will not release the funds for this reprogramming unless and until appropriate action is taken to produce results in Kosovo.

Secretary Albright has repeatedly stated that the only kind of pressure Milosevic and his mafia understand is the kind which exacts a real price for his unacceptable conduct. His campaign to burn Kosovo to the ground was launched as the Administration pushed Kosovars to the negotiating table and continues as we speak today. it is well past the time for threats of sanctions and NATO flyovers. The Administration must move decisively, offering the necessary leadership to back up our ultimatums with the effective use of air strikes and force in order to secure our common goals: a cease fire, the withdrawal of Serb forces, and the protection of refugees, displaced people and relief efforts.

Balkan history provides substantial evidence that Belgrade's abuse of force demands a commensurate response. Without this fundamental guarantee, diplomacy will most certainly fail and we will bear witness to yet another of Milosevic's genocidal slaughters. His victims will not only be those who suffer, lose their life possessions, and die on Kosovo's fields. He will also destroy American honor and credibility—taking along with that what shred of hope there is for us to lead this troubled world onto a peaceful path into the next century.

Mr. President, I yield the floor.

WENDELL H. FORD NATIONAL AIR TRANSPORTATION SYSTEM IMPROVEMENT ACT OF 1998

The Senate continued with the consideration of the bill.

Ms. MOSELEY-BRAUN. Mr. President, I want to take this opportunity to thank the chairman of the Senate Commerce Committee, Senator MCCAIN, and the ranking member, Senator HOLLINGS, as well as Senators FORD and GORTON for their patience and help in working with me to reach an acceptable agreement regarding O'Hare Airport.

I do not think I need to remind them how upset I was when I learned they had added a provision to the FAA reauthorization bill adding 100 additional flights per day at Chicago's O'Hare International Airport. The provision was added to the original legislation without consulting the local officials who manage the airport, without input from the mayor of Chicago who is responsible for the airport, without input from the local communities surrounding the airport who will be most affected by additional noise and air pollution, and without consulting either of the senators from Illinois.

This provision immediately raised a firestorm of criticism in the Chicago area. I have an inch-thick stack of newspaper clips from about a 10 day period after this provision appeared in the FAA reauthorization bill, which attests to the deep level of interest Chicago-area residents have in this matter.

O'Hare is already the busiest airport in the world. There are at least 400,000 people whose daily lives are affected by the noise and air pollution generated by the airport. The quality of life of these suburban residents must be taken into account before changes are made affecting the number of operations at O'Hare Airport.

While I was displeased that the new-flights provision was added to the FAA bill without consulting me, the chairman and ranking member have since been gracious and accommodating and have worked with me to reach an agreement on this issue. I want to thank the chairman for his patience, and for his willingness to work with me on a compromise that I believe accommodates his needs, as well as the needs of Chicago-area residents.

The agreement we reached reduces from 100 to 30 to the number of additional flights per day at O'Hare. The agreement provides that 18 of the 30 slot exemptions will be reserved for ''under-served'' markets, and no less than six of the 18 will be ''commuter'' slot exemptions reserved for planes with less than 60 seats.

Before any of these slot exemptions are made available, the Secretary must: certify that the additional flights will cause no significant noise increase; certify that the additional flights will have no adverse safety effects; consult with local officials on the environmental and noise effects of the additional flights; and perform an environmental review to determine what, if any, effect the additional flights will have on the environment.

In addition, only ''Stage 3'' aircraft, the quietest type of aircraft recognized by the FAA, will be eligible to use the new take-off and landing slots.

Finally, after three years the Secretary of Transportation will study and report to Congress as to whether the additional flights resulting from the new slot exemptions have had any effects on: the environment, safety, airport noise, competition at O'Hare, or access to under-served markets from O'Hare.

The Secretary will also study and report on noise levels in the areas surrounding the four ''high-density'' airports (Chicago O'Hare, Washington National, New York LaGuardia, and New York JFK) once the national 100 percent Stage 3 requirement is fully implemented in the year 2000.

I believe this agreement goes a long way toward addressing the concerns of the local officials and residents of the cities surrounding O'Hare. I want to again thank Senators MCCAIN, HOLLINGS, FORD, and GORTON for their attentiveness and understanding. The people of Illinois spoke out in response to the O'Hare provision they inserted in the FAA reauthorization bill, and these Senators listened.

I am particularly pleased that the agreement we reached on this issue, that was reflected in the managers' amendment adopted yesterday, allows this important FAA reauthorization legislation to advance in the Senate. This bill must become law before the end of the year in order to ensure that important airport improvement projects are not delayed or disrupted.

The legislation also includes several important provisions designed to increase air service to small and underserved communities. In Illinois, some of the most serious complaints regarding air service come from our small and medium-sized communities that want air service to O'Hare and other major airports in order to attract global businesses. I am delighted I was recently able to help restore air service between Decatur, Illinois and O'Hare. The restoration of this service will help the city of Decatur, which promotes itself as ''America's Agribusiness Center,'' grow in today's global economy. There are a number of communities across my state demanding flights to Chicago and New York, and the provisions of this legislation should help them get more air service.

I want to again thank the chairman for his understanding.

Mr. ROBB addressed the Chair.

The PRESIDING OFFICER. The Senator from Virginia is recognized.

Mr. ROBB. Mr. President, while we are waiting for what I hope will be a final resolution of one remaining matter on this bill, I would like to speak to the bill itself, with the understanding of my friend and colleague from Arizona, who knows that I am going to be critical of a portion of the bill. I would like to also thank my colleagues from the capital area, the distinguished senior Senator from Virginia, Senator WARNER, as well as Senators from Maryland, Senator SARBANES and Senator MIKULSKI, for their efforts to make some improvements in an area of this bill that concerns all of us, and many others.

Mr. President, I rise this afternoon to express my strong opposition to interference in our region's airports that is included in the FAA reauthorization bill. I certainly understand that this overall legislation is important for the Nation as a whole, and I fully support most of the bill. We must clearly prepare for the future by investing in aviation infrastructure, safety, and security. This bill provides for those critical investments and, for that, I thank Senators MCCAIN and FORD.

This bill also reauthorizes the Airport Improvement Program, which funds the capital needs of our Nation's airports, including millions of dollars for Virginia facilities. Moreover, as the bill's name implies, it reauthorizes the Federal Aviation Administration. The FAA monitors aircraft inspections, manages air traffic control, and develops new ways to detect and prevent security threats. Without these efforts, few people would want to travel by air.

But beyond all of the good and necessary things this bill does, Mr. President, it also reneges on two important Federal commitments to the citizens of Virginia and this area—the existing flight limits and the existing perimeter rule at Ronald Reagan Washington National Airport. These two Federal commitments are extremely important to the future strength and stability of both National and Dulles Airports, Mr. President. They are also extremely important to the communities that surround the airports and have relied on the existing rules.

Mr. President, as my friend and the author of this legislation is quoted as saying just yesterday—but admittedly in a different context—''a deal is a deal.'' And changing that deal to the clear detriment of the communities and businesses that relied on it—is fundamentally unfair.

This Congress should not involve itself in matters that are essentially local and regional, that serve both the airports and their communities well, and that have provided and continue to provide a road map to future economic strength for the people of northern Virginia as well as those throughout the metropolitan Washington area.

Mr. President, these changes are bad public policy because they benefit, in some cases, Members of Congress, and certainly a small group of consumers, while harming a far larger group. They wreak serious damage on the interdependence of National Airport and Dulles National Airport. They erode the quality of life for communities surrounding the airports. And they fly in the face of an agreement this Congress made in 1986 to turn those airports over to a regional authority and essentially leave them alone.

First, Mr. President, proponents argue that this bill would marginally assist air travelers by increasing the number of daily flights at Ronald Reagan Washington National Airport. But when we increase the number of flights to benefit a few people, we increase the congestion for everyone, and we add to the overall delays of all who fly in and out of National Airport.

In weakening the perimeter rule, we allow a few select people to take long-haul flights out of National. But what about consumers who may lose their short-haul flights to make room for flights to California, Nevada, and Arizona? I am concerned that once we breach the perimeter rule we will eventually lose small-haul flights to smaller communities altogether. This would be brought about in a bill intended to assist travelers to underserved communities.

Second, adjusting the perimeter rule at National will fundamentally shatter the carefully crafted interdependence between National and Dulles airports that has proven so effective in fostering growth at both airports.

Today Dulles flourishes as an international gateway for our region. National thrives, providing convenient regional service. The history of both airports shows us that this constructive, vibrant interdependence is not by accident.

National first opened in 1941, before the advent of large commercial jets such as the DC–8. And Dulles was built in 1962 because larger jets could not land on National's short runways. Medium-sized jets arrived on the scene in 1966, and National soon became overcrowded. Jets were forced to circle, and delays were considerable.

In 1966, the airlines agreed to limit the number of flights at National. They also agreed to a perimeter rule to further reduce overcrowding.

But these were voluntary limits and did not provide the security or the stability needed to maximize the potential of either airport. So during the 1970's and early 1980's, improvements were negligible or nonexistent at both National and Dulles, for two reasons.

One, National drained flights from Dulles. And so improvements at Dulles were put on hold. Two, improvements were also on hold at National. Extensive litigation and public protest over increasing noise lead to this freeze. And there was even some discussion of shutting down National completely.

Congressional legislation in 1986 solved these problems by codifying the perimeter and slot rules that the airlines themselves had agreed upon, and by creating an independent authority to manage the airports. This statutorily limited the number of flights at National, along with the accompanying delays and noise, and increased the business at Dulles providing what we thought was long-term stability to both airports.

Mr. President, there is no way around the fact that weakening the perimeter rule will bring long-haul flights to National at the expense of Dulles.

This marriage between National and Dulles—along with the stability that accompanies most strong unions—has been extremely lucrative for both airports.

Billions of dollars have been invested by businesses in the area near Dulles Airport based on the assumption that Dulles would remain the region's major international gateway. And the public represented by the Metropolitan Washington Airports Authority has made significant investments in Dulles, including more than $1.6 billion in bonds.

Investments in Reagan National Airport have also grown under the stability provided by local management and the slot and perimeter rules. Since the airport was transferred to the Metropolitan Washington Airports Authority, more than $940 million has been invested in the airport. The new terminal is well designed, and represents our Nation's capital well. But the new terminal at National and the substantial investments at Dulles would not have occurred, Mr. President, without the perimeter and slot rules.

In 1986, Congress was sensitive to community outrage as well as the need to improve service. In hearings on the legislation, Congressman Hammerschmidt asked how the Congress could be sure residents would support improvements at National. Secretary of Transportation Elizabeth Dole stated:

> With a statutory bar, to more flights, noise levels, will continue to decline, as quieter aircraft, are introduced.
>
> Thus all the planned projects at National, would simply improve the facility, not increase, its capacity, for air traffic.
>
> Under these conditions, I believe that National's neighbors, will no longer object, to the improvements.

Mr. President, as a result of this understanding between the local community and the Congress, we have had enormous benefits to air service in this region—benefits that we shouldn't imperil by changing rules that have worked so well.

Third, Mr. President this exchange between Secretary Dole and Congressman Hammerschmidt illustrates that there was some concern about the effect of the transfer legislation on the people who live in the communities around National Airport. We need to be sensitive and respectful of their concerns and wishes today.

Increasing the number of flights at National Airport will increase the noise level for local citizens, will exacerbate the congestion for residents, will increase delays for those who fly in and out of National, and could also pose safety risks for surrounding communities.

Weakening the perimeter rule could wreak economic hardship on Dulles, which would threaten the countless businesses and families who settled around the airport expecting it to remain our Nations regional international gateway.

By focusing on the few travelers who may benefit from increasing the flight limits at National, this bill ignores the harm it will cause to the many northern Virginia families who are neighbors to National Airport. Local communities and local businesses surrounding both airports are in opposition to changes in the flight limits and the perimeter rules. It is their quality of life, their economic strength, their ability to plan for a secure future, that is at risk with this portion of the legislation. We have a system in place that works for this region. We have a careful balance between two airports that needs to be preserved.

Finally, Mr. President, with this bill we are again meddling in the affairs of two airports that Congress transferred to a regional authority which we created because we thought airports could be managed better by the authority than by Members of Congress.

The 1986 transfer legislation signed into law by President Ronald Reagan embodied two important concepts that are demolished by the bill we are considering today: That local authorities—not the Federal Government—should decide local issues; and, that the two airports work together in tandem, and with BWI, to serve the national capital region.

As I mentioned earlier, the operation of one airport cannot be changed without affecting the operation of the other.

As the Senate Commerce Committee report noted at the time:

[I]t is the legislation's purpose, to authorize the transfer under long-term lease of the two airports ''as a unit, to a properly constituted independent airport authority, to be created by Virginia and the District of Columbia, in order to improve the management, operation, and development of these important transportation assets.''

Let me quote from Congressman DICK ARMEY, who has the following to say about transferring the airports from Federal to local control:

The simple fact is that our Federal Government was not designed, nor is it suited, to the task of running the day-to-day operations of civilian airports.

Transferring control of the airports to an ''independent authority'' will put these airports on the same footing as all others in the country.

It gets the Federal Government out of the day-to-day operation and management of civilian airports, and puts this control into the hands of those who are more interested in seeing these airports run in the safest and most efficient manner possible . . . Rather than throw limited federal funds at the airports and tell them to do what they can, this legislation will allow the type of coordinated long-range planning necessary to keep the airports safe and efficient into the future.

The Metropolitan Washington Airports Authority has engaged in the type of long-range coordinated planning that Mr. ARMEY encouraged. Essential to that long-range plan is to balance the operations of the two interdependent airports. National is designed to handle short-haul flights inside the perimeter, and Dulles is designed to handle long-haul flights which are essential to maintaining Dulles as an international gateway.

Yesterday, I heard one of my colleagues comment on the bustling activities surrounding Dulles. The current robust growth at Dulles results directly from the balance between the two airports. The legislation we are considering today begins to tip that balance in a way that will harm both of the airports as well as the communities that surround them.

As Senator Dole said during debate on the 1986 legislation:

Mr. President, I would like to take just one moment to reaffirm my support for passage of the regional airport bill.

Continuing to quote Senator Dole. ''There are a few things the Federal Government—and only the Federal Government—can do well. Running local airports is not one of them.''

Finally, Mr. President, in making these changes to the flight limits and the perimeter rule, proponents argue that we are just following the wisdom of the free market. I am aware that the slot and perimeter rules are limits on the market, and I am also aware that GAO studies have criticized the rules as anticompetitive. Moreover, I believe in the free market.

But Government has a role in checking the excesses that can flow from an unfettered free market. The market won't educate children, the market won't protect workers, the market won't check monopolies, and the market won't safeguard our natural resources.

So our charge as policymakers in a capitalist economy is to allow individuals and entrepreneurs and businesses the freest rein possible while safeguarding society's other concerns. Defining those concerns and implementing those safeguards without destroying the benefits we achieve from the free market is one of the most difficult tasks we face.

Mr. President, the free market doesn't care if Ronald Reagan Washington National Airport is unnecessarily congested, but we do. The free market doesn't care if there are flight delays, but we do. The free market doesn't care if there is excessive noise in Alexandria or Arlington, but we do. The free market doesn't care if Dulles Airport is harmed, but we do.

We seek a balance here between the free market and the strength of our airports and the quality of life of our people. That balance is embodied in the flight limits and perimeter rule. They should not be sacrificed to the free market in this debate.

And perhaps more egregiously, Mr. President, this legislation applies an adherence to free market principles on an inconsistent and selective basis. This bill, for example, contemplates restricting air flights over both small and large parks. The report on the bill states that the Commerce Committee ''intends that the [Federal agencies] work together to preserve quiet in the national parks.'' The report goes on to say that while ''natural quiet is not an important attribute for all national parks, such as historic sites in urban settings,'' preserving quiet in some parks ''may require banning commercial air tour operations over the park altogether.''

I agree with the committee, Mr. President. We should work to preserve the pristine nature of our national parks for the public to enjoy.

But how can we abandon free market principles to preserve the sanctity of our parks and use free market principles to damage the sanctity of life here in our Nation's Capital? It would be wrong, Mr. President, to force Virginians and those who live in this area to endure more noise from National Airport.

There is a second significant inconsistency in this bill, and that involves service assistance for small communities.

On the one hand, the bill attempts to expand service to underserved communities. It creates the Community-Carrier Air Service Program which seeks to develop public/private partnerships with commercial airlines and the local State and Federal governments. These partnerships will offer service previously unavailable. In addition, the bill maintains the Essential Air Service Program which now subsidizes air service in communities such as Kingman, AZ; Rockland, ME; and Seward, AL.

On the other hand, we jeopardize short-haul service from National. This legislation weakens the perimeter rule which was created to both improve service to underserved airports and to expand service at Dulles Airport. Again, if we weaken the perimeter rule, we weaken more than Dulles Airport. We begin a dangerous journey that could jeopardize consumer access to smaller airports across the Nation that currently benefit from the perimeter rule.

Fortunately, Mr. President, the bill before us does not erase the perimeter rule altogether. Unfortunately, it does damage to the rule, and I believe it contemplates doing away with the rule completely, which embodies its own threat to the economic performance of our region.

Before I conclude, I want to ask that Members of this body step back for just a moment and recommit ourselves to honoring the commitment that we made to our regional airports in 1986. Those of us who represent this region have spent enormous time and energy over the last decade trying to keep the Congress from breaking its commitment to communities that we serve. We need to stop wasting valuable time micromanaging these airports. Let's put out a moratorium, if you will, on legislating changes that are in the purview of the Metropolitan Washington Airports Authority. Let's give the Authority, say, 5 years to continue to develop a strong, vibrant air transportation system we want and need for this area at the dawn of a new millennium.

I understand that Senators MCCAIN and LOTT will express their commitment not to interfere further in the slot and perimeter rule should this bill pass. I welcome that commitment. But let's acknowledge that the existing rules we change with this bill were carefully crafted, are based on sound public policy, and should not be altered. And let's oppose this Federal intervention in the operation of two airports that are doing just fine without us.

Mr. President, I know this bill will pass, and it should for the reasons I stated at the outset. But in opposition to yet another broken promise by this Congress to the citizens of Virginia and this region, I will vote no on final passage and hope that my concerns, shared by so many of our colleagues, will be addressed in conference.

With that, Mr. President, I yield the floor and 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. 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.

Mr. MCCAIN. While my friends from Virginia are here on the floor, both Senator WARNER and Senator ROBB, I want to first of all tell Senator ROBB I appreciate all his words of criticism and scorn. They are well received.

Mr. ROBB. And friendship.

Mr. MCCAIN. In the spirit of friendship.

I also want to say that both Senator ROBB and Senator WARNER have been staunch advocates for the people who live in the State of Virginia who are directly affected by these policy changes. I understand that concern and that commitment, and I think it is not only appropriate but laudable. I assure both Senators, my commitment to them and their citizens is we will do everything we can to see that there is not an increase in noise in the neighborhoods surrounding these airports. If we renege on that commitment, I will be glad to come back and revisit this issue. If there is an increase of noise pollution of any kind, I want to tell my two dear friends that I will come back, revisit this issue, so that we can repair any damage that is inflicted on the people of the State of Virginia—and Maryland as well, I might add. Maryland as well.

Both Senators from Virginia have been staunch opponents. They have done remarkable things in preventing even this very modest—let's be realistic here—this is very modest. When we are talking about a total of six round-trip flights a day, it is not a huge increase. But they have done a great job, and I commit to them, finally, we will be glad to revisit this issue if problems arise as a result of this legislation.

Also, we can put all the blame on Senator FORD because he will no longer be with us at that time.

Mr. FORD. There he goes, talking out of school again.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. ROBB. Mr. President, may I thank our friend and colleague from Arizona, who has worked for many, many years. He does reflect an ongoing dialog that my distinguished senior Senator and I, and the two distinguished Senators from Maryland, have had with him as well as Senators representing a couple of the other airports that were affected by both flight and perimeter rules.

I appreciate very much and take sincerely his offer to revisit the question on noise. I hope he will also include, at least in the spirit of the commitment that he makes, both congestion and diminution in the vitality of Dulles, which is really the other major issue that we are talking about. All of these are in play.

But I understand and appreciate very much, as does my senior colleague, both the commitment the Senator from Arizona has made as well as the spirit of that commitment and the spirit with which he has worked with us over a very long period of time, many years, to get to this particular point.

With that, I yield the floor.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. WARNER. Mr. President, I join with my distinguished colleague, Senator ROBB, in expressing to both managers our appreciation. It is clear that we are about to adopt a bill which will have measurable impact, in terms of the environment, on the immediate region—Maryland, Virginia, and the District of Columbia. I am about to make a correction in an amendment which will provide, I think, adequate monitoring of that impact on the environment.

I started on the question of these airports—I can't remember, it is so many years ago now. Now that Senator ROBB has joined me in the Senate, he, too, has worked very hard on the airports. I was on the airport commission when we transferred them from Federal ownership to the current legal concept with MWAA. As a matter of fact, I think my colleague was Governor; isn't that correct?

Mr. ROBB. If my colleague will yield just for a comment, I was indeed and, as a matter of fact, had an opportunity to come up and work with the distinguished senior Senator and with others on this legislation. Before I left the Governors' office, I appointed the first two members of the board.

Mr. WARNER. Mr. President, that is correct. I actually wrote the legislation that was eventually adopted. But so much for history.

The residents of this community have to endure the hardships as occasioned by this growing airport. But in the course of my analysis here, in the past year, of this question, I talked at great length with the technical people. The margin, the incremental margin that could increase both in noise pollution and safety—we should include safety in this, and certainly in my conversations no alarm bells were sounded. I hope the NEPA report eventually verifies that finding.

I also would like—having a few moments here with the distinguished managers of this bill, would like to talk a moment about the MWAA board. I know the Committee on Commerce has had the hearing on them. They are yet to go on the Executive Calendar. This is something I have been following very closely. I do not wish to say more about it, but I just look my constituents straight in the eye and say, ''Trust the old senior Senator that somehow this thing is going to be resolved.'' I have known Mr. MCCAIN a quarter of a century as a colleague. Trust me, this will be resolved.

I would like to place in the RECORD the importance of allowing last year's money, and such moneys that flow from this piece of legislation—exactly what those projects are. I enumerated them in the course of the hearings on the MWAA appointees, but I think it is important to put them in the RECORD. Foremost among them is, hopefully, the elimination of those vehicles that go out between the terminals at Dulles—how many of our colleagues have come up to me on the floor: ''JOHN, the time has come; we have outlived those''?—and other very important modifications, modernization for both of these airports, for which I and others have fought hard in these years.

At Reagan National Airport and Washington Dulles International Airport several major projects are virtually on hold as a result of inaction by the Senate on the confirmation of Metropolitan Washington Airports Authority board members:

(1) At Dulles, the temporary gates attached at the foot of the tower need to be replaced. $11.2 million would come from PFCs; (2) an all-weather connector between a new, badly-needed parking garage and the Main Terminal would require about $29 million from PFCs; (3) for the Midfield B Concourse, a tunnel with moving sidewalks would replace the mobile lounge ride, with about $46 million provided by PFCs; (4) a new baggage handling requires $31.4 million in PFC revenue.

At Ronald Reagan Washington National Airport there are several more:

(1) Rehabilitation of the historic old main terminal, now called Terminal A, will cost $94 million, and is to be paid for with $21 million in grants and $36 million in PFCs; (2) the ''connector'' between the old and new terminals will be widened, and moving sidewalks added. The cost is $4.8 million, with $4.3 million in PFCs.

Mr. President, these two airports are vital to the economic development of Virginia and the entire metropolitan Washington area. We are anxious that they are physically able to support the improvements in air service the region so badly needs.

I would urge the Commerce Committee to act promptly to forward these nominations to the Senate for its advice and consent.

So I thank the managers. This is an important colloquy we have had right now. I yield the floor.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. MCCAIN. Very quickly we will go—Senators GORTON and SPECTER are here with the final amendment which we will go to in a moment.

Mr. WARNER. May I make a technical change?

AMENDMENT NO. 3639, AS AMENDED

Mr. FORD. Prior to that, we have a pending amendment that is agreed to.

Mr. MCCAIN. We have a pending amendment.

The PRESIDING OFFICER. If there is no further debate, the amendment of the Senator from Maryland is adopted.

The amendment, No. 3639, as amended, was agreed to.

Mr. MCCAIN. Mr. President, I move to reconsider the vote.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MCCAIN. I assure my colleague Senator WARNER on his technical amendment, we are going to mark up the nominees to the board on Thursday and we will report them out on Thursday.

Mr. WARNER. I thank the Senator.

Mr. MCCAIN. I yield the floor.

AMENDMENT NO. 3643 VITIATED

Mr. WARNER. Mr. President, earlier the Senate adopted amendment No. 3643, which the Senator from Virginia introduced on behalf of Senator ROBB, Senator SARBANES, Senator MIKULSKI.

By an innocent error, the wrong sheet of paper got into the hands of the clerk. I take full responsibility.

I now ask that amendment No. 3643 be vitiated.

The PRESIDING OFFICER. Without objection, it is so ordered.

Amendment No. 3643 was vitiated.

AMENDMENT NO. 3644

Mr. WARNER. 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 Virginia [Mr. WARNER], for himself, Mr. SARBANES, Ms. MIKULSKI and Mr. ROBB, proposes an amendment numbered 3644.

Mr. WARNER. 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 43 of the Manager's Amendment beginning with line 21, strike through line 5 on page 44 and insert the following:

(d) ASSESSMENT OF SAFETY, NOISE AND ENVIRONMENTAL IMPACTS.—The Secretary shall assess the impact of granting exemptions, including the impacts of the additional slots and flights at Ronald Reagan Washington National Airport provided under subsections (a) and (b) on safety, noise levels and the environment within 90 days of the date of the enactment of this Act. The environmental assessment shall be carried out in accordance with parts 1500–1508 of title 40, Code of Federal Regulations. Such environmental assessment shall include a public meeting.

Mr. WARNER. I am pleased to offer this amendment for myself and Senators SARBANES, MIKULSKI and ROBB.

The purpose of this amendment is in the event the conference report adopts part or all of the provisions of this bill which would increase the number of slots—that is in this legislation that we are now considering—the Secretary of Transportation is given authority to grant additional slots and additional flights beyond the 1,250-mile perimeter of the Ronald Reagan Washington National Airport. These provisions will permit 24 additional flights daily at Reagan National Airport.

I have worked with the managers of the bill for some time. I have expressed my grave concern about the perimeter rule and the associated potential, and probably likely degradation of environmental consequences from these flights.

So, to the extent our bill as passed through the Senate, which still remains to be seen but I presume it will—will contain this provision, then of course, in the conference I cannot predict what will come out of conference. But in that event, then I think we better put a little insurance policy in here as regards the environmental concerns. That is the purpose of this amendment. These additional flights are permitted without any evaluation of the potential impact on noise level, safe operations of the airport, or other environmental impacts.

The amendment I offer today, together with my distinguished colleagues from Virginia and Maryland, requires the Secretary of Transportation to conduct an environmental assessment of the potential impacts of these additional flights on noise levels, safety and the environment prior to the Secretary granting any exemptions.

That is a very important provision. The environmental assessment process, as defined under the National Environmental Policy Act, ensures that the Secretary will fully review possible impacts of these additional flights. Also, this process provides the opportunity for the public to fully participate—I underline that, the public gets a voice—in making known their views on the potential impacts of these additional flights.

I believe this amendment is critical to ensuring that the Ronald Reagan Washington National Airport continues to be a safe and efficient airport for the traveling public, the area residents, and, indeed, the many thousands of employees who work at this airport, together with the aircrews who operate these aircraft.

Having worked the better part of the day on this amendment with the managers, it is my understanding at this time the managers indicate they will accept this amendment without the necessity of a rollcall vote.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. FORD. My friend and colleague is not here, the manager of the bill from the majority side. We have discussed this between us and the Senator's statement, as far as I am concerned, is absolutely true. He has worked hard on it, done a lot of hard work on it. I think it is absolutely necessary we have it in for his protection and others. I would not want to speak for my colleague.

Mr. WARNER. Mr. President, I did speak with the manager just moments ago, the Senator from Arizona, Mr. MCCAIN, and he has agreed. I convey that to the distinguished minority leader.

Mr. FORD. I don't doubt your word.

Mr. WARNER. I urge its adoption.

The PRESIDING OFFICER. If there is no further debate, without objection, the amendment is adopted.

The amendment (No. 3644) was agreed to.

Mr. MCCAIN. I move to reconsider the vote.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. WARNER. I thank the Chair and thank the managers.

Mr. SPECTER addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SPECTER. I thank the Chair.

AMENDMENT NO. 3645

(Purpose: To amend title 46, United States Code, to provide for the recovery of non-pecuniary damages in commercial aviation suits)

Mr. President, on behalf of Senator SANTORUM, Senator LOTT and myself, 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 Pennsylvania [Mr. SPECTER] for himself, Mr. SANTORUM and Mr. LOTT, proposes an amendment numbered 3645.

Mr. SPECTER. 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:

SEC. . COMPENSATION UNDER THE DEATH ON THE HIGH SEAS ACT.

(a) IN GENERAL.—Section 2 of the Death on the High Seas Act (46 U.S.C. App. 762) is amended by—

(1) inserting ''(a) IN GENERAL.—'' before ''The recovery''; and

(2) adding at the end thereof the following:

''(b) COMMERCIAL AVIATION.—

''(1) IN GENERAL.—If the death was caused during commercial aviation, additional compensation for non-pecuniary damages for wrongful death of a decedent is recoverable in a total amount, for all beneficiaries of that decedent, that shall not exceed the greater of the pecuniary loss sustained or a sum total of $750,000 from all defendants for all claims. Punitive damages are not recoverable.

''(2) INFLATION ADJUSTMENT.—The $750,000 amount shall be adjusted, beginning in calendar year 2000 by the increase, if any, in the Consumer Price Index for all urban consumers for the prior year over the Consumer Price Index for all urban consumers for the calendar year 1998.

''(3) NON-PECUNIARY DAMAGES.—For purposes of this subsection, the term 'non-pecuniary damages' means damages for loss of care, comfort, and companionship.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies to any death caused during commercial aviation occurring after July 16, 1996.

Mr. SPECTER. Mr. President, this amendment clarifies the 1920 shipping law known as the Death on the High Seas Act which has been interpreted to prohibit families of victims, such as those who were on TWA Flight 800, from seeking relief for other than pecuniary damages.

This amendment is a modification of Senate bill 943 which I had introduced

earlier with the following cosponsors Senators SANTORUM, D'AMATO, LAUTENBERG, INHOFE, GRAMM of Texas, HUTCHISON of Texas, MOYNIHAN, WELLSTONE, DODD, FEINSTEIN, TORRICELLI, MURRAY, DURBIN, MOSELEY-BRAUN, MIKULSKI, SARBANES, ROBB and LEVIN.

We have not had an opportunity to circulate this amendment, but I do think it would have very broad support since those cosponsors supported the broader legislative proposal contained in Senate bill 943.

Mr. President, we are submitting this compromise amendment in order to move ahead to obtain some possible compensation for damages beyond pecuniary damages. Specifically, the families of victims of plane crashes more than 3 miles off our shores will be able to sue not only for economic losses such as the lost salary of a deceased spouse, but also for non-economic losses such as loss of companionship, loss of care, and loss of comfort.

The amendment provides that a court can make an award for nonpecuniary damages which shall not exceed the greater of the pecuniary loss sustained or a total of $750,000 per victim.

This amendment is retroactive to the crash of TWA 800, which tragically took 230 lives on July 17, 1996. The hardest hit community in the TWA 800 crash was Montoursville, PA, which lost 16 students and 5 adult chaperones from the local high school who were participating in a long-awaited French club trip to France. It was the parents of some of these children who first contacted our office about introducing legislation to allow them to seek compensation other than for pecuniary losses, which they believed courts would not provide.

Mr. President, under this amendment, the loss for noneconomic damages will be the greater of the pecuniary loss sustained for a total of $750,000 per victim. Illustratively, if the pecuniary loss to an individual was $1 million, then that individual could obtain $1 million for nonpecuniary damages. But if the pecuniary damages are less than $750,000, the maximum that an individual can take would be $750,000.

I offer this amendment, Mr. President, to make the best of what I consider to be a less-than-desirable situation. I am philosophically strongly opposed to caps on damages. I believe that there is very substantial evidence that corporate America has disregarded damages to victims on a calculated pecuniary evaluation as to what will cost them the least money.

Illustrative of that is the famous Pinto case where Ford decided to leave the gas tank in the back of the car because it would cost $11 or $12 to move it to a safe position; and there was a calculation, as disclosed in the files of the Ford Motor Company, that that judgment was made because it would be cheaper to pay the damages than it would be to change the location of the gas tank.

I have some detailed knowledge of recent litigation involving Ford Motor Company where there was a defective brake at issue. It was acknowledged to be defective and the National Transportation Safety Board said it was defective, and there were efforts made to get Ford to recall it, but Ford did not recall it, again, obviously, because the costs they calculated would be less onerous from a financial point of view to allow that danger to remain. A young child aged 3 was killed as a result of that incident.

And there are many, many cases—case after case—the tobacco cases, which were recently illustrative, where there is a calculation made by the corporation to give false information for pecuniary gain, which would warrant punitive damages; cases involving IUDs where there were known defective instrumentalities; cases involving flammable pajamas where children were burned; many, many cases which have led me to conclude that there really ought not to be caps.

I have had some experience as a litigator, mostly on the defense side, some for claimants for personal injuries, but mostly on the defense side with the firm of Barnes, Dechert, Price and Rhoads, later known as Dechert, Price and Rhoads of Philadelphia, and have seen this issue from both sides of the fence. But it is not possible to move ahead on the FAA reauthorization bill, which is an appropriate spot to have this aviation amendment, without tying up this important legislation.

We have had a series of meetings with interested parties and had an amendment to the Death on the High Seas Act been enacted which would have had unlimited damages, there was the announced intent to filibuster the bill. However, the pending FAA bill really needs to be enacted because it contains very substantial money for airport construction across my State of Pennsylvania and throughout America.

So this is a compromise which can be worked out. The figure moved from $250,000 for nonpecuniary damages to $600,000, to the greater of the pecuniary loss or $750,000. I think that the figure is too low as it stands now, but this is the best that can be obtained today. I would note that in offering this amendment today, I make the pledge that if we fail to remove them in Conference on the FAA bill, I will introduce legislation in the next Congress to take the caps off because I think one day there will be a Congress which will be sympathetic to eliminating such caps.

When there was a threat of a filibuster, that was on the basis that a Death on the High Seas Act amendment might be enacted without any cap at all. The whole issue of product liability is a complex issue. And there are some who think that it ought to be curtailed to some substantial extent and others who think that it ought not to be curtailed.

But this does advance the position of families of individuals who have met with tragic death. And it is not uncommon in our Congress and our U.S. Senate that we reach compromises and live to fight another day to push the principles that we believe in. But this is the best that can be done.

In conversations with my constituents and interested parties there is, I think, a sense that this is a desirable consequence today, the $750,000 in noneconomic damages, and that we will look to another day to try to remove the caps altogether.

I want to comment briefly about what I consider to be a very serious potential problem for the Senate procedurally on what has occurred in this matter with respect to what amendments are in order under our rules and what notification Senators like me receive on that matter. It was well known by all of the interested Senators—the majority leader's office, the managers of the bill, and others—that an amendment on Death on the High Seas would be offered.

Then there was a unanimous consent request where the matters that could be presented were limited. At that time, the technical consideration was raised as to what was a relevant amendment, which challenged the ingenuity of the Parliamentarian as to what is relevant in technical Senate rules.

Had there been any doubt in my mind that this amendment was to be challenged on the basis of relevance, and all the interested parties knew what it was, it would be a relatively simple matter for me as a Senator having a right to object to a unanimous consent agreement and to have this specific amendment protected so that I would not face a technical challenge on relevancy. I brought that issue to the attention of the distinguished majority leader and said if we were starting to parse semicolons in this body we would have to have a lot of Senators on the floor to protect their interests on unanimous consent agreements, because it was plain that this amendment was to be offered. Our distinguished majority leader thought my point was well taken.

Thereafter, there was another unanimous consent agreement entered into on the floor of the Senate without ''hotlining''—and I don't know that anybody listening to C–SPAN2 cares about it, but the Senators do care—and hotlining is a procedure where Senators' offices are called and told this unanimous consent agreement is to be entered into, which is more than an announcement on the floor of the U.S. Senate, which may be noted or may not be noted.

This Senator did not have notice about a limitation on the amendments which were to be limited in the FAA bill under the unanimous consent agreement. Here again, all the parties were on notice that this was an issue which this Senator intended to pursue.

Now, I have made it plain in my discussions with the interested parties

and the majority leader that I understood the importance of this FAA bill, that I would not take steps which would tie the bill up and that I was prepared to try to reach an acceptable compromise as to a figure on noneconomic damages.

However, this experience has taught me something new. From what I have seen in the Senate up to this point, there is a recognition of what Senators intend to offer and there is notification so that Senators can appear and protect their technical interests.

I am not claiming it is prejudice because, as I repeat, I was prepared to accept this compromise. But to be put in a position where, had I chosen not to do so, to have been foreclosed under these circumstances, I think, would have been an inappropriate limitation on my rights to offer a broader amendment. If I must take the position of filing an objection to every unanimous consent agreement, that is an alternative that I would not like. But, that may be necessary if we are not to have our interests protected and to be notified where our interests are known—to come and make sure our amendments can be offered.

I speak about that at some great length because I am very concerned about what has happened in this case. I cannot be more emphatic in saying I disapprove of the procedures which were followed here.

I yield the floor.

The PRESIDING OFFICER. The Senator from Washington.

Mr. GORTON. Mr. President, the Death on the High Seas Act was either passed or last amended some 70 years ago. It is an act relating to exactly that—death on the high seas—that sets out limitations on damages that can be recovered in fault-based actions for such deaths.

Obviously, the absence of any change in those limitations can be said to be something of an anachronism at this point. The Death on the High Seas Act does not limit the dollar amount of actual economic damages that can be recovered. The Death on the High Seas Act applies equally to death over the seas or on the seas as a result of an aircraft accident. The rationale, of course, for that kind of limitation on damages is the vital importance to the people of this country, of the maritime transportation of goods and passengers, and the air transportation of goods and passengers over the seas of the world.

The view, I am sure, of those who passed the act in the first place was that this was such an important part of our society, that it was so important to encourage the development of efficient, swift, and inexpensive transport of goods and passengers, that there should be certain limitations to legal actions resulting in deaths on the high seas.

The bill to which the Senator from Pennsylvania refers was the subject of a hearing in the Commerce Committee. That bill was not reported favorably or at all by the committee. So some portion of it or all of it was originally posed as an amendment to this bill on the reauthorization of the Federal Aviation Administration, to which this subject is not clearly relevant.

The proponents of S. 943 and of the original form of this amendment wanted to remove all limitations—both for noneconomic damages and for punitive damages—from any such actions. That seemed to me, and continues to seem to me, to be an inappropriate response. The necessity for transportation by air over seas remains absolute in the world in which we live, and to subject either aircraft manufacturers or airlines to unlimited amounts of noneconomic damages and to punitive damages would have a clearly negative impact on the design and maintenance of airliners and of the airlines that operate.

Flight 800 is not a Ford Pinto. All airlines and all aircraft manufacturers, domestic and foreign, are required to meet extraordinarily strict safety standards imposed by the Government of the United States. After 2 or 3 years of study, the greatest experts in the world are not certain of the cause of that crash. They think they know, but if one thing is clear to the ordinary observer, the crash did not take place due to the negligence of the manufacturer or of TWA.

Nevertheless, in the fault-based litigation field which afflicts the United States, there is little doubt that a number of juries by trial lawyers could be persuaded that negligence that no one could have determined in advance was, in fact, present, and these damages would thereby be unlimited.

So as the Senator from Pennsylvania has so graciously pointed out, we have here a compromise. I think that it is appropriate that certain noneconomic damages be recoverable. I think they will be recoverable and will be recovered even though in the normal sense of the word ''negligence'' against any of the defendants, it will never actually be proven. But I do not think that they should be unlimited. I do not think that cases like this admit to punitive damages under any conceivable set of circumstances.

What this bill does is two things: It allows the recovery of certain noneconomic damages for the loss of care, comfort, and companionship of those who were killed in the aircraft crash to which this bill is retroactively applicable, and in future aircraft accidents, up to the amount of actual economic damages or $750,000—whichever figure is larger. I believe that is a generous award and a generous limitation for aircraft accidents.

The Senator from Pennsylvania feels they should be unlimited, and he represents a strongly held point of view held by a large number of other Members of this body. But this is a legislative compromise. These damage limitations are far greater than they are under present law. They are far less than the American Trial Lawyers Association would like.

It does seem to me that in a body that has struggled with product liability legislation for the better part of two decades, and which includes a majority of Members who feel that certain limits should be placed on product liability litigation, but whose goals have been frustrated through filibusters and the like, that to add another field to the kind of unlimited litigation that so plagues society at the present time and has so troubled debates in this body, not just over product liability but over medical malpractice as well, that such an extension would be highly unwise.

As a consequence, the Senator from Pennsylvania and I disagree on the general philosophy of the vehicle with which we are involved here. But I think that, in the best traditions of the Senate, our disagreements have been resolved, at least for the time being, by a compromise—a compromise that has limits —limits that I think are perhaps too high on the kind of damages that can be recovered and implicitly as to whether they should be recovered at all under the circumstances, and the belief of the Senator from Pennsylvania that standard negligence rules ought to apply here as they do in many other areas.

We have reached compromise on this. He has proposed an amendment which he doesn't completely agree with himself, but he thinks it represents an improvement. And I agree with an amendment that I do not completely disagree with and one I think is relatively too generous. It may well be that the Senator from Arizona thinks this will be the last amendment on this bill and we will move forward from here. I guess we can say that at some future time there will be another contest during which we can examine the premises of our fault-based system of liability and its relationship to aircraft accidents at greater length and at more leisure.

For the time being, I thank the Senator from Pennsylvania and the other Senator from Pennsylvania, Mr. SANTORUM, who first brought this to my attention, and the many others who worked very hard to reach an accommodation. The senior Senator from Pennsylvania has done a very good job on a cause in which he believes, even though he didn't get everything he wanted.

Mr. SPECTER addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SPECTER. Mr. President, I thank my colleague from Washington for those kind remarks. I thank him for saying the Senator from Pennsylvania has done a good job. If I can attract the attention of the Senator from Washington, I think he has done even a better job. He and I were elected in 1980 and have served in this body for some considerable period of time, and we are lawyers. It may be unwise to make that kind of admission publicly on C–SPAN2, but we are lawyers. We have many discussions and we agree most of the time.

I heard Don Meredith, the legendary quarterback of the Dallas Cowboys, make a comment about lawyers one day. He said, ''99 percent of the lawyers give the rest of them a bad name.'' Senator DOMENICI, who is listening, is also a lawyer and, with some frequency, he disagrees with the legal profession. We will continue to take up these issues. This is the conclusion for today.

The bill will now go to conference and, in conference, on the House side there has been a decision that the Death on the High Seas Act should not apply to any aircraft accidents. It should apply only to other instrumentalities, but not to airplanes. That will be a matter for conference. If the House should prevail, then the objectives of this Senator would have been accomplished because there would be no limitation on damages because the Act would be inapplicable to airline crashes.

With respect to the TWA 800 incident, it ought to be noted that the federal district court, the trial court, has recently ruled that the limitation of the Death on the High Seas Act does not apply because, while it was outside of 3 miles, it was within 12 miles, and a certain action by President Reagan extended that definition of our waters to a 12-mile limit. But that hasn't been ruled upon by the court of appeals, nor by the Supreme Court. So that district court judge's ruling may change. There are issues that are yet to be resolved in conference and also in the courts on this matter.

In conclusion, I think we have advanced the matter. It is in accordance with the traditions of the Senate to try to reach an accommodation and move the legislation forward and reenter the fray and rejoin the issue at a later date. I thank the Chair and yield the floor.

Mr. MCCAIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. MCCAIN. Mr. President, I want to take a moment to thank my two lawyer colleagues. I am very pleased that I am not of that profession. I will refrain from telling any more lawyer jokes on the floor.

There were two very different positions here and strongly held views. I believe this is what our work here in the Senate is all about. The Senator from Washington, in his responsibilities as chairman of the Aviation Subcommittee, has preserved some fundamental principles here, and I also think the Senator from Pennsylvania, who has taken a major step forward concerning children. For the first time, now children will be ranked along with everybody else in compensation and in the case of tragedy. I believe that the people who have fallen victim to these terrible aircraft tragedies owe a great debt of gratitude to Senator SPECTER for what he did tonight. There is now some hope for them for some reasonable compensation. We all know that there is no compensation for the loss of a life. But there are certainly ways that we can make their lives better and give them a chance to have a decent future.

I thank Senator SPECTER for what he did here tonight. I also want to thank Senator GORTON, who fundamentally protected principles that he has adhered to for a long period of time.

I yield to the Senator from Pennsylvania.

Mr. SPECTER. Mr. President, I thank the distinguished Senator from Arizona for those comments. He has done an outstanding job as chairman of the Commerce Committee on this bill and on other matters.

I urge adoption of the amendment.

Mr. FORD. Mr. President, I object to that right now, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MCCAIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MCCAIN. Mr. President, because of the unanimous consent agreement, which limited the number of amendments, the Senator from Pennsylvania and I have agreed to put that amendment into the managers' package, which we will be proposing very shortly. It will be Senator SPECTER's amendment. We do this only for the sake of preserving the process of the unanimous consent agreement. It will be part of the managers' amendment.

Mr. SPECTER. Mr. President, that accurately states our agreement. For technical reasons, I will withdraw the amendment and it will become a part of the bill as if voted on and passed as part of the managers' package. I concur with what my colleague just articulated.

The PRESIDING OFFICER. The amendment is withdrawn.

The amendment (No. 3645) was withdrawn.

Mr. MCCAIN. Senator WYDEN has very strong views on the High Seas Act. We have been working together on a colloquy that will be included in the RECORD to reflect that.

ALASKA EXEMPTION FROM TITLE VII

Mr. STEVENS. I thank the Manager, the Senator from Arizona, Chairman MCCAIN, for his able and fair management of the FAA Reauthorization bill. Subsection 702(b) exempts overflights in Alaska from the provisions of the new section 40125 of title 40 set forth in the subsection 702(a). Is that the Committee's intent?

Mr. MCCAIN. Yes.

Mr. STEVENS. Subsection 702(b) also exempts overflights in Alaska from the provisions of Title VII of S. 2279. Is that the Committee's intent?

Mr. MCCAIN. Yes.

Mr. STEVENS. The effect of subsection 702(b) then, is to expressly prohibit the federal government's prohibition and regulation of overflights over national park land and tribal land in Alaska, if there were lands or waters in Alaska that would otherwise qualify as such land in the absence of this exemption.

Mr. MCCAIN. That is correct.

Mr. STEVENS. I ask that the chairman of the authorizing committee for the Alaska National Interest Lands Conservation Act, Senator MURKOWSKI, to comment on section 702(b) and the operation of section 1110(a) of the Alaska National Interest Lands Conservation Act.

Mr. MURKOWSKI. Section 1110(a) of the Alaska National Interest Lands Conservation Act provides an express and affirmative right to air access to federal lands in Alaska. Section 1110(a) provides as follows:

> Notwithstanding any other provision of this Act or other law, the Secretary shall permit, on conservation system units, national recreation areas, and national conservation areas, and those public lands designated as wilderness study, the use of snowmachines (during periods of adequate snow cover, or frozen river conditions in the case of wild and scenic rivers), motorboats, airplanes, and nonmotorized surface transportation methods for traditional activities (where such activities are permitted by this Act or other law) and for travel to and from villages and homesites. Such use shall be subject to reasonable regulations by the Secretary to protect the natural and other values of the conservation system units, national recreation areas, and national conservation areas, and shall not be prohibited unless, after notice and hearing in the vicinity of the affected unit or area, the Secretary finds that such use would be detrimental to the resource values of the unit or area. Nothing in this section shall be construed as prohibiting the use of other methods of transportation for such travel and activities on conservation system lands where such use is permitted by this Act or other law.

Overflights, including those conducted for profit, are a ''traditional activity'' in Alaska, and as such currently may be subject to ''reasonable regulation'' by the Secretary of the Interior under section 1110(a). This policy works for Alaska. Although section 1110(a) applies notwithstanding any other law, section 702(b) clarifies that Congress is not changing its policy toward Alaska in any way.

Mr. STEVENS. The last time Congress enacted legislation on the overflights matter was in the 100th Congress under Public Law 100–91 (101 Stat. 674 et seq.). Prior to enactment, this legislation was reviewed by both the Senate Committee on Energy and Natural Resources and the Senate Committee on Commerce Science and Transportation. As a Commerce Committee member then and now, I would like to discuss P.L. 1001–91.

Under P.L. 100–91, Congress mandated a study by the Secretary of the Interior, acting through the Director of the National Park Service, to determine the impacts that overflights of aircraft have on park unit resources. Section 1(c) expressly excluded all National

Park System units in Alaska from the research and the study. In a hearing held during the 105th Congress on S. 268, the park overflights bill that ultimately became Title VII of S. 2279, the National Park Service testified that Alaska parks were not a part of the study commissioned in 1987 and completed in 1995. Therefore, that study mandated by Congress did not provide a basis for applying S. 2279's park overflights provisions to Alaska.

Mr. MURKOWSKI. That's clear.

Mr. COATS. Mr. President, I filed an amendment on this bill regarding the eligibility for new slots at Reagan National Airport. I have decided not to seek a vote on my amendment at this time. I appreciate the efforts of my colleague, Senator MCCAIN, the chairman of the Committee, and his leadership on the FAA bill. I would like to ask if the Chairman would be willing to continue to review this issue and its merits as he takes this bill to conference.

Mr. MCCAIN. The Senator from Indiana has made clear his concerns regarding increasing the ability of airlines to compete for slots at Reagan National. I can assure him that we will continue to look at this issue as we approach conference in the hopes of crafting a final provision which best meets the many competing interests of members and their states, including those expressed by the Senator from Indiana.

Mr. COATS. I thank the Chairman.

CONSUMER ACCESS TO TRAVEL INFORMATION ACT

Mr. D'AMATO. Mr. President, I would like to engage the distinguished senior Senator from Arizona, the manager of this bill, in a discussion about the growing concern of consumers about airline travel in this country.

Earlier this year, I introduced S. 1977, the Consumer Access to Travel Information Act of 1998. I introduced this important piece of legislation to address a growing problem in the airline industry. For over three years, the major airlines have been moving to gain more control over the airline travel ticket distribution system. While this effort may seem harmless, the ramifications to consumers are significant. Currently, most air travelers get their information from one of the 33,000 travel agencies around the country. These agencies provide consumers with unbiased and comprehensive air travel information, i.e. the best flight at the cheapest fare. Without that independent source of travel information, there is no doubt that consumers will be paying more, in many cases, substantially more for air travel.

S. 1977 would simply require the Secretary of Transportation to investigate the extent of possible anti-consumer, anti-competitive behavior of major airlines, including discriminatory and predatory practices of airlines which target travel agents, other independent distributors, and small airlines. This is authority that the Secretary currently has under the Airline Deregulation Act of 1978, but has failed to act upon. this bill would make certain this investigation is undertaken. If it is determined that anticompetitive, discriminatory or predatory practices exist, the Secretary would report to Congress those steps the Department intends to take to address such practices.

Mr. President, I ask the distinguished Chairman of the Commerce Committee whether he has been made aware of concerns raised by consumers regarding air travel?

Mr. MCCAIN. I want to thank the Senator from New York for raising concerns in this area. I have, indeed, heard from consumer groups, particularly small businessmen, regarding the high price of air travel, and the lack of competition in certain markets. Although most of the concerns in this area focus on small, upstart, and regional airlines' ability to compete with the big airlines, I am glad that you have brought to my attention the role of the larger airlines in the ticket distribution system.

Mr. D'AMATO. I thank the Senator. I salute and support the efforts by the manager of this bill to address the competition issue with small airlines. A critical part of a small airline's ability to compete is to have its tickets distributed by an independent entity, mainly the travel agent. Travel agents provide critical services to air travelers, and air travelers depend heavily on travel agents to provide an accurate, broad selection of schedules, fare quotes, and ticketing services for all airlines.

Mr. President, I ask the Senior Senator from Arizona if Congress should address possible anti-competitive behavior with respect to the airline ticket distribution system?

Mr. MCCAIN. Mr. President, the Senator raises a valid concern and I believe it is one our Committee needs to explore further. Although I understand the Senator's legitimate concern about the treatment of travel agents by the major airlines, the Committee needs to investigate this issue further before we pass any legislation on the matter.

Mr. D'AMATO. Mr. President, I naturally would prefer to pass this legislation now and have the Department begin looking into possible anti-competitive activities, but I understand the distinguished Chairman's position. In addition, I realize this FAA Reauthorization legislation must be signed into law by the end of this month, and I do not want to delay it further. I ask the Senior Senator from Arizona if the Commerce Committee could have a hearing on this matter in the near future to thoroughly examine the airline ticket distribution system and the critical role of travel agents for consumers?

Mr. MCCAIN. I say to my friend from New York that the Committee needs to explore this issue further, and I would like to work with him to put together a hearing on this matter as soon as it is feasible. The air travelling consumer has a real advocate in the Senator from New York, and his leadership on this issue is to be commended.

Mr. D'AMATO. I thank the Senator, and I look forward to working with him further on this important issue.

I thank you, Mr. President.

Mr. HOLLINGS. Mr. President, I rise today in support of S. 2279. This is an important bill that we must finish before we adjourn. Without it the Federal Aviation Administration (FAA) cannot spend any money on airport improvements, and airports in my state of South Carolina and throughout the nation would have to stop needed improvements that will bring better, safer air service to local communities—service which allows those communities to attract and expand businesses.

The bill authorizes approximately $10 billion per year for the FAA for fiscal years 1998 and 1999. This will allow the FAA to focus on its most important mission—safety. Last year, more than 500 million passengers boarded planes and arrived at their destinations safely. Out air traffic control system is the safest in the world, but it needs to be upgraded if we are to remain the world's leader.

The FAA is about to deploy new controller work stations—first in the Seattle en route center, and later in other en route centers. New controller work stations should also begin to be deployed within the next year under the Standard Terminal Automation Replacement System (STARS) contract.

More needs to be done. The National Civil Aviation Review Commission (NCARC) reported that unless something is done, the air traffic system faces gridlock. The FAA has estimated that future passenger growth will be about 3.5% per year through 2009, with enplanements going from 561 million in 1998 to 821 million in 2009. More controllers and more equipment are needed. Not only are we looking at relying on satellites to track aircraft, but each of our airports will need to expand. Concrete, new lighting systems, new terminals, and new security measures are required.

Right now, with the passage of last year's tax increase on the air carriers, the Airport and Airway Trust Fund is flush with money. The FAA estimates that the Trust Fund will take in total receipts of $10.622 billion in FY 1999. Only about 60 percent of the FAA's budget comes from the Trust Fund, with the remainder coming from the General Fund. There is more than enough money in the Trust fund to pay for the Airport Improvement Program (AIP), and I wish we could invest more funding for the program than is included in the bill.

Next year I will fight to make sure that we restore the trust in the aviation trust fund by taking it off budget. The state of South Carolina has an airport in every county. These airports serve small and large communities

that benefit from the opportunities that are created by construction on an up-to-date airport. For example, runway improvements at the Greenville/Spartanburg Airport allowed the South Carolina Upstate to attract BMW to build its North American plant there. AIP funding helped the former Myrtle Beach Air Force Base become the Myrtle Beach Jetport, bringing hundreds of tourists to vacations on the South Carolina Grand Strand. Whether it is Orangeburg, Marlboro County, or Hilton Head, South Carolina needs strong air transportation infrastructure. I can tell you as I travel around the state how critical aviation is. I have supported these interests for many years. This bill allow us to continue to meet the needs of the state and country.

Finally, included in the managers' amendment are provisions of the Visit USA Act, introduced earlier this year as S. 2412 by Senator BURNS and myself to further the international standing of the U.S. travel and tourism industry. As co-chairman of the United States Senate Tourism Caucus along with Senator BURNS, I know that the tourism industry is a winner for the United States. In my state of South Carolina, tourism generates over $6.5 billion and is responsible for 113,000 jobs. Over 46 million international visitors came to the United States and spent over $90 billion in 1997. These visitors generated more than $5 billion in Federal taxes alone. To compete with other nations for a larger share of international tourism over the next decade, we must support an international tourism marketing effort. Provisions of this legislation would do that by authorizing appropriations for the marketing program of the U.S. National Tourism Organization (NTO). This authorization would allow the NTO to continue operations beyond the October 11 sunset date.

This legislation is the product of a lot of hard work by many members of the Commerce Committee. I would like to thank them for their dedication to improving America's airport infrastructure and bolstering the safety of airline travel. I look forward to expeditious consideration and passage of S. 2279.

Mr. FORD. 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. MCCAIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 3646

(Purpose: To make technical corrections in the managers' amendment)

Mr. MCCAIN. Mr. President, I ask that a managers' amendment be included at this time, which also includes what had previously been the Specter amendment.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Arizona (Mr. MCCAIN), for himself and Mr. FORD, proposes an amendment numbered 3646.

Mr. MCCAIN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 18 of the managers' amendment, line 17, strike ''11(4)'' and insert ''(4)''.

On page 34 of the managers' amendment, line 6, insert ''directly'' after ''person''.

On page 34, beginning in line 10, strike ''aircraft registration numbers of any aircraft; and'' and insert ''the display of any aircraft-situation-display-to-industry derived data related to any identified aircraft registration number; and''.

On page 34 of the managers' amendment, beginning in line 14, strike ''that owner or operator's request within 30 days after receiving the request.'' and insert ''the Administration's request.''

On page 34 of the managers' amendment, strike lines 16 through 21.

On page 34 of the managers' amendment, line 22, strike ''(c)'' and insert ''(b)''.

On page 36 of the managers' amendment, strike lines 16 and 17 and insert the following:

''(1) An airport with fewer than 2,000,000 annual enplanements; and

On page 39 of the managers' amendment, beginning in line 4, strike ''shall, in conjunction with subsection (f),'' and insert ''shall''.

On page 40 of the managers' amendment, strike lines 1 through 8 and insert the following:

''(i) REGIONAL JET DEFINED.—In this section, the term 'regional jet' means a passenger, turbofan-powered aircraft carrying not fewer than 30 and not more than 50 passengers.''.

On page 41 of the managers' amendment, beginning in line 9, strike ''In addition to any exemption granted under section 41714(d), the'' and insert ''The''.

On page 41 of the managers' amendment, beginning in line 24, strike ''In addition to any exemption granted under section 41714(d) or subsection (a) of this section, the'' and insert ''The''.

On page 42 of the managers' amendment, beginning in line 5, strike ''smaller than large hub airports (as defined in section 47134(d)(2))'' and insert ''with fewer than 2,000,000 annual enplanements''.

On page 42 of the managers' amendment, line 10, strike ''airports other than large hubs'' and insert ''such airports''.

On page 46, line 18, strike ''(d)'' and insert ''(f)''.

On page 46, line 24, after ''and the'' insert ''metropolitan planning organization for''.

On page 47, line 1, strike ''Council of Governments''.

On page 35 of the managers' amendment, between lines 2 and 3, insert the following:

SEC. 529. CERTAIN ATC TOWERS.

Notwithstanding any other provision of law, regulation, intergovernmental circular advisories or other process, or any judicial proceeding or ruling to the contrary, the Federal Aviation Administration shall use such funds as necessary to contract for the operation of air traffic control towers, located in Salisbury, Maryland; Bozeman, Montana; and Boca Raton, Florida, provided that the Federal Aviation Administration has made a prior determination of eligibility for such towers to be included in the contract tower program.

On page 114, insert:

SEC. 530. COMPENSATION UNDER THE DEATH ON THE HIGH SEAS ACT

(a) IN GENERAL.—Section 2 of the Death on the High Seas Act (46 U.S.C. App. 762) is amended by—

(1) inserting ''(a) IN GENERAL.—'' before ''The recovery''; and

(2) adding at the end thereof the following:

''(b) COMMERCIAL AVIATION.—

''(1) IN GENERAL.—If the death was caused during commercial aviation, additional compensation for non-pecuniary damages for wrongful death of a decedent is recoverable in a total amount, for all beneficiaries of that decedent, that shall not exceed the greater of the pecuniary loss sustained or a sum total of $750,000 from all defendants for all claims. Punitive damages are not recoverable.

''(2) INFLATION ADJUSTMENT.—The $750,000 amount shall be adjusted, beginning in calendar year 2000 by the increase, if any, in the Consumer Price Index for all urban consumers for the prior year over the Consumer Price Index for all urban consumers for the calendar year 1998.

''(3) NON-PECUNIARY DAMAGES.—For purposes of this subsection, the term 'non-pecuniary damages' means damages for loss of care, comfort, and companionship.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies to any death caused during commercial aviation occurring after July 16, 1996.

Mr. MCCAIN. Mr. President, there is no further debate on the amendment.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 3646) was agreed to.

Mr. MCCAIN. Mr. President, I move to reconsider the vote.

The PRESIDING OFFICER. I move to lay on the table in my capacity as a Senator from Utah.

The motion to lay on the table was agreed to.

Mr. MCCAIN. Mr. President, I believe there are no other amendments.

We are prepared for third reading of the bill.

I would like to withhold that for just 1 minute.

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. 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.

Mr. MCCAIN. Mr. President, I understand there are no further amendments.

We are prepared for third reading of the bill.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on agreeing to the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time.

Mr. MCCAIN. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of Calendar No. 536, H.R. 4057, all after the enacting clause be stricken, and the text of S. 2279, as amended, be inserted in lieu thereof, the bill then be read the third time, and immediately following the convening of the Senate on Friday there be 20 minutes for closing remarks divided equally between the majority and minority managers; and, following that time, the Senate proceed to a vote on passage of H.R. 4057, with no other intervening action or debate.

I finally ask unanimous consent that following passage of the bill the Senate insist on its amendment, request a conference with the House, and the Chair be authorized to appoint conferees on the part of the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MCCAIN. Mr. President, for the information of all Senators, there will be a vote tomorrow morning at approximately 9:50 on passage of the FAA reauthorization bill.

UNANIMOUS CONSENT REQUEST—S. 442

Mr. MCCAIN. Mr. President, I ask unanimous consent that it be in order for the majority leader, after consultation with the Democratic leader, to proceed to the consideration of Calendar No. 509, S. 442, and it be considered under the following limitations:

The Commerce Committee amendment be agreed to, and the Finance Committee substitute then be agreed to, and the substitute then be considered as original text for the purpose of further amendment.

I further ask unanimous consent that the only other amendments in order to the bill be the following:

A managers' amendment; McCain-Wyden, extending length of moratorium; Coats, Internet porn, 1 hour equally divided; Nickles, relevant; Bennett, relevant; two Warner amendments, relevant; Senator Hutchison, relevant; Senator Murkowski, relevant; Bond, relevant; Bumpers, mail order; Graham, relevant; Abraham, government paperwork; Enzi, three amendments, relevant; Domenici, interest rates; Bumpers, a commission amendment; and another Nickles relevant amendment.

I further ask unanimous consent that relevant second-degree amendments be in order to all amendments other than the Coats amendment.

I further ask that there be 2 hours of general debate equally divided on the bill.

I finally ask that following disposition of the above listed amendments and the expiration of the time, the bill be read a third time and the Senate proceed to a vote on passage of the bill with no other intervening action or debate.

The PRESIDING OFFICER. Is there objection?

Mr. FORD. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. MCCAIN. Mr. President, I ask unanimous consent that on Friday, September 25, the Senate turn to Calendar No. 509, S. 442, the Internet tax bill, and immediately following reporting by the clerk, the Commerce Committee substitute be agreed to, and immediately following that action the Finance Committee substitute be agreed to and considered original text for the purpose of further amendments. I further ask that during the Senate's consideration of S. 442 or the House companion measure, only relevant amendments be in order.

Mr. FORD. Mr. President, reserving the right to object, if the acting leader would take the first paragraph and use that as his unanimous consent request, this side is willing to accept that. The one I cannot agree to is: ''I further ask that during the Senate's consideration of S. 442 or the House companion measure, only relevant amendments be in order.'' I would object to that. But I would accept the upper part if the Senator is willing to make that unanimous consent request.

Mr. MCCAIN. Mr. President, I can't do that, but I appreciate the willingness of the Senator from Kentucky. Let me also state that I am aware that the leadership on the other side is basically prepared tomorrow for us to move forward. I appreciate that. There is great understanding that this is a very important piece of legislation. The Internet Tax Freedom Act is of the highest priority all over America. I believe we will move to it. I believe that we will do it soon. I appreciate the interest and the agreement of the Senator from Kentucky that we could work out some agreement on this—perhaps not tonight but perhaps tomorrow.

Mr. FORD. Mr. President, I will be more than willing to agree to a unanimous consent agreement to proceed to the bill without any other reservations or any time agreements or agreements to amendments. I would be more than willing to do that. But under the circumstances, I doubt if that would be acceptable so we will just have to work overnight and tomorrow on the legislation and see if we can't come to some kind of agreement. And I am hopeful, because we were close tonight, and I think if we had waited until morning I would not have been placed in a position to object. You do a lot of things around here sometimes you don't really like to do, but then I always like to be ''Senator No.''

Mr. MCCAIN. Mr. President, I thank the Senator from Kentucky, especially as we approach the end of this very important legislation which bears his name. I do not wish to end up this evening in any kind of disagreement with the Senator from Kentucky. It is not worth it.

Mr. FORD. A red letter day.

Mr. MCCAIN. I do know he is committed to passage of this legislation, the Internet Tax Freedom Act. He understands as well as I do, with just a few days remaining, that if we didn't have some kind of agreement, which I do believe we will agree to, on circumscribing the number of amendments to the bill, then it would be very difficult to get it done in a short period of time. I am not going to pursue this issue. Again, I spent too many hundreds of hours working with the Senator from Kentucky for us to end up in some disagreement over an issue such as this before completion of the bill that is called the Wendell H. Ford legislation, which is very fittingly named after him as the reality is that there is no Member of the Senate who has done more to further the cause of aviation in America than the Senator from Kentucky.

So, Mr. President, for the information of all Senators, there will be a vote tomorrow morning at approximately 9:50 a.m. on passage of the FAA reauthorization bill.

MORNING BUSINESS

Mr. MCCAIN. I now ask unanimous consent that there be a period for the transaction of morning business with Senators permitted to speak up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business yesterday, Wednesday, September 23, 1998, the federal debt stood at $5,517,883,379,683.46 (Five trillion, five hundred seventeen billion, eight hundred eighty-three million, three hundred seventy-nine thousand, six hundred eighty-three dollars and forty-six cents).

One year ago, September 23, 1997, the federal debt stood at $5,382,650,000,000 (Five trillion, three hundred eighty-two billion, six hundred fifty million).

Five years ago, September 23, 1993, the federal debt stood at $4,380,953,000,000 (Four trillion, three hundred eighty billion, nine hundred fifty-three million).

Ten years ago, September 23, 1988, the federal debt stood at $2,587,266,000,000 (Two trillion, five hundred eighty-seven billion, two hundred sixty-six million).

Fifteen years ago, September 23, 1983, the federal debt stood at $1,354,045,000,000 (One trillion, three hundred fifty-four billion, forty-five million) which reflects a debt increase of more than $4 trillion—$4,163,838,379,683.46 (Four trillion, one hundred sixty-three billion, eight hundred thirty-eight million, three hundred seventy-nine thousand, six hundred eighty-three dollars and forty-six cents) during the past 15 years.

CLINTON ADMINISTRATION MUST RESPOND FORCEFULLY TO CUBAN ESPIONAGE

Mr. HELMS. Mr. President, the recent discovery of a sophisticated spy ring operating in U.S. territory is a wake-up call to all who assume that Fidel Castro is no longer America's tireless enemy. The Federal Bureau of Investigation is to be congratulated for its excellent work, and, I ask unanimous consent that the Bureau's press release (dated September 14, 1998) be printed in the RECORD.

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

FEDERAL BUREAU OF INVESTIGATION

[Press Release—Date: September 14, 1998—contact: SA Mike Fabregas or Ausa John Schlesinger]

FBI DERAILS CUBAN INTELLIGENCE NETWORK

Hector M. Pesquera, Special Agent in Charge (SAC) of the Miami Division of the Federal Bureau of Investigation (FBI) and Thomas E. Scott, United States Attorney for the Southern District of Florida announce the arrests of ten (10) individuals for conducting espionage activities against the United States for the Republic of Cuba.

The arrest of ten (10) individuals in South Florida on September 12, 1998, marked the culmination of a lengthy investigation into subversive activities by the Cuban Intelligence Service. The ten (10) individuals arrested were directed to infiltrate and spy on United States agencies and installations. These agents also attempted to infiltrate and manipulate Anti-Castro groups within the South Florida community.

The individuals arrested by the FBI include: Alejandro M. Alonso, date of birth November 27, 1958; Ruben Campa, date of birth September 15, 1965; Rene Gonzalez, date of birth August 13, 1956; Antonio Guerrero, Jr., date of birth October 16, 1958; Linda Hernandez, date of birth June 21, 1957; Nilo Hernandez-Mederos, date of birth March 31, 1954; Luis Medina, date of birth July 9, 1968; Joseph Santos-Cecilia, date of birth October 9, 1960; Amarilys Silverio-Garcia, date of birth September 23, 1961; Manuel Viramontez, date of birth January 26, 1967.

Search warrants executed at several locations in South Florida yielded disguises, radios, antennas, maps, computers, money, and other items.

Sac Pesquera and U.S. Attorney Scott would like to commend the efforts of the Naval Criminal Investigative Service (NCIS) who assisted greatly in this investigation.

Mr. HELMS. Mr. President, the fact that several U.S. military installations were among the targets of this spying is evidence that the Castro regime is a menace to the national security of the United States. According to a reliable 1996 report, Cuban commandos have been training in Vietnam at least since 1990 to carry out strikes against U.S. military bases, precisely the target of the attempted infiltrations of last week.

Mr. President, the Clinton Administration simply cannot and must not default on its clear obligation to respond to this and other hostile actions by Cuba.

First, the Federal Bureau of Investigation is obliged to pursue this espionage conspiracy relentlessly. Any and all Cuban personnel working in any diplomatic posts in Washington, D.C., and at the United Nations, who had contact with this spy ring should be detained, prosecuted, and/or expelled without delay.

Future requests by Cuban ''diplomats'' to travel beyond the confines of Washington, D.C., or New York—particularly to South Florida—should be summarily denied.

Second, U.S. officials, exile groups, and citizens who have been, or are, targets of Cuban spies should be warned by U.S. authorities of this threat.

Third, it is imperative to hold the Russians accountable for their continued eavesdropping on U.S. defense and commercial communications at the state-of-the-art intelligence facility at Lourdes, Cuba. According to reliable published reports, sensitive U.S. information gathered at Lourdes is in the possession of Castro's Cubans and made available to other rogue states to use against the United States. The Russians compensate Castro for this spy platform through a generous oil-for-sugar deal—at a time when Moscow looks to the United States and the international community for multi-billion-dollar hand-outs of the American taxpayers' money.

Mr. President, the Clinton Administration at this very moment is contemplating a huge increase in U.S. aid to Russia, has therefore soft-peddled this grave security threat for too long. The removal of the Lourdes facility and an end to the related compensation to the Cubans must be given top priority in U.S.-Russian relations—and as a subject to be considered in the instances of future U.S. aid proposals.

Fourth, this hostile espionage should put to rest the absurd notion—conceived by the Cuban regime and being considered by Administration officials—that the United States should ''cooperate'' with the Cuban government to fight drug trafficking in the Caribbean. Any serious talk about anti-drug cooperation should be deferred until after Castro surrenders the half-dozen senior Cuban officials who have been indicated in U.S. courts for smuggling drugs into the United States.

Fifth, senior Administration policy makers have informed members of the Senate Foreign Relations Committee staff that they see no connection between the spy ring and the Clinton plan to give U.S. food aid to the United Nations for Cuba. In light of the espionage revelations, it is incumbent upon the State Department and U.S.A.I.D. to make certain that any food that the Administration proposes to donate to needy Cubans must be conducted entirely through international, independent relief groups operating under scrupulous monitoring.

And, sixth, Mr. President, Americans have long awaited the Clinton Administration's getting around to holding Castro's officials accountable for the terrorist attack carried out by Cuban MIGs on two unarmed Cessnas in February 1996. The fact that this attack on two small planes which were over international waters went unpunished has emboldened the Castro regime to act against us.

The Department of Justice should proceed promptly with an investigation of this incident in connection with the indictment of the Cuban officials involved. It should be done under section 32 of title of the U.S. Code for the willful, premeditated destruction of two civil aircraft resulting in the deaths of Pablo Morales, Carlos Costa, Mario de la Pena, and Armando Alejandre.

Mr. President, the Clinton Administration has an obligation to defend America's national security against any country determined to do us harm.

Surely, decades of fighting tyrants has taught us that appeasement and unilateral concessions serve only to tempt our enemies. If the Administration fails to hold Castro accountable for his repeated acts of treachery against us, it will tempt him to escalate them.

TRIBUTE TO MRS. MINAL KUMAR

Mr. INOUYE. Mr. President, I rise today to pay tribute to the late Mrs. Minal Kumar, who throughout her exceptional career dedicated herself to public service. Mrs. Kumar's extraordinary humanitarian efforts and outstanding contributions have improved the lives of women, children and infants in Hawaii.

As the sole nutritionist on the Island of Kauai for the State of Hawaii Department of Health's Women, Infants and Children program, Mrs. Kumar nearly tripled the program's caseload in six years. She opened clinics in the outlying areas of the underserved communities of Hanalei, Kilauea and Waimea, and was the first nutritionist to serve the Island of Niihau. The central theme of her work was encouraging and supporting mothers to breast feed their children, the infant feeding method recommended to improve the health of infants.

In remembrance of her many accomplishments, her co-workers have built a garden at the Hawaii Department of Health's Kauai District office and a memorial fund in her name has been established by Hawaii Mothers' Milk, Inc. I ask my colleagues to join me in paying tribute to the late Minal Kumar for all she has done for the people of Hawaii.

INDEPENDENT COUNSEL LAW

Mr. MOYNIHAN. Mr. President, I rise to commend to the Senate a most timely and informative article which appeared in the New York Times on August 11, 1998. Written by Todd S. Purdum, the article provides a useful overview of the twenty year history of the independent counsel law and interviews seven of the attorneys who have

served in this capacity since the adoption of the Ethics in Government Act of 1978.

Most of those interviewed cite problems with the way the independent counsel process currently works and provide specific recommendations for improvement. Those of us in the Congress will soon have an opportunity to review this matter in greater detail for, as you may know, its current provisions, reauthorized and amended by the Independent Counsel Reauthorization Act of 1994, P.L. 103–270, June 30, 1994, will expire on June 30, 1999, unless reauthorized.

I ask unanimous consent to have this article printed in the RECORD and I thank my good friend Clifton Daniel of New York for calling it to my attention.

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

[From the New York Times August 11, 1998]

FORMER SPECIAL COUNSELS SEE NEED TO ALTER LAW THAT CREATED THEM

(By Todd S. Purdum)

They are a rarefied roster of not quite two dozen, the men and women who have served as independent counsels investigating high Government officials over the last 20 years. They have delved into accusations of everything from cocaine use by a senior White House aide to perjury, influence-peddling and favor-trading, and have produced decidedly mixed results, from no indictments to convictions to reversals on appeal.

Some of them have been harshly criticized for taking too long, spending too much or criminalizing conduct other prosecutors would most often not bother with. But as Kenneth W. Starr's investigation of President Clinton has moved from scrutiny of a tangled real estate investment to intimations of intimacy with an intern, the law that created independent counsels has come under attack as almost never before.

Interviews in the last week with seven of the people who have held the job since that law, the Ethics in Government Act of 1978, was adopted in the wake of Watergate produced broad consensus that the statute was needed but might have to be overhauled if it was to be renewed by Congress when it expires next year.

The former counsels were unanimous on one point: all were glad to have served. But a majority also said that as currently written, the law covered too many officials and too many potential acts of wrongdoing, and left the Attorney General too little discretion about when to invoke it.

''It should be limited to activities that occur in office,'' said Lawrence E. Walsh, who spent six years and $40 million investigating the Iran-contra affair and whose suggestions for changes were among the most sweeping. ''It should be limited to misuse of Government power and should not include personal mistakes or indiscretions. The enormous expense of an independent counsel's investigation and the disruption of the Presidency should not be inflicted except for something in which there was a misuse of power. That's not out of consideration for the individual; it's out of consideration for the country.''

And while the former counsels generally declined to comment on Mr. Starr's investigation, virtually all of them also said that wide experience as a criminal prosecutor or a defense lawyer—which Mr. Starr does not have—should be a requirement for the job.

''I believe strongly in the concept of an independent counsel to guarantee public confidence in the impartiality of any criminal investigation into conduct of top officials in the executive branch of our Government,'' said Whitney North Seymour Jr., who won a perjury conviction against Michael K. Deaver, a former top aide to President Ronald Reagan who was accused of lying about his lobbying activities after leaving office.

''However,'' Mr. Seymour continued, in comments generally echoed by his colleagues, ''appointments to that position should be limited to lawyers with proven good judgment and extensive prior experience in gathering admissible evidence, developing corroboration and satisfying the trial standard of reasonable doubt. We simply cannot afford the spectacle of on-the-job training in such a sensitive position.''

Since Arthur H. Christy was appointed in 1979 to investigate accusations that Hamilton Jordan, President Jimmy Carter's chief of staff, had used cocaine at Studio 54—a case that ended with no indictments—there have been a total of 20 independent-counsel investigations, some conducted by more than one prosecutor. The names of the targets of two investigations in the Bush era, and the counsels who conducted them, were sealed by court order. One investigator, Robert B. Fiske Jr., was appointed by Attorney General Janet Reno in 1994, at a time when the law had expired, and was replaced four years ago last week by a three-judge Federal panel that chose Mr. Starr instead, but Mr. Fiske had essentially all the same powers.

Five investigations of Clinton Administration officials, including Mr. Starr's, still await outcome, and Ms. Reno remains under intense pressure to ask the judicial panel for yet another independent counsel, to look into campaign finance abuses. No effort was made to interview those conducting active investigations, or the counsel who ended his investigation of Commerce Secretary Ronald H. Brown after Mr. Brown's death in a plane crash in 1996.

ENORMOUS POWER AND INTENSE ISOLATION

A common theme in the remarks of the seven former counsels who agreed to be interviewed was the momentous power and isolation of the job, a universe of solitude and solemn responsibility.

''In terms of individual power, I never had anything like this,'' said Mr. Walsh, who had served as a Federal district judge and Deputy Attorney General in the Eisenhower Administration. ''Night after night, I'd wake up in the middle of the night. I kept a notebook by my bed, and the only way I could get back to sleep was to write down whatever was bothering me. I'd worry about my travel expenses, thinking, 'This is going to seem very high.' ''

When Mr. Fiske set up shop to investigate Whitewater, he forsook the companionship of the only four friends he had in Little Rock, Ark., who all happened to be leading lawyers with ties to the city's political and legal establishment.

Scholarly critics of the independent counsel law, including a Supreme Court Justice, Antonin Scalia, have argued that it creates built-in incentives for prosecutors to pursue evidence and avenues of inquiry that law-enforcement officials might otherwise decide were never likely to bear fruit. Those incentives: simply the intense political pressure and public scrutiny that surround any appointment, and the requirement that the prosecutor produce a detailed report justifying all the effort.

That concern was also common among the former prosecutors themselves.

''There ought to be some way to limit the ability of an independent counsel to expand his or her investigation, to keep their eye on the original target they were initially appointed to investigate,'' said James C. McKay, whose conviction of Lyn Nofziger, a former Reagan aide charged with violating ethics laws on lobbying, was overturned on appeal after an inquiry that lasted 14 months and cost $3 million. ''When you think of how the Starr investigation started with Mr. Fiske and Whitewater and now what's become of it, it just seems that there should be some way to have prevented that from occurring.''

Joseph DiGenova, who ultimately brought no charges after a three-year, $2.2 million investigation into accusations that senior Bush Administration officials improperly sought information from Bill Clinton's passport files during the 1992 campaign, was the sole former prosecutor to condemn the law altogether, and he said it should not be renewed.

''All of the usual governors, both legal and practical, are absent, because of the special nature of the statute,'' said Mr. DiGenova, who argues that once the law is invoked, prosecutors are forced to bring ''an unnatural degree of targeted attention'' to the case.

DISCRETION THAT CUTS IN EITHER DIRECTION

Mr. Fiske, who like Mr. Walsh and Mr. DiGenova thinks any law should cover investigation of only the President, the Vice President and the Attorney General rather than the 75 or so senior Government and campaign officials now automatically covered, also worries about the potential for abuse.

''Once the person is selected, it's like recalling a missile,'' Mr. Fiske said. ''You can't recall it, and it's kind of unguided, except by its own gyroscope. And so all these things are judgment calls.''

But like his colleagues, he emphasized that a prosecutor's wide discretion ultimately cut both ways. He recalled that David Hale, a former municipal judge in Arkansas, having pleaded guilty and begun cooperating in the Whitewater case, provided much useful information, along with some that seemed far afield.

''There were a lot of other things that David Hale told us that we could have investigated under our charter,'' Mr. Fiske recounted, ''but I just said, 'This is too far removed from what we were supposed to be doing.' ''

Several of the prosecutors expressed concern that the current law led too easily to the appointment of independent counsels. Every time the Attorney General receives from a credible source specific allegations of wrongdoing by an official covered under the act, she has 30 days to decide, without compelling anyone's testimony, whether a preliminary investigation is warranted. If she concludes that it is, then she must decide within 90 days whether there are ''reasonable grounds'' to believe that further investigation is warranted. If there are, she must apply to the special three-judge court for appointment of an independent counsel.

''That time limit now is too brief,'' Mr. McKay said.

But one of the former prosecutors, who spoke only on the condition of anonymity, said that the law was sound as written and that complaints that it invited prosecutorial vendettas were overblown. Mr. Seymour also rejected complaints of unbridled power, saying he had had no more leeway as independent counsel than he had earlier had as United States Attorney in Manhattan in the Nixon Administration.

''The United States Attorney for the Southern District has almost unlimited

power,'' Mr. Seymour said. ''How the responsibility is carried out is another question.''

Similarly another former independent counsel, Alexia Morrison, said that the law did not need any major changes and that ''there's been a very successful campaign to lay faults at the foot of the statute when in fact it is conduct that got us here.'' Asked whether she meant conduct by President Clinton, Mr. Starr or both, Ms. Morrison simply repeated her assertion.

It was Ms. Morrison's investigation into whether Theodore Olson, an Assistant Attorney General in the Reagan Administration, misled Congress in a dispute over toxic waste cleanup that led to the 1988 Supreme Court ruling unholding the independent counsel law. And though she ultimately brought no charges after a 30-month, $1.5 million investigation, she, like some of her colleagues, said that very result underscored one of the most important features of the law: enhancing the public's confidence that nothing has been covered up.

''There are a heck of a lot of very troublesome investigations that have been resolved without bringing any criminal charges,'' Ms. Morrison said, ''and there was not a situation in which anyone came back and said, 'That's outrageous.'''

Mr. Fiske, too, said that in the absence of an independent counsel law, there would seldom be significant public controversy if high officials were charged and brought to trial, whatever the outcome, but that ''the problem is when the case isn't brought'' because a prosecutor decides there is not enough evidence or likelihood of success. ''In many respects,'' he said, ''that is where you need the independent counsel most of all.''

But for alleged misdeeds that may have occurred before a senior official took office, Mr. Walsh said, the independent counsel law should not apply. Rather, the solution should be to extend the statute of limitations for any such crimes and investigate after the official leaves office—a suggestion that Ms. Morrison seconded while acknowledging that this could pose its own problems, in terms of stale evidence or lost witnesses.

ONE COMMON THEME: DISDAIN FOR PARTISANSHIP

In one way or another, all the former counsels who were interviewed deplored the partisanship now surrounding an office that grew out of bipartisan concern over President Richard M. Nixon's ''Saturday night massacre'' of the first Watergate special prosecutor, Archibald Cox, and the two highest officials of the Justice Department.

''It's become so politicized now,'' Mr. McKay said, ''that the ins hate it and the outs love it just for the purpose of bringing the ins down. That's the part that will turn the public sour.''

Mr. Seymour agreed, saying: ''It plainly has gotten a bad name. And that comes from the public perception of recent events, and I think that's unfortunate.''

Mr. DiGenova contended that the aftermath of Mr. Cox's dismissal demonstrated that the independent counsel law was not needed, since the Watergate inquiry continued under a new special prosecutor, Leon Jaworski, until Mr. Nixon's downfall four years before the law was enacted.

''There's no way that a sitting President can possibly prevent his own investigation by firing anybody,'' Mr. DiGenova said, ''because the political process will not permit it.''

Ms. Morrison said it remained unclear whether the public would continue to support the law.

''I think most of the previous independent counsels have been able to achieve a result with a general sense of public confidence that the way they got there was appropriate,'' she said. ''But hold your breath. It may be that Starr can spin out a report that tells an incredibly interesting tale that puts the lie to most of the procedural and substantive assaults on him. On the other hand, if it looks like he hasn't produced so much, and has used an elephant gun on a flea, then maybe that won't be so well regarded.''

''A Rarefied Roster'', independent counsels, the years of their appointments and the results of their investigations.

1979, Arthur H. Christy, investigated accusations of cocaine use by Hamilton Jordan, chief of staff to President Jimmy Carter. No indictments.

1980, Gerald Gallinghouse, investigated accusations of cocaine use by Tim Kraft, President Carter's campaign manager. No indictments.

1981, Leon Silverman, investigated alleged mob ties of Raymond J. Donovan, Labor Secretary to President Ronald Reagan. No indictments.

1984, Jacob A. Stein, investigated alleged financial improprieties of Attorney General Edwin Meese 3d. No indictments.

1986, Whitney North Seymour Jr., won perjury conviction of Michael K. Deaver, former White House deputy chief of staff under President Reagan.

1986, Alexia Morrison, investigated accusations that former Assistant Attorney General Theodore Olson was deceptive about documents withheld from Congress. No indictments.

1986, Lawrence E. Walsh, investigated the sale of weapons to Iran and the diversion of some profits to Nicaraguan rebels. Obtained many convictions, some overturned on appeal, others leading to pardons by President George Bush.

1987, James C. McKay, won conviction of Lyn Nofziger for violating ethics law on lobbying. Conviction was overturned on appeal, and Mr. McKay decided not to retry case. Investigated Mr. Meese on accusations related to the collapse of Wedtech, a military contractor. No indictments.

1987, Carl Rauh, James Harper, investigated the finances of W. Lawrence Wallace, a former Assistant Attorney General. No indictment.

1989, Name of independent counsel and target sealed by court order. No indictment.

1990, Arlin M. Adams, Larry D. Thompson, investigated variety of scandals involving the sale of favors in the Department of Housing and Urban Development. Several indictments and convictions.

1991, Name of independent counsel and target sealed by court order. No indictment.

1992, Joseph DiGenova, investigated possible abuse of passport files by Bush Administration officials. No indictments.

1994, Robert B. Fiske Jr.,* Kenneth W. Starr, conducted inquiry into Whitewater real estate deal, since expanded to include several other investigations, some still ongoing.

1994, Donald C. Smaltz, won indictment of former Agriculture Secretary Mike Espy on charges of receiving, and covering up, favors from companies doing business with the Government. Trial pending. Mr. Espy's former chief of staff was convicted of lying to investigators.

1995, David M. Barrett, investigated accusations that Henry G. Cisneros, the Secretary of Housing and Urban Development, lied to the F.B.I. about payments he made to a former mistress. Won indictment of Mr. Cisneros on 18 felony counts. Trial pending.

1995, Daniel S. Pearson, investigated Commerce Secretary Ronald H. Brown's personal finances. Stopped after Mr. Brown was killed in a plane crash in Croatia.

1996, Curtis Emery von Kann, investigated Eli J. Segal for conflict-of-interest accusations involving fund-raising for a private group while he was head of the Americorps national service program. Investigation ended in 1997 without any action.

1998, Carol Elder Bruce, appointed to investigate whether Interior Secretary Bruce Babbitt broke the law in connection with his testimony to Congress about an Indian casino license.

1998, Ralph I. Lancaster Jr., appointed to investigate accusations that Labor Secretary Alexis Herman engaged in influence-peddling solicitation of $250,000 in illegal campaign contributions.

*Appointed by Attorney General Janet Reno during a period when the independent counsel law had lapsed.

MESSAGES FROM THE HOUSE

At 12:12 p.m., a message from the House of Representatives, delivered by one of its reading clerks announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 81. An act to designate the United States courthouse located at South Michigan Street in South Bend, Indiana, as the ''Robert K. Rodibaugh United States Courthouse.''

H.R. 1481. An act to amend the Great Lakes Fish and Wildlife Restoration Act of 1990 to provide for implementation of recommendations of the United States Fish and Wildlife Service contained in the Great Lakes Fishery Resources Restoration Study.

H.R. 1659. An act to provide for the expeditious completion of the acquisition of private mineral interests within the Mount St. Helens Volcanic Monument mandated by 1982 Act that established the Monument, and for other purposes.

H.R. 2000. An act to amend the Alaska Native Claims Settlement Act to make certain clarifications to the land bank protection provisions, and for other purposes.

H.R. 2314. An act to restore Federal Indian services to members of the Kickapoo Tribe of Oklahoma residing in Maverick County, Texas, to provide trust land for the benefit of the Tribe, and for other purposes.

H.R. 3381. An act to direct the Secretary of Agriculture and the Secretary of the Interior to exchange land and other assets with Big Sky Lumber Co. and other entities.

H.R. 4068. An act to make certain technical corrections in laws relating to Native Americans, and for other purposes.

H.R. 4558. An act to make technical amendments to clarify the provision of benefits for noncitizens, and to improve the provision of unemployment insurance, child support, and supplementary security income benefits.

The message also announced the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 315. Concurrent Resolution expressing the sense of the Congress condemning the atrocities by Serbian police and military forces against Albanians in Kosova and urging that blocked assets of the Federal Republic of Yugoslavia (Serbia and Montenegro) under control of the United States and other governments be used to compensate the Albanians in Kosova for losses suffered through Serbian police and military.

The message further announced that the House has passed the following bill, with amendments, in which it requests the concurrence of the Senate:

S. 1355. An act to designate the United States courthouse located in New Haven,

Connecticut, as the ''Richard C. Lee United States Courthouse.''

At 12:44 p.m., a message from the House of Representatives, delivered by one of its reading clerks, announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two House on the amendment of the Senate to the bill (H.R. 4112) making appropriations for the Legislative Branch for the fiscal year ending September 30, 1999, and for other purposes.

At 3:00 p.m., a message from the House of Representatives, delivered by Mr. Hanrahan, one of its reading clerks, announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 3616) to authorize appropriations for fiscal year 1999 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes.

ENROLLED BILLS SIGNED

The following enrolled bills, previously signed by the Speaker of the House, were signed on today on September 24, 1998, by the President pro tempore (Mr. THURMOND).

S. 1695. An act to authorize the Secretary of the Interior to study the suitability and feasibility of designating the Sand Creek Massacre National Historic Site in the State of Colorado as a unit of the National Park System, and for other purposes.

H.R. 1856. An act to amend the Fish and Wildlife Act of 1956 to promote volunteer programs and community partnerships for the benefits of national wildlife refuges, and for other purposes.

MEASURES REFERRED

The following bills were read the first and second times by unanimous consent and referred as indicated:

H.R. 81. An act to designate the United States courthouse located at South Michigan Street in South Bend, Indiana, as the ''Robert K. Rodibaugh United States Bankruptcy Courthouse''; to the Committee on Environment and Public Works.

H.R. 2314. An act to restore Federal Indian services to members of the Kickapoo Tribe of Oklahoma residing in Maverick County, Texas, to provide trust land for the benefit of the Tribe, and for other purposes, to the Committee on Indian Affairs.

The following concurrent resolution was real and referred as indicated:

H. Con. Res. 315. Concurrent resolution expressing the sense of the Congress condemning the atrocities by Serbian police and military forces against Albanians in Kosova and urging that blocked assets of the Federal Republic of Yugoslavia (Serbia and Montenegro) under control of the United States and other governments be used to compensate the Albanians in Kosova for losses suffered through Serbian police and military; to the Committee on Foreign Relations.

MEASURES PLACED ON THE CALENDAR

The following bills were read the first and second times, and placed on the calendar:

H.R. 1481. An act to amend the Great Lakes Fish and Wildlife Restoration Act of 1990 to provide for implementation of recommendations of the United States Fish and Wildlife Service contained in the Great Lakes Fishery Resources Restoration Study.

H.R. 1659. An act to provide for the expeditious completion of the acquisition of private mineral interests within the Mount St. Helens Volcanic Monument mandated by 1982 act that established the Monument, and for other purposes.

H.R. 2000. An act to amend the Alaska Native Claims Settlement Act to make certain clarifications to the land bank protection provisions, and for other purposes.

H.R. 3381. An act to direct the Secretary of the Agriculture and the Secretary of the Interior to exchange land and other assets with Big Sky Lumber Co. and other entities.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on September 24, 1998 he had presented to the President of the United States, the following enrolled bill:

S. 1695. An act to authorize the Secretary of the Interior to study the suitability and feasibility of designating the Sand Creek Massacre National Historic Site in the State of Colorado as a unit of the National Park System, 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–7101. A communication from the Director of the Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a cumulative report on rescissions and deferrals dated September 18, 1998; referred jointly, pursuant to the order of January 30, 1975 as modified by the order of April 11, 1986, to the Committee on Appropriations, to the Committee on the Budget, to the Committee on Agriculture, Nutrition, and Forestry, to the Committee on Commerce, Science, and Transportation, to the Committee on Energy and Natural Resources, to the Committee on Finance, and to the Committee on Foreign Relations.

EC–7102. A communication from the Administrator of the Substance Abuse and Mental Health Services Administration, Department of Health and Human Services, transmitting, pursuant to law, notice of drug-free workplace plan certifications for certain agencies; to the Committee on Appropriations.

EC–7103. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, the Department's report on agency drug-free workplace plans; to the Committee on Appropriations.

EC–7104. A communication from the Executive Director of the Committee For Purchase From People Who Are Blind or Severely Disabled, transmitting, pursuant to law, a notice of additions to the Committee's Procurement List dated September 15, 1998; to the Committee on Governmental Affairs.

EC–7105. A communication from the Secretary of Labor, transmitting, pursuant to law, the Department's report on the labor market for veterans; to the Committee on Veterans' Affairs.

EC–7106. A communication from the Secretary of Defense, transmitting, notice of routine military retirements; to the Committee on Armed Services.

EC–7107. A communication from the Federal Register Liaison Officer, Office of Thrift Supervision, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Agency Disapproval of Directors and Senior Executive Officers of Savings Associations and Savings and Loan Holding Companies'' (RIN1550–AB10) received on September 22, 1998; to the Committee on Banking, Housing, and Urban Affairs.

EC–7108. A communication from the General Counsel of the Department of Housing and Urban Development, transmitting, pursuant to law, the report of two rules regarding the Section 8 Management Assessment Program and the Hispanic-Serving Institutions Work Study Program (RIN2577–AB60, RIN2528–AA06) received on September 23, 1998; to the Committee on Banking, Housing, and Urban Affairs.

EC–7109. A communication from the Manager of the Federal Crop Insurance Corporation, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled ''Common Crop Insurance Regulations; Guaranteed Production Plan of Fresh Market Tomato Crop Insurance Provisions'' received on September 22, 1998; to the Committee on Agriculture, Nutrition, and Forestry.

EC–7110. A communication from the Manager of the Federal Crop Insurance Corporation, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled ''Nursery Crop Insurance Regulations; and Common Crop Insurance Regulations; Nursery Crop Insurance Provisions'' (RIN0563-AB65) received on September 22, 1998; to the Committee on Agriculture, Nutrition, and Forestry.

EC–7111. A communication from the Chairman of the Federal Communications Commission, transmitting, pursuant to law, the Commission's report under the Freedom of Information Act for calendar year 1997; to the Committee on the Judiciary.

EC–7112. A communication from the Chairman of the United States Sentencing Commission, transmitting, the Commission's Annual Report and Sourcebook of Federal Sentencing Statistics for fiscal year 1997; to the Committee on the Judiciary.

EC–7113. A communication from the Chairman of the United States Sentencing Commission, transmitting, pursuant to law, notice of an amendment to the sentencing guidelines regarding telemarketing fraud; to the Committee on the Judiciary.

EC–7114. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, the Department's ''Consolidated Report on the Community Services Block Grant Program Implementation Assessments'' for fiscal years 1992 through 1997; to the Committee on Labor and Human Resources.

EC–7115. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, the Department's reports on the National Information System for the Community Services Block Grant Program for fiscal years 1991 through 1995; to the Committee on Labor and Human Resources.

EC–7116. A communication from the Assistant Secretary for Employment Standards, Department of Labor, transmitting, pursuant to law, the report of a rule entitled ''Technical Amendments of Rules Relating to Labor-Management Standards of Conduct for Federal Sector Labor Organizations; Correction'' (RIN1215–AB22) received on September 22, 1998; to the Committee on Labor and Human Resources.

EC–7117. A communication from the Assistant Secretary for Occupational Safety and Health, Department of Labor, transmitting, pursuant to law, the report of a rule entitled ''Occupational Exposure to Methylene Chloride'' (RIN1218–AA98) received on September 21, 1998; to the Committee on Labor and Human Resources.

EC–7118. A communication from the Director of the Regulations Policy and Management Staff, Food and Drug Administration, Department of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled ''Obstetric and Gynecological Devices; Reclassification and Classification of Medical Devices Used for In Vitro Fertilization and Related Assisted Reproduction Procedures'' (Docket 97N–0335) received on September 22, 1998; to the Committee on Labor and Human Resources.

EC–7119. A communication from the Director of the Regulations Policy and Management Staff, Food and Drug Administration, Department of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled ''Removal of Regulations Regarding Certification of Antibiotic Drugs'' (Docket 98N–0211) received on September 22, 1998; to the Committee on Labor and Human Resources.

EC–7120. A communication from the Director of the Regulations Policy and Management Staff, Food and Drug Administration, Department of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled ''Removal of Regulations Regarding Certification of Drugs Composed Wholly or Partly of Insulin'' (Docket 98N–0210) received on September 22, 1998; to the Committee on Labor and Human Resources.

EC–7121. A communication from the Inspector General of the Railroad Retirement Board, transmitting, pursuant to law, the Office of Inspector General's budget request for fiscal year 2000; to the Committee on Labor and Human Resources.

EC–7122. A communication from the Chief of the Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Source Rules for Foreign Sales Corporation Transfer Pricing'' (RIN1545–AV90) received on September 17, 1998; to the Committee on Finance.

EC–7123. A communication from the National Director of Appeals, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Settlement Guideline: Tenant Allowances to Retail Store Operators'' received on September 23, 1998; to the Committee on Finance.

EC–7124. A communication from the National Director of Appeals, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Settlement Guideline: Subchapter K Anti-Abuse Rule'' received on September 23, 1998; to the Committee on Finance.

EC–7125. A communication from the Chief of the Regulations Branch, U.S. Customs Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Lay Order Period; General Order; Penalties'' received on September 21, 1998; to the Committee on Finance.

EC–7126. A communication from the Acting Chief of the Regulations Branch, U.S. Customs Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Andean Trade Preference'' received on September 22, 1998; to the Committee on Finance.

EC–7127. A communication from the Assistant Secretary for Fish and Wildlife and Parks, Department of the Interior, transmitting, pursuant to law, the report of a rule entitled ''An Update of Addresses and OMB Information Collection Numbers for Fish and Wildlife Service Permit Applications'' (RIN1080–AF07) received on September 22, 1998; to the Committee on Environment and Public Works.

EC–7128. A communication from the Director of the Fish and Wildlife Service, Department of the Interior, transmitting, pursuant to law, the report of a rule entitled ''Endangered and Threatened Wildlife and Plants; Final Rule to List the San Bernardino Kangaroo Rat as Endangered'' (RIN1018–AE59) received on September 21, 1998; to the Committee on Environment and Public Works.

EC–7129. A communication from the Director of the Office of Regulatory Management and Information, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Glutamic Acid; Technical Amendment and Correction of Pesticide Tolerance Exemption'' (FRL6029–1) received on September 21, 1998; to the Committee on Environment and Public Works.

EC–7130. A communication from the Director of the Office of Regulatory Management and Information, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Flufenacet; Time-Limited Pesticide Tolerance'' (FRL6028–8) received on September 21, 1998; to the Committee on Environment and Public Works.

EC–7131. A communication from the Director of the Office of Regulatory Management and Information, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Isoxaflutole; Pesticide Tolerance'' (FRL6029–3) received on September 21, 1998; to the Committee on Environment and Public Works.

EC–7132. A communication from the Director of the Office of Regulatory Management and Information, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''National Emission Standards for Hazardous Air Pollutants for Flexible Polyurethane Foam Production'' (FRL6163–9) received on September 21, 1998; to the Committee on Environment and Public Works.

EC–7133. A communication from the Chairman of the Federal Maritime Commission, transmitting, pursuant to law, the report of a rule entitled ''Update of Existing and Addition of New Filing and Service Fees'' (Docket 98–09) received on September 22, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7134. A communication from the Administrator of the National Aeronautics and Space Administration, transmitting, pursuant to law, notice of changes to NASA's initial FY 1998 Operating Plan; to the Committee on Commerce, Science, and Transportation.

EC–7135. A communication from the Chairman of the Federal Communications Commission, transmitting, pursuant to law, the Commission's Third Annual Report and Analysis of Competitive Market Conditions With Respect to Commercial Mobile Services; to the Committee on Commerce, Science, and Transportation.

EC–7136. A communication from the Associate Managing Director for Performance Evaluation and Records Management, Federal Communications Commission, transmitting, pursuant to law, the report of a rule regarding financing for personal communications services licensees (Docket 97–82) received on September 22, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7137. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives; CFM International CFM56–5B/2P Series Turbofan Engines'' (Docket 97–ANE–29–AD) received on September 21, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7138. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives; Cessna Aircraft Company Models T210N, P210N, and P210R Airplanes'' (Docket 97–CE–62–AD) received on September 21, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7139. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives; Bombardier Model CL–600–2B19 (Regional Jet Series 100) Series Airplanes'' (Docket 98–NM–236–AD) received on September 21, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7140. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives; Boeing Model 777–200 Series Airplanes Equipped With Air Cruisers Evacuation Slides/Rafts'' (Docket 97–NM–95–AD) received on September 21, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7141. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives; Boeing Model 757–200 Series Airplanes'' (Docket 96–NM–232–AD) received on September 21, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7142. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives; Airbus Model A310 and A300–600 Series Airplanes'' (Docket 98–NM–17–AD) received on September 21, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7143. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives; Airbus Model A320 Series Airplanes'' (Docket 98–NM–26–AD) received on September 21, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7144. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives; Glaser-Dirks Flugzeubau GmbH Model DG–400 Gliders'' (Docket 98–CE–12–AD) received on September 21, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7145. A communication from the Acting Director of the Office of Sustainable Fisheries, National Oceanic and Atmospheric Administration, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled ''Atlantic Tuna Fisheries; Atlantic Bluefin Tuna; Closure'' (I.D. 090498A) received on September 22, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7146. A communication from the Policy, Management and Information Officer, National Ocean Service, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled ''Announcement of Graduate Research Fellowships in the National Estuarine Research Reserve System for Fiscal Year 1999'' (RIN0648–ZA45) received on September 22, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7147. A communication from the Acting Director of the Office of Sustainable Fisheries, National Oceanic and Atmospheric Administration, Department of Commerce, transmitting, pursuant to law, the report of

a rule entitled ''Fisheries of the Exclusive Economic Zone Off Alaska; Pollock in Statistical Area 630 of the Gulf of Alaska'' (I.D. 091598B) received on September 22, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7148. A communication from the Director of the Office of Sustainable Fisheries, National Oceanic and Atmospheric Administration, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled ''Fisheries of the Exclusive Economic Zone Off Alaska; Pollock in Statistical Area 610 in the Gulf of Alaska'' (I.D. 091198D) received on September 22, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7149. A communication from the Director of the Office of Sustainable Fisheries, National Oceanic and Atmospheric Administration, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled ''Atlantic Tuna Fisheries; Atlantic Bluefin Tuna; Closure'' (I.D. 090898A) received on September 22, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7150. A communication from the Assistant Secretary for Legislative Affairs, Department of State, transmitting, pursuant to law, notice of a proposed manufacturing license agreement with Turkey for the production of certain transceivers (DTC 89–98); to the Committee on Foreign Relations.

EC–7151. A communication from the Assistant Secretary for Legislative Affairs, Department of State, transmitting, pursuant to law, notice of a proposed Manufacturing License Agreement with the United Kingdom for the production of Longbow Hellfire Missile warheads (DTC 93–98); to the Committee on Foreign Relations.

EC–7152. A communication from the Assistant Secretary for Legislative Affairs, Department of State, transmitting, pursuant to law, notice of a proposed licence for the export of TOW 2A Anti-Tank Missiles to Greece (DTC 97–98); to the Committee on Foreign Relations.

EC–7153. A communication from the Assistant Secretary for Legislative Affairs, Department of State, transmitting, pursuant to law, notice of a proposed licence for the export of S70B SEAHAWK helicopters to Turkey (DTC 98–98); to the Committee on Foreign Relations.

EC–7154. A communication from the Assistant Secretary for Legislative Affairs, Department of State, transmitting, pursuant to law, notice of a proposed Manufacturing License Agreement with Spain for the production of M60A3 Laser Tank Fire Control Systems (DTC 105–98); to the Committee on Foreign Relations.

EC–7155. A communication from the Assistant Secretary for Legislative Affairs, Department of State, transmitting, pursuant to law, notice of a proposed Manufacturing License Agreement with the United Kingdom for the production of Airborne TOW Missile Fire Control Systems (DTC 107–98); to the Committee on Foreign Relations.

EC–7156. A communication from the Assistant Secretary for Legislative Affairs, Department of State, transmitting, pursuant to law, notice of a proposed Manufacturing License Agreement with Japan for the production of AN/VPS–2 radar equipment (DTC 110–98); to the Committee on Foreign Relations.

EC–7157. A communication from the Assistant Secretary for Legislative Affairs, Department of State, transmitting, pursuant to law, notice of a proposed Manufacturing License Agreement with Japan for the production of T56–A–14 engines for P–3C aircraft (DTC 122–98); to the Committee on Foreign Relations.

EC–7158. A communication from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, a list of internatioanl agreements other than treaties entered into by the United States (98–139 to 98–149); to the Committee on Foreign Relations.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. D'AMATO, from the Committee on Banking, Housing, and Urban Affairs, with an amendment in the nature of a substitute:

S. 1405. A bill to provide for improved monetary policy and regulatory reform in financial institution management and activities, to streamline financial regulatory agency actions, to provide for improved consumer credit disclosure, and for other purposes (Rept. No. 105–346).

By Mr. HATCH, from the Committee on the Judiciary, without amendment:

H.R. 378. A bill for the relief of Heraclio Tolley.

H.R. 379. A bill for the relief of Larry Errol Pieterse.

H.R. 2744. A bill for the relief of Chong Ho Kwak.

S. 1202. A bill providing relief for Sergio Lozano, Fauricio Lozano, and Ana Lozano.

S. 1460. A bill for the relief of Alexandre Malofienko, Olga Matsko, and their son Vladimir Malofienko.

S. 1551. A bill for the relief of Kerantha Poole-Christian.

By Mr. HATCH, from the Committee on the Judiciary, with an amendment in the nature of a substitute and an amendment to the title:

S. 2151. A bill to clarify Federal law to prohibit the dispensing or distribution of a controlled substance for the purpose of causing, or assisting in causing, the suicide, euthanasia, or mercy killing of any individual.

By Mr. HATCH, from the Committee on the Judiciary, without amendment:

S. 2235. A bill to amend part Q of the Omnibus Crime Control and Safe Streets Act of 1968 to encourage the use of school resource officers.

S. 2253. A bill to establish a matching grant program to help State and local jurisdictions purchase bullet resistant equipment for use by law enforcement departments.

EXECUTIVE REPORTS OF COMMITTEE

The following executive reports of committees were submitted:

By Mr. THURMOND, from the Committee on Armed Services:

Bernard Daniel Rostker, of Virginia, to be Under Secretary of the Army.

James M. Bodner, of Virginia, to be Deputy Under Secretary of Defense for Policy.

Stephen W. Preston, of the District of Columbia, to be General Counsel of the Department of the Navy.

Herbert Lee Buchanan III, of Virginia, to be an Assistant Secretary of the Navy.

Jeh Charles Johnson, of New York, to be General Counsel of the Department of the Air Force.

Richard Danzig, of the District of Columbia, to be Secretary of the Navy.

(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.)

The following named Reserve officer for appointment as Chief of the Air Force Reserve under title 10, U.S.C., section 8038:

To be Chief of the Air Force Reserve, United States Air Force

Maj. Gen. James E. Sherrard, III, 6641

The following named officer for appointment in the United States Air Force to the grade indicated under title 10, U.S.C., section 624:

To be brigadier general

Col. Robert W. Chedister, 3487

The following named officer for appointment in the United States Air Force to the grade indicated while assigned to a position of importance and responsibility and title 10, U.S.C., section 601:

To be lieutenant general

Maj. Gen. Charles R. Heflebower, 8234

The following named officer for appointment in the United States Air Force to the grade indicated while assigned to a position of importance and responsibility and title 10, U.S.C., section 601:

To be lieutenant general

Lt. Gen. Thomas R. Case, 2013

The following Air National Guard of the United States officer for appointment in the Reserve of the Air Force to the grade indicated under title 10, U.S.C., section 12203:

To be brigadier general

Col. Richard J. Hart, 0821

The following named officer for appointment as The Judge Advocate General of the United States Air Force and for appointment to the grade indicated under title 10, U.S.C., section 8037:

To be major general

Brig. Gen. William A. Moorman, 5251

The following named officer for appointment in the United States Army to the grade indicated while assigned to a position of importance and responsibility and title 10, U.S.C., section 601:

To be general

Lt. Gen. Montgomery C. Meigs, 3239

The following named officer for appointment in the United States Army to the grade indicated while assigned to a position of importance and responsibility and title 10, U.S.C., section 601:

To be lieutenant general

Lt. Gen. William M. Steele, 0433

The following named officer for appointment in the United States Army to the grade indicated while assigned to a position of importance and responsibility and title 10, U.S.C., section 601:

To be lieutenant general

Maj. Gen. John Costello, 9581

The following named officer for appointment in the United States Army to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

To be lieutenant general

Maj. Gen. Ronald E. Adams, 5264

The following named officer for appointment in the United States Army to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

To be lieutenant general

Lt. Gen. Randolph W. House, 7507

The following named officer for appointment in the United States Army to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

To be lieutenant general

Maj. Gen. Davis S. Weisman, 2064

The following named officer for appointment in the United States Army to the grade

indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

To be lieutenant general

Maj. Gen. Daniel J. Petrosky, 1004

The following named officer for appointment in the Reserve of the Army to the grade indicated under title 10, U.S.C., section 12203:

To be major general

Brig. Gen. Darrel W. McDaniel, 4512

The following named officer for appointment in the United States Army to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

To be general

Gen. Eric K. Shinseki, 3256

The following named officer for appointment in the United States Marine Corps to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

To be lieutenant general

Lt. Gen. Michael J. Byron, 1295

The following named officers for appointment in the United States Navy to the grade indicated under title 10, U.S.C., section 624:

To be rear admiral

Rear Adm. (lh) Keith W. Lippert, 1581
Rear Adm. (lh) Paul O. Soderberg, 9559

The following named officers for appointment in the United States Naval Reserve to the grade indicated under title 10, U.S.C., section 12203:

Capt. Mark R. Feichtinger, 3808
Capt. John A. Jackson, 3255
Capt. Sam H. Kupresin, 8757
Capt. John P. McLaughlin, 4645
Capt. James B. Plehal, 5145
Capt. Marke R. Shelley, 9994

The following named officers for appointment in the United States Naval Reserve to the grade indicated under title 10, U.S.C., section 12203:

To be rear admiral (Lower Half)

Capt. James S. Allan, 7214
Capt. Maurice B. Hill, Jr., 6455
Capt. Duret S. Smith, 6254
Capt. James M. Walley, Jr., 5129
Capt. Jerry D. West, 5130

The following named officer for appointment in the United States Navy to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

To be admiral

Vice Adm. Dennis C. Blair, 1618

The following named officers for appointment in the United States Navy to the grade indicated under title 10, U.S.C., section 624:

To be rear admiral (lower half)

Capt. David Architzel, 0741
Capt. Jose L. Betancourt, 0044
Capt. Annette E. Brown, 7474
Capt. Brian M. Calhoun, 7720
Capt. Kevin J. Cosgriff, 3968
Capt. Lewis W. Crenshaw, Jr., 4960
Capt. Joseph E. Enright, 8942
Col. Terrance T. Etnyre, 8044
Capt. Mark P. Fitzgerald, 2694
Capt. Jonathan W. Greenert, 8869
Capt. Charles H. Griffiths, Jr., 0725
Capt. Stephen C. Heilman, 2302
Capt. Curtis A. Kemp, 5881
Capt. Anthony W. Lenderich, 9020
Capt. Walter B. Massenburg, 4394
Capt. Michael G. Mathis, 4091
Capt. James K. Moran, 5752
Capt. Charles L. Munns, 9043
Capt. Richard B. Porterfield, 3989
Capt. Issac E. Richardson III, 4443
Capt. James A. Robb, 4692
Capt. Paul S. Schultz, 8203
Capt. Joseph A. Sestaak, Jr., 0962
Capt. David M. Stone, 6735
Capt. Steven J. Tomaszeski, 3394
Capt. John W. Townes III, 0177
Capt. Thomas E. Zelibor, 6272

The following named officer for appointment in the United States Navy to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

To be vice admiral

Vice Adm. Vernon E. Clark, 8489

(The above nominations were reported with the recommendations that they be confirmed.)

Mr. THURMOND. Madam President, from the Committee on Armed Services, I report favorably the attached listing of nominations which were printed in full in the RECORDS of July 22, 1998, July 30, 1998, September 2 1998, September 3, 1998, September 10, 1998, September 11, 1998 and September 14, 1998, and ask unanimous consent, to save the expense of printing 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 July 22, 1998, July 30, 1998, September 2, 1998, September 3, 1998, September 10, 1998, September 11, 1998 and September 14, 1998, at the end of the Senate proceedings.)

In the Army nominations beginning *David W. Acuff, and ending *Michael E. Yarman, which nominations were received by the Senate and appeared in the Congressional Record of July 22, 1998.

In the Navy nominations beginning Ann E.B. Adcook, and ending Thomas J. Yurik, which nominations were received by the Senate and appeared in the Congressional Record of July 22, 1998.

In the Air Force nominations beginning Jeffrey C. Mabry, and ending Neal A. Thagard, which nominations were received by the Senate and appeared in the Congressional Record of July 30, 1998.

In the Army nominations beginning David W. Brooks, and ending Shelby R. Pearcy, which nominations were received by the Senate and appeared in the Congressional Record of July 30, 1998.

In the Navy nominations beginning David W. Adams, and ending John R. Anderson, which nominations were received by the Senate and appeared in the Congressional Record of July 30, 1998.

In the Air Force nominations beginning Hart Jacobsen, and ending Henry S. Jordan, which nominations were received by the Senate and appeared in the Congressional Record of September 2, 1998.

In the Air Force nominations beginning Charles C. Armstead, and ending Scott A. Zuerlein, which nominations were received by the Senate and appeared in the Congressional Record of September 2, 1998.

In the Army nomination of Col. James G. Harris, which was received by the Senate and appeared in the Congressional Record of September 2, 1998.

In the Marine Corps nomination of Lt. Col. Edward R. Cawthon, which was received by the Senate and appeared in the Congressional Record of September 2, 1998.

In the Navy nominations beginning Thomas A. Buterbaugh, and ending Dermot P. Cashman, which nominations were received by the Senate and appeared in the Congressional Record of September 2, 1998.

In the Navy nominations beginning Dean A. Barsaleau, and ending James N. Rosenthal, which nominations were received by the Senate and appeared in the Congressional Record of September 2, 1998.

In the Air Force nomination of Larry V. Zettwoch, which was received by the Senate and appeared in the Congressional Record of September 3, 1998.

In the Army nomination of Carl W. Huff, which was received by the Senate and appeared in the Congressional Record of September 3, 1998.

In the Army nominations beginning Robert D. Alston, and ending Earl R. Woods, Jr., which nominations were received by the Senate and appeared in the Congressional Record of September 3, 1998.

In the Navy nominations beginning John M. Adams, and ending Maureen J. Zeller, which nominations were received by the Senate and appeared in the Congressional Record of September 10, 1998.

In the Navy nominations beginning Christopher L. Abbott, and ending Kevin S. Zumbar, which nominations were received by the Senate and appeared in the Congressional Record of September 10, 1998.

In the Navy nominations beginning Daniel Avenancio, and ending Carl B. Weicksel, which nominations were received by the Senate and appeared in the Congressional Record of September 11, 1998.

In the Navy nominations beginning Karla M. Abreuolson, and ending Glen A. Zurlo, which nominations were received by the Senate and appeared in the Congressional Record of September 11, 1998.

In the Navy nominations beginning Leanne K. Aaby, and ending Michael J. Zucchero, which nominations were received by the Senate and appeared in the Congressional Record of September 14, 1998.

By Mr. THOMPSON, from the Committee on Governmental Affairs:

Patricia A. Broderick, of the District of Columbia, to be an Associate Judge of the Superior Court of the District of Columbia for the term of fifteen years, vice Harriett Rosen Taylor, term expired.

Natalia Combs Greene, of the District of Columbia, to be an Associate Judge of the Superior Court of the District of Columbia for the term of fifteen years, vice Stephen F. Eilperin.

Neal E. Kravitz, of the District of Columbia, to be an Associate Judge of the Superior Court of the District of Columbia for the term of fifteen years, vice Paul Rainey Webber, III, term expired.

(The above nominations were reported with the recommendation that they be confirmed.)

Kenneth Prewitt, of New York, to be Director of the Census, vice Martha F. Riche, resigned.

Robert M. Walker, of Tennessee, to be Deputy Director of the Federal Emergency Management Agency, vice Harvey G. Ryland, resigned.

(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.)

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. LEAHY (for himself, Mr. JEFFORDS, Mrs. HUTCHISON, Mr. FEINGOLD, Ms. MOSELEY-BRAUN, Mr. MOYNIHAN, Mr. GREGG, Mr. SARBANES, Mr. CLELAND, and Mr. DODD):

S. 2514. A bill to amend the Communications Act of 1934 to clarify State and local authority to regulate the placement, construction, and modification of broadcast transmission and telecommunications facilities, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. REID:

S. 2515. A bill to amend the Internal Revenue Code of 1986 to increase the amount of Social Security benefits exempt from tax for single taxpayers; to the Committee on Finance.

By Mr. GRASSLEY (for himself and Mr. DURBIN):

S. 2516. A bill to make improvements in the operation and administration of the Federal courts, and for other purposes; to the Committee on the Judiciary.

By Mr. GRAMS:

S. 2517. A bill to amend the Federal Crop Insurance Act to establish a pilot program commencing in crop year 2000 for a period of 2 years in certain States to provide improved crop insurance options for producers; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. MOYNIHAN:

S. 2518. A bill to enhance family life; to the Committee on Finance.

By Mr. MCCAIN (for himself and Mr. BURNS):

S. 2519. A bill to promote and enhance public safety through use of 9–1–1 as the universal emergency assistance number, further deployment of wireless 9–1–1 service, support of States in upgrading 9–1–1 capabilities and related functions, encouragement of construction and operation of seamless, ubiquitous and reliable networks for personal wireless services, and ensuring access to Federal Government property for such networks, and for other purposes; to the Committee on Commerce, Science, and Transportation.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. JOHNSON:

S. Res. 282. A resolution to express the sense of the Senate regarding social security and the budget surplus; to the Committee on the Budget and the Committee on Governmental Affairs.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. LEAHY (for himself, Mr. JEFFORDS, Mrs. HUTCHINSON, Mr. FEINGOLD, Ms. MOSELEY-BRAUN, Mr. MOYNIHAN, Mr. GREGG, Mr. SARBANES, Mr. CLELAND, and Mr. DODD):

S. 2514. A bill to amend the Communications Act of 1934 to clarify State and local authority to regulate the placement, construction, and modification of broadcast transmission and telecommunications facilities, and for other purposes; to the Committee on Commerce, Science, and Transportation.

TELECOMMUNICATIONS LEGISLATION

● Mr. LEAHY. Mr. President, I am pleased to continue my strong objections to proposed Federal Communications Commission rules that could rob states and communities of the authority to decide where unsightly telecommunications towers should be built.

I am one of five Senators who voted against the Telecommunications Act of 1996. One of my fears was that the will and voice of states and local communities would be muzzled if that bill became law. Unfortunately, with the passage and implementation of the Telecommunications Act, my fears have been confirmed.

Mayors and citizens in Vermont towns and in towns across this nation are outraged that they have little control over the construction of these towers. This is especially troubling when communications technology is advancing so rapidly that large towers may become obsolete.

For example, some wireless phone providers offer the older analog wireless service. That is now being replaced by digital phone service in many parts of the nation. Analog providers could provide towerless service to towns by using an array of small antennas, instead of a large tower. Phone companies prefer to build one large tower with its switching equipment because that is cheaper than the switching equipment needed to control an array of small antennas. However, if a town does not want its landscape ruined with a tower, I think the company should be required to offer service through these smaller antennas.

Second, for companies offering the ''newer'' digital wireless phone service, other technologies are eliminating the need for large towers. The Iridium Corporation will offer phone service throughout the United States in the near future that is based on more than 60 low-earth-orbit satellites. Over time, this will provide a satellite communications link from any place in the world, even where no tower-based system is available.

In areas of the United States outside the range of cellular coverage the Iridium phone will connect you directly to the Iridium satellite network. Emergency communications—911 and disaster assistance—will be greatly aided with this development.

Hospitals, ambulances and other emergency service providers will be linked together by satellite directly from a hand held phone.

The Wall Street Journal reports that this service will cost more than regular cell phone service. However, they also report that other competitors and more efficiencies of scale are likely to bring down costs over time.

In addition, I have previously discussed how the towerless PCS-Over-Cable technology provides digital cellular phone service by using small antennas rather than large towers. These small antennas can be quickly attached to existing telephone poles, lamp posts or buildings and can provide quality wireless phone service without the use of towers. This technology is cheaper than most tower technology in part because the PCS-Over-Cable wireless provider does not have to purchase land to erect large towers.

Since there are viable and reasonable alternatives to providing wireless phone service through the use of towers, I think that towns should have some say in this matter. And I think that mayors, town officials and local citizens will agree with me.

Why should a large tower be forced on a town when wireless phone service can be provided without using a tower? Indeed, many argue that towerless phone service is much better in a disaster situation. During New England's ice storm, I am told that some towers collapsed. Tornadoes, earthquakes or hurricanes can destroy large telephone towers. But satellite phone service would not be affected by these disasters. Also, the PCS-Over-Cable technology is much less likely to be out of service for large areas during a disaster as compared to wireless phone service provided by large towers.

In addition, other advances in communications technology may also make towers obsolete even faster than anticipated.

This is one reason why I am so concerned about the federal government taking away the power of local communities to control where these towers are located. When big, unsightly towers are proposed to be located in the wrong place, towns should be able to just say no. And if the rules proposed by the FCC are implemented, towns will be further marginalized and even lose their input as to where the towers are placed.

As I have said before, I do not want Vermont turned into a pincushion, with 200 foot towers indiscriminately sprouting up on every mountain and in every valley. I have heard from many Vermonters, as well as town leaders and citizens from across the country, who are justifiably afraid that they are losing control over the siting, design, and construction of telecommunications towers and related facilities. They feel that state and local concerns are being sacrificed to the interests of a small part of the telecommunications industry that uses large towers.

Today I continue in my commitment to the preservation of state and local authority. I am joined by Senators JEFFORDS, HUTCHINSON, MOYNIHAN, FEINGOLD, GREGG, MOSELEY-BRAUN, SARBANES, DODD, and CLELAND in introducing legislation which would repeal the authority of the FCC to preempt state and local regulations affecting the placement of new telecommunications towers. This legislation expands and improves upon S. 1350, which I introduced one year ago.

Vermont communities and the state of Vermont must have a role in deciding where towers are going to go. They

must be able to take into account the protection of Vermont's scenic beauty. This is true for other states as well.

In fact, by requiring the companies to work with Vermont towns, acceptable alternative locations of towers, acceptable co-location of antennas on existing towers, or the use of alternative towerless technology, could be suggested. This would be much better than allowing any company to just come in willy-nilly and plop down towers next to our backyards.

In my view passage of this bill will actually promote better emergency phone service, better phone service in disasters and the more advanced digital wireless phone service.

The bill I am introducing today will mandate that states and towns cannot be ignored in the spread of telecommunications towers. This bill will recognize that states and towns do have choices in this cellular age.

This bill also incorporates the concerns of the aviation industry. The Federal Aviation Administration presently does not have authority to regulate the siting of towers. Airport officials work with local governments in the siting of towers. Silencing local governments will have a direct effect on airline safety, according to the representatives of the airline industry that we have heard from.

In a comment letter responding to the FCC's proposed rule, the National Association of State Aviation Officials attacked preemption on the grounds that it ''is contrary to the most fundamental principles of aviation safety * * * the proposed rule could result in the creation of hazards to aircraft and passengers at airports across the United States, as well as jeopardize safety on the ground.'' I cannot think of anyone who would want towers constructed irrespective of the negative and potentially dangerous impacts they may have on airplane flight and landing patterns.

Make no mistake. I am for progress, but not for ill-considered, so-called progress at the expense of Vermont families, towns and homeowners. Vermont can protect its rural and natural beauty while still providing for the amazing opportunities offered by these technological advances.

To deprive states of the ability to protect their land from unsightly towers is wrong, and the FCC rules should not stand. My legislation would reaffirm that states have a role to play in where telecommunications towers are placed and providing alternates to wireless providers.

I ask unanimous consent that this new legislation be printed in the RECORD.

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

S. 2514

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

SECTION 1. FINDINGS AND PURPOSES.

(a) FINDINGS.—Congress makes the following findings:

(1) The placement of commercial telecommunications, radio, or television towers near homes can greatly reduce the value of such homes, destroy the views from such homes, and reduce substantially the desire to live in such homes.

(2) States and localities should be able to exercise control over the siting and modification of such towers through the use of zoning, planned growth, and other controls relating to the protection of the environment and public safety.

(3) There are alternatives to the construction of towers to meet telecommunications and broadcast needs, including the co-location of antennae on existing towers or structures, towerless PCS-Over-Cable telephone service, satellite television systems, low-Earth orbit satellite communication networks, and other alternative technologies.

(4) There are alternative methods of designing towers to meet telecommunications and broadcast needs, including the use of small towers that do not require blinking aircraft safety lights, break skylines, or protrude above tree canopies and that are camouflaged or disguised to blend with their surroundings, or both.

(5) On August 19, 1997, the Federal Communications Commission issued a proposed rule, MM Docket No. 97–182, which would preempt the application of State and local zoning and land use ordinances regarding the placement of broadcast transmission facilities. It is in the interest of the Nation that the Commission not adopt this rule.

(6) It is in the interest of the Nation that the memoranda opinions and orders and proposed rules of the Commission with respect to application of certain ordinances to the placement of such towers (WT Docket No. 97–192, ET Docket No. 93–62, RM–8577, and FCC 97–303, 62 F.R. 47960) be modified in order to permit State and local governments to exercise their zoning and land use authorities, and their power to protect public health and safety, to regulate the placement of telecommunications or broadcast towers and to place the burden of proof in civil actions, and in actions before the Commission relating to the placement of such towers, on the person or entity that seeks to place, construct, or modify such towers.

(7) PCS-Over-Cable or satellite telecommunications systems, including low-Earth orbit satellites, offer a significant opportunity to provide so-called ''911'' emergency telephone service throughout much of the United States.

(8) According to the Comptroller General, the Commission does not consider itself a health agency and turns to health and radiation experts outside the Commission for guidance on the issue of health effects of radio frequency exposure.

(9) The Federal Aviation Administration does not have the authority to regulate the siting of personal wireless telephone or broadcast transmission towers near airports or high-volume air traffic areas such as corridors of airspace or commonly used flyways. The Commission's proposed rules to preempt State and local zoning and land-use restrictions for the siting of such towers will have a serious negative impact on aviation safety, airport capacity and investment, and the efficient use of navigable airspace.

(b) PURPOSES.—The purposes of this Act are as follows:

(1) To repeal certain limitations on State and local authority regarding the placement, construction, and modification of personal wireless service towers and related facilities as such limitations arise under section 332(c)(7) of the Communications Act of 1934 (47 U.S.C. 332(c)(7)).

(2) To permit State and local governments—

(A) in cases where the placement, construction, or modification of personal wireless service telephone and broadcast towers and other facilities is inconsistent with State and local requirements or decisions, to require the use of alternative telecommunication or broadcast technologies when such alternative technologies are available; and

(B) to regulate the placement of such towers so that their location or modification will not interfere with the safe and efficient use of public airspace or otherwise compromise or endanger public safety.

SEC. 2. STATE AND LOCAL AUTHORITY OVER PLACEMENT, CONSTRUCTION, AND MODIFICATION OF BROADCAST TRANSMISSION AND OTHER TELECOMMUNICATIONS FACILITIES.

(a) REPEAL OF LIMITATIONS ON REGULATION OF PERSONAL WIRELESS FACILITIES.—Section 332(c)(7)(B) of the Communications Act of 1934 (47 U.S.C. 332(c)(7)(B)) is amended—

(1) in clause (i), by striking ''thereof—'' and all that follows through the end and inserting ''thereof shall not unreasonably discriminate among providers of functionally equivalent services.'';

(2) by striking clause (iv);

(3) by redesignating clause (v) as clause (iv); and

(4) in clause (iv), as so redesignated—

(A) in the first sentence, by striking ''30 days after such action or failure to act'' and inserting ''30 days after exhaustion of any administrative remedies with respect to such action or failure to act''; and

(B) by striking the third sentence and inserting the following: ''In any such action in which a person seeking to place, construct, or modify a tower facility is a party, such person shall bear the burden of proof.''.

(b) PROHIBITION ON ADOPTION OF RULE REGARDING PREEMPTION OF STATE AND LOCAL AUTHORITY OVER BROADCAST TRANSMISSION FACILITIES.—Notwithstanding any other provision of law, the Federal Communications Commission may not adopt as a final rule the proposed rule set forth in ''Preemption of State and Local Zoning and Land Use Restrictions on Siting, Placement and Construction of Broadcast Station Transmission Facilities'', MM Docket No. 97–182, released August 19, 1997.

(c) AUTHORITY OVER PLACEMENT, CONSTRUCTION, AND MODIFICATION OF OTHER TRANSMISSION TOWERS.—Part I of title III of the Communications Act of 1934 (47 U.S.C. 301 et seq.) is amended by adding at the end the following:

''SEC. 337. STATE AND LOCAL AUTHORITY OVER PLACEMENT, CONSTRUCTION, AND MODIFICATION OF TELECOMMUNICATIONS AND BROADCAST TOWERS.

''(a) IN GENERAL.—Notwithstanding any other provision of this Act, no provision of this Act may be interpreted to authorize any person to place, construct, or modify a broadcast tower or telecommunications tower in a manner that is inconsistent with State or local law, or contrary to an official decision of the appropriate State or local government entity having authority to approve, license, modify, or deny an application to place, construct, or modify a tower, if alternate technology is capable of delivering the broadcast or telecommunications signals without the use of a tower.

''(b) AUTHORITY REGARDING PRODUCTION OF SAFETY STUDIES.—No provision of this Act may be interpreted to prohibit a State or local government from—

''(1) requiring a person seeking authority to locate telecommunications facilities or broadcast transmission facilities within the jurisdiction of such government to produce—

''(A) environmental studies, engineering reports, or other documentation of the compliance of such facilities with radio frequency exposure limits established by the Commission; and

''(B) documentation of the compliance of such facilities with applicable Federal, State, and local aviation safety standards or aviation obstruction standards regarding objects effecting navigable airspace; or

''(2) refusing to grant authority to such person to locate such facilities within the jurisdiction of such government if such person fails to produce any studies, reports, or documentation required under paragraph (1).''.●

● Mrs. HUTCHISON. Mr. President, I am pleased to join forces with Senators LEAHY and JEFFORDS to introduce legislation which confirms that zoning decisions should be the providence of local governments, not overseen by the Federal Communications Commission through the use of preemption authority.

It has been my position for some time that the FCC does not have a role to play in local zoning, right of way management and franchising decisions. I fought hard during consideration of the Communications Act of 1996 to ensure that local governments have the right to exercise these fundamental authorities. The issues associated with the use and value of property, public and private, are most appropriately considered at the levels of government closest to the citizenry. Local governments can balance the needs of commerce and the use of property. If their judgment is subject to question, it should be reviewed by the court system. It should not be checked by a federal regulator, who is far less able to calculate the totality of a community's interest.

This legislation is needed because local governments have contended with a proposed FCC rule to preempt local authority over the placement of broadcast towers. The rule, I understand, has been withdrawn as a result of an agreement between the FCC, local and state government interests and telecommunications industry interests under the auspices of the FCC's ''Local and State Government Advisory Committee.'' This agreement provides for facilities siting guidelines and informal dispute resolution. I applaud this agreement. I believe it represents the reality that local governments, in the main, do want to work cooperatively with telecommunications providers who want to serve the residents of a community.

However, I believe that this legislation is still necessary. The FCC simply should not have the authority to preempt local zoning decisions.

I look forward to working on the progress of this bill with my co-sponsors and appreciate the opportunity to act in support of the exercise of local authority.●

By Mr. REID:

S. 2515. A bill to amend the Internal Revenue Code of 1986 to increase the amount of Social Security benefits exempt from tax for single taxpayers; to the Committee on Finance.

SENIOR CITIZEN TAX REDUCTION ACT OF 1998

● Mr. REID. Mr. President, today I introduce legislation which will help alleviate a tax burden for senior citizens with modest incomes.

Until 1984, Federal taxes were not imposed on social security benefits. People pay taxes their whole working life for social security benefits and I do not believe that these payments should be taxed when they retire.

This legislation will help those single persons, widows and widowers with moderate incomes to keep more of their own money in their own pockets. When you responsibly plan for your retirement, you should be able to count on your government to meet its obligations under the contract you've made with social security.

Under current law, there is first, a calculation to determine whether any of your social security benefits are taxable. The base amount is $25,000 for singles and $32,000 for married persons. This base amount is figured by taking one-half of your social security benefits and adding in your other income. If you are single and the result is under $25,000, you don't pay taxes on your social security benefit. If the amount is over this base amount, then a further calculation is done to figure what portion of your social security benefit is taxable.

This further calculation determines how much of a person's benefit is taxed and the answer depends on the total amount of a person's social security benefit and their other income. Right now, if the total of one-half of your benefits and all your other income is more than $34,000 for a single person and $44,000 for married persons, up to 85% of your benefits could be taxable. My legislation increases the single amount to $44,000.

Let me give you an example of the effect my law would have. A widow has $37,000 total income consisting of $10,000 in social security benefits and $27,000 in other income. So for this widow, she adds half of her social security benefit which is $5,000 and her other income of $27,000 for a total of $32,000. Under the current law, since she has over $25,000 total income, she does the next calculation. The result is that she has to include $3,500 of her social security benefits in her adjusted gross income. Under my legislation, none of her social security benefits would be taxable.

While I realize that this may be considered a small step in removing an unfair tax burden, it is also an important first step to those seniors who have made America the greatest country in the world. I encourage the committee to give favorable consideration to our legislation.●

By Mr. GRASSLEY (for himself and Mr. DURBIN):

S. 2516. A bill to make improvements in the operation and administration of the Federal courts, and for other purposes; to the Committee on the Judiciary.

THE FEDERAL COURTS IMPROVEMENT ACT OF 1998

Mr. GRASSLEY. Mr. President, today, along with my colleague from Illinois, Senator DURBIN, I am introducing the Federal Courts Improvement Act of 1998. As chairman of the Judiciary Subcommittee on Administrative Oversight and the Courts, it is my responsibility to review federal court processes and procedures. Every two years or so, the Congress receives an official request from the Judicial Conference, the governing body of the federal courts, that include changes in the law the Judicial Conference believes is necessary to improve the functioning of the courts.

After reviewing the latest official request from the Judicial Conference, Senator DURBIN, who is the ranking member of the subcommittee, and I worked together in putting together a modification of this request to introduce as legislation. We are introducing this legislation today.

The bill contains four different titles including numerous changes in subjects such as judicial financial administration, judicial process improvements, judicial personnel administration, other personnel matters and federal public defenders. While many of these items may not be essential for the court system to operate, they will certainly help the system function better, and hopefully, more effectively.

Mr. President, it is my hope that we can consider this bill and pass it during these last few weeks of this Congress. I will work with Senator DURBIN to try and make that happen. I urge my colleagues to support us in this effort.

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. 2516

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

SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Federal Courts Improvement Act of 1998.''.

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

TITLE I—JUDICIAL FINANCIAL ADMINISTRATION

SEC. 101. EXTENSION OF JUDICIARY INFORMATION TECHNOLOGY FUND.

Section 612 of title 28, United States Code, is amended—

(1) by striking ''equipment'' each place it appears and inserting ''resources'';

(2) by striking subsection (f) and redesignating subsequent subsections accordingly;

(3) in subsection (g), as so redesignated, by striking paragraph (3); and

(4) in subsection (i), as so redesignated—

(A) by striking ''Judiciary'' each place it appears and inserting ''judiciary'';

(B) by striking ''subparagraph (c)(1)(B)'' and inserting ''subsection (c)(1)(B)''; and

(C) by striking ''under (c)(1)(B)'' and inserting ''under subsection (c)(1)(B)''.

SEC. 102. BANKRUPTCY FEES.

Subsection (a) of section 1930 of title 28, United States Code, is amended by adding at the end the following new paragraph:

''(7) In districts that are not part of a United States trustee region as defined in section 581 of this title, the Judicial Conference of the United States may require the debtor in a case under chapter 11 of title 11 to pay fees equal to those imposed by paragraph (6) of this subsection. Such fees shall be deposited as offsetting receipts to the fund established under section 1931 of this title and shall remain available until expended.''.

SEC. 103. DISPOSITION OF MISCELLANEOUS FEES.

For fiscal year 1999 and thereafter, any portion of miscellaneous fees collected as prescribed by the Judicial Conference of the United States pursuant to sections 1913, 1914(b), 1926(a), 1930(b), and 1932 of title 28, United States Code, exceeding the amount of such fees in effect on September 30, 1998, shall be deposited into the special fund of the Treasury established under section 1931 of title 28, United States Code.

TITLE II—JUDICIAL PROCESS IMPROVEMENTS

SEC. 201. EXTENSION OF STATUTORY AUTHORITY FOR MAGISTRATE JUDGE POSITIONS TO BE ESTABLISHED IN THE DISTRICT COURTS OF GUAM AND THE NORTHERN MARIANA ISLANDS.

Section 631 of title 28, United States Code, is amended—

(1) by striking the first two sentences of subsection (a) and inserting the following: ''The judges of each United States district court and the district courts of the Virgin Islands, Guam, and the Northern Mariana Islands shall appoint United States magistrate judges in such numbers and to serve at such locations within the judicial districts as the Judicial Conference may determine under this chapter. In the case of a magistrate judge appointed by the district court of the Virgin Islands, Guam, or the Northern Mariana Islands, this chapter shall apply as though the court appointing such a magistrate judge were a United States district court.''; and

(2) by inserting in the first sentence of paragraph (1) of subsection (b) after ''Commonwealth of Puerto Rico,'' the following: ''the Territory of Guam, the Commonwealth of the Northern Mariana Islands,''.

SEC. 202. MAGISTRATE JUDGE CONTEMPT AUTHORITY.

Section 636(e) of title 28, United States Code, is amended to read as follows:

''(e) CONTEMPT AUTHORITY.—

''(1) IN GENERAL.—A United States magistrate judge serving under this chapter shall have within the territorial jurisdiction prescribed by his or her appointment the power to exercise contempt authority as set forth in this subsection.

''(2) SUMMARY CRIMINAL CONTEMPT AUTHORITY.—A magistrate judge shall have the power to punish summarily by fine or imprisonment such contempt of his or her authority constituting misbehavior of any person in the magistrate judge's presence so as to obstruct the administration of justice. The order of contempt shall be issued pursuant to the Federal Rules of Criminal Procedure.

''(3) ADDITIONAL CRIMINAL CONTEMPT AUTHORITY IN CIVIL CONSENT AND MISDEMEANOR CASES.—In any case in which a United States magistrate judge presides with the consent of the parties under subsection (c) of this section, and in any misdemeanor case proceeding before a magistrate judge under section 3401 of title 18, the magistrate judge shall have the power to punish by fine or imprisonment criminal contempt constituting disobedience or resistance to the magistrate judge's lawful writ, process, order, rule, decree, or command. Disposition of such contempt shall be conducted upon notice and hearing pursuant to the Federal Rules of Criminal Procedure.

''(4) CIVIL CONTEMPT AUTHORITY IN CIVIL CONSENT AND MISDEMEANOR CASES.—In any case in which a United States magistrate judge presides with the consent of the parties under subsection (c) of this section, and in any misdemeanor case proceeding before a magistrate judge under section 3401 of title 18, the magistrate judge may exercise the civil contempt authority of the district court. This paragraph shall not be construed to limit the authority of a magistrate judge to order sanctions pursuant to any other statute, the Federal Rules of Civil Procedure, or the Federal Rules of Criminal Procedure.

''(5) CRIMINAL CONTEMPT PENALTIES.—The sentence imposed by a magistrate judge for any criminal contempt provided for in paragraphs (2) and (3) shall not exceed the penalties for a Class C misdemeanor as set forth in sections 3581(b)(8) and 3571(b)(6) of title 18.

''(6) CERTIFICATION OF OTHER CONTEMPTS TO THE DISTRICT COURT.—Upon the commission of any such act—

''(A) in any case in which a United States magistrate judge presides with the consent of the parties under subsection (c) of this section, or in any misdemeanor case proceeding before a magistrate judge under section 3401 of title 18, that may, in the opinion of the magistrate judge, constitute a serious criminal contempt punishable by penalties exceeding those set forth in paragraph (5) of this subsection; or

''(B) in any other case or proceeding under subsection (a) or (b) of this section, or any other statute, where—

''(i) the act committed in the magistrate judge's presence may, in the opinion of the magistrate judge, constitute a serious criminal contempt punishable by penalties exceeding those set forth in paragraph (5) of this subsection;

''(ii) the act that constitutes a criminal contempt occurs outside the presence of the magistrate judge; or

''(iii) the act constitutes a civil contempt,

the magistrate judge shall forthwith certify the facts to a district judge and may serve or cause to be served upon any person whose behavior is brought into question under this paragraph an order requiring such person to appear before a district judge upon a day certain to show cause why he or she should not be adjudged in contempt by reason of the facts so certified. The district judge shall thereupon hear the evidence as to the act or conduct complained of and, if it is such as to warrant punishment, punish such person in the same manner and to the same extent as for a contempt committed before a district judge.

''(7) APPEALS OF MAGISTRATE JUDGE CONTEMPT ORDERS.—The appeal of an order of contempt pursuant to this subsection shall be made to the court of appeals in cases proceeding under subsection (c) of this section. In any other proceeding in which a United States magistrate judge presides under subsection (a) or (b) of this section, section 3401 of title 18, or any other statute, the appeal of a magistrate judge's summary contempt order shall be made to the district court.''.

SEC. 203. CONSENT TO MAGISTRATE JUDGE AUTHORITY IN PETTY OFFENSE CASES AND MAGISTRATE JUDGE AUTHORITY IN MISDEMEANOR CASES INVOLVING JUVENILE DEFENDANTS.

(a) AMENDMENTS TO TITLE 18.—

(1) PETTY OFFENSE CASES.—Section 3401(b) of title 18, United States Code, is amended by striking ''that is a class B misdemeanor charging a motor vehicle offense, a class C misdemeanor, or an infraction,'' after ''petty offense''.

(2) CASES INVOLVING JUVENILES.—Section 3401(g) of title 18, United States Code, is amended—

(A) by striking the first sentence and inserting the following: ''The magistrate judge may, in a petty offense case involving a juvenile, exercise all powers granted to the district court under chapter 403 of this title.'';

(B) in the second sentence by striking ''any other class B or C misdemeanor case'' and inserting ''the case of any misdemeanor, other than a petty offense,''; and

(C) by striking the last sentence.

(b) AMENDMENTS TO TITLE 28.—Section 636(a) of title 28, United States Code, is amended by striking paragraphs (4) and (5) and inserting in the following:

''(4) the power to enter a sentence for a petty offense; and

''(5) the power to enter a sentence for a class A misdemeanor in a case in which the parties have consented.''.

SEC. 204. SAVINGS AND LOAN DATA REPORTING REQUIREMENTS.

Section 604 of title 28, United States Code, is amended in subsection (a) by striking the second paragraph designated (24).

SEC. 205. MEMBERSHIP IN CIRCUIT JUDICIAL COUNCILS.

Section 332(a) of title 28, United States Code, is amended—

(1) by striking paragraph (3) and inserting the following:

''(3) Except for the chief judge of the circuit, either judges in regular active service or judges retired from regular active service under section 371(b) of this title may serve as members of the council. Service as a member of a judicial council by a judge retired from regular active service under section 371(b) may not be considered for meeting the requirements of section 371(f) (1)(A), (B), or (C).''; and

(2) in paragraph (5) by striking ''retirement,'' and inserting ''retirement under section 371(a) or section 372(a) of this title,''.

SEC. 206. SUNSET OF CIVIL JUSTICE EXPENSE AND DELAY REDUCTION PLANS.

Section 103(b)(2)(A) of the Civil Justice Reform Act of 1990 (Public Law 101–650; 104 Stat. 5096; 28 U.S.C. 471 note), as amended by Public Law 105–53 (111 Stat. 1173), is amended by inserting ''471,'' after ''sections''.

SEC. 207. REPEAL OF COURT OF FEDERAL CLAIMS FILING FEE.

Section 2520 of title 28, United States Code, and the item relating to such section in the table of contents for chapter 165 of such title, are repealed.

SEC. 208. TECHNICAL BANKRUPTCY CORRECTION.

Section 1228 of title 11, United States Code, is amended by striking ''1222(b)(10)'' each place it appears and inserting ''1222(b)(9)''.

SEC. 209. TECHNICAL AMENDMENT RELATING TO THE TREATMENT OF CERTAIN BANKRUPTCY FEES COLLECTED.

(a) AMENDMENT.—The first sentence of section 406(b) of the Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 1990 (Public Law 101–162; 103 Stat. 1016; 28 U.S.C. 1931 note) is amended by striking ''service enumerated after item 18'' and inserting ''service not of a kind described in any of the items enumerated as items 1 through 7 and as items 9 through 18, as in effect on November 21, 1989,''.

(b) APPLICATION OF AMENDMENT.—The amendment made by subsection (a) shall not apply with respect to fees collected before the date of the enactment of this Act.

TITLE III—JUDICIAL PERSONNEL ADMINISTRATION, BENEFITS, AND PROTECTIONS

SEC. 301. JUDICIAL ADMINISTRATIVE OFFICIALS RETIREMENT MATTERS.

(a) DIRECTOR OF ADMINISTRATIVE OFFICE.—Section 611 of title 28, United States Code, is amended—

(1) in subsection (d), by inserting ''a congressional employee in the capacity of primary administrative assistant to a Member of Congress or in the capacity of staff director or chief counsel for the majority or the minority of a committee or subcommittee of the Senate or House of Representatives,'' after ''Congress,'';

(2) in subsection (b)—

(A) by striking ''who has served at least fifteen years and'' and inserting ''who has at least fifteen years of service and has''; and

(B) in the first undesignated paragraph, by striking ''who has served at least ten years,'' and inserting ''who has at least ten years of service,''; and

(3) in subsection (c)—

(A) by striking ''served at least fifteen years,'' and inserting ''at least fifteen years of service,''; and

(B) by striking ''served less than fifteen years,'' and inserting ''less than fifteen years of service,''.

(b) DIRECTOR OF THE FEDERAL JUDICIAL CENTER.—Section 627 of title 28, United States Code, is amended—

(1) in subsection (e), by inserting ''a congressional employee in the capacity of primary administrative assistant to a Member of Congress or in the capacity of staff director or chief counsel for the majority or the minority of a committee or subcommittee of the Senate or House of Representatives,'' after ''Congress,'';

(2) in subsection (c)—

(A) by striking ''who has served at least fifteen years and'' and inserting ''who has at least fifteen years of service and has''; and

(B) in the first undesignated paragraph, by striking ''who has served at least ten years,'' and inserting ''who has at least ten years of service,''; and

(3) in subsection (d)—

(A) by striking ''served at least fifteen years,'' and inserting ''at least fifteen years of service,''; and

(B) by striking ''served less than fifteen years,'' and inserting ''less than fifteen years of service,''.

SEC. 302. TRAVEL EXPENSES OF JUDGES.

Section 456 of title 28, United States Code, is amended by adding at the end the following new subsection:

''(h)(1) In this subsection, the term 'travel expenses'—

''(A) means the expenses incurred by a judge for travel that is not directly related to any case assigned to such judge; and

''(B) shall not include the travel expenses of a judge if—

''(i) the payment for the travel expenses is paid by such judge from the personal funds of such judge; and

''(ii) such judge does not receive funds (including reimbursement) from the United States or any other person or entity for the payment of such travel expenses.

''(2)(A) Each circuit judge of a court of appeals shall annually submit the information required under paragraph (3) to the chief judge for the circuit in which the judge is assigned.

''(B) Each district judge shall annually submit the information required under paragraph (3) to the chief judge for the district in which the judge is assigned.

''(3)(A) Each chief judge of each circuit and each district shall submit an annual report to the Director of the Administrative Office of the United States Courts on the travel expenses of each judge assigned to the applicable circuit or district (including the travel expenses of the chief judge of such circuit or district).

''(B) The annual report under this paragraph shall include—

''(i) the travel expenses of each judge, with the name of the judge to whom the travel expenses apply;

''(ii) a description of the subject matter and purpose of the travel relating to each travel expense identified under clause (i), with the name of the judge to whom the travel applies; and

''(iii) the number of days of each travel described under clause (ii), with the name of the judge to whom the travel applies.

''(4)(A) The Director of the Administrative Office of the United States Courts shall—

''(i) consolidate the reports submitted under paragraph (3) into a single report; and

''(ii) annually submit such consolidated report to Congress.

''(B) The consolidated report submitted under this paragraph shall include the specific information required under paragraph (3)(B), including the name of each judge with respect to clauses (i), (ii), and (iii) of paragraph (3)(B).''.

SEC. 303. TRANSFER OF COUNTY TO MIDDLE DISTRICT OF PENNSYLVANIA.

(a) TRANSFER.—Section 118 of title 28, United States Code, is amended—

(1) in subsection (a) by striking ''Philadelphia, and Schuylkill'' and inserting ''and Philadelphia''; and

(2) in subsection (b) by inserting ''Schuylkill,'' after ''Potter,''.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—This section and the amendments made by this section shall take effect 180 days after the date of the enactment of this Act.

(2) PENDING CASES NOT AFFECTED.—This section and the amendments made by this section shall not affect any action commenced before the effective date of this section and pending on such date in the United States District Court for the Eastern District of Pennsylvania.

(3) JURIES NOT AFFECTED.—This section and the amendments made by this section shall not affect the composition, or preclude the service, of any grand or petit jury summoned, impaneled, or actually serving on the effective date of this section.

SEC. 304. PAYMENTS TO MILITARY SURVIVORS BENEFITS PLAN.

Section 371(e) of title 28, United States Code, is amended by inserting after ''such retired or retainer pay'' the following: '', except such pay as is deductible from the retired or retainer pay as a result of participation in any survivor's benefits plan in connection with the retired pay,''.

SEC. 305. CREATION OF CERTIFYING OFFICERS IN THE JUDICIAL BRANCH.

(a) APPOINTMENT OF DISBURSING AND CERTIFYING OFFICERS.—Chapter 41 of title 28, United States Code, is amended by adding at the end the following new section:

''§ 613. Disbursing and certifying officers

''(a) DISBURSING OFFICERS.—The Director may designate in writing officers and employees of the judicial branch of the Government, including the courts as defined in section 610 other than the Supreme Court, to be disbursing officers in such numbers and locations as the Director considers necessary. Such disbursing officers shall—

''(1) disburse moneys appropriated to the judicial branch and other funds only in strict accordance with payment requests certified by the Director or in accordance with subsection (b);

''(2) examine payment requests as necessary to ascertain whether they are in proper form, certified, and approved; and

''(3) be held accountable for their actions as provided by law, except that such a disbursing officer shall not be held accountable or responsible for any illegal, improper, or incorrect payment resulting from any false, inaccurate, or misleading certificate for which a certifying officer is responsible under subsection (b).

''(b) CERTIFYING OFFICERS.—(1) The Director may designate in writing officers and employees of the judicial branch of the Government, including the courts as defined in section 610 other than the Supreme Court, to certify payment requests payable from appropriations and funds. Such certifying officers shall be responsible and accountable for—

''(A) the existence and correctness of the facts recited in the certificate or other request for payment or its supporting papers;

''(B) the legality of the proposed payment under the appropriation or fund involved; and

''(C) the correctness of the computations of certified payment requests.

''(2) The liability of a certifying officer shall be enforced in the same manner and to the same extent as provided by law with respect to the enforcement of the liability of disbursing and other accountable officers. A certifying officer shall be required to make restitution to the United States for the amount of any illegal, improper, or incorrect payment resulting from any false, inaccurate, or misleading certificates made by

the certifying officer, as well as for any payment prohibited by law or which did not represent a legal obligation under the appropriation or fund involved.

''(c) RIGHTS.—A certifying or disbursing officer—

''(1) has the right to apply for and obtain a decision by the Comptroller General on any question of law involved in a payment request presented for certification; and

''(2) is entitled to relief from liability arising under this section in accordance with title 31.

''(d) OTHER AUTHORITY NOT AFFECTED.—Nothing in this section affects the authority of the courts with respect to moneys deposited with the courts under chapter 129 of this title.''.

(b) CONFORMING AMENDMENT.—The table of sections for chapter 41 of title 28, United States Code, is amended by adding at the end the following item:

''613. Disbursing and certifying officers.''.

(c) RULE OF CONSTRUCTION.—The amendment made by subsection (a) shall not be construed to authorize the hiring of any Federal officer or employee.

(d) DUTIES OF DIRECTOR.—Paragraph (8) of subsection (a) of section 604 of title 28, United States Code, is amended to read as follows:

''(8) Disburse appropriations and other funds for the maintenance and operation of the courts;''.

SEC. 306. AUTHORITY TO PRESCRIBE FEES FOR TECHNOLOGY RESOURCES IN THE COURTS.

(a) IN GENERAL.—Chapter 41 of title 28, United States Code, is amended by adding at the end the following:

''§ 614. Authority to prescribe fees for technology resources in the courts

''The Judicial Conference is authorized to prescribe reasonable fees pursuant to sections 1913, 1914, 1926, 1930, and 1932, for collection by the courts for use of information technology resources provided by the judiciary for remote access to the courthouse by litigants and the public, and to facilitate the electronic presentation of cases. Fees under this section may be collected only to cover the costs of making such information technology resources available for the purposes set forth in this section. Such fees shall not be required of persons financially unable to pay them. All fees collected under this section shall be deposited in the Judiciary Information Technology Fund and be available to the Director without fiscal year limitation to be expended on information technology resources developed or acquired to advance the purposes set forth in this section.''.

(b) CONFORMING AMENDMENT.—The table of sections for chapter 41 of title 28, United States Code, is amended by adding at the end the following new item:

''614. Authority to prescribe fees for technology resources in the courts.''.

(c) TECHNICAL AMENDMENT.—Chapter 123 of title 28, United States Code, is amended—

(1) by redesignating the section 1932 entitled ''Revocation of earned release credit'' as section 1933 and placing it after the section 1932 entitled ''Judicial Panel on Multidistrict Litigation''; and

(2) in the table of sections by striking the 2 items relating to section 1932 and inserting the following:

''1932. Judicial Panel on Multidistrict Litigation.

''1933. Revocation of earned release credit.''.

TITLE IV—FEDERAL PUBLIC DEFENDERS

SEC. 401. TORT CLAIMS ACT AMENDMENT RELATING TO LIABILITY OF FEDERAL PUBLIC DEFENDERS.

Section 2671 of title 28, United States Code, is amended in the second undesignated paragraph—

(1) by inserting ''(1)'' after ''includes''; and

(2) by striking the period at the end and inserting the following: '', and (2) any officer or employee of a Federal public defender organization, except when such officer or employee performs professional services in the course of providing representation under section 3006A of title 18.''.

By Mr. GRAMS:

S. 2517. A bill to amend the Federal Crop Insurance Act to establish a pilot program commencing in crop year 2000 for a period of 2 years in certain States to provide improved crop insurance options for producers; to the Committee on Agriculture, Nutrition, and Forestry.

THE CROP INSURANCE REFORM ACT

Mr. GRAMS. Mr. President, I rise today to introduce a bill which takes an important step toward improving the nation's federal crop insurance program—the ''Crop Insurance Reform Act.''

Over the last year, we have witnessed devastating circumstances come together to create a crisis atmosphere for many of our nation's farmers. I know that in my own state of Minnesota, multiple years of wet weather and crop disease—especially scab—coupled with rising production costs and plummeting commodity prices is wiping out family farms in record numbers.

With the increased opportunities that accompany Freedom to Farm come increased risks. We've seen this first hand.

Freedom to Farm can work, but a necessary component of it is an adequate crop insurance program. This component has been missing so far. One of the promises made during debate of the 1996 Farm Bill was that Congress would address the need for better crop insurance.

We must not let another growing season pass without having instituted a new, effective crop insurance program. This overhaul is a major undertaking, but instituting a program of comprehensive reform must be a priority upon our return in January.

And, we must start the debate now so that we can have the best system in place in time. The bill I'm introducing today is a first step. It is the result of months of work from my Minnesota Crop Insurance Work Group.

The Work Group consists of various commodity groups, farm organizations, rural lenders, and agriculture economists. We have also worked closely with USDA's Farm Service and Risk Management Agencies. But it was my primary intention to assemble a committee of farmers and lenders—people who know the situation and have seen the problems first hand.

The Crop Insurance Reform Act is designed to address the coverage decision a farmer must make at the initial stages of purchasing crop insurance.

This bill allows more options for producers to choose from when making risk-management decisions. It essentially provides farmers with an enhanced coverage product at a more affordable price.

Currently, producer premium subsidies range from nearly 42% at the 100% price election for 65% coverage, to only 13% at the 100% price election for 85% coverage. Producers continue to stress that, although the Risk Management Agency has recently provided better product options, the subsidy levels at the higher ends of coverage make them cost prohibitive.

This bill will put in place a flat subsidy level of 29% across the 100% price election and at all levels of coverage. This will adjust the producer premiums to make better coverage more affordable.

When farmers are armed with the necessary risk management tools, everybody saves. The government saves in ad hoc disaster payments, arguably the most expensive way to address any kind of financial crisis. But more importantly, the family farmer saves.

This bill is just the beginning of reform. Over the next few months, I will continue to work with my Crop Insurance Work Group, and my colleagues, Senators LUGAR and ROBERTS, to craft a comprehensive program which directly benefits producers and protects the taxpayers.

By Mr. MOYNIHAN:

S. 2518. A bill to enhance family life; to the Committee on Finance.

THE ENHANCING FAMILY LIFE ACT OF 1998

Mr. MOYNIHAN. Mr. President, today I introduce the Enhancing Family Life Act of 1998, a bill inspired by an extraordinary set of proposals by one of our nation's most eminent social scientists, Professor James Q. Wilson. On December 4, 1997, I had the honor of hearing Professor Wilson—who is an old and dear friend—deliver the Francis Boyer Lecture at the American Enterprise Institute (AEI). The Boyer Lecture is delivered at AEI's annual dinner by a thinker who has ''made notable intellectual or practical contributions to improved public policy and social welfare.'' Previous Boyer lecturers have included Irving Kristol, Alan Greenspan, and Henry Kissinger. In his lecture, Professor Wilson argued that ''two nations'' now exist within the United States. He said:

> In one nation, a child, raised by two parents, acquires an education, a job, a spouse, and a home kept separate from crime and disorder by distance, fences, or guards. In the other nation, a child is raised by an unwed girl, lives in a neighborhood filled with many sexual men but few committed fathers, and finds gang life to be necessary for self-protection and valuable for self-advancement.

Sadly, this is an all-too-accurate portrait of the American underclass, the

problems of which have been the focus of decades of unsuccessful welfare reform and crime control efforts. We have tried a great many ''solutions,'' as Professor Wilson notes:

Congress has devised community action, built public housing, created a Job Corps, distributed Food Stamps, given federal funds to low-income schools, supported job training, and provided cash grants to working families.

Yet still we are faced with two nations. Professor Wilson explains why: ''[t]he family problem lies at the heart of the emergency of two nations.'' He notes that as our families become weaker—as more and more American children are born outside of marriage and raised by one, not two, parents—the foundation of our society becomes weaker. This deterioration helps to explain why, as reported by the Census Bureau today, the poverty rate for American children is almost twice that for adults aged 18 to 64 (19.9 percent for children versus 10.9 percent for adults). And it grows increasingly difficult for government to address the problems of that ''second nation.'' Professor Wilson even quotes the Senator from New York to this effect: ''If you expect a government program to change families, you know more about government than I do.''

Even so, Jim Wilson, quite characteristically, has fresh ideas about what might help. On the basis of recent scholarly research, and common sense, he urged in the Boyer lecture that we refocus our attention on the vital period of early childhood. I was so impressed with his lecture that afterward I set about writing a bill to put his recommendations into effect.

The Enhancing Family Life Act of 1998 contains four key elements, all of which are related to families. First, it supports ''second chance'' maternity homes for unwed teenage mothers. These are group homes where young women would live with their children under strict adult supervision and have the support necessary to become productive members of society. The bill provides $45 million a year to create such homes or expand existing ones.

Second, it promotes adoption. The bill expands the number of children in foster care eligible for federal adoption incentives. Too many children drift in foster care; we should do more to find them permanent homes. The bill also encourages states to experiment with ''per capita'' approaches to finding these permanent homes for foster children, a strategy Kansas has used with success.

Third, it funds collaborative early childhood development programs. Recent research has reminded us of the critical importance of the first few years of a child's life. States would have great flexibility in the use of these funds; for example, the money could be used for pre-school programs for poor children or home visits of parents of young children. It provides $3.75 billion over five years for this purpose.

Finally, the legislation creates a new education assistance program to enable more parents to remain home with young children. A parent who temporarily leaves the work force to raise a child would be eligible for an educational grant, similar to the Pell Grant, to help the parent enter, or reenter, the labor market with skills and credentials necessary for success in today's economy once the child is older.

Mr. President, this bill is a starting point. It is what Professor James Q. Wilson and I believe just might make a difference. We would certainly welcome the comments of others. And I would commend to the attention of Senators and other interested persons the full text of Professor Wilson's lecture ''Two Nations,'' which is available from my office or from the American Enterprise Institute. I ask unanimous consent that a summary of the legislation be included in the RECORD.

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

THE ENHANCING FAMILY LIFE ACT OF 1998—SUMMARY

SECTION 1. SHORT TITLE

This Act may be cited as the ''Enhancing Family Life Act of 1998.''

SECTION 2. FINDINGS

The Congressional findings support the importance of families in society and social policy.

Title I—Assistance for Children

SECTION 101. ''SECOND CHANCE HOMES''

The bill would provide $45 million annually to establish or expand ''second chance'' maternity homes for unwed teenage mothers. These are group homes where mothers live with their children under adult supervision and strict rules while learning good parenting skills.

SECTION 102. ADOPTION PROMOTION

The bill would expand the number of ''special needs'' children in foster care for which federal adoption subsidies are available. It de-links'' eligibility for these subsidies from the income level of the foster child's biological parents. (Under current law, a foster child determined to have special needs only qualifies for a federal adoption subsidy if the child's birth parents are welfare-eligible.) The subsidies would help adoptive parents meet the particular emotional and physical challenges of troubled children and so they can provide the children permanent homes.

In addition, last year's ''Adoption and Safe Families Act'' authorizes the Department of Health and Human Services to grant child welfare demonstration waivers to ten states each year. The bill would reserve three of each ten waivers to states willing to test ''per capita'' approaches to finding permanent homes for children in foster care, as Kansas has done. Under a per capita approach, states or localities contract on a fixed sum basis with agencies to reunite foster children with their biological families or place them with adoptive parents. Because the agency, typically a non-profit social service agency, receives a fixed sum per child (rather then unlimited reimbursement of costs) the agency may settle the child in a permanent home more quickly.

SECTION 103. EARLY CHILDHOOD DEVELOPMENT

The bill provides $3.75 billion over five years for collaborative early childhood development programs. Recent research has demonstrated the importance of the earliest years in a child's life in the child's intellectual and emotional development. States could use the funds for home visiting programs, parenting education, high-quality child care, and preventive health services. States would have great flexibility in deciding which services to provide.

SECTION II—''PARENT GRANTS''

The bill would create a new education assistance program to provide grants to parents who choose to remain at home with young children. The grants would allow parents to obtain the training, or re-training, needed to prosper and advance careers after a period of time outside the labor force. A custodial parent with children under the age of six and no earned income, welfare, or SSI receipt would be eligible to receive a benefit equivalent to the largest Pell Grant available for that year (about $2,700 in FY 1998). The benefit—to be called a ''Parent Grant''—could only be used for expenses associated with post-secondary education or completion of high school. Parents could accumulate grants (one for each year outside of the labor market) but would be required to use the grant within 15 years of the year for which the grant was earned. Eligibility would be subjected to income limits ($75,000/year maximum, subject to revision on the basis of cost estimates). The program would be administered by the Education Department, in parallel with Pell Grants and other financial aid programs.

By Mr. MCCAIN (for himself and Mr. BURNS):

S. 2519. A bill to promote and enhance public safety through use of 9–1–1 at the universal emergency assistance number, further deployment of wireless 9–1–1 service, support of States in upgrading 9–1–1 capabilities and related functions, encouragement of construction and operation of seamless, ubiquitous and reliable networks for personal wireless services, and ensuring access to Federal Government property for such networks, and for other purposes; to the Committee on Commerce, Science, and Transportation.

WIRELESS COMMUNICATIONS AND PUBLIC SAFETY ACT OF 1998

Mr. MCCAIN. Mr. President, today I am introducing the Wireless Communications and Public Safety Act of 1998 to help build a national wireless communications system and save lives. I would like to thank Senator BURNS for co-sponsoring this important legislation with me, and I look forward to working with him to move this legislation forward during the remainder of the Congress and the next Congress.

Mr. President, when a person is seriously injured, in a car crash or a violent crime or in some other way, every minute counts. Medical trauma and public safety professionals speak of the ''golden hour''—the first hour after serious injury when the greatest percentage of patient lives can be saved. The quicker that person gets medical help, the greater the chances of survival.

We would like people to be able to get medical help as fast as possible after serious injury. As a practical matter, it takes time—often a half-hour in an urban area or an hour in a rural area—before an ambulance completes the job of getting to the scene of

an accident and transporting the injured to a medical facility, where doctors can go to work saving the injured person. This bill is designed to help cut down that medical response time for millions of Americans, by helping to make sure that people can use their wireless telephones to call 9–1–1 immediately to get the ambulances rolling.

More than 60 million Americans carry wireless telephones. Many people carry them for safety reasons. People count on those phones to be their lifelines in emergencies. A parent driving down an interstate highway with children in the back seat draws comfort from knowing that if the car is involved in a crash, he or she can call 9–1–1 for help and an ambulance will be rolling in seconds. An older American driving alone on a long trip feels more comfortable knowing that if an accident occurs or sudden illness strikes, he or she can use the wireless phone to dial 9–1–1 for help and the state police will be on the way.

But there's a big problem. In many parts of our country, when the frantic parent or the suddenly disabled older person punches 9–1–1 on the wireless phone, nothing happens. In many areas of the country, 9–1–1 is not the emergency number, or there simply is no wireless telephone service at all. If a wireless telephone isn't within range of a wireless tower, a wireless call can't go through. The ambulance and the police won't be coming. You may be facing a terrible emergency, but you're on your own.

The same problem arises even if an emergency occurs within range of a wireless tower, if a person is too injured to make a 9–1–1 call, or can make the call but cannot give his or her location.

Mr. President, this bill can be called the 9–1–1 bill—its main purposes are to expand the areas covered by wireless telephone service so that more people in more places can call 9–1–1 systems so that they can deliver more information, like location and automatic crash notification data. The bill is designed to tie our citizens through their wireless telephones to the medical centers, police, and firefighters who can help them in emergencies.

The bill has four main elements.

First, it makes 9–1–1 the universal emergency telephone number. I suspect that most Americans think that 9–1–1 already is the emergency number everywhere, but it isn't. There are many places in America where, even if you can get a telephone connection, 9–1–1 isn't the right number to call for help. This legislation will reduce the danger of not knowing what number to call. The rule in America ought to be uniform and simple—if you have an emergency, wherever you are, dial 9–1–1. The bill sets a national policy for us all to pursue together, but, instead of imposing a federal mandate for executing that policy, allows the states and localities to decide how best to further that policy in their areas.

The second key element of the bill is a system of grants to assist the states and local governments in developing, coordinating, and carrying out their plans to make wireless service available to more citizens and to upgrade their 9–1–1 systems so they can provide the location of wireless callers. The bill gives the states maximum flexibility in designing their plans to qualify for the grants. It is written carefully so that it is not a federal mandate, and we will not have federal bureaucrats micro-managing wireless telephone companies, state and local public safety programs, or hospital emergency rooms.

The people who run our nation's 9–1–1 systems, and increasingly the elected officials who employ them, know they have a growing challenge in this area. More and more Americans are using wireless telephones to communicate, and there are over 83,000 wireless emergency calls a day now. But the technology receiving those calls is often outdated, and new local technology needs to be implemented. By offering substantial federal grants funded from the fees the government receives from wireless carriers who place their towers on federal land, the bill encourages the states to bring the stakeholders together to make the decisions necessary to deploy these life-saving technologies. The implementation problems here are not technological; they are financial and legislative. This bill will provide federal support, but the key leadership and decisions will come from state and local officials.

The the third key element of the bill is research and development of new lifesaving technology for motor vehicles. Proper medical care could be dispatched almost immediately if a car that was involved in a crash automatically signaled to public safety officials that the car had crashed, where it had crashed, and how bad the crash was. The trauma experts tell us they can predict the kinds of injuries a victim has this crash data—so they will know whether to send a helicopter, an advanced care ambulance, or just a wrecker and a ride home. We can use wireless technology to make these automatic reports. This bill will authorize the necessary investments to develop the know-how to tie together our cars, our public safety officials, and our hospitals for rapid response in vehicles emergencies

The fourth key element of this legislation is using federal property to help expand the wireless network. Current law and Administration policy say that federal agencies should encourage wireless facilities on federal property so as to expand the availability of wireless service, but agencies have been slow to open up their land and buildings. This bill will establish a clear and enforceable policy of allowing wireless facilities on federal property when it doesn't interfere with the agency's mission or use of the property. The agency will be allowed to charge fees for the use of the property, and those fees will go into a fund that will pay for grants to states and crash-notification investments under the bill.

It is also important to note what this bill does not do. It does not affect in any way the ability of state or local governments to impose taxes or fees on any business. It does not preempt in any way the current power of state and local government regarding antenna siting over property under their authority. And, indeed, it provides an explicit statutory requirement of notice and comment for state and local officials on siting applications for use of federal property. These three changes I made from earlier drafts resolve some of the concerns that were raised by some leaders of local and county governments.

Some organizations sought additional changes to the legislation.

The Department of the Interior, for example, wanted to change the provision on judicial review of federal agency denials of requests for access to federal property so that the burden of proof in court would be on the person challenging the agency's decision not to grant the requested access. This bill instead adopts the standard used in the Freedom of Information Act, which puts on the agency the burden of sustaining its action. Since the agency has superior access to all the relevant information, it is appropriate for the agency to bear the burden of going forward with evidence and persuading the court of the correctness of the agency's decision.

Also, some have suggested that the bill should be changed so that the sate and local law would apply to the citing of wireless antennas on federal property. That would be inconsistent with current law and run counter to the basis purpose of this legislation. To allow state and local officials to extend state and local zoning laws to the placement of antennas on federal property would give states and localities an unprecedented ability to control decisions by federal officials with respect to federal property, and reduce the revenue generated by the federal leases or antenna siting. We simply cannot have a situation in which a locality could be allowed to hold the interests of the region or the country hostage to parochial interests. The requirement in my legislation that state and local officials have notice and an opportunity to comment with respect to requests for antenna siting on federal property gives state and local officials their appropriate role. They will have the opportunity to present their views, but will not have a veto over placement of antennas on federal property. It is important to remember what is at issue here—the ability of people to call for help in emergencies and get a prompt public safety response—in short, save lives.

This legislation has been developed in consultation with a wide range of groups that have great expertise in the

subjects covered by the legislation, including state and local officials who run our nation's 9–1–1 systems, trauma experts, the American Automobile Association, the wireless industry and others. The bill has the strong support of a diverse coalition that includes these and many other groups. To the extent that some groups have concerns about a few of he bill's provisions, I intend to continue to work with them to try to address these concerns.

Mr. President, this bill is an important step forward to helping state and local emergency agencies do their jobs, offering them significant grants to improve their capabilities. This bill also will go a long way toward helping the nation expand its wireless network. It will help make sure that Americans everywhere can dial 9–1–1 to summon prompt assistance in an emergency.

I look forward to working with my colleagues on the Commerce Committee on this important life-saving legislation, an I urge all my colleague to support it.

ADDITIONAL COSPONSORS

S. 981

At the request of Mr. LEVIN, the name of the Senator from Missouri (Mr. ASHCROFT) was added as a cosponsor of S. 981, a bill to provide for analysis of major rules.

S. 1147

At the request of Mr. WELLSTONE, the name of the Senator from Rhode Island (Mr. REED) was added as a cosponsor of S. 1147, a bill to amend the Public Health Service Act, Employee Retirement Income Security Act of 1974, and the Internal Revenue Code of 1986 to provide for nondiscriminatory coverage for substance abuse treatment services under private group and individual health coverage.

S. 1529

At the request of Mr. KENNEDY, the name of the Senator from Rhode Island (Mr. REED) was added as a cosponsor of S. 1529, a bill to enhance Federal enforcement of hate crimes, and for other purposes.

S. 2110

At the request of Mr. BIDEN, the name of the Senator from West Virginia (Mr. ROCKEFELLER) was added as a cosponsor of S. 2110, a bill to authorize the Federal programs to prevent violence against women, and for other purposes.

S. 2130

At the request of Mr. GRAMS, the name of the Senator from Alabama (Mr. SESSIONS) was added as a cosponsor of S. 2130, a bill to amend the Internal Revenue Code of 1986 to provide additional retirement savings opportunities for small employers, including self-employed individuals.

S. 2180

At the request of Mr. LOTT, the names of the Senator from New Hampshire (Mr. GREGG), the Senator from Pennsylvania (Mr. SANTORUM), the Senator from Pennsylvania (Mr. SPECTER), the Senator from Wisconsin (Mr. FEINGOLD), the Senator from Maryland (Mr. SARBANES), and the Senator from New Mexico (Mr. DOMENICI) were added as cosponsors of S. 2180, a bill to amend the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 to clarify liability under that Act for certain recycling transactions.

S. 2201

At the request of Mr. TORRICELLI, the name of the Senator from Kansas (Mr. BROWNBACK) was added as a cosponsor of S. 2201, a bill to delay the effective date of the final rule promulgated by the Secretary of Health and Human Services regarding the Organ Procurement and Transplantation Network.

S. 2283

At the request of Mr. DEWINE, the names of the Senator from Vermont (Mr. JEFFORDS), the Senator from Vermont (Mr. LEAHY), and the Senator from Virginia (Mr. WARNER) were added as cosponsors of S. 2283, a bill to support sustainable and broad-based agricultural and rural development in sub-Saharan Africa, and for other purposes.

S. 2295

At the request of Mr. MCCAIN, the names of the Senator from Kansas (Mr. BROWNBACK) and the Senator from Colorado (Mr. ALLARD) were added as cosponsors of S. 2295, a bill to amend the Older Americans Act of 1965 to extend the authorizations of appropriations for that Act, and for other purposes.

S. 2354

At the request of Mr. BOND, the name of the Senator from West Virginia (Mr. BYRD) was added as a cosponsor of S. 2354, a bill to amend title XVIII of the Social Security Act to impose a moratorium on the implementation of the per beneficiary limits under the interim payment system for home health agencies, and to modify the standards for calculating the per visit cost limits and the rates for prospective payment systems under the medicare home health benefit to achieve fair reimbursement payment rates, and for other purposes.

S. 2417

At the request of Mr. SESSIONS, the name of the Senator from Mississippi (Mr. COCHRAN) was added as a cosponsor of S. 2417, a bill to provide for allowable catch quota for red snapper in the Gulf of Mexico, and for other purposes.

S. 2494

At the request of Mr. MCCAIN, the names of the Senator from Vermont (Mr. JEFFORDS) and the Senator from Mississippi (Mr. COCHRAN) were added as cosponsors of S. 2494, a bill to amend the Communications Act of 1934 (47 U.S.C. 151 et seq.) to enhance the ability of direct broadcast satellite and other multichannel video providers to compete effectively with cable television systems, and for other purposes.

SENATE RESOLUTION 260

At the request of Mr. GRAHAM, the names of the Senator from Alaska (Mr. STEVENS), the Senator from Arizona (Mr. MCCAIN), and the Senator from Wyoming (Mr. ENZI) were added as cosponsors of Senate Resolution 260, a resolution expressing the sense of the Senate that October 11, 1998, should be designated as ''National Children's Day.''

SENATE RESOLUTION 274

At the request of Mr. FORD, the name of the Senator from Michigan (Mr. LEVIN) was added as a cosponsor of Senate Resolution 274, a resolution to express the sense of the Senate that the Louisville Festival of Faiths should be commended and should serve as model for similar festivals in other communities throughout the United States.

SENATE RESOLUTION 282—EXPRESSING THE SENSE OF THE SENATE REGARDING SOCIAL SECURITY AND BUDGET SURPLUS

Mr. JOHNSON submitted the following resolution; which was referred jointly to the Committee on the Budget and to the Committee on Governmental Affairs.

S. RES. 282

Whereas the Congressional Budget Office projections released July 15, 1998, indicate that the ''on-budget'' deficit, which does not include Social Security program surpluses, will be $41,000,000,000 for Fiscal Year 1998;

Whereas the Congressional Budget Office projections also show that the amount of Federal debt held by the Social Security trust funds will grow from $736,000,000,000 in 1998 to $2,250,000,000,000 in 2008;

Whereas the Social Security trust funds will be credited with interest payments on Federal debt each year, rising from $46,000,000,000 in 1998 to $117,000,000,000 in 2008, and these interest payments are an integral part of Social Security's long-term financial viability; and

Whereas the Congressional Budget Office's current projections indicate that there will not be a consistent surplus in the unified budget until 2005: Now, therefore, be it

Resolved, That it is the sense of the Senate that Congress and the President should—

(1) continue to work to balance the budget without counting Social Security trust fund surpluses;

(2) continue to abide by ''pay as you go'' budget rules requiring that legislation increasing mandatory spending or reducing revenues must contain offsets to maintain budget neutrality; and

(3) save Social Security first by reserving all surpluses attributable to the Social Security program, including interest payments.

AMENDMENTS SUBMITTED

WENDELL H. FORD NATIONAL AIR TRANSPORTATION SYSTEM IMPROVEMENT ACT OF 1998

TORRICELLI (AND OTHERS) AMENDMENT NO. 3627

Mr. TORRICELLI (for himself, Mr. LAUTENBERG, Mr. D'AMATO, Mr. MOYNIHAN, Mr. WELLSTONE, and Mr. ROBB) proposed an amendment to the bill (S.

2279) to amend title 49, United States Code, to authorize the programs of the Federal Aviation Administration for fiscal years 1999, 2000, 2001, and 2002, and for other purposes; as follows:

At the end, add the following:

TITLE ___—NOISE ABATEMENT

SEC. ___01. SHORT TITLE.

This title may be cited as the ''Quiet Communities Act of 1998''.

SEC. ___02. FINDINGS.

Congress finds that—

(1)(A) for too many citizens of the United States, noise from aircraft, vehicular traffic, and a variety of other sources is a constant source of torment; and

(B) nearly 20,000,000 citizens of the United States are exposed to noise levels that can lead to psychological and physiological damage, and another 40,000,000 people are exposed to noise levels that cause sleep or work disruption;

(2)(A) chronic exposure to noise has been linked to increased risk of cardiovascular problems, strokes, and nervous disorders; and

(B) excessive noise causes sleep deprivation and task interruptions, which pose untold costs on society in diminished worker productivity;

(3)(A) to carry out the Clean Air Act of 1970 (42 U.S.C. 7401 et seq.), the Noise Control Act of 1972 (42 U.S.C. 4901 et seq.), and section 8 of the Quiet Communities Act of 1978 (92 Stat. 3084), the Administrator of the Environmental Protection Agency established an Office of Noise Abatement and Control;

(B) the responsibilities of the Office of Noise Abatement and Control included promulgating noise emission standards, requiring product labeling, facilitating the development of low emission products, coordinating Federal noise reduction programs, assisting State and local abatement efforts, and promoting noise education and research; and

(C) funding for the Office of Noise Abatement and Control was terminated in 1982 and no funds have been provided since;

(4) because the Administrator of the Environmental Protection Agency remains responsible for enforcing regulations issued under the Noise Control Act of 1972 (42 U.S.C. 4901 et seq.) even though funding for the Office of Noise Abatement and Control has been terminated, and because that Act prohibits State and local governments from regulating noise sources in many situations, noise abatement programs across the United States lie dormant;

(5) as the population grows and air and vehicle traffic continues to increase, noise pollution is likely to become an even greater problem in the future; and

(6) the health and welfare of the citizens of the United States demands that the Environmental Protection Agency once again assume a role in combating noise pollution.

SEC. ___03. REESTABLISHMENT OF OFFICE OF NOISE ABATEMENT AND CONTROL.

(a) REESTABLISHMENT.—

(1) IN GENERAL.—The Administrator of the Environmental Protection Agency shall reestablish an Office of Noise Abatement and Control (referred to in this title as the ''Office'').

(2) RESPONSIBILITIES.—The Office shall be responsible for—

(A) coordinating Federal noise abatement activities;

(B) updating or developing noise standards;

(C) providing technical assistance to local communities; and

(D) promoting research and education on the impacts of noise pollution.

(3) EMPHASIZED APPROACHES.—The Office shall emphasize noise abatement approaches that rely on State and local activity, market incentives, and coordination with other public and private agencies.

(b) STUDY.—

(1) IN GENERAL.—Not later than 18 months after the date of enactment of this Act, the Administrator of the Environmental Protection Agency shall submit a study on airport noise to Congress and the Federal Aviation Administration.

(2) AREAS OF STUDY.—The study shall—

(A) examine the Federal Aviation Administration's selection of noise measurement methodologies;

(B) the threshold of noise at which health impacts are felt; and

(C) the effectiveness of noise abatement programs at airports around the United States.

(3) RECOMMENDATIONS.—The study shall include specific recommendations to the Federal Aviation Administration on new measures that should be implemented to mitigate the impact of aircraft noise on surrounding communities.

SEC. ___04. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to carry out this title—

(1) $5,000,000 for each of fiscal years 1999, 2000, and 2001; and

(2) $8,000,000 for each of fiscal years 2002 and 2003.

DORGAN AMENDMENT NO. 3628

Mr. DORGAN proposed an amendment to the bill, S. 2279, supra; as follows:

At the appropriate place, insert:

SEC. ___. TAX CREDIT FOR REGIONAL JET AIRCRAFT SERVING UNDERSERVED COMMUNITIES.

(a) ALLOWANCE OF CREDIT.—

(1) IN GENERAL.—Section 46 of the Internal Revenue Code of 1986 (relating to amount of credit) is amended by striking ''and'' at the end of paragraph (2), by striking the period at the end of paragraph (3) and inserting '', and'', and by inserting after paragraph (3) the following new paragraph:

''(4) in the case of an eligible small air carrier, the underserved community jet access credit.''

(2) UNDERSERVED COMMUNITY JET ACCESS CREDIT.—Section 48 of such Code (relating to the energy credit and the reforestation credit) is amended by adding after subsection (b) the following new subsection:

''(c) UNDERSERVED COMMUNITY JET ACCESS CREDIT.—

''(1) IN GENERAL.—For purposes of section 46, the underserved community jet access credit of an eligible small air carrier for any taxable year is an amount equal to 10 percent of the qualified investment in any qualified regional jet aircraft.

''(2) ELIGIBLE SMALL AIR CARRIER.—For purposes of this subsection and section 46—

''(A) IN GENERAL.—The term 'eligible small air carrier' means, with respect to any qualified regional jet aircraft, an air carrier—

''(i) to which part 121 of title 14, Code of Federal Regulations, applies, and

''(ii) which has less than 10,000,000,000 (10 billion) revenue passenger miles for the calendar year preceding the calendar year in which such aircraft is originally placed in service.

''(B) AIR CARRIER.—The term 'air carrier' means any air carrier holding a certificate of public convenience and necessity issued by the Secretary of Transportation under section 41102 of title 49, United States Code.

''(C) START-UP CARRIERS.—If an air carrier has not been in operation during the entire calendar year described in subparagraph (A)(ii), the determination under such subparagraph shall be made on the basis of a reasonable estimate of revenue passenger miles for its first full calendar year of operation.

''(D) AGGREGATION.—All air carriers which are treated as 1 employer under section 52 shall be treated as 1 person for purposes of subparagraph (A)(ii).

''(3) QUALIFIED REGIONAL JET AIRCRAFT.—For purposes of this subsection, the term 'qualified regional jet aircraft' means a civil aircraft—

''(A) which is originally placed in service by the taxpayer,

''(B) which is powered by jet propulsion and is designed to have a maximum passenger seating capacity of not less than 30 passengers and not more than 100 passengers, and

''(C) at least 50 percent of the flight segments of which during any 12-month period beginning on or after the date the aircraft is originally placed in service are between a hub airport (as defined in section 41731(a)(13) of title 49, United States Code, and an underserved airport.

''(4) UNDERSERVED AIRPORT.—The term 'underserved airport' means, with respect to any qualified regional jet aircraft, an airport which for the calendar year preceding the calendar year in which such aircraft is originally placed in service had less than 600,000 enplanements.

''(5) QUALIFIED INVESTMENT.—For purposes of paragraph (1), the term 'qualified investment' means, with respect to any taxable year, the basis of any qualified regional jet aircraft placed in service by the taxpayer during such taxable year.

''(6) QUALIFIED PROGRESS EXPENDITURES.—

''(A) INCREASE IN QUALIFIED INVESTMENT.—In the case of a taxpayer who has made an election under subparagraph (E), the amount of the qualified investment of such taxpayer for the taxable year (determined under paragraph (5) without regard to this subsection) shall be increased by an amount equal to the aggregate of each qualified progress expenditure for the taxable year with respect to progress expenditure property.

''(B) PROGRESS EXPENDITURE PROPERTY DEFINED.—For purposes of this paragraph, the term 'progress expenditure property' means any property which is being constructed for the taxpayer and which it is reasonable to believe will qualify as a qualified regional jet aircraft of the taxpayer when it is placed in service.

''(C) QUALIFIED PROGRESS EXPENDITURES DEFINED.—For purposes of this paragraph, the term 'qualified progress expenditures' means the amount paid during the taxable year to another person for the construction of such property.

''(D) ONLY CONSTRUCTION OF AIRCRAFT TO BE TAKEN INTO ACCOUNT.—Construction shall be taken into account only if, for purposes of this subpart, expenditures therefor are properly chargeable to capital account with respect to the qualified regional jet aircraft.

''(E) ELECTION.—An election under this paragraph may be made at such time and in such manner as the Secretary may by regulations prescribe. Such an election shall apply to the taxable year for which made and to all subsequent taxable years. Such an election, once made, may not be revoked except with the consent of the Secretary.

''(7) COORDINATION WITH OTHER CREDITS.—This subsection shall not apply to any property with respect to which the energy credit or the rehabilitation credit is allowed unless the taxpayer elects to waive the application of such credits to such property.

''(8) SPECIAL LEASE RULES.—For purposes of section 50(d)(5), section 48(d) (as in effect on the day before the date of the enactment of

the Revenue Reconciliation Act of 1990) shall be applied for purposes of this section without regard to paragraph (4)(B) thereof (relating to short-term leases of property with class life of under 14 years).

''(9) APPLICATION.—This subsection shall apply to periods after the date of the enactment of this subsection and before January 1, 2009, under rules similar to the rules of section 48(m) (as in effect on the day before the date of the enactment of the Revenue Reconciliation Act of 1990).''

(3) RECAPTURE.—Section 50(a) of such Code (relating to recapture in the case of dispositions, etc.) is amended by adding at the end the following new paragraph:

''(6) SPECIAL RULES FOR AIRCRAFT CREDIT.—

''(A) IN GENERAL.—For purposes of determining whether a qualified regional jet aircraft ceases to be investment credit property, an airport which was an underserved airport as of the date such aircraft was originally placed in service shall continue to be treated as an underserved airport during any period this subsection applies to the aircraft.

''(B) PROPERTY CEASES TO QUALIFY FOR PROGRESS EXPENDITURES.—Rules similar to the rules of paragraph (2) shall apply in the case of qualified progress expenditures for a qualified regional jet aircraft under section 48(c).''

(4) TECHNICAL AMENDMENTS.—

(A) Subparagraph (C) of section 49(a)(1) of such Code is amended by striking ''and'' at the end of clause (ii), by striking the period at the end of clause (iii) and inserting '', and'', and by adding at the end the following new clause:

''(iv) the portion of the basis of any qualified regional jet aircraft attributable to any qualified investment (as defined by section 48(c)(5)).''

(B) Paragraph (4) of section 50(a) of such Code is amended by striking ''and (2)'' and inserting '', (2), and (6)''.

(C)(i) The section heading for section 48 of such Code is amended to read as follows:

''SEC. 48. OTHER CREDITS.''

(ii) The table of sections for subpart E of part IV of subchapter A of chapter 1 of such Code is amended by striking the item relating to section 48 and inserting the following new item:

''Sec. 48. Other credits.''

(5) EFFECTIVE DATE.—The amendments made by this subsection shall apply to periods after the date of the enactment of this Act, under rules similar to the rules of section 48(m) of the Internal Revenue Code of 1986 (as in effect on the day before the date of the enactment of the Revenue Reconciliation Act of 1990.

(b) REDUCED PASSENGER TAX RATE ON RURAL DOMESTIC FLIGHT SEGMENTS.—Section 4261(e)(1)(C) of such Code (relating to segments to and from rural airports) is amended to read as follows:

''(C) REDUCTION IN GENERAL TAX RATE.—

''(i) IN GENERAL.—The tax imposed by subsection (a) shall apply to any domestic segment beginning or ending at an airport which is a rural airport for the calendar year in which such segment begins or ends (as the case may be) at the rate determined by the Secretary under clause (ii) for such year in lieu of the rate otherwise applicable under subsection (a).

''(ii) DETERMINATION OF RATE.—The rate determined by the Secretary under this clause for each calendar year shall equal the rate of tax otherwise applicable under subsection (a) reduced by an amount which reflects the net amount of the increase in revenues to the Treasury for such year resulting from the amendments made by subsections (a) and (c) of section ___ of the Wendell H. Ford National Air Transportation System Improvement Act of 1998.

''(iii) TRANSPORTATION INVOLVING MULTIPLE SEGMENTS.—In the case of transportation involving more than 1 domestic segment at least 1 of which does not begin or end at a rural airport, the rate applicable by reason of clause (i) shall be applied by taking into account only an amount which bears the same ratio to the amount paid for such transportation as the number of specified miles in domestic segments which begin or end at a rural airport bears to the total number of specified miles in such transportation.''.

(c) TREATMENT OF CERTAIN DEDUCTIBLE LIQUIDATING DISTRIBUTIONS OF REGULATED INVESTMENT COMPANIES AND REAL ESTATE INVESTMENT TRUSTS.—

(1) IN GENERAL.—Section 332 of the Internal Revenue Code of 1986 (relating to complete liquidations of subsidiaries) is amended by adding at the end the following new subsection:

''(c) DEDUCTIBLE LIQUIDATING DISTRIBUTIONS OF REGULATED INVESTMENT COMPANIES AND REAL ESTATE INVESTMENT TRUSTS.—If a corporation receives a distribution from a regulated investment company or a real estate investment trust which is considered under subsection (b) as being in complete liquidation of such company or trust, then, notwithstanding any other provision of this chapter, such corporation shall recognize and treat as a dividend from such company or trust an amount equal to the deduction for dividends paid allowable to such company or trust by reason of such distribution.''.

(2) CONFORMING AMENDMENTS.—

(A) The material preceding paragraph (1) of section 332(b) of such Code is amended by striking ''subsection (a)'' and inserting ''this section''.

(B) Paragraph (1) of section 334(b) of such Code is amended by striking ''section 332(a)'' and inserting ''section 332''.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to distributions after May 21, 1998.

REED AMENDMENT NO. 3629

Mr. REED proposed an amendment to the bill, S. 2279, supra; as follows:

At the appropriate place in title II, insert the following:

SEC. 2___. DISCRETIONARY GRANTS.

Notwithstanding any limitation on the amount of funds that may be expended for grants for noise abatement, if any funds made available under section 48103 of title 49, United States Code, remain available at the end of the fiscal year for which those funds were made available, and are not allocated under section 47115 of that title, or under any other provision relating to the awarding of discretionary grants from unobligated funds made available under section 48103 of that title, the Secretary of Transportation may use those funds to make discretionary grants for noise abatement activities.

WATER RESOURCES DEVELOPMENT ACT OF 1998

LEVIN AMENDMENT NO. 3630

(Ordered to lie on the table.)

Mr. LEVIN submitted an amendment intended to be proposed by him to the bill (S. 2131) to provide for the conservation and development of water and related resources, to authorize the Secretary of the Army to construct various projects for improvements to rivers and harbors of the United States, and for other purposes; as follows:

At the end, add the following:

TITLE ___—CONTAMINATED SETTLEMENTS

SEC. ___01. SHORT TITLE.

This title may be cited as the ''Contaminated Sediments Management and Remediation Act of 1998''.

SEC. ___02. FINDINGS.

Congress finds that—

(1) contaminated sediments can pose a serious and demonstrable risk to human health and the environment;

(2) persistent, bioaccumulative toxic substances in contaminated sediments can poison the food chain, making fish and shellfish unsafe for humans and wildlife to eat;

(3) potential costs to society from contaminated sediments include long-term health effects such as cancer and children's neurological and intellectual impairment;

(4) contamination of sediments can interfere with recreational uses and increase the costs of and time needed for navigational dredging and subsequent disposal of dredged material;

(5) since the enactment of the amendments to the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.) made by the Great Lakes Critical Programs Act of 1990 (104 Stat. 3000) and the enactment of the National Contaminated Sediment Assessment and Management Act (33 U.S.C. 1271 note; Public Law 102–580), the Nation has gained considerable experience with and understanding of sediment contamination;

(6) a report on the incidence and severity of sediment contamination in surface waters of the United States, required under section 503 of the National Contaminated Sediment Assessment and Management Act (33 U.S.C. 1271), identified 96 areas of probable concern where contaminated sediments pose potential risks to fish and wildlife and to people who eat fish from those areas;

(7) the assessment and remediation of the contaminated sediment program under the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.) and subsequent studies have demonstrated that there are some effective tools for—

(A) determining the extent and magnitude of sediment contamination;

(B) assessing risk and modeling the changes that would result from remedial action; and

(C) involving the public in solutions;

(8) prompt response after discovery of sediment contamination can prevent subsequent spread through storm events, thereby minimizing environmental impacts and response costs;

(9) the United States needs a better understanding of the sources of sediment contamination in order to prevent subsequent recontamination and minimize the recurrence of environmental impacts and response costs;

(10) the response to releases of contaminated sediments should reflect the risk associated with the contamination, and remedies should reflect the potential for beneficial reuse of sediments;

(11) coordination in the use of government authorities and resources for remediation has not kept pace with the growth in knowledge of effective remediation measures, and responses have not been timely or adequately funded;

(12) the resources of the Federal Government should be brought to bear on the problems referred to in paragraph (11) in a well-coordinated fashion; and

(13) the Federal Government should use the funding and enforcement authorities of the Superfund program to respond to the serious environmental risks that can be posed by contaminated sediment sites.

SEC. ___03. DEFINITIONS.

In this title:

(1) ADMINISTRATOR.—The term ''Administrator'' means the Administrator of the Environmental Protection Agency.

(2) CONTAMINATED SEDIMENT.—The term ''contaminated sediment'' has the meaning given the term in section 501(b) of the National Contaminated Sediment Assessment and Management Act (33 U.S.C. 1271 note; Public Law 102–580).

(3) REMEDIAL ACTION.—The term ''remedial action'' has the meaning given the term in section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601).

(4) SECRETARY.—The term ''Secretary'' means the Secretary of the Army.

(5) TASK FORCE.—The term ''Task Force'' means the National Contaminated Sediment Task Force established by section 502 of the National Contaminated Sediment Assessment and Management Act (33 U.S.C. 1271 note; Public Law 102–580).

(6) WATER RESOURCES DEVELOPMENT ACTS.—The term ''Water Resources Development Acts'' means—

(A) the Water Resources Development Act of 1986 (100 Stat. 4082);

(B) the Water Resources Development Act of 1988 (102 Stat. 4012);

(C) the Water Resources Development Act of 1990 (104 Stat. 4604);

(D) the Water Resources Development Act of 1992 (106 Stat. 4797);

(E) the Water Resources Development Act of 1996 (110 Stat. 3658); and

(F) this Act.

SEC. ___04. TASK FORCE.

(a) CONVENING.—The Secretary and the Administrator shall convene the Task Force not later than 90 days after the date of enactment of this Act.

(b) ESTABLISHMENT.—Section 502(a) of the National Contaminated Sediment Assessment and Management Act (33 U.S.C. 1271 note; Public Law 102–580) is amended—

(1) in paragraph (5), by adding ''and'' at the end;

(2) in paragraph (6)—

(A) in subparagraph (A), by striking ''and''; and

(B) by adding at the end the following:

''(C) to remediate high priority contaminated sediment sites.''; and

(3) by striking paragraph (7).

(c) MEMBERSHIP.—Section 502(b)(1) of the National Contaminated Sediment Assessment and Management Act (33 U.S.C. 1271 note; Public Law 102–580) is amended by adding at the end the following:

''(G) The Council on Environmental Quality.

''(H) The Agency for Toxic Substances and Disease Registry.''.

(d) COMPENSATION FOR ADDITIONAL MEMBERS.—Section 502(b) of the National Contaminated Sediment Assessment and Management Act (33 U.S.C. 1271 note; Public Law 102–580) is amended by striking paragraph (5) and inserting the following:

''(5) COMPENSATION FOR ADDITIONAL MEMBERS.—The additional members of the Task Force selected under paragraph (2) shall, while away from their homes or regular places of business in the performance of services for the Task Force, be allowed travel expenses.''.

(e) STRATEGY.—

(1) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, the Task Force shall publish a strategy to coordinate the use of Federal authorities to prevent the contamination of sediments and to remediate existing contamination.

(2) CONTENTS.—The strategy shall include—

(A) specific recommendations for modifying regulatory programs (including modifications to law) and for improving the management and remediation of contaminated sediments to reduce risks to human health and the environment;

(B) specific recommendations to—

(i) help ensure that management practices and remedial actions taken for contaminated sediments reflect the degree of risk associated with the contamination and the costs and benefits of remediation; and

(ii) encourage the beneficial reuse of sediments; and

(C) specific implementation steps, consistent with budget submissions by the President with the appropriate spending requests, as part of an interagency plan to promote remediation of contaminated sediments and prevent recontamination.

(f) REPORTING ON REMEDIAL ACTION.—

(1) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, the Task Force shall submit to Congress a report on the status of remedial actions at aquatic sites in the areas described in paragraph (2).

(2) AREAS.—The report under paragraph (1) shall address remedial actions in—

(A) areas of probable concern identified in the survey of data regarding aquatic sediment quality required by section 503(a) of the National Contaminated Sediment Assessment and Management Act (33 U.S.C. 1271);

(B) areas of concern within the Great Lakes, as identified under section 118(f) of the Federal Water Pollution Control Act (33 U.S.C. 1268(f));

(C) estuaries of national significance identified under section 320 of the Federal Water Pollution Control Act (33 U.S.C. 1330);

(D) areas for which remedial action has been authorized under any of the Water Resources Development Acts; and

(E) as appropriate, any other areas where sediment contamination is identified by the Task Force.

(3) ACTIVITIES.—Remedial actions subject to reporting under this subsection include remedial actions under—

(A) the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601 et seq.) or other Federal or State law containing environmental remediation authority;

(B) any of the Water Resources Development Acts;

(C) section 404 of the Federal Water Pollution Control Act (33 U.S.C. 1344); or

(D) section 10 of the Act of March 3, 1899 (30 Stat. 1151, chapter 425).

(4) CONTENTS.—The report under paragraph (1) shall provide, with respect to each remedial action described in the report, a description of—

(A) the authorities and sources of funding for conducting the remedial action;

(B) the nature and sources of the sediment contamination, including volume and concentration, where appropriate;

(C) the testing conducted to determine the nature and extent of sediment contamination and to determine whether the remedial action is necessary;

(D) the action levels or other factors used to determine that the remedial action is necessary;

(E) the nature of the remedial action planned or undertaken, including the levels of protection of public health and the environment to be achieved by the remedial action;

(F) the ultimate disposition of any material dredged as part of the remedial action;

(G) the status of projects and the obstacles or barriers to prompt conduct of the remedial action; and

(H) contacts and sources of further information concerning the remedial action.

SEC. ___05. SEDIMENT QUALITY.

Not later than 1 year after the date of enactment of this Actand every 2 years thereafter, the Administrator and the Secretary shall jointly publish a report that provides the status of the development and implementation of—

(1) methods to determine the threat to human health and the environment posed by contaminated sediments;

(2) guidelines or regulations designed to protect human health and the environment from contaminated sediments;

(3) guidelines or regulations designed to reduce the volume or toxicity of contaminants that are deposited in aquatic sediments; and

(4) guidelines or regulations that will encourage the beneficial use of dredged material.

SEC. ___06. COST SHARE.

Section 401(a) of the Water Resources Development Act of 1990 (33 U.S.C. 1268 note; Public Law 101–640) is amended by striking paragraph (2) and inserting the following:

''(2) NON-FEDERAL SHARE.—Non-Federal interests shall contribute, in cash or by providing in-kind contributions, not less than 25 percent of costs of activities for which assistance is provided under paragraph (1).''.

SEC. ___07. ENVIRONMENTAL DREDGING AND REMEDIATION.

Section 312 of the Water Resources Development Act of 1990 (33 U.S.C. 1272) is amended—

(1) by striking subsection (b) and inserting the following:

''(b) REMOVAL NOT IN CONNECTION WITH A NAVIGATION PROJECT.—The Secretary may remove and remediate contaminated sediments from the navigable waters of the United States for the purpose of environmental enhancement and water quality improvement if—

''(1) removal and remediation is requested by a non-Federal sponsor; and

''(2) the non-Federal sponsor agrees to pay not less than 25 percent of the cost of the removal or remediation (including the costs of off-site disposal).'';

(2) by striking subsection (d); and

(3) by redesignating subsections (e) and (f) as subsections (d) and (e), respectively.

SEC. ___08. TECHNOLOGY GUIDANCE AND DEMONSTRATION.

(a) GUIDANCE.—

(1) IN GENERAL.—The Administrator, in consultation with the Task Force, shall develop guidance for selecting appropriate remedial actions for contaminated sediments on a facility-specific basis.

(2) PURPOSES.—The guidance shall assist in deciding whether off-site treatment, in-place treatment, in-place capping, or natural attenuation is an appropriate remedial action, consistent with statutory authorities that are commonly used for remediating contaminated sediments.

(b) DEADLINE.—The Administrator shall—

(1) not later than 18 months after the date of enactment of this Act, publish interim guidance under subsection (a); and

(2) not later than 5 years after the date of enactment of this Act, publish final guidance.

(c) TECHNOLOGY DEMONSTRATION.—The Administrator, in consultation with the Secretary, shall carry out technology demonstration projects related to the remediation of contaminated sediments to assist in developing guidance for remedial actions under subsection (a).

(d) TECHNOLOGY DEMONSTRATION AUTHORITIES.—The technology demonstration shall

include projects required to be identified under—

(1) section 401 of the Water Resources Development Act of 1990 (33 U.S.C. 1268 note; Public Law 101–640);

(2) section 312 of the Water Resources Development Act of 1990 (33 U.S.C. 1272);

(3) section 311(b) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9660(b)); and

(4) other appropriate authorities.

SEC. ___09. PILOT PROGRAM ON PREVENTION.

(a) FINDINGS.—Congress finds that—

(1) the costs of dredging for navigational purposes are increased by contamination, including contamination from ongoing activities;

(2) sediment quality problems are not solely the legacy of past discharges;

(3) the ''polluter pays'' principle has not been consistently applied to contamination of sediments, because parties contributing to the contamination have not necessarily been held responsible for their share of the increased costs of dredging or remediation attributable to the contamination;

(4) prevention measures that control the volume or toxicity of sedimentation should lower the costs of dredging that eventually becomes necessary;

(5) it may be easier and less expensive to prevent contamination of sediment than to remedy it;

(6) the relationship between prevention measures and remediation needs to be better understood;

(7) an improved understanding of the sources of contamination and an improved ability to link sedimentation and contamination to their sources are needed; and

(8) there should be a closer linkage between actions to prevent sediment contamination and the cost savings that can be attained when future remediation becomes unnecessary.

(b) PILOT PROGRAM.—The Task Force shall establish a pilot program to—

(1) improve the understanding of the relationship between upstream prevention and control measures; and

(2) provide incentives for upstream measures that can lower the costs of dredging, disposal, or treatment or reuse of dredged materials.

(c) COMPETITIVE GRANTS.—

(1) IN GENERAL.—The pilot program shall provide for competitive grants to be administered by agencies represented on the Task Force with experience in developing and managing programs that address upstream concerns.

(2) PURPOSES.—The grants shall provide assistance for—

(A) development of plans for reduction in sediment contamination;

(B) technical support for implementing those plans;

(C) measurement of impacts of implementation measures, in comparison to baselines; and

(D) coordinating the use of available authorities to reduce further contamination of sediments.

(3) ELIGIBILITY.—The grants shall be awarded to States or substate organizations that can develop and implement the plans described in paragraph (2) on a watershed basis.

(4) CRITERIA.—The Secretary and the Administrator shall develop criteria for evaluating grant proposals under this subsection.

(d) TECHNICAL ASSISTANCE.—Using the data gathered under section 516(e) of the Water Resources Development Act of 1996 (33 U.S.C. 2326b(e)), after entering into an interagency agreement with the Administrator, the Secretary of Agriculture, and the Secretary of the Interior, the Secretary may provide technical assistance to communities in reducing contamination of sediments.

SEC. ___10. AUTHORIZATION OF APPROPRIATIONS.

(a) TASK FORCE AND PRIORITY SETTING.—There are authorized to be appropriated such sums as are necessary to carry out section ___04.

(b) TECHNOLOGY DEMONSTRATION.—There is authorized to be appropriated to carry out section ___08 $50,000,000.

(c) PILOT PROGRAM.—There is authorized to be appropriated to carry out section ___09 $5,000,000.

● Mr. LEVIN. Mr. President, I am submitting for the RECORD and my colleagues' consideration an amendment to S. 2131, the Water Resources Development Act (WRDA) of 1998, which I hope will be included in that legislation. It is a relatively simple measure. Contaminated sediments are a serious problem in our nation's waterways and ports and a potential threat to human and environmental health. S. 2131 presents a long overdue and perfectly appropriate opportunity to begin addressing this problem.

The EPA submitted a report to Congress this year on the quality of sediments across the nation, pursuant to WRDA of 1992. The report shows that we have cause to worry. Ninety-six areas of probable concern are identified where public and environmental health may be threatened by contaminated sediments. Yet, we have at least six different Federal statutes with implementation responsibilities spread over seven Federal agencies, including a great many specific provisions regarding the Army Corps of Engineers' duties in recent WRDAs, two major programs—Superfund and Clean Water—within EPA, and numerous state and local governments coming at the problem of contaminated sediments in a variety of ways. The inefficiency of this setup and the lack of information exchange and data availability reduces the chances of an expeditious solution. My amendment is intended to improve communication and cooperation among agencies, affected parties and all levels of government, and motivate them to address the problem sooner rather than later.

My amendment requires the National Contaminated Sediment Task Force, as authorized in section 502 of WRDA of 1992 but never funded, to actually meet and make recommendations on how to improve contaminated sediment management practices. Also, this Task Force would have to report on the status of remedial actions on contaminated sediment sites across the nation, including Superfund sites, within one year. This report would also have to identify remediation status, programs and funding for cleanup, the nature and sources, etc. of contaminated sediments.

EPA and the Army Corps would jointly publish a recurring report on ways to assess the threat of contaminated sediment, on the status of any guidelines issued designed to protect human and environmental health or to reduce deposition of toxics into sediment, and on guidelines issued intended to encourage the beneficial use of dredged material.

Finally, the amendment makes modifications to cost-share provisions for environmental dredging, remediation technology assistance, and establishes a pilot program to give grants to communities that try to reduce contamination of downstream sediments.

Mr. President, there have been years of inaction on contaminated sediments. My amendment is primarily intended to gather information and stimulate the agencies with jurisdiction to take this matter seriously and begin working together. If the information I am seeking is prepared in a timely way, the reauthorizations of Superfund and the Clean Water Act will be greatly enhanced from an environmental perspective, insofar as my colleagues would like to truly address the multi-media threat posed by contaminated sediments.●

WENDELL H. FORD NATIONAL AIR TRANSPORTATION SYSTEM IMPROVEMENT ACT OF 1998

FAIRCLOTH (AND OTHERS) AMENDMENT NO. 3631

Mr. MCCAIN (for Mr. FAIRCLOTH for himself, Mr. HOLLINGS, and Mr. HELMS) proposed an amendment to the bill, S. 2279, supra; as follows:

At the appropriate place in title V, insert the following:

SEC. 5___. TO EXPRESS THE SENSE OF THE SENATE CONCERNING A BILATERAL AGREEMENT BETWEEN THE UNITED STATES AND THE UNITED KINGDOM.

(a) DEFINITIONS.—In this section:

(1) AIR CARRIER.—The term ''air carrier'' has the meaning given that term in section 40102 of title 49, United States Code.

(2) BERMUDA II AGREEMENT.—The term ''Bermuda II Agreement'' means the Agreement Between the United States of America and United Kingdom of Great Britain and Northern Ireland Concerning Air Services, signed at Bermuda on July 23, 1977 (TIAS 8641).

(3) CHARLOTTE-LONDON (GATWICK) ROUTE.—The term ''Charlotte-London (Gatwick) route'' means the route between Charlotte, North Carolina, and the Gatwick Airport in London, England.

(4) FOREIGN AIR CARRIER.—The term ''foreign air carrier'' has the meaning given that term in section 40102 of title 49, United States Code.

(5) SECRETARY.—The term ''Secretary'' means the Secretary of Transportation.

(b) FINDINGS.—Congress finds that—

(1) under the Bermuda II Agreement, the United States has a right to designate an air carrier of the United States to serve the Charlotte-London (Gatwick) route;

(2) the Secretary awarded the Charlotte-London (Gatwick) route to US Airways on September 12, 1997, and on May 7, 1998, US Airways announced plans to launch nonstop service in competition with the monopoly held by British Airways on the route and to provide convenient single-carrier one-stop service to the United Kingdom from dozens of cities in North Carolina and South Carolina and the surrounding region;

(3) US Airways was forced to cancel service for the Charlotte-London (Gatwick) route for the summer of 1998 and the following winter because the Government of the United Kingdom refused to provide commercially viable access to Gatwick Airport;

(4) British Airways continues to operate monopoly service on the Charlotte-London (Gatwick) route and recently upgraded the aircraft for that route to B–777 aircraft;

(5) British Airways had been awarded an additional monopoly route between London England and Denver, Colorado, resulting in a total of 10 monopoly routes operated by British Airways between the United Kingdom and points in the United States;

(6) monopoly service results in higher fares to passengers; and

(7) US Airways is prepared, and officials of the air carrier are eager, to initiate competitive air service on the Charlotte-London (Gatwick) route as soon as the Government of the United Kingdom provides commercially viable access to the Gatwick Airport.

(c) SENSE OF THE SENATE.—It is the sense of the Senate that the Secretary should—

(1) act vigorously to ensure the enforcement of the rights of the United States under the Bermuda II Agreement;

(2) intensify efforts to obtain the necessary assurances from the Government of the United Kingdom to allow an air carrier of the United States to operate commercially viable, competitive service for the Charlotte-London (Gatwick) route; and

(3) ensure that the rights of the Government of the United States and citizens and air carriers of the United States are enforced under the Bermuda II Agreement before seeking to renegotiate a broader bilateral agreement to establish additional rights for air carriers of the United States and foreign air carriers of the United Kingdom.

DEWINE AMENDMENT NO. 3632

Mr. MCCAIN (for Mr. DEWINE) proposed an amendment to the bill, S. 2279, supra; as follows:

At the appropriate place in title V, insert the following:

SEC. 5___. TO EXPRESS THE SENSE OF THE SENATE CONCERNING A BILATERAL AGREEMENT BETWEEN THE UNITED STATES AND THE UNITED KINGDOM.

(a) DEFINITIONS.—In this section:

(1) AIR CARRIER.—The term ''air carrier'' has the meaning given that term in section 40102 of title 49, United States Code.

(2) AIRCRAFT.—The term ''aircraft'' has the meaning given that term in section 40102 of title 49, United States Code.

(3) AIR TRANSPORTATION.—The term ''air transportation'' has the meaning given that term in section 40102 of title 49, United States Code.

(4) BERMUDA II AGREEMENT.—The term ''Bermuda II Agreement'' means the Agreement Between the United States of America and United Kingdom of Great Britain and Northern Ireland Concerning Air Services, signed at Bermuda on July 23, 1977 (TIAS 8641).

(5) CLEVELAND-LONDON (GATWICK) ROUTE.—The term ''Cleveland-London (Gatwick) route'' means the route between Cleveland, Ohio, and the Gatwick Airport in London, England.

(6) FOREIGN AIR CARRIER.—The term ''foreign air carrier'' has the meaning given that term in section 40102 of title 49, United States Code.

(7) SECRETARY.—The term ''Secretary'' means the Secretary of Transportation.

(8) SLOT.—The term ''slot'' means a reservation for an instrument flight rule takeoff or landing by an air carrier of an aircraft in air transportation.

(b) FINDINGS.—Congress finds that—

(1) under the Bermuda II Agreement, the United States has a right to designate an air carrier of the United States to serve the Cleveland-London (Gatwick) route;

(2)(A) on December 3, 1996, the Secretary awarded the Cleveland-London (Gatwick) route to Continental Airlines;

(B) on June 15, 1998, Continental Airlines announced plans to launch nonstop service on that route on February 19, 1999, and to provide single-carrier one-stop service between London, England (from Gatwick Airport) and dozens of cities in Ohio and the surrounding region; and

(C) on August 4, 1998, the Secretary tentatively renewed the authority of Continental Airlines to carry out the nonstop service referred to in subparagraph (B) and selected Cleveland, Ohio, as a new gateway under the Bermuda II Agreement;

(3) unless the Government of the United Kingdom provides Continental Airlines commercially viable access to Gatwick Airport, Continental Airlines will not be able to initiate service on the Cleveland-London (Gatwick) route; and

(4) Continental Airlines is prepared to initiate competitive air service on the Cleveland-London (Gatwick) route when the Government of the United Kingdom provides commercially viable access to the Gatwick Airport.

(c) SENSE OF THE SENATE.—It is the sense of the Senate that the Secretary should—

(1) act vigorously to ensure the enforcement of the rights of the United States under the Bermuda II Agreement;

(2) intensify efforts to obtain the necessary assurances from the Government of the United Kingdom to allow an air carrier of the United States to operate commercially viable, competitive service for the Cleveland-London (Gatwick) route; and

(3) ensure that the rights of the Government of the United States and citizens and air carriers of the United States are enforced under the Bermuda II Agreement before seeking to renegotiate a broader bilateral agreement to establish additional rights for air carriers of the United States and foreign air carriers of the United Kingdom, including the right to commercially viable competitive slots at Gatwick Airport and Heathrow Airport in London, England, for air carriers of the United States.

THOMPSON AMENDMENT NO. 3633

Mr. MCCAIN (for Mr. THOMPSON) proposed an amendment to the bill, S. 2279, supra; as follows:

At the appropriate place in title III, insert the following:

SEC. 3___. CRIMINAL PENALTY FOR PILOTS OPERATING IN AIR TRANSPORTATION WITHOUT AN AIRMAN'S CERTIFICATE.

(a) IN GENERAL.—Chapter 463 of title 49, United States Code, is amended by adding at the end the following:

''§ 46317. Criminal penalty for pilots operating in air transportation without an airman's certificate

''(a) APPLICATION.—This section applies only to aircraft used to provide air transportation.

''(b) GENERAL CRIMINAL PENALTY.—An individual shall be fined under title 18, imprisoned for not more than 3 years, or both, if that individual—

''(1) knowingly and willfully serves or attempts to serve in any capacity as an airman without an airman's certificate authorizing the individual to serve in that capacity; or

''(2) knowingly and willfully employs for service or uses in any capacity as an airman an individual who does not have an airman's certificate authorizing the individual to serve in that capacity.

''(c) CONTROLLED SUBSTANCE CRIMINAL PENALTY.—(1) In this subsection, the term 'controlled substance' has the same meaning given that term in section 102 of the Comprehensive Drug Abuse Prevention and Control Act of 1970 (21 U.S.C. 802).

''(2) An individual violating subsection (b) shall be fined under title 18, imprisoned for not more than 5 years, or both, if the violation is related to transporting a controlled substance by aircraft or aiding or facilitating a controlled substance violation and that transporting, aiding, or facilitating—

''(A) is punishable by death or imprisonment of more than 1 year under a Federal or State law; or

''(B) is related to an act punishable by death or imprisonment for more than 1 year under a Federal or State law related to a controlled substance (except a law related to simple possession (as that term is used in section 46306(c)) of a controlled substance).

''(3) A term of imprisonment imposed under paragraph (2) shall be served in addition to, and not concurrently with, any other term of imprisonment imposed on the individual subject to the imprisonment.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 463 of title 49, United States Code, is amended by adding at the end the following:

''46317. Criminal penalty for pilots operating in air transportation without an airman's certificate.''.

ROBB (AND OTHERS) AMENDMENT NO. 3634

Mr. ROBB (for himself, Ms. COLLINS, Mr. GREGG, Mr. SMITH of New Hampshire, and Mr. GRAHAM) proposed an amendment to the bill, S. 2279, supra; as follows:

On page 41, line 22, strike the ''and''.

On page 41, line 23, strike the period and insert '';''.

On page 41, line 24, insert the following:

''(3) not reduce travel options for communities served by small hub airports and medium hub airports within the perimeter described in section 49109 of title 49, United States Code; and

''(4) not result in meaningfully increased travel delays.''

MOYNIHAN (AND OTHERS) AMENDMENT NO. 3635

Mr. MOYNIHAN (for himself, Mr. CHAFEE, Mr. KENNEDY, Mr. D'AMATO, Mr. KERRY, and Mr. LAUTENBERG) proposed an amendment to the bill, S. 2279, supra; as follows:

At the appropriate place in title V, insert the following:

SEC. 5___. ALLOCATION OF TRUST FUND FUNDING.

(a) DEFINITIONS.—In this section:

(1) AIRPORT AND AIRWAY TRUST FUND.—The term ''Airport and Airway Trust Fund'' means the trust fund established under section 9502 of the Internal Revenue Code of 1986.

(2) SECRETARY.—The term ''Secretary'' means the Secretary of Transportation.

(3) STATE.—The term ''State'' means each of the States, the District of Columbia, and the Commonwealth of Puerto Rico.

(4) STATE DOLLAR CONTRIBUTION TO THE AIRPORT AND AIRWAY TRUST FUND.—The term ''State dollar contribution to the Airport and Airway Trust Fund'', with respect to a State and fiscal year, means the amount of

funds equal to the amounts transferred to the Airport and Airway Trust Fund under section 9502 of the Internal Revenue Code of 1986 that are equivalent to the taxes described in section 9502(b) of the Internal Revenue Code of 1986 that are collected in that State.

(b) REPORTING.—

(1) IN GENERAL.—As soon as practicable after the date of enactment of this Act, and annually thereafter, the Secretary of the Treasury shall report to the Secretary the amount equal to the amount of taxes collected in each State during the preceding fiscal year that were transferred to the Airport and Airway Trust Fund.

(2) REPORT BY SECRETARY.—Not later than 90 days after the date of enactment of this Act, and annually thereafter, the Secretary shall prepare and submit to Congress a report that provides, for each State, for the preceding fiscal year—

(A) the State dollar contribution to the Airport and Airway Trust Fund; and

(B) the amount of funds (from funds made available under section 48103 of title 49, United States Code) that were made available to the State (including any political subdivision thereof) under chapter 471 of title 49, United States Code.

DORGAN (AND OTHERS) AMENDMENT NO. 3636

Mr. DORGAN (for himself, Ms. SNOWE, and Mr. WELLSTONE) proposed an amendment to the bill, S. 2279, supra; as follows:

At the appropriate place insert the following new section—

SEC. . NON-DISCRIMINATORY INTERLINE INTERCONNECTION REQUIREMENTS.

(a) IN GENERAL.—Subchapter I of chapter 417 of title 49, United States Code, is amended by adding at the end thereof the following:

''(a) NON-DISCRIMINATORY REQUIREMENTS.—If a major air carrier that provides air service to an essential airport facility has any agreement involving ticketing, baggage and ground handling, and terminal and gate access with another carrier, it shall provide the same services to any requesting air carrier that offers service to a community selected for participation in the program under section 41743 under similar terms and conditions and on a non-discriminatory basis with 30 days after receiving the request, as long as the requesting air carrier meets such safety, service, financial, and maintenance requirements, if any, as the Secretary may by regulation establish consistent with public convenience and necessity. The Secretary must review any proposed agreement to determine if the requesting carrier meets operational requirements consistent with the rules, procedures, and policies of the major carrier. This agreement may be terminated by either party in the event of failure to meet the standards and conditions outlined in the agreement.

(b) DEFINITINS—In this section:

''(1) ESSENTIAL AIRPORT FACILITY.—The term 'essential airport facility' means a large hub airport (as defined in section 41731(a)(3)) in the contiguous 48 states in which one carrier has more than 50 percent of such airport's total annual enplanements.''

(c) CLERICAL AMENDMENT.—The chapter analysis for chapter 417 of title 49, United States Code, is amended by inserting after the item relating to section 41715 the following:

''41716. Interline agreements for domestic transportation.''.

Between lines 13 and 14 on page 151, insert the following—

''(d) ADDITIONAL ACTION.—Under the pilot program established pursuant to subsection (a), the Secretary shall work with air carriers providing service to participating communities and major air carriers serving large hub airports (as defined in section 41731(a)(3)) to facilitate joint fare arrangements consistent with normal industry practice.''

SARBANES (AND OTHERS) AMENDMENTS NOS. 3637–3639

Mr. SARBANES (for himself, Ms. MIKULSKI, Mr. WARNER, and Mr. ROBB) proposed three amendments to the bill, S. 2279, supra; as follows:

AMENDMENT NO. 3637

Strike section 607(c), as included in the manager's amendment, and insert the following:

(c) MWAA NOISE-RELATED GRANT ASSURANCES.—

(1) IN GENERAL.—In addition to any condition for approval of an airport development project that is the subject of a grant application submitted to the Secretary of Transportation under chapter 471 of title 49, United States Code, by the Metropolitan Washington Airports Authority, the Authority shall be required to submit a written assurance that, for each such grant made to the Authority for fiscal year 1999 or any subsequent fiscal year—

(A) the Authority will make available for that fiscal year funds for noise compatibility planning and programs that are eligible to receive funding under chapter 471 of title 49, United States Code, in an amount not less than 10 percent of the aggregate annual amount of financial assistance provided to the Authority by the Secretary as grants under chapter 471 of title 49, United States Code; and

(B) the Authority will not divert funds from a high priority safety project in order to make funds available for noise compatibility planning and programs.

(2) WAIVER.—The Secretary of Transportation may waive the requirements of paragraph (1) for any fiscal year for which the Secretary determines that the Metropolitan Washington Airports Authority is in full compliance with applicable airport noise compatibility planning and program requirements under part 150 of title 14, Code of Federal Regulations.

(3) SUNSET.—This subsection shall cease to be in effect 5 years after the date of enactment of this Act, if on that date the Secretary of Transportation certifies that the Metropolitan Washington Airports Authority has achieved full compliance with applicable noise compatibility planning and program requirements under part 150 of title 14, Code of Federal Regulations.

AMENDMENT NO. 3638

In section 607(a)(2), as included the manager's amendment, in section 41716(c) of title 49, United States Code, as added by that section, strike paragraph (2) and insert the following:

''(2) GENERAL EXEMPTIONS.—The exemptions granted under subsections (a) and (b) may not increase the number of operations at Ronald Reagan Washington National Airport in any 1-hour period during the hours between 7:00 a.m. and 9:59 p.m. by more than 2 operations.''.

AMENDMENT NO. 3639

Strike the first subsection designated as subsection (d) in section 607, as included in the manager's amendment, and insert the following:

(d) NOISE COMPATIBILITY PLANNING AND PROGRAMS.—Section 47117(e) is amended by adding at the end the following:

''(3) Subject to section 47114(c), to promote the timely development of the forecast of cumulative noise exposure and to ensure a coordinated approach to noise monitoring and mitigation in the region of Washington, D.C., and Baltimore, Maryland, the Secretary shall give priority to any grant application made by the Metropolitan Washington Airports Authority or the State of Maryland for financial assistance from funds made available for noise compatibility planning and programs.''.

MCCAIN AMENDMENT NO. 3640

Mr. MCCAIN proposed an amendment to amendment No. 3639 proposed by Mr. SARBANES to the bill, S. 2279, supra; as follows:

On page 2, strike through line 10 and insert the following:

''(3) The Secretary shall give priority in making grants under paragraph (1)(A) to applications for airport noise compatibility planning and programs at and around airports where operations increase under title VI of the Wendell H. Ford National Air Transportation System Improvement Act of 1998 and the amendments made by that title.''.

BINGAMAN (AND DOMENICI) AMENDMENT NO. 3641

Mr. MCCAIN (for Mr. BINGAMAN for himself and Mr. DOMENICI) proposed an amendment to the bill, S. 2279, supra; as follows:

At the appropriate place in title V, insert the following:

SEC. 5 . TAOS PUEBLO AND BLUE LAKES WILDERNESS AREA DEMONSTRATION PROJECT.

(a) IN GENERAL.—Within 18 months after the date of enactment of this Act, the Administrator of the Federal Aviation Administration shall work with the Taos Pueblo to study the feasibility of conducting a demonstration project to require all aircraft that fly over Taos Pueblo and the Blue Lake Wilderness Area of Taos Pueblo, New Mexico, to maintain a mandatory minimum altitude of at least 5,000 feet above ground level.

REED AMENDMENT NO. 3642

Mr. MCCAIN (for Mr. REED) proposed an amendment to the bill, S. 2279, supra; as follows:

At the appropriate place in title V, insert the following:

SEC. 5 . AIRLINE MARKETING DISCLOSURE.

(a) DEFINITIONS.—In this section:

(1) AIR CARRIER.—The term ''air carriers'' has the meaning given that term in section 40102 of title 49, United States Code.

(2) AIR TRANSPORTATION.—The term ''air transportation'' has the meaning given that term in section 40102 of title 49, United States Code.

(b) FINAL REGULATIONS.—Not later than 90 days after the date of enactment of this Act, the Secretary of Transportation shall promulgate final regulations to provide for improved oral and written disclosure to each consumer of air transportation concerning the corporate name of the air carrier that provides the air transportation purchased by that consumer in issuing the regulations issued under this subsection the Secretary shall take into account the proposed regulations issued by the Secretary on January 17, 1995, published at 60 Red. Reg. 3359.

WARNER (AND OTHERS) AMENDMENT NO. 3643

Mr. WARNER (for himself, Mr. SARBANES, Mr. ROBB, and Ms. MIKULSKI) proposed an amendment to the bill, S. 2279, supra; as follows:

On page 47 of the manager's amendment, between lines 6 and 7, insert the following:

SEC. 607. (g) PROHIBITION.—Notwithstanding any other provisions of this Act, unless all of the members of the Board of the Metropolitan Washington Airports Authority established under section 49106 of title 49, United States Code, have been appointed to the Board under subsection (c) of that section and this is no vacancy on the Board, the Secretary may not grant exemptions provided under section 41716 of title 49, United States Code.

WARNER (AND OTHERS) AMENDMENT NO. 3644

Mr. WARNER (for himself, Mr. SARBANES, Ms. MIKULSKI, and Mr. ROBB) proposed an amendment to the bill, S. 2279, supra; as follows:

On page 43 of the manager's amendment beginning with line 21, strike through line 5 on page 44 and insert the following:

(D) ASSESSMENT OF SAFETY, NOISE AND ENVIRONMENTAL IMPACTS.—The Secretary shall assess the impact of granting exemptions, including the impacts of the additional slots and flights at Ronald Reagan Washington National Airport provided under subsections (a) and (b) on safety, noise levels and the environment within 90 days of the date of the enactment of this Act. The environmental assessment shall be carried out in accordance with parts 1500-1508 of title 40, Code of Federal Regulations. Such environmental assessment shall include a public meeting.

SPECTER (AND OTHERS) AMENDMENT NO. 3645

Mr. SPECTER (for himself, Mr. SANTORUM, and Mr. LOTT) proposed an amendment to the bill, S. 2279, supra; as follows:

SEC. . COMPENSATION UNDER THE DEATH ON THE HIGH SEAS ACT.

(a) IN GENERAL.—Section 2 of the Death on the High Seas Act (46 U.S.C. App. 762) is amended by—

(1) inserting ''(a) IN GENERAL.—'' before ''The recovery''; and

(2) adding at the end thereof the following:

''(b) COMMERCIAL AVIATION.—

''(1) IN GENERAL.—If the death was caused during commercial aviation, additional compensation for non-pecuniary damages for wrongful death of a decedent is recoverable in a total amount, for all beneficiaries of that decedent, that shall not exceed the greater of the pecuniary loss sustained or a sum total of $750,000 from all defendants for all claims. Punitive damages are not recoverable.

''(2) INFLATION ADJUSTMENT.—The $750,000 amount shall be adjusted, beginning in calendar year 2000 by the increase, if any, in the Consumer Price Index for all urban consumers for the prior year over the Consumer Price Index for all urban consumers for the calendar year 1998.

''(3) NON-PECUNIARY DAMAGES.—For purposes of this subsection, the term 'non-pecuniary damages' means damages for loss of care, comfort, and companionship.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies to any death caused during commercial aviation occurring after July 16, 1996.

MCCAIN (AND FORD) AMENDMENT NO. 3646

Mr. MCCAIN (for himself and Mr. FORD) proposed an amendment to the bill, S. 2279, supra; as follows:

On page 18 of the managers' amendment, line 17, strike ''11(4)'' and insert ''(4)''.

On page 34 of the managers' amendment, line 6, insert ''directly'' after ''person''.

On page 34, beginning in line 10, strike ''aircraft registration numbers of any aircraft; and'' and insert ''the display of any aircraft-situation-display-to-industry derived data related to any identified aircraft registration number; and''.

On page 34 of the managers' amendment, beginning in line 14, strike ''that owner or operator's request within 30 days after receiving the request.'' and insert ''the Administration's request.''

On page 34 of the managers' amendment, strike lines 16 through 21.

On page 34 of the managers' amendment, line 22, strike ''(c)'' and insert ''(b)''.

On page 36 of the managers' amendment, strike lines 16 and 17 and insert the following:

''(1) An airport with fewer than 2,000,000 annual enplanements; and

On page 39 of the managers' amendment, beginning in line 4, strike ''shall, in conjunction with subsection (f),'' and insert ''shall''.

On page 40 of the managers' amendment, strike lines 1 through 8 and insert the following:

''(i) REGIONAL JET DEFINED.—In this section, the term 'regional jet' means a passenger, turbofan-powered aircraft carrying not fewer than 30 and not more than 50 passengers.''.

On page 41 of the managers' amendment, beginning in line 9, strike ''In addition to any exemption granted under section 41714(d), the'' and insert ''The''.

On page 41 of the managers' amendment, beginning in line 24, strike ''In addition to any exemption granted under section 41714(d) or subsection (a) of this section, the'' and insert ''The''.

On page 42 of the managers' amendment, beginning in line 5, strike ''smaller than large hub airports (as defined in section 47134(d)(2))'' and insert ''with fewer than 2,000,000 annual enplanements''.

On page 42 of the managers' amendment, line 10, strike ''airports other than large hubs'' and insert ''such airports''.

On page 46, line 18, strike ''(d)'' and insert ''(f)''.

On page 46, line 24, after ''and the'' insert ''metropolitan planning organization for''.

On page 47, line 1, strike ''Council of Governments''.

On page 35 of the managers' amendment, between lines 2 and 3, insert the following:

SEC. 529. CERTAIN ATC TOWERS.

Notwithstanding any other provision of law, regulation, intergovernmental circular advisories or other process, or any judicial proceeding or ruling to the contrary, the Federal Aviation Administration shall use such funds as necessary to contract for the operation of air traffic control towers, located in Salisbury, Maryland; Bozeman, Montana; and Boca Raton, Florida, provided that the Federal Aviation Administration has made a prior determination of eligibility for such towers to be included in the contract tower program.

On page 114, insert:

SEC. 530. COMPENSATION UNDER THE DEATH ON THE HIGH SEAS ACT

(a) IN GENERAL.—Section 2 of the Death on the High Seas Act (46 U.S.C. App. 762) is amended by—

(1) inserting ''(a) IN GENERAL.—'' before ''The recovery''; and

(2) adding at the end thereof the following:

''(b) COMMERCIAL AVIATION.—

''(1) IN GENERAL.—If the death was caused during commercial aviation, additional compensation for non-pecuniary damages for wrongful death of a decedent is recoverable in a total amount, for all beneficiaries of that decedent, that shall not exceed the greater of the pecuniary loss sustained or a sum total of $750,000 from all defendants for all claims. Punitive damages are not recoverable.

''(2) INFLATION ADJUSTMENT.—The $750,000 amount shall be adjusted, beginning in calendar year 2000 by the increase, if any, in the Consumer Price Index for all urban consumers for the prior year over the Consumer Price Index for all urban consumers for the calendar year 1998.

''(3) NON-PECUNIARY DAMAGES.—For purposes of this subsection, the term 'non-pecuniary damages' means damages for loss of care, comfort, and companionship.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies to any death caused during commercial aviation occurring after July 16, 1996.

CONGRESSIONAL GOLD MEDAL TO GERALD R. AND BETTY FORD

D'AMATO AMENDMENT NO. 3647

Mr. MCCAIN (for Mr. D'AMATO) proposed an amendment to bill (H.R. 3506) to award a congressional gold medal to Gerald R. and Betty Ford; as follows:

At the end of the bill, add the following new sections:

SEC. 4. CONGRESSIONAL GOLD MEDALS FOR THE "LITTLE ROCK NINE".

(a) FINDINGS.—The Congress finds that—

(1) Jean Brown Trickey, Carlotta Walls LaNier, Melba Patillo Beals, Terrence Roberts, Gloria Ray Karlmark, Thelma Mothershed Wair, Ernest Green, Elizabeth Eckford, and Jefferson Thomas, hereafter in this section referred to as the ''Little Rock Nine'', voluntarily subjected themselves to the bitter stinging pains of racial bigotry;

(2) the Little Rock Nine are civil rights pioneers whose selfless acts considerably advanced the civil rights debate in this country;

(3) the Little Rock Nine risked their lives to integrate Central High School in Little Rock, Arkansas, and subsequently the Nation;

(4) the Little Rock Nine sacrificed their innocence to protect the American principle that we are all ''one nation, under God, indivisible'';

(5) the Little Rock Nine have indelibly left their mark on the history of this Nation; and

(6) the Little Rock Nine have continued to work toward equality for all Americans.

(b) PRESENTATION AUTHORIZED.—The President is authorized to present, on behalf of Congress, to Jean Brown Trickey, Carlotta Walls LaNier, Melba Patillo Beals, Terrence Roberts, Gloria Ray Karlmark, Thelma Mothershed Wair, Ernest Green, Elizabeth Eckford, and Jefferson Thomas, commonly referred to the ''Little Rock Nine'', gold medals of appropriate design, in recognition of the selfless heroism that such individuals exhibited and the pain they suffered in the cause of civil rights by integrating Central High School in Little Rock, Arkansas.

(c) DESIGN AND STRIKING.—For purposes of the presentation referred to in subsection (b) the Secretary of the Treasury shall strike a gold medal with suitable emblems, devices, and inscriptions to be determined by the Secretary for each recipient.

(d) AUTHORIZATION OF APPROPRIATION.—Effective October 1, 1997, there are authorized to be appropriated such sums as may be necessary to carry out this section.

(e) DUPLICATE MEDALS.—

(1) STRIKING AND SALE.—The Secretary of the Treasury may strike and sell duplicates in bronze of the gold medals struck pursuant to this section under such regulations as the Secretary may prescribe, at a price sufficient to cover the cost thereof, including labor, materials, dies, use of machinery, and overhead expenses, and the cost of the gold medal.

(3) REIMBURSEMENT OF APPROPRIATION.—The appropriation used to carry out this section shall be reimbursed out of the proceeds of sales under paragraph (1).

SEC. 5. COMMEMORATIVE COINS.

(a) IN GENERAL.—Section 101(7)(D) of the United States Commemorative Coin Act of 1996 (Public Law 104–239, 110 Stat. 4009) is amended to read as follows:

''(D) MINTING AND ISSUANCE OF COINS.—

The Secretary—

''(i) may not mint coins under this paragraph after July 1, 1998; and

''(ii) may not issue coins minted under this paragraph after December 31, 1998.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall be construed to have the same effective date as section 101 of the United States Commemorative Coin Act of 1996.

NOTICE OF HEARING

COMMITTEE ON RULES AND ADMINISTRATION

Mr. WARNER. Mr. President, I wish to announce that the Committee on Rules and Administration will reconvene on Friday, September 25, 1998 at 9:30 a.m. in Room SR–301 Russell Senate Office Building, to continue a hearing on Capitol security issues and to mark-up S. 2288, the Wendell H. Ford Government Publications Reform Act of 1998.

For further information concerning this meeting, please contact Ed Edens at the Rules Committee on 4–6678.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ARMED SERVICES

Mr. MCCAIN. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet on Thursday, September 24, 1998, at 2:00 p.m. in open/closed session, to receive testimony on the report of the Commission to Assess the Ballistic Missile Threat to the United States.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. MCCAIN. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be granted permission to meet during the session of the Senate on Thursday, September 24, for purposes of conducting a full committee hearing which is scheduled to begin at 10:00 a.m. The purpose of this oversight hearing is to receive testimony on the recent midwest electricity price spikes.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FINANCE

Mr. MCCAIN. Mr. President, the Finance Committee requests unanimous consent to conduct a hearing on Thursday, September 24, 1998 beginning at 10:00 a.m. in room 215 Dirksen.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. MCCAIN. Mr. President, I ask unanimous consent on behalf of the Governmental Affairs Committee to meet on Thursday, September 24, 1998, at 2:15 p.m. for a business meeting to considering pending Committee business.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON INDIAN AFFAIRS

Mr. MCCAIN. Mr. President, I ask unanimous consent that the Committee on Indian Affairs be authorized to meet during the session of the Senate on Thursday, September 24, 1998 at 2:00 p.m. to conduct a hearing on H.R. 1805, the Auburn Indian Restoration Act. The hearing will be held in room 485 of the Russell Senate Office Building.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON JUDICIARY

Mr. MCCAIN. 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, September 24, 1998, off the floor in the Presidents room, S–216 of the United States Capitol, immediately following the first vote.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON RULES AND ADMINISTRATION

Mr. MCCAIN. Mr. President, I ask unanimous consent that the Committee on Rules and Administration be authorized to meet during the session of the Senate on Thursday, September 24, 1998 at 9:30 a.m. to receive testimony on Capitol Security issues.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON SMALL BUSINESS

Mr. MCCAIN. Mr. President, I ask unanimous consent that the Committee on Small Business be authorized to meet during the session of the Senate for a hearing entitled ''Can Small Businesses Compete With Campus Bookstores?'' The hearing will being at 10:00 a.m. on Thursday, September 24, 1998, in room 428A Russell Senate Office Building.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON READINESS

Mr. MCCAIN. Mr. President, I ask unanimous consent that the Readiness Subcommittee of the Committee on Armed Services be authorized to meet at 10:00 a.m. on Thursday, September 24, 1998, in open session, to received testimony regarding the readiness challenges confronting the U.S. Army and Marine forces and their ability to successfully execute the National Military strategy.

The PRESIDING OFFICER. Without objection it is so ordered.

SUBCOMMITTEE ON INVESTIGATIONS

Mr. MCCAIN. Mr. President, I ask unanimous consent on behalf of the Permanent Subcommittee on Investigations of the Governmental Affairs Committee to meet on Thursday, September 24, 1998, at 9:30 a.m. for a hearing on the topic of ''improving The Safety of Food Imports.''

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

CONSUMER BANKRUPTCY REFORM ACT OF 1998

● Mr. BAUCUS. Mr. President, I rise today to address an issue the Senate addressed yesterday, amendment #3616 by Senator HARKIN. While I cast my vote against tabling this Sense of the Senate, I must admit I did so with great personal reluctance. I respect the independence of the Federal Reserve Board, and I particularly respect the judgement and ability of its Chairman, Alan Greenspan.

Our country has experienced an unprecedented period of economic growth and stability. Congress took the politically difficult step of putting our financial house in order by enacting the 1994 budget reconciliation legislation. But the steady hand of the Federal Reserve Board and its Open Market Committee has helped that seed grow. With the able leadership of Alan Greenspan, the Fed has helped guide our country from the brink of recession to an unprecedented period of economic growth.

But even the Fed is looking at the current economic conditions and re-evaluating its interest rate policies. We have a problem with liquidity of capital in this country, which makes it harder for other countries to stabilize their currencies. As they try to acquire dollars, two things happen.

First, our foreign trading partners find it increasing more difficult to purchase American goods. Just ask any farmer in Montana whether this has negative economic consequences for our country and you will get an earful. If farmers can't sell their products in the export market, they cannot survive economically. Communities that are economically dependent upon farmers find themselves in their own downward spiral, as businesses who rely on farmers to buy their goods are also squeezed economically. This same pattern can be repeated in other communities around the country, whether their economic health is tied into farm exports or any other kind of exports.

The second consequence of tight capital is that it can lead to what is known as deflation. It has been a long time since we have had to worry about a deflationary spiral in this country, but it certainly seems to me that this

time has regretfully arrived. Our foreign trading partners need dollars desperately because of the devaluation of their own currencies, so they try harder to sell their goods to American consumers. The lower price of these goods drives down the price of domestically produced goods too. American companies cut production, which forces them to also cut employment. As unemployment begins to edge up, consumer confidence and purchasing drops, which causes further drops in price.

So whether we can't sell our products abroad, or too many lower-priced foreign goods are being sold here, the result is the same—a deterioration of our own domestic economy.

I believe the signs all point to an inevitable lowering of interest rates by the Fed. Whether it is done at this next meeting or at some future one, I cannot see another alternative. So while this is a hard vote for me, because of my natural inclination to defer to Mr. Greenspan and the other members of the Federal Open Market Committee, I truly believe it is the right answer not only for our domestic economy but for our global economy as well.●

CONSUMER BANKRUPTCY REFORM ACT OF 1998

● Mr. DODD. Mr. President, I voted in favor of the Consumer Bankruptcy Act of 1998, but I did so with some reservations. I commend the efforts of the members of the Judiciary Committee, especially Senators DURBIN and GRASSLEY and Senators HATCH and LEAHY in taking on the challenge of reforming this important and highly complex area of our laws. They have made an important effort to bring about some badly needed reforms and hopefully reduce the number of bankruptcies in our country.

As many of you know, the most recent statistics from the Administrative Office of the U.S. Courts state that more than 1.4 million people filed for bankruptcy during the 12-month period ending June 30, 1998, an all-time high. This represents an 8.5% increase from the same period last year. Statistics also show that there has been a 400 percent increase in personal bankruptcies since 1980. Clearly we need to reform our bankruptcy laws.

This bill will provide enhanced procedural protections for consumers, and enhanced penalties for creditors who fail to obey the requirements of the bankruptcy code. It also will crack down on abusive and repeat Chapter 13 filings, discourage predatory home lending practices, and provide for the appointment of new bankruptcy judges.

Perhaps most importantly, this bill, as opposed to prior versions, provides stronger safeguards for children and families involved in bankruptcy proceedings. Several months ago, I and 30 of my colleagues wrote to the Chairman and Ranking Member of the Committee about the need for this legislation to include stronger safeguards for the children of people involved in bankruptcy proceedings. In simple terms, we voiced our concern that children should come before creditors, which essentially has been the law for the last 95 years. Under current law, outstanding spouse and child support, in addition to back taxes and educational loans, are debts that cannot be discharged in bankruptcy like other debts. This sound policy is premised on the belief that our laws should minimize the risk of impoverishment of our children and families.

In response to that letter, and my conversation with the Committee Chairman, the Committee Chairman acknowledged the potential adverse consequences the legislation could have upon child support recipients, and he offered an amendment at the full committee mark-up which addressed these problems. The amendment, which passed by a unanimous vote, would raise the legal priority of child support from number 7 to number 1; permit the conditioning of a Chapter 13 confirmation upon the payment of child support payments; allow the conditioning of a Chapter 13 discharge upon the payment of all post-petition child support obligations; and add other provisions that should help children and families collect child support debts.

I offered and had accepted 3 amendments on the Floor that, in my view, further strengthen this bill. The first amendment would: (1) protect income from sources legitimately dedicated to the welfare of children from being dissipated and misdirected to pay debts and expenses unrelated to the care and maintenance of these same children. Child support payments, foster care payments, or disability payments for a dependent child should go to that child and not to a creditor; and (2) ensure that in bankruptcy, children and families are able to keep certain household goods which typically have no resale value. I am speaking about items such as toys, swings sets, video cassette recorders or other items used to help them raise their children.

The second amendment would protect duly established college savings accounts which were set up for the benefit of children from being distributed to creditors. Just because a child's family has gone through a bankruptcy does not mean a child should not be able to go to college.

Lastly, the third amendment, which I co-authored with Senators SARBANES and DURBIN, contains an important new consumer protection regarding credit card debt. Today, many consumers are unaware of the implications of carrying credit card debt and making only the minimum monthly payment on that debt. For instance, assume a consumer has $3000 in credit card debt. Then assume the interest rate that the consumer is paying on that debt is 17½%, which is roughly the industry average. If the consumer makes only the monthly minimum payment on that debt, it will take 396 months or 33 years to pay it off. And with interest, the consumer will have paid a total of 9,658 dollars. This amendment, which I worked on with Senators SARBANES, DURBIN, GRASSLEY and HATCH will require credit card issuers to inform consumers on their monthly billing statement not only how long it will take them to pay off a debt at the minimum monthly rate, but also how much money they will have paid in interest and principal on that debt.

I thank Senators GRASSLEY and DURBIN and Senators HATCH and LEAHY who have worked with me to assure that these protections for children, families and consumers were included in the bill.

I am disappointed that my amendment regarding the extension of credit to young people under the age of 21 was tabled. This amendment was designed to curtail the most aggressive and abusive credit card marketing to people under the age of 21 by requiring that the credit card issuer obtain an application that either contained the signature of a parent or guardian willing to take financial responsibility for the debt, or information indicating an independent means of repaying any credit extended. Most responsible credit card issuers already obtain this information from their applicants. This amendment would have merely required that the less responsible credit card issuers follow the ''best practices'' already in place for much of the industry.

I am, at the same time, concerned that this legislation will force more debtors into Chapter 13 bankruptcy while eliminating several of the provisions that enabled debtors to meet the terms of their Chapter 13 payment plan considering the fact that two-thirds of the repayment plans under current law are not completed, this calls into question whether Chapter 13 really results in the repayment of debts, as advertised.

Moreover, I'm concerned, not withstanding strong objections by the National Partnership for Women and Families, more than 20 women's groups, the Leadership Conference on Civil Rights and a variety of other organizations, that new provisions regarding the non-dischargeability of certain types of unsecured debt remain in the bill. These groups expressed their concern that these provisions will impede the ability of debtors to pay both for their post-bankruptcy expenses and to care for their dependents. I hope the Conference looks into these issues more carefully so that we can truly accomplish balanced and effective bankruptcy reform.●

THE COMPREHENSIVE TEST-BAN TREATY: TWO YEARS AND COUNTING

●Mr. BIDEN. Mr. President, today is the second anniversary of the signing of the Comprehensive Nuclear Test-Ban Treaty. It is also nearly a year since

the President submitted that treaty to the Senate for its advice and consent to ratification.

Much has happened since then. For example, Congress funded the Department of Energy's Stockpile Stewardship program to ensure that U.S. nuclear weapons remain safe and reliable in the absence of nuclear testing.

We are building new state-of-the-art facilities that will enable scientists to replicate processes that occur in nuclear explosions. We are developing new computers to permit the complex modeling that is necessary to understand nuclear explosions and to test new component materials or designs. We are conducting sub-critical experiments that are permitted under the Test-Ban Treaty.

We are also inspecting annually each type of nuclear weapon in our arsenal, so that problems associated with the aging of those weapons can be identified and corrected without a need for nuclear weapons tests. These inspections and corrective actions enable our nuclear weapons establishment to certify on an annual basis that there are no problems that require renewed nuclear testing.

In short, then, the United States is showing the world that it is, indeed, possible to maintain nuclear deterrence under a test-ban regime.

We are also showing the world that it is possible to verify compliance with the Test-Ban Treaty. Verification is never perfect, but the nascent International Monitoring System has functioned well enough to severely limit what a nuclear power can learn from undetected testing.

Last May, India and Pakistan conducted nuclear weapons tests. Critics of the Test-Ban Treaty note that the International Monitoring System—some of which is already in place—did not predict those tests. Of course, the verification system was never intended to predict nuclear weapons tests, only to detect them and to identify the country responsible.

The International Monitoring System and other cooperating seismic stations did a fine job, in fact, of locating the Indian and Pakistani tests and estimating their yield. By comparing this year's data to those from India's 1974 nuclear test and from earthquakes in the region, seismologists have shown that this year's tests were probably much smaller—and less significant in military terms—than India and Pakistan claimed.

Most recently, the Senate voted to fund continued development of the International Monitoring System. The national interest requires that we learn all we can on possible nuclear weapons tests. I am confident that the Senate made the right choice in voting to restore these funds.

When it comes to the Test-Ban Treaty itself, however, the Senate has yet to speak. The Committee on Foreign Relations has yet to hold a hearing, let alone vote on a resolution of ratification.

In the great Sherlock Holmes mystery ''The Hound of the Baskervilles'' the crucial clue was the dog that did not bark. On this treaty, the Senate has been such a hound.

Now, why won't this dog bark? I think it's because the Senators who keep this body from acting on the Test-Ban Treaty know that it would pass. A good three-quarters of the American people support this treaty. In fact, support for the treaty has increased since the Indian and Pakistani nuclear tests, despite disparaging comments by some treaty opponents.

Worse yet, as far as some treaty opponents are concerned, India and Pakistan are talking about signing the Test-Ban Treaty. That would chip away mightily at the claim that this treaty will never enter into force, even if we ratify it. The fact is that with U.S. leadership, we can get the world to sign up to a ban on nuclear explosions. I am confident that we will do precisely that.

Treaty opponents have it within their power to stifle America's role in the world and diminish our ability to lead. They also have it within their power, however, to help foster continued American leadership in the coming year and the coming century. I believe that, in the end, their better instincts—and a sober recognition of where the American people stand—will prevail.

The Senate will give its advice and consent to ratification of this treaty—not this year, but next year. The Comprehensive Nuclear Test-Ban may be two years old today, but it is also the wave of the future.●

CTBT ANNIVERSARY

● Mr. BINGAMAN. Mr. President, today marks the two-year anniversary of the opening for signature of the Comprehensive Test Ban Treaty. On September 24, 1996, President Clinton was the first to the sign the CTBT at the United Nations in New York. A total of 150 nations have not signed the treaty, including all five declared nuclear weapons states, and 21 nations have ratified the CTBT.

This week also marks one year since the President transmitted the CTBT to the Senate for its advice and consent to ratification. Unfortunately, one year later the Senate Foreign Relations Committee has yet to hold its first hearing on this historic treaty.

Mr. President, this delay in considering the Treaty not only hinders the Senate from carrying out its constitutional duties; in light of the events in India and Pakistan, it is irresponsible for the Senate to continue to do nothing. It is irresponsible for the security of this nation and the world.

The Indian and Pakistani nuclear tests in May served as a wake up call for the world. We are confronted with the very risk of a nuclear arms race beginning in South Asia. India and Pakistan, as well as their neighbors, have emerged less secure as a result of these tests. I believe that these tests demonstrate the tragic significance of the Senate's failure to take action on the CTBT. We can no longer afford to ignore our responsibility to debate and vote on the treaty.

Today's press reports that both India and Pakistan have stated their intention to sign the CTBT by September 1999. I want to welcome these announcements by India and Pakistan. The steps are in part the result of an intensive U.S. diplomatic effort, and I congratulate the Administration on this success. India's and Pakistan's commitment to halt nuclear testing is critical to reducing tensions and preventing a nuclear arms race in South Asia.

The adherence of India and Pakistan to the CTBT will also enhance prospects for the treaty to enter into force sooner. According to its provisions the CTBT will enter into force when 44 countries have nuclear technology have ratified it. With India's and Pakistan's signatures, all 44 of these countries except one, North Korea, will have signed the CTBT. The addition of India and Pakistan as Treaty signatories marks a significant step toward making the CTBT a reality.

Now more than ever, it is imperative that the Senate begin its consideration of the Comprehensive Test Ban Treaty. Senate action on the CTBT would send a clear signal to India and Pakistan that nuclear testing must stop. It would strengthen U.S. diplomatic efforts to reduce tensions between these two countries and persuade them to give up their nuclear ambitions. But signature of the CTBT by India and Pakistan is only the first step in the process of bringing stability to South Asia. Senate action on the CTBT can help build momentum as additional measures are sought for defusing the violative situation.

Ratification of the CTBT is also critical to U.S. leadership in strengthening the international nonproliferation regime. The risk of nuclear proliferation remains a clear and immediate security threat to the international community as a whole.

Our efforts to reduce the threat of nuclear proliferation have produced significant successes this decade. Several countries, including South Africa, Brazil, and Argentina have abandoned nuclear weapons programs. Under the START Treaty nuclear weapons have been withdrawn from Belarus, Ukraine, and Kazakhstan.

The United States must continue to lead international efforts to halt and reverse the spread of nuclear weapons. For the United States to be effective in strengthening international nonproliferation measures, we need to demonstrate our own commitment to a universal legal norm against nuclear testing.

U.S. ratification of the CTBT is in our national security interest. The United States has observed a testing

moratorium since 1992. The other declared nuclear weapons states, Britain, France, Russia, and China, have joined us in halting their nuclear testing programs. It is in our interest for these countries to continue to refrain from such testing, which might otherwise contribute to their designing more advanced weapons that are smaller and more threatening.

The treaty would not prevent the United States from doing anything we otherwise would plan to do, There is no need for renewed U.S. nuclear testing. Nuclear weapons experts from my home State of New Mexico tell me that they have a high level of confidence in the reliability and safety of the U.S. nuclear stockpile.

We are committed through the Stockpile Stewardship Program to ensuring the future safety and reliability of our stockpile in the absence of nuclear testing. Our strong support for this program in the years ahead is critical for U.S. national security under a comprehensive test-ban regime.

Mr. President, the American people recognize the grave danger that a new nuclear arms race in South Asia would pose, not only to U.S. national security but also to the security of the international community. They understand that further nuclear testing threatens to undermine international efforts to prevent the proliferation of nuclear weapons. That's why a recent nationwide poll conducted by the Mellman Group found that 73 percent of the American public believe that the Senate should approve the CTBT, while only 16 percent believe we should disapprove the treaty (11 percent responded ''don't know''). This finding of overwhelming support for the treaty occurred after India conducted is nuclear tests.

Therefore, I urge the Senate to begin debate on the Comprehensive Test Ban Treaty. I have sent a letter to the Chairman of the Armed Services Committee requesting that the Committee begin holding hearings on this historic treaty. We need to bring in the experts from the military, intelligence, and scientific communities so we can hear what they have to say. I believe that through such hearings Senators' concerns will be resolved in favor of a CTBT.

For the sake of our security and that of future generations, we must not let this historic opportunity to achieve a global end to nuclear testing slipaway.●

RECOGNITION OF HISTORICALLY BLACK COLLEGES AND UNIVERSITIES IN GEORGIA

● Mr. CLELAND. Mr. President, as designated by the Senate, September 14–20, 1998, is celebrated as National Historically Black Colleges and Universities Week. I am pleased to take this opportunity to recognize the achievements of these fine institutions of higher education and to pay a special tribute to the ten Historically Black Colleges and Universities located in my home State of Georgia. The 104 historically black institutions of higher learning throughout the United States are cornerstones of African-American education and play an integral role in the lives of African-Americans and in American history.

Historically Black Colleges and Universities have set a high standard for providing quality instruction and valuable, lifelong experiences to students. Though sometimes faced with adversity, historically black colleges and institutions have provided students with the opportunity to broaden their horizons and to reach their fullest potential.

As I have mentioned, my state of Georgia has the privilege of being served by ten of these fine institutions: Albany State University, Clark Atlanta State University, Fort Valley State University, Interdenominational Theological Center, Morehouse College, The Morehouse School of Medicine, Morris Brown College, Paine College, Savannah State University, and Spelman College.

Albany State University, the previous Albany Bible and Manual Training Institute, Georgia Normal and Agricultural College and Albany State College, was ranked by U.S. News and World Report among the top colleges and universities in the South in September 1997. In a recent special report to Black Issues In Higher Education Magazine (July 9, 1998), ASU was ranked among the top 100 producers of degrees for African Americans in three key areas—education, health professions, and computer information Science.

Clark Atlanta State University is a comprehensive, private, urban, coeducational institution of higher education with a predominantly African American heritage. It offers undergraduate, graduate, and professional degrees as well as non-degree programs to students of diverse racial, ethnic, and socioeconomic backgrounds. U.S. News and World report lists Clark Atlanta among the best universities in the United States in its 1996 ''America's Best Colleges'' guide.

Fort Valley State University, founded in 1890, is a public, state and land-grant co-educational liberal arts institution located in central Georgia's Peach County. The Georgia Board of Regents designated Fort Valley State as a fully accredited University on June 12, 1996, continuing in its leadership role as the only senior college or university in the University System with a mission in all four disciplines—academics, research, extension and service.

Interdenominational Theological Center, established in 1958, maintains its position as the nucleus of theological education for African Americans in the world. Six historic African American seminaries comprise ITC. They are: Gammon Theological Seminary (United Methodist), Charles H. Mason Theological Seminary (Church of God in Christ), Morehouse School of Religion (Baptist), Phillips School of Theology (Christian Methodist Episcopal), Johnson C. Smith Theological Seminary (Presbyterian Church USA) and Turner Theological Seminary (African Methodist Episcopal).

Morehouse College, founded in 1867 as the Augusta Institute, is a small, liberal arts college with an international reputation for producing leaders who have influenced national and world history. The institution is best known for the work of graduates such as Nobel Peace Prize laureate Martin Luther King Jr., former Secretary of Health and Human Services Louis Sullivan, MacArthur Fellow Donald Hopkins, Olympian Edwin Moses, filmmaker Spike Lee, and a number of Congressmen, federal judges, and college presidents. These alumni, and a long list of other Morehouse men from one generation to the next, have translated the College's commitment to excellence in scholarship, leadership, and service into extraordinary contributions to their professions, their communities, the nation, and the world.

The Morehouse School of Medicine became independent of Morehouse College in 1981. The Morehouse School of Medicine is a predominantly black institution established to recruit and train minority and other students as physicians and biomedical scientists committed to the primary health care needs of the underserved and is fully accredited by the Liaison Committee on Medical Education and the Southern Association of Colleges and Schools.

Morris Brown College, founded in 1867, is a private, coeducational liberal arts college engaged in teaching and research in the arts, humanities, education, social and natural sciences. The College is committed to developing, through strong academic, continuing education and cultural enrichment programs, the skills needed to function as a literate citizen in society for persons of all socio-economic status.

Paine College, founded in 1880, has a history tied to the history of the Christian Methodist Episcopal Church and the United Methodist Church. The College was founded to establish an educational institute to train Black ministers and teachers. Throughout its history, Paine has been a distinctively Christian college. It has maintained deep concern for the quest for truth and has been resolute in blending knowledge with values and personal commitment. Paine has been historically dedicated to the preparation of holistic persons for responsible life in society.

Savannah State University, founded in 1890, is the oldest public historically black college in the state of Georgia. SSU offers 26 undergraduate and graduate degrees in three schools—the College of Business Administration, the College of Liberal Arts and Social

Sciences and the College of Sciences and Technology. Special programs at SSU include the Marine Sciences program and the Naval Reserve Officers Training Corps.

Spelman College was founded in 1881 as the Atlanta Baptist Female Seminary to increase educational opportunities for Black women in Atlanta. Spelman's mission is to help students to think objectively, critically and creatively within a moral framework and to use their talents to solve problems that are ever present in a rapidly changing and complex environment.

The extraordinary contributions of historically black colleges and universities in educating students and in enriching our communities cannot be overstated. They are a valuable national resource which are being rightly honored for their exemplary tradition in higher education. Mr. President, please join me and our colleagues in congratulating and celebrating a rich legacy and tradition of the excellence, determination, strength, and perseverance of historically black colleges and universities.●

25TH ANNIVERSARY OF ALCOHOL AND DRUG RECOVERY CENTERS, INC.

● Mr. LIEBERMAN. Mr. President, I rise today to pay tribute to Alcohol and Drug Recovery Centers, Inc. of Hartford, Connecticut, on its 25th Anniversary. ADRC provides much-needed services to the residents of 29 Greater Hartford communities: helping men and women first confront then overcome their addictions so they may live productive, substance free lives.

For a quarter of a century, the dedicated workers of ADRC have lent a helpful hand to their neighbors, regardless of race, sex, sexual orientation, disability, or economic circumstances. Their work has had a tangible impact on the community and I am proud to honor ADRC for its work on behalf of Hartford-area families.

This dynamic and proactive organization has continually blazed a trail for other community groups to follow. ADRC has worked hard to earn this praise on its silver anniversary and I am happy to wish all of its staff and friends continued success.●

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mr. MCCAIN. In executive session, I ask unanimous consent that the Senate proceed to the following nominations on the Executive Calendar: Nos. 648 and 649. I ask unanimous consent that the nominations be confirmed, the motion to reconsider be laid upon the table, any statements relating to the nominations be printed at this point in the RECORD, the President be immediately notified of the Senate's action, and the Senate then return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

The nominations considered and confirmed en bloc are as follows:

REFORM BOARD (AMTRAK)

Linwood Holton, of Virginia, to be a Member of the Reform Board (AMTRAK) for a term of five years.

Amy M. Rosen, of New Jersey, to be a Member of the Reform Board (AMTRAK) for a term of five years.

NOMINATION OF AMY ROSEN TO THE AMTRAK REFORM BOARD

Mr. LAUTENBERG. Mr. President, I rise to strongly support Amy Rosen's nomination to the Amtrak Reform Board of Directors. Ms. Rosen has the right blend of business and financial knowledge, talent and creativity needed to lead Amtrak into the next century.

Mr. President, the next few years will be crucial for Amtrak. To increase ridership, modernize and cut costs while reducing its dependence on federal assistance, Amtrak needs Board members with demonstrated business and financial skills. I believe Amy Rosen is eminently qualified to serve on Amtrak's Board and can make that kind of contribution at this critical juncture in Amtrak's history. She has business acumen derived from extensive professional experience in the private sector, along with her work in the public sector.

Currently, Ms. Rosen is Managing Partner of Public Private Initiatives, a financial services and consulting firm that employs innovative financing techniques to benefit public sector, non-profit and private sector clients. At PPI, she is directly involved in applying creative financial tools, such as tax-advantaged leasing and asset securitization to enhance government services.

For example, under Ms. Rosen's tenure, New Jersey Transit has leverage-leased $1.8 billion worth of equipment and facilities, for a net benefit of $100 million to New Jersey Transit and its ridership. Prior to starting Public Private Initiatives, Ms. Rosen was Senior Vice President of Marketing and Managing Director of Lockheed-Martin IMS, where she was responsible for the oversight of all domestic and international marketing initiatives, and state and federal relations. She also was very involved in the Lockheed merger with Martin Marietta. Throughout her tenure, she worked to re-shape the corporation's marketing and acquisition needs in the midst of defense budget cuts. These positions required the kind of skills and expertise that can help Amtrak deal effectively with the challenges it faces today.

Ms. Rosen also has relevant and extremely valuable experience in the public sector. She served as Deputy Commissioner for the New Jersey Department of Transportation under Governor Byrne and currently serves as Vice Chair of the New Jersey Transit Board of Directors. As a result of her service in these posts, she has hands-on experience in state government and will be able to build strong relationships between Amtrak and the states it serves.

Mr. President, while professional experience and particular skills are important for effective service, Ms. Rosen also has the kinds of personal strengths and attributes that the Senate looks for in nominees to high posts. She is bright, energetic, extremely hard working and committed to the goals and mission the Congress has set out for Amtrak. I can also personally attest to her integrity and ability to work well within a group.

Mr. President, I strongly support Ms. Rosen's appointment and I urge my colleagues to do the same. I yield the floor.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will return to legislative session.

AWARDING THE CONGRESSIONAL GOLD MEDAL TO GERALD R. AND BETTY FORD

Mr. MCCAIN. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of H.R. 3506 which was received from the House.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A bill (H.R. 3506) to award the Congressional Gold Medal to Gerald R. and Betty Ford.

There being no objection, the Senate proceeded to consider the bill.

AMENDMENT NO. 3647

(Purpose: To award congressional gold medals to Jean Brown Trickey, Carlotta Walls LaNier, Melba Patillo Beals, Terrence Roberts, Gloria Ray Karlmark, Thelma Mothershed Wair, Ernest Green, Elizabeth Eckford, and Jefferson Thomas, commonly referred to collectively as the ''Little Rock Nine,'' on the occasion of the 40th anniversary of the integration of the Central High School in Little Rock, Arkansas, and for other purposes)

Mr. MCCAIN. Mr. President, Senator D'AMATO has an amendment at the desk. I ask for its consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Arizona [Mr. MCCAIN], for Mr. D'AMATO, proposes an amendment numbered 3647.

Mr. MCCAIN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill, add the following new sections:

SEC. 4. CONGRESSIONAL GOLD MEDALS FOR THE "LITTLE ROCK NINE".

(a) FINDINGS.—The Congress finds that—

(1) Jean Brown Trickey, Carlotta Walls LaNier, Melba Patillo Beals, Terrence Roberts, Gloria Ray Karlmark, Thelma Mothershed Wair, Ernest Green, Elizabeth Eckford, and Jefferson Thomas, hereafter in this section referred to as the ''Little Rock Nine'', voluntarily subjected themselves to the bitter stringing pains of racial bigotry;

(2) the Little Rock Nine are civil rights pioneers whose selfless acts considerably advanced the civil rights debate in this country;

(3) the Little Rock Nine risked their lives to integrate Central High School in Little Rock, Arkansas, and subsequently the Nation;

(4) the Little Rock Nine sacrificed their innocence to protect the American principle that we are all ''one nation, under God, indivisible'';

(5) the Little Rock Nine have indelibly left their mark on the history of this Nation; and

(6) the Little Rock Nine have continued to work toward equality for all Americans.

(b) PRESENTATION AUTHORIZED.—The President is authorized to present, on half of Congress, to Jean Brown Trickey, Carlotta Walls LaNier, Melba Patillo Beals, Terrence Roberts, Gloria Ray Karlmark, Thelma Mothershed Wair, Ernest Green, Elizabeth Eckford, and Jefferson Thomas, commonly referred to the ''Little Rock Nine'', gold medals of appropriate design, in recogniztion of the selfless heroism that such individuals exhibited and the pain they suffered in the cause of civil rights by integrating Central High School in Little Rock, Arkansas.

(c) DESIGN AND STRIKING.—For purposes of the presentation referred to in subsection (b) the Secretary of the Treasury shall strike a gold medal with suitable emblems, devices, and inscriptions to be determined by the Secretary for each recipient.

(d) AUTHORIZATION OF APPROPRIATIONS—Effective October 1, 1997, there are authorized to be appropriated such sums as may be necessary to carry out this section.

(e) DUPLICATE MEDALS—

(1) STRIKING AND SALE.—The Secretary of the Treasury may strike and sell duplicates in bronze of the gold medals struck pursuant to this section under such regulations as the Secretary may prescribe, at a price sufficient to cover the cost thereof, including labor, materials, dies, use of machinery, and overhead expenses, and the cost of the gold medal.

(2) REIMBURSEMENT OF APPROPRIATION.—The appropriation used to carry out this section shall be reimbursed out of the proceeds of sales under paragraph (1).

SEC. 5. COMMEMORATIVE COINS.

(a) IN GENERAL.—Section 101(7)(D) of the United States Commemorative Coin Act of 1996 (Public Law 104–329, 110 Stat. 4009) is amended to read as follows:

''(D) MINTING AND ISSUANCE OF COINS.—The Secretary—

''(i) may not mint coins under this paragraph after July 1, 1998; and

''(ii) may not issue coins minted under this paragraph after December 31, 1998.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall be construed to have the same effective data as section 101 of the United States Commemorative Coin Act of 1996.

Mr. MCCAIN. I ask unanimous consent that the amendment be agreed to, the bill be read a third time and passed, the motion to reconsider be laid upon the table, and any statements relating to the bill be printed at the appropriate place in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment (No. 3647) was agreed to.

The bill (H.R. 3506), as amended, was read a third time and passed.

ORDERS FOR FRIDAY, SEPTEMBER 25, 1998

Mr. MCCAIN. I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until 9:30 a.m. on Friday, September 25. I further ask that when the Senate reconvenes on Friday, immediately following the prayer, the Journal of proceedings be approved, no resolutions come over under the rule, the call of the calendar be waived, the morning hour be deemed to have expired, the time for the two leaders be reserved and the Senate then resume consideration of the FAA reauthorization bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. MCCAIN. For the information of all Senators, tomorrow the Senate will reconvene at 9:30 a.m. and immediately resume consideration of the FAA reauthorization bill. There will be 20 minutes for closing remarks, followed by a rollcall vote on passage of the FAA reauthorization bill. Therefore, the first rollcall vote of Friday's session will occur at approximately 9:50 a.m. Following that vote, the Senate may consider any legislative or executive items cleared for action.

As a reminder to all Members, a cloture motion was filed today to the vacancies bill and therefore Members have until 1 p.m. on Friday to file first-degree amendments. The cloture vote has been scheduled to occur at 5:30 p.m. on Monday, September 28.

Mr. President, I would like to yield to the Senator from Kentucky if he would have any comments before I make a closing remark.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. FORD. Mr. President, I will have a few additional remarks tomorrow. I made a speech one night and read it, and going home that evening Mrs. Ford said, ''Did you ever think about just speaking from notes and off the cuff? It seems more sincere.'' So the next time we went out, I made this speech from just three or four notes, and I thought I did very well. We were going home, and I said, ''Well, how did I do tonight?'' There was a hesitation, and she said, ''I believe I'd go back to reading.'' And so I will be off the cuff tomorrow, with probably some prepared remarks. As you all know, this is probably the last piece of aviation legislation I will have any input into as a Senator.

I appreciate all the cooperation and good humor that has been displayed as we have moved along the way. I have been impressed by the staff that Senator MCCAIN has assembled to assist him. I have been amazed at the staff that we have, and how they work together and ultimately get it done. One of the things we worried about was having all the amendments maybe worked out before we got on the floor. And that came close.

But I remember something that Senator ROBERT BYRD told me a long time ago: If you cannot get an agreement, start, and it will create a vacuum. So I think that is exactly what has occurred here, along with the hard work on both sides of the aisle. It has been a good ride, and I look forward to the vote in the morning at 9:50, and then I will make some comments after that.

I am grateful to my colleague for his patience with me. We look forward to several more weeks of working together and accomplishing many things that he and I want to do. We are going to try. Whether we accomplish those things or not, only time will tell. But if there is anything in trying to get it done, Senator MCCAIN and I will accomplish our end purpose.

I yield the floor.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. MCCAIN. I will have some more remarks tomorrow about my dear friend from Kentucky, because I would like to have more of my colleagues hear them. But hearing him speak in his own unique and frankly straightforward and candid fashion reminds me of all the years now, 12, that he and I have been working together. Perhaps that is not a long time in some areas of life, but it certainly is a long time when you consider the long, long list of issues concerning aviation that he and I have addressed together and the fact that I freely acknowledge, with great pride, that he has taught me an enormous amount, not only about aviation issues but how to achieve legislative results.

I will have more to say about that tomorrow. But as it is kind of quiet here in the Senate tonight, it makes one a bit nostalgic at this late hour.

Mr. FORD. Maybe it is the best time to say it.

Mr. MCCAIN. So I will stop before becoming maudlin.

ADJOURNMENT UNTIL 9:30 A.M. TOMORROW

Mr. MCCAIN. If there is no further business to come before the Senate, I now ask the Senate stand in adjournment under the previous order.

There being no objection, the Senate, at 7:09 p.m., adjourned until Friday, September 25, 1998, at 9:30 a.m.

NOMINATIONS

Executive nominations received by the Senate September 24, 1998:

DEPARTMENT OF STATE

C. DONALD JOHNSON, JR., OF GEORGIA, FOR THE RANK OF AMBASSADOR DURING HIS TENURE OF SERVICE AS CHIEF TEXTILE NEGOTIATOR.

MISSISSIPPI RIVER COMMISSION

WILLIAM CLIFFORD SMITH, OF LOUISIANA, TO BE A MEMBER OF THE MISSISSIPPI RIVER COMMISSION FOR A TERM EXPIRING OCTOBER 21, 2005, VICE FRANK H. WALK, TERM EXPIRED.

CONFIRMATIONS

Executive Nominations Confirmed by the Senate September 24, 1998:

REFORM BOARD (AMTRAK)

LINWOOD HOLTON, OF VIRGINIA, TO BE A MEMBER OF THE REFORM BOARD (AMTRAK) FOR A TERM OF FIVE YEARS.

AMY M. ROSEN, OF NEW JERSEY, TO BE A MEMBER OF THE REFORM BOARD (AMTRAK) FOR A TERM OF FIVE YEARS.

EXTENSIONS OF REMARKS

SOUTHWEST DEFENSE COMPLEX: AMERICA'S FUTURE DEFENSE

HON. WILLIAM M. THOMAS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 24, 1998

Mr. THOMAS. Mr. Speaker, I rise today in support of the Southwest Defense Complex, a proposal to consolidate defense research, development, testing, evaluation, and training in the Southwest United States. This proposal links 12 bases in 5 states (California, Utah, Nevada, New Mexico, and Arizona) and will focus on addressing two of the challenges facing defense in the future: the use of communication technology to transfer information across great distances in order to attack efficiently and with higher success rates and the ability to use resources to their maximum in a time of decreasing defense budgets. This consolidation is vital to the future of U.S. national security and for the Department of Defense to achieve optimum use of its facilities. The Southwest is ideal for defense research and training because of the large amount of land, air, and sea space in the region.

Future warfare promises to be very different from war in the past. Dependence on technology is steadily increasing; as such, the ability to manage information will be the key to battle. A futuristic attack may play out like this: knowledge about the enemy and targets to be hit are obtained from large distances. Then the armed services evaluate targets based on priority and decide what resources to use against them. Decisions about each step may be made by individuals who are thousands of miles away from each other: the soldier on the ground who obtains the information about possible targets, the commander who decides which targets to hit, and the pilot who fires the weapons. The effect of the attack can be assessed within moments and the pilot can be updated as he travels. The coming dependence on technology that provides fast, accurate transmission of information will cause the coming years to be unlike any other era in history.

The Department of Defense is reevaluating how it researches, develops, and tests new technologies and trains personnel. We are developing tactics to use our superior information systems to maximize use of equipment and fighting personnel, thus decreasing costs and human risk. As technology becomes cheaper and more accessible, we must be ready to confront others with sophisticated technologies. Lastly, our need to adapt our defense strategy and structures comes at a time when our military budget is decreasing. This change makes it even more critical for the Department of Defense to find a more streamlined way to squeeze the maximum out of its resources.

These challenges require our military to respond with increased integration and consolidation of research, development, testing, and training, and the Southwest provides the perfect opportunity to perform these activities. Multiple use of resources between branches of the service is necessary in order to make sure that precious resources are used to their fullest. For example, it makes much more sense to develop missiles in one place instead of in five different locations. Bases in the Southwest have already begun to share resources and cooperate in testing. Navy and Air Force facilities in California share the use of optical sensors for visual tracking of aircraft, so that each service does not have to duplicate investment. The western range bases have a common data display format so that they may easily share information. F–15 aircraft stationed at Edwards Air Force Base are flown against unmanned drones at the Naval Air Warfare Center at Pt. Mugu, both in California, so that they do not have to fly cross-country. We need to encourage the services to continue taking such efficient and cost-effective steps. This resource use is the foundation of the proposed Southwest Defense Complex and is the reason that the Complex is critically important.

The Southwest provides a great deal of space to test new technology and train soldiers to use it, both of which are vital to the successful defense of our nation in the future. In order to develop technology in the most cost-effective manner, lab and field-testing need to be in close proximity to each other. Technology can then be developed, tested in the field, and sent back to the lab in order to be adapted further to the battle environment. Commercial technology can be quickly adapted to military uses in order to decrease costs. The most cost-effective way to test and train commercial technology is to have the lab that is adapting it in the vicinity of the field where it is being tested. On the human side of the operation, in order for operations to run smoothly, military personnel need to train as they expect to fight. Soldiers should practice and train maneuvers using technologies in a real-world environment. In this way, both the technology and the people that use it will be as prepared as possible for future threats to national security while utilizing military resources to their maximum.

Physical space is vital to the type of testing and training just described. A single open-air test range requires nearly two million acres of open land. The Southwest is the only region of the country that offers land of this size, as well as air and sea space needed for other kinds of testing. The Southwest offers over 335 million acres of federally owned land. Over 490 thousand square miles of air space is available in the Southwest, and 484 thousand square miles of sea are open for training activities. This land can be used without the interference from civilians or substantial electromagnetic interference—both of which are a problem in the rest of the country.

Climate and weather considerations are also critical to testing and training under the most efficient conditions. The Southwest's weather and climate are ideal for these purposes. For example, China Lake Naval Air Warfare Center in California has 260 clear days per year and has very low levels of atmospheric distortion. Visibility at China Lake is frequently over 100 miles and seismic activity is very low. However, there are a variety of climates in the Southwest Complex: arid deserts, cold and icy climates, and mildly humid and moist seashores. These conditions provide optimum circumstances for training and testing since the region combines a variety of climates for real-world testing with optimum weather for maximum efficiency in use of time.

Thus, the Southwest offers advantages that no other area of the country can. We have large amounts of open air, land, and sea space for testing and training, particularly of new and commercially-adapted technology. We offer existing facilities with personnel with experience in sharing of equipment in order to have maximum benefits from scarce resources. These assets make the Southwest Defense Complex critical to the future of defense and national security and they allow the Department of Defense to thoroughly prepare for future threats using state-of-the-art technology while decreasing costs. This is an opportunity that the United States cannot afford to pass up. I thank my colleague, Rep. MCKEON for his support of the Southwest Defense Complex. I especially want to thank those in my district who have put forth great efforts to advocate this proposal such as Steve Perez, Ken Peterson, and John McQuiston of the Kern County Board of Supervisors.

I strongly urge my colleagues to support the Southwest Defense Complex in order to enhance our national security for the future.

THE DEDICATION OF UNION SQUARE PARK AS A NATIONAL HISTORIC LANDMARK

HON. CAROLYN B. MALONEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 24, 1998

Mrs. MALONEY of New York. Mr. Speaker, I rise today to pay tribute to Union Square Park in New York City. I am very pleased to report that Union Square was dedicated as a National Historic Landmark on September 11, 1998, in a ceremony that paid honor to the tremendous history of this important site and to the hundreds of thousands of people who have supported labor in this country.

The very first Labor Day Parade took place on September 5, 1882, at Union Square. At that time, nearly 30,000 trade unionists from 30 unions marched before a reviewing stand to demonstrate the strength of labor. The laborist were there to support the eight-hour work day and other measures to improve the lives of working people and their families. Also on that day, speeches were given by labor leaders and activists appeared carrying signs with pro-labor slogans.

Union Square has played a significant role in the development of the labor movement in

the United States. The very first parade on September 5, 1882, created the momentum that followed that event to the enactment of federal legislation establishing a national holiday for the recognition of labor.

Union Square has also played an important role in the historic development of New York City. It was initially settled as a square surrounded by beautiful residences, and later, in the 1850's, the area around the Square became New York City's first theatrical district.

Also during the 19th century, Union Square became a major nexus for transportation, ultimately to become a hub in New York City's subway system. The easy access to Union Square helped to bring people in the 1920's and 1930's to Union Square Park for political rallies and labor demonstrations.

In recent years, Union Square Park has been rehabilitated and has become known for its open spaces and green-grocer markets. It retains its importance in New York City through this, its transportation crossroads, and its proximity to the historic and refurbished Ladies' Mile. Its historic importance will only be augmented by its designation as a National Historic Landmark.

Mr. Speaker, I am proud and honored to bring to your attention this important dedication. Of the 2,250 sites granted this status, fewer than 25 are related to labor. The inclusion of Union Square as a National Historic Landmark will guarantee that it will continue to be a magnet for working people and free political expression.

COLORADO CHILD CARE ASSOCIATION MAKES POSITIVE REFORMS

HON. BOB SCHAFFER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 24, 1998

Mr. BOB SCHAFFER of Colorado. Mr. Speaker, I recently had the opportunity to hear from the Colorado Child Care Association regarding the challenges they are facing during this time of significant change to the industry. Increased demand, new research about the importance of childhood learning, changing expectations toward the industry, and contradictions in government policy are impacting child care businesses and the families they serve.

Recent scientific findings suggest what many of us who are involved in education policy have known for some time—early childhood learning is critical to intellectual and emotional development. There are learning ''windows'' of time for cognitive development and if these ''windows'' are missed, learning will occur more slowly and with difficulty. This research is changing consumers expectations of early child care. People are demanding greater quality and the industry is responding by providing just that. The industry is moving from custodial care to an active, educational approach to child care.

Unfortunately, several obstacles remain which prevent the industry from competitively raising their standards to the level which is deemed necessary. Educational care is more expensive than custodial care because qualified teachers are needed and they must be compensated for their skills. There is a direct correlation between cost and quality which consumers must bear in mind when they shop for this service.

While the public is responding to these changes, public policy is slow to keep up. The government's approach to child care is undermining efforts to increase quality and availability. Public programs are highly fragmented, imposing different standards and different funding streams. Bias against taxable entities results in the exclusion of quality businesses from providing education to disadvantaged and at-risk children. The segregation of disadvantaged children from their community peers prevents positive interaction.

Moreover, competition from public entities undermines the viability of the private sector. Most child care providers operate with profit margins of under four percent. Heavy labor costs for small children are offset by the smaller cost of caring for older children. When public programs take older children from the private sector, they force private businesses to increase the cost of infant and toddler care or to go out of business. While private child care is more than adequate to provide for the needs of welfare-to-work consumers, liberal policymakers continue to push for more public facilities. Low reimbursement rates are the only disincentive to providers. Space is available.

Lastly, cognitive gains from public and private early childhood learning programs are not maintained in the public schools. By the third grade, preschool and Headstart learners have lost their advantage. Parents who were once encouraged to be active in their child's education through Headstart and other programs, are discouraged from participation. High academic standards are reduced.

Mr. Speaker, the Colorado Child Care Association is dedicated to making the positive reforms during this time of changing needs and expectations. Congress needs to take up its share by eliminating obstacles which are holding back these institutions.

Additionally, I would like to thank Andre Ransom, Sharon Archer, Marilyn Rhodes, Carrier Rivera, Lee and Joan Fetters, Sandy Bright, and Larry and Ruth Neal for the time they have spent with me and my staff and for their commitment to improving child care in the Fourth District of Colorado.

78 YEARS OF SERVICE: THE DELAWARE VOLUNTEER FIREMEN'S ASSOCIATION

HON. MICHAEL N. CASTLE

OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 24, 1998

Mr. CASTLE. Mr. Speaker, I rise today to salute the contributions, hard work and dedication of a fine, outstanding and caring group of individuals in my home State of Delaware: The Delaware Volunteer Firemen's Association (DVFA). On the behalf of the citizens of the First State, I would like to thank them for their vital and dynamic service to our community.

This weekend, in Dover, volunteer firefighters from Delaware will gather to recognize and celebrate their seventy-eight years unselfish service and notable leadership to our state. This type of dedication and commitment to serving the public is very rare among individuals. For many years, dedicated and caring men and women have been trained to help prevent or battle fires and perform countless hours of emergency medical services for our citizens. For these reasons and many more, I believe Delaware's volunteer fire and emergency medical personnel are the best in the country.

Mr. Speaker, during the last year, Donald W. Knight has served as president of the Delaware Volunteer Firemen's Association. Like those who have preceded him in this capacity he has provided leadership and vision to the Delaware volunteer fire and emergency medical service community. Under his tenure, President Knight successfully led the DVFA efforts to establish improved training standards for Emergency Medical Service Volunteers. Additionally, he advocated statewide training for emergency responders on potential incidents of terrorism and improved services to the sixty member companies of the DVFA. Upon completion of his term this weekend, President Knight assumes his new role as Delaware State Fire Prevention Commissioner. I have every confidence that he will provide the Delaware State Fire Prevention Commission with the same diligent and hands on leadership that benefitted the Delaware Volunteer Firemen's Association so well over the past year.

As the gavel falls to open the 78th annual DVFA Conference celebration, I extend my sincere congratulations and appreciation not only as a Member of the U.S. House of Representatives, but as a former Governor who values the leadership, teamwork and dedication the DVFA has given to the people of the First State. I hope you all realize how deeply your efforts are appreciated.

CONGRATULATIONS TO THE GOLDEN JUBILEE CELEBRANTS

HON. ROBERT A. UNDERWOOD

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 24, 1998

Mr. UNDERWOOD. Mr. Speaker, with honor and appreciation, I commend the seven special women who have dedicated loving service to the people of Guam and the Northern Marianas for the past fifty years. This year, Sisters Mary David Richard, RSM; Mary Celeste Fejarang, RSM; Mary Angelica Perez, RSM; Evelyn Muña, RSM; Joseph Marie Perez, RSM; Mary Callista Camacho, RSM; and Marie Pierre Martinez, RSM, celebrate Golden Jubilees as a Sister of Mercy. In honor of the occasion, I would like to share with my colleagues significant events and the achievements of these remarkable women.

Sister Mary David Richard was born Josephine Marie Richard in Buffalo, New York, on March 29, 1929. She never thought of leaving Buffalo until she entered the community in Belmont, North Carolina on September 15, 1947. At her reception on August 14, 1948, she took on her new identify as ''Sister Mary David.'' She first came to Guam in 1953 and returned to the States in 1960. In 1975, she returned to Guam to teach math at the junior high level. She currently assists the administrators of Saint Anthony School as the computer operator for basic student data. Sister Mary David treasures her return to the island, meeting up with former students, the love and generosity of the Sisters on Guam, and the

opportunity she had to make contact with the Pope when he visited Guam in 1981.

Sister Marie Celeste Fejarang was born Maria Crisostomo Fejarang on October 31, 1927, in Hagåtña, Guam. She is the elder of two siblings born to Vicente and Remedios C. Fejarang. Having attended Guam schools and graduating from George Washington High School in 1947, she entered the Sisters of Mercy as a postulant December 12, 1947. She was received on December 6, 1948 and was given the name ''Sister Mary Celeste.'' She took her final vows on August 15, 1956. She taught at Santa Barbara School in Dededo, Saint Anthony School in Tamuning, Cathedral Grade School in Hagåtña, and, during a mission from 1956 to 1960, Saint Benedict's in North Carolina. For seventeen years, Sister Mary Celeste worked with the SPIMA (Servicio Para I Man Amko) program under the Guam Association for Retired Persons as a site manager. She also serves as a Cultural Instructor at Tamuning Elementary School.

Sister Mary Angelica Perez is the third of ten children born to Juan Diaz Perez and Remedios Leon Guerrero Perez. Born Remedios L.G. Perez on November 8, 1930, she entered religious life as a Sister of Mercy postulant on July 24, 1947 in Belmont, North Carolina. She was received as a Novice on August 15, 1948, and took the name ''Sister Mercy Angelica.'' She professed her Final vows on August 13, 1956 at the Cathedral in Hagåtña. Sister Mary Angelica taught at schools in North Carolina and Guam. She even served as principal of Santa Barbara School in Dededo. Currently, she is the K–2 music teacher at Santa Barbara.

Sister Evelyn Muña was born Evelyn Pereira Muña on October 19, 1929 to Juan and Pilar Muña, the fourth of twelve siblings. She entered religious life in North Carolina on January 9, 1948 and was received as a Novice on August 15, 1948 taking the name ''Sister Mary Matthew.'' Her Final Profession took place on August 13, 1956, with other Sisters here on Guam. After her return to Guam in 1955, she taught at the Academy of Our Lady, Santa Barbara School, John F. Kennedy High School, Saint Anthony School, and the University of Guam. She also taught CCD in the parishes of Asan, Piti, Chalan Pago, and Ordot. In addition, after reclaiming the name Sister Evelyn, she was elected Regional Superior for two terms. She served as superintendent of the Catholic schools in the Archdiocese of Agana and then became the first Chamorro to be elected in the General Council of the Sisters of Mercy in Belmont, North Carolina. Sister Evelyn also served as Director of Catholic schools and currently works with the Development Office at the Academy of Our Lady of Guam.

Sister Joseph Marie Perez was born Josefina Pangelinan Perez on May 15, 1930 in Hagåtña. The daughter of Vicente Borja Perez and Maria Guerrero Pangelinan, she is the third of nine siblings. She joined the Sisters of Mercy on December 12, 1947 and took on the name Sister Joseph Marie on December 6, 1948. Sister Joseph Marie professed her Final Vows on August 13, 1956 at the Cathedral in Hagåtña. She has taught students at the Academy of Lady, Saint Anthony School and Santa Barbara School. She additionally served as Pastoral Minister for Saint Joseph's Parish at Inarajan. Currently, she is a Research Assistant at the Richard Taitano Micronesian Area Research Center.

Sister Mary Callista Camacho is the daughter of Emeteria Baza Leon Guerrero and Enrique Marinez Camacho. She was born Filomena L.G. Camacho on November 8, 1926, the fifth of ten children. Entering the community of the Sisters of Mercy at the Motherhouse in Belmont, North Carolina in July 1947, she was received as a Novice on August 15, 1948 taking the name Sister Mary Callista. She returned to Guam in 1953 and made her final profession on August 13, 1956. Sister Mary Callista served in various capacities including administrator at Cathedral Grade School, Saint Anthony School, Santa Barbara School, and Bishop Baumgartner Middle School. She also served the Diocese of Chalan Kanoa at the chancery and through Pastoral Ministry. Her service with the Government of Guam was through the headstart program and as a director of the Insular Arts Council. Sister Mary Callista is currently the Deputy Director of Catholic Social Services working with the Executive Director, Cerila Rapadas.

Sister Marie Pierre Martinez is the daughter of Don Pedro Martinez and Maria L.G. Martinez, and the seventh of 12 siblings. She entered the Mercy Community on June 20, 1948 and was received as a Novice on December 6, 1948 taking the name ''Sister Marie Pierre.'' She served both as teacher and as principal at the Academy of Our Lady. She also served as principal of Mount Carmel School in Saipan and became the first supervisor of Mercy Schools on Guam. In 1982, she established the Pastoral Care Department at the Guam Memorial Hospital and served as its director until her retirement in 1993. Sister Marie Pierre is currently the director of the Associates Program of the Sisters of Mercy on Guam.

The renown of the Sisters of Mercy reaches beyond their reputation as teachers and school administrators on Guam, Saipan, Rota, and other places in Micronesia. Their pastoral, family, youth, and health-care ministries together with their esteemed standing in the Mariana Islands are truly exemplified by this group of extraordinary women. I happily join with the people of Guam in sending the Sisters of Mercy who are celebrating their Golden Jubilees our best wishes and a heartfelt Si Yu'os Ma'ase. May your jubilee celebration be blessed by the graces of Santa Marian Kamalen. Your services to the community are truly remarkable.

ON THE RIGHTS OF INDIVIDUALS AND COMMUNITIES

HON. DENNIS J. KUCINICH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 24, 1998

Mr. KUCINICH. Mr. Speaker, the recent, sad events at the Capitol have drawn us together as a community as never before. Within these walls, there is something greater than a collection of strong-willed individuals going their separate ways. We are a part of the same community whether as individuals, we are the Speaker of the House, a janitor who cleans at the end of the day, a Congressman from Ohio, or a Capitol policeman. Our community has the specific goal of setting and refining the ground rules that guide our great country; ground rules that define the balance between the rights of the individual and the rights of the community.

The balance between the rights of individuals and the rights of the community can be murky, especially when dealing with an individual's health and the safety of others in the community. Tuberculosis, for example, is a highly contagious disease. People who refuse treatment for this disease are a danger to themselves and others. The State of New York now legally mandates this treatment. This is an example of where the community has balanced the rights of the individual and the rights of the community and come up with a win-win situation. Both the community and the affected individual benefit from a successful treatment.

What are the rights of the community when someone who suffers from schizophrenia refuses to take his medication or follow-up with a psychiatrist? Should others die so that an individual ill with the disease of paranoid schizophrenia can have the freedom to refuse treatment. Several States have enacted an outpatient commitment which requires the ill individual to take medication and follow the prescribed treatment or be committed to a hospital.

As a Congress, we need to encourage more States to adopt outpatient commitment laws. In addition, we need to make more resources available to encourage the training of psychiatrists. One simple aid would be for the Department of Health and Human Services to designate psychiatry as a primary care speciality and actively encourage hospitals and medical schools to maintain and expand their psychiatry residency programs. Another impediment to training psychiatrists could easily be removed. It is not unusual for psychiatrists to have had some previous training in another field of medicine, before embarking on a psychiatry residency. Current Medicare regulations often reimburse these residents at 50% of the rate of other residents. This disincentive needs to be removed.

Although we can never eliminate the possibility of a recurrence of the recent tragedy at the Capitol, these measures can reduce the chances of such a recurrence. If the deaths of Officers Gibson and Chestnut have helped many of us realize the importance of community, then their deaths will not be entirely in vain.

NINETIETH ANNIVERSARY OF THE RUSSIAN ORTHODOX CATHEDRAL OF THE HOLY TRANSFIGURATION

HON. CAROLYN B. MALONEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 24, 1998

Mrs. MALONEY of New York. Mr. Speaker, I rise today to pay a respectful tribute to the Russian Orthodox Cathedral of the Holy Transfiguration on the 90th anniversary of its founding . Throughout its history, the Cathedral of the Holy Transfiguration has dedicated itself to providing spiritual guidance to the growing immigrant population of Greenpoint, Brooklyn.

The Cathedral was founded in 1908, with construction beginning on the cathedral in

1916. In 1921 Archbishop Platon consecrated the church. This large, beautiful house or worship was listed in the National Registry of Historic Places in 1980.

The Cathedral of the Holy Transfiguration would not have grown and prospered without its dedicated parishioners and priests. The first Divine Liturgy was celebrated by Rev. Alexander Hotovitzky. The first assigned pastor was Rev. Theofan Buketoff. Since that time a number of distinguished theologians have had the privilege of serving the Greenpoint community through the Cathedral of the Holy Transfiguration.

The Cathedral has met the challenge presented by the diverse and growing immigrant population of the community by offering a variety of religious and spiritual services. Among these are Divine Liturgies, Vigil, panikhida and Vespers. The church encourages the active participation of its parishioners in its liturgical life.

Additionally, the church provides myriad services for the community via various clubs and associations. These church sponsored organizations also provide a sense of community and belonging for their members. These organizations include the Brotherhood of the Holy Trinity, the Transfiguration Russian Orthodox Club, the Church School, the Parents Association and a special organization for new immigrants. These groups provide services ranging from church maintenance to youth educational programs.

Mr. Speaker, I ask that my colleagues rise with me in this tribute to the Russian Orthodox Cathedral of the Holy Transfiguration as it celebrates its 90th anniversary. I am honored to have such a distinguished and important parish in my district continuing in a long tradition of spiritual and community service.

TRIBUTE TO GOOD PEOPLE

HON. BOB SCHAFFER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 24, 1998

Mr. BOB SCHAFFER of Colorado. Mr. Speaker, I rise today to pay tribute to many of my constituents in Fort Lupton and Platteville for their hard work, and selfless dedication to their neighbors in a time of need. Early in August, a tragic car accident took Dwight Schmidt away from his wife Susan and three-year-old son David. My sympathy goes to the family for their inconsolable loss. To make matters worse, Susan had crops ready to harvest, and bills to pay. Sadly, the Schmidt's faced losing their income after Dwight passed away. However, the community responded with selfless fervor to this urgent situation.

Demonstrating an earnest devotion to the community and the Schmidt family, many good people volunteered their time and labor to harvest the Schmidt's potato crop. I thank these, good, hard-working people for their efforts and for their sense of duty to a friend in need. Mr. Speaker, for heir heroic deeds, I commend Steve Eckhardt of Eckhardt Farms, Alan and Kenny Frank, Wilbur and Tom Olin, Bruce and Curt Sandau, Brian and Claude Horning, Tom and Vicki Erickson, John and Donna Rupple, Ritchie Pyeatt and his crew, Gary and Joyce Herman, Alberta Watada, and Agland. Also dedicating their time and preparing lunch for the harvest crew were Pearl Schmidt, Pauline King, Sally Huth, Verna Mullet, Dort Mintle, Mrs. Richard Sheetz, Lorraine Tarver, Karen Bailey, Kathy Berry, Sheila Benjamin and the Bank of Colorado in Ft. Lupton. I also applaud John Ripple, the manager of the Platteville Potato Association, Inc. who opened a special day for business just to process the Schmidt's crops. These are among the many good neighbors earning their living and sterling reputations on Colorado's Eastern plains.

THE 90TH ANNIVERSARY OF THE BOROUGH OF ROSELAND, COUNTY OF ESSEX, NEW JERSEY

HON. RODNEY P. FRELINGHUYSEN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 24, 1998

Mr. FRELINGHUYSEN. Mr. Speaker, I rise today to congratulate the people of the Borough of Roseland, County of Essex, New Jersey, as they commemorate the 90th anniversary of the incorporation of their community.

In 1908, the residents of the Roseland Community, displeased with the services they were receiving, took action to separate themselves and their town from the Township of Livingston, Essex County. During this time, many communities throughout the State of New Jersey decided to separate from larger townships and the time was right for the residents of Roseland to make a change.

The completion of the Morristown and Erie Railroads in 1904–1905 had made it possible for residents of Roseland to work in surrounding cities, while enjoying life in the country. During this time the Borough purchased water supply lines and installed electric home and street lighting which further enhanced life in Roseland. By the 1920s, Henry Ford's methods of mass production of the automobile changed the development of Roseland forever.

After World War I, new houses went up, many residents now owned cars and Roseland flourished. At this time, the Borough outgrew its country-style living and joined the more urban society we know today. The Great Depression and World War II brought with them some hard times for the people of Roseland, but the residents proved that as a community they could survive. When called to serve their country, all residents of Roseland accepted their responsibilities and did their part. After victory, the pride felt all over the nation was especially strong in Roseland.

In the following decades, Roseland's development continued. During this time, great improvements in community services and facilities were made. Roseland is now thriving with a prosperous business center, excellent schools and a strong sense of community.

Mr. Speaker, for the past 90 years, the Borough of Roseland has prospered as a community and continues to flourish today. By all accounts, it will continue to prosper in the future, and I ask you, Mr. Speaker, and my colleagues to congratulate all residents of Roseland on this special 90th Anniversary Year.

CONGRATULATIONS ON THE 61 YEARS OF SERVICE TO THE LADIES' AUXILIARY OF THE DELAWARE VOLUNTEER FIREMEN'S ASSOCIATION

HON. MICHAEL N. CASTLE

OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 24, 1998

Mr. CASTLE. Mr. Speaker, it is with great pleasure that I rise today to commend and pay tribute to the Ladies Auxiliary of the Delaware Volunteer Firemen's Association.

This weekend, the Ladies' Auxiliary will gather to observe its 61 years of service to the community of Delaware. The Auxiliary encompassed many of the fire companies in Delaware and pledged their combined efforts to help the firemen of Delaware as well as those whose homes had been damaged by fire. The ladies have assisted with efforts that included contributions to burn centers, food and clothing to burn victims as well as financial support.

Throughout their long and distinguished history of volunteerism, the members of the ladies Auxiliary assisted the Red Cross by sending Christmas packages to soldiers during the war years. Retiring to peacetime, the Auxiliary focused on fund raising to assist local fire companies. During fires and emergency services calls, tired firefighters have come to rely on the meals and beverages provided by the ladies auxiliary.

Mr. Speaker, when the Ladies Auxiliary opens their 61st meeting in Dover, they will do so under the gavel of retiring President Barbara Metheny. Under President Metheny's leadership, the Ladies Auxiliary organized various fund raising efforts to benefit several worthy causes that included a special relief effort targeted for the Concord Alabama Fire Department that had been devastated by the tornado. As a member of the Hartly Ladies Auxiliary and the past President Kent County Ladies Auxiliary, President Metheny's service to the fire community has been exemplary and I salute her and the entire Metheny family for their commitment and dedication to the Delaware Volunteer Firemen's Association. I wish them many more years of success as they continue to assist volunteer fire and emergency services throughout Delaware.

TRIBUTE TO INGRID ACEVEDO

HON. NANCY PELOSI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 24, 1998

Ms. PELOSI. Mr. Speaker, I rise to pay tribute to Ingrid Acevedo, the Director of Public Relations for the U.S. Committee for UNICEF, who was among those who perished in the crash of Swissair Flight 111 on September 2, 1998.

My colleagues and I are well acquainted with UNICEF's fifty-two years of service for the children of the world. The U.S. Committee for UNICEF builds support in the United States for UNICEF's work through fundraising, education, and advocacy. Ingrid Acevedo, as Director of Public Relations, worked tirelessly to increase public awareness of UNICEF's initiatives and to bring home to the American people the needs of vulnerable children around the world.

In the three years that Ingrid worked at the U.S. Committee for UNICEF, she helped to raise the visibility of UNICEF in the United States. She served as the primary media liaison during the 1996 Summer Olympics Aid Atlanta, a project that raised money for children suffering the impact of conflicts around the globe. This year, Ingrid was playing a catalytic role in the revival of ''Trick-or-Treat for UNICEF.'' She was in the process of implementing a campaign to renew media interest in this popular American children's tradition when her life was so tragically cut short. Ingrid Acevedo worked to educate the American public about the plight of millions of children around the world who need our help and support, and did so with creativity and enthusiasm. She was using her talents to encourage all of us to do more to save and to improve the lives of needy children.

Ingrid Acevedo was a young woman who cared about the less fortunate and who dedicated her life to making a difference. Prior to working for the U.S. Committee for UNICEF, Ingrid spent two years in Washington as Manager of National Media Relations for Bread for the World, as organization that has done so much to fight hunger and poverty both here and overseas.

Ingrid Acevedo was only 32 years old when she died, but she made those years count. Hers is a record of service for everyone to emulate. Those of us in the Congress who support UNICEF's work for children are deeply saddened by the loss of this young woman who worked so hard for UNICEF and who had both the talent and the potential to have done even more. We extend our condolences to her mother, Dinorah Acevedo, and to her surviving relatives.

The loss of such a dedicated, outstanding individual is difficult for the human heart to comprehend. Rather than focusing on what we have lost, let us celebrate Ingrid Acevedo's work for children and for the poor and hungry, by renewing our own commitment to those in need. That is the most appropriate tribute to Ingrid Acevedo.

IN HONOR OF COLER/GOLDWATER SPECIALTY HOSPITAL AND NURSING FACILITY AND ROOSEVELT ISLAND HOUSING MANAGEMENT CORPORATIONS ON FDR DAY

HON. CAROLYN B. MALONEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 24, 1998

Mrs. MALONEY of New York. Mr. Speaker, I rise today to pay a respectful tribute to the Coler/Goldwater Specialty Hospital and Nursing Facility and Roosevelt Island Housing Management Corporation as they and the residents of Roosevelt Island celebrate FDR Day on Saturday, September 12, 1998.

This very special day on Roosevelt Island recognizes the accomplishments and goals of the disabled in honor and memory of Franklin Delano Roosevelt, our nation's most heralded disabled American, and the 44th Governor of the State of New York and the 32nd President of the United States. As President, Franklin Roosevelt led the nation through some of its worst crises, most notably the Great Depression and the Second World War. As a man who had overcome the fear and insecurity of his own physical disability, he assured the people that they had ''nothing to fear but fear itself.''

The FDR Festival was born in 1981 with a proclamation by the United Nations declaring 1981 as the ''International Year of Disabled Persons.'' In that founding year of the Festival, the theme was ''Full Participation and Equality.''

The United Nations expressed its concern about the prevailing negative treatment of disabled persons with the words: ''A drastic change in our attitude toward disabled persons is a prerequisite. We have, above all, to remember that the problems of physical or mental disability are the problems of society as a whole. We not only bear the collective responsibility to avert the unnatural courses of human disability, such as war, but to give the disabled everywhere, every possible assistance to lead productive lives.''

On Saturday, I will join with the residents of Roosevelt Island to celebrate and honor the many accomplishments of the disabled. I also would like to commend Detective Steven D. McDonald, disabled in the line of duty, who will be participating in the awarding of medals to participants of FDR Day. Detective McDonald's bravery and courage is an inspiration to us all.

Mr. Speaker, I ask that my colleagues rise with me in this tribute to Coler/Goldwater Specialty Hospital and Nursing Facility and the Roosevelt Island Housing Corporation, the FDR Day Committee and all other dedicated citizens who have worked to ensure a very special day of recognition for the disabled. The unity between the able bodied community with the disabled community is an achievement that you all should be proud to be a part of.

GRANT ELEMENTARY SCHOOL, EUREKA, CA

HON. FRANK RIGGS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 24, 1998

Mr. RIGGS. Mr. Speaker, 1998 marks the Year of the Ocean. It is appropriate to recognize today Grant Elementary School in Eureka, California for its innovative, leading edge approach to educating students about the environmental, as well as the economic balance needed to keep our oceans healthy and productive into the next century and beyond.

Grant School recently celebrated the fourth annual Ocean Weeks. Each of the classrooms at Grant School studied a different ocean habitat, ranging from the rocky shore for kindergarten classes to the study of islands for sixth grade students.

During the two weeks of Ocean Weeks, students toured habitats from other classrooms within the school and were able to learn about the whole ocean. Community participation in this project was tremendous and ensured Ocean Weeks was successful. Volunteers gave presentations about local watersheds and organized a hands-on fish printing station for all students. One local storyteller spoke about the Native American interaction with the ocean. Local merchants also shared their time and talents by exposing students to the environmental and economic significance of marine science in Humboldt County, on California's North Coast.

Students had opportunities to participate in field trips to tidepools, the Arcata Marsh, and the Humboldt Bay Wildlife Refuge. They also were treated to a special tour of a Coast Guard Dolphin Search and Rescue helicopter and learned issues of ocean safety when the Coast Guard Group from Humboldt Bay landed at the school campus. Humboldt Bay Harbor Commissioner Jimmy Smith gave an interesting lesson to students at Grant School about the recent oil spill in Humboldt Bay and the resulting effect on plant and animal life.

As you can see, Mr. Speaker, Ocean Weeks has been and remains an exciting time for the students attending Grant Elementary School. The faculty, participating community members, and the PTA, which provided the financial support, are all to be commended. This is an excellent example of community support that enhances the learning process. I wish much success to not only the Grant School faculty, but also to students who will enjoy this level of commitment and dedication to their education in the future.

IN RECOGNITION OF HELEN SALAMAN

HON. RALPH M. HALL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 24, 1998

Mr. HALL of Texas. Mr. Speaker, I rise today to honor a wonderful American and long time civil servant—Helen Salaman. An immigrant from Hungary, Helen arrived in the United States in 1921. As many immigrants, Helen sought a better life and acted on this desire by becoming the first female graduate of her law school class at the University of Detroit Law School.

Soon after graduating from law school, Helen became a full-time mother which prevented her from pursuing a legal career. However, being a mother did not prevent her from being active in other avenues. Not only did Helen steep herself in her sons' schooling and extra-curricular activities, but she became deeply involved in the Democratic Party. Helen twice served as a delegate at the Democratic National Convention and in 1960 Helen managed the senatorial campaign of Patrick McNamara.

In 1962, at 53 years of age, Helen joined the U.S. Customs Service in the Fines, Penalties and Forfeitures Division. Helen's job entailed investigating civil fraud and as a result of the expertise, she became a national resource for such cases. Helen recently retired from her job as penalties officer at the Customs Service in Detroit after 36 years of dedicated service. In mid-March at a farewell party given by her colleagues, 175 people showed up to wish her well. Helen believes that, at 89, she was the oldest Federal employee ever.

Mr. Speaker, Helen Salaman is a loving mother and a dedicated American citizen who devoted her life to civil duty. As we adjourn today, let us do so in honor of and respect for this great American—Ms. Helen Salaman.

NONCITIZEN BENEFIT CLARIFICATION AND OTHER TECHNICAL AMENDMENTS ACT OF 1998

SPEECH OF

HON. ROBERT A. UNDERWOOD

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 23, 1998

Mr. UNDERWOOD. Mr. Speaker, the bill before us today, H.R. 4558, is important in that it clarifies the eligibility of immigrants in receiving Supplemental Security Income (SSI) benefits. As you know, the 1997 Balanced Budget Act permanently grandfathered most but not all noncitizens who were receiving SSI benefits when the welfare reform law was signed into law on August 22, 1996. About 22,000 ''nonqualified'' noncitizens were grandfathered through only September 30, 1998 in order to give the Social Security Administration adequate time to determine their status. This legislation would clarify that these individuals—many of whom are elderly or disabled and who claim citizenship but lack documentation or are not capable of documenting their immigration status—will continue to receive SSI benefits from the federal government.

While there should be strong and vigorous debate on the ensuring that those most in need of public assistance not fall through the safety net, perhaps it is not clearly known that not all U.S. citizens are eligible for participation in the SSI program. SSI is available to citizens who live in one of the 50 States; however, U.S. citizens residing in Guam, American Samoa, the U.S. Virgin Islands and Puerto Rico are not eligible for assistance under the SSI program. Given the fact that the cost of living is much higher in the territories than almost any mainland location, and given the fact that we have a permanent cap on Medicaid, I sincerely believe that there is a definite need to extend the SSI program to the territories.

Citizenship in this country and the privileges associated with it should not be measured by geographic choice in residency or the size of one's pocketbook. Whether one chooses to live in Hagatna, St. Croix or Peoria, a federally funded program should be accessible to everyone.

I urge my colleagues pass H.R. 4558 and to extend the SSI program to the American citizens in the territories.

SENSE OF CONGRESS CONDEMNING ATROCITIES BY SERBIAN POLICE AND MILITARY FORCES AGAINST ALBANIANS IN KOSOVA

SPEECH OF

HON. DENNIS J. KUCINICH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 23, 1998

Mr. KUCINICH. Mr. Speaker, today I rise to show my support of H. Con. Res. 315 in condemning the atrocities in Kosova. The region has suffered significant loss of life and an immense amount of property damage due to the brutal actions of the Milosevic administration's military forces.

Tension in the area has been increasing since the government of Yugoslavia removed Kosova's autonomous status in 1989 without the consent of the people, of whom 90% are ethnic Albanians. Human rights groups report that the conflict has escalated to the point where forces are conducting abductions and summary executions of innocent civilians. More than 900 people have died in the fighting this year, while an estimated 200,000 Albanian refugees have been forced out of their homes. If the offensive continues, these refugees will be at risk of freezing to death in the forests where they have hidden.

Mr. Speaker, we can not allow this destruction of Kosova's resident's to continue. Because the Milosevic government has been primarily responsible for this conflict, it should bear the burden of providing compensation for the loss of life and for the costs of rebuilding the destroyed areas.

IN REGARD TO CSU STANISLAUS AND THE DEDICATION OF THE UNIVERSITY'S PROFESSIONAL SCHOOL BUILDING

HON. GARY A. CONDIT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 24, 1998

Mr. CONDIT. Mr. Speaker, I rise today to pay tribute to California State University, Stanislaus on the occasion of the dedication of the University's Professional Schools Building.

CSU Stanislaus, located in my district in California's great Central Valley, has seen a very impressive 63 percent growth in student population during the past two decades and this new Professional Schools Building reflects a new milestone in the university's strong commitment to obtaining the highest level of student academic achievement.

This magnificent new building represents the core values of a learning-centered environment—not only for undergraduate students—but for the university's credential programs and the professional and applied programs.

I am very proud to report to my colleagues that standing on the brink of a new millennium, this new facility is designed with an eye on the 21st Century with an advanced technological infrastructure which supports on-site and interactive distance learning programs.

A copy of this message of congratulations is being enclosed in a time capsule at the University to be removed during the University's centennial anniversary in the year 2060. It is my sincerest hope, that at that time CSU Stanislaus will have traveled far down the path of academic excellence and made its mark of distinction along the avenue of Universities.

Mr. Speaker, I am proud to be among the alumni of this university and can say that it holds a special place in my heart. I ask that my colleagues rise and join me in offering congratulations to Dr. Marvalene Hughes, president of California State University, Stanislaus, and in extending my best wishes to future generations of those who will hear this message.

IN RECOGNITION OF THE MARCH—COMING TOGETHER TO CONQUER CANCER

HON. MICHAEL BILIRAKIS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 24, 1998

Mr. BILIRAKIS. Mr. Speaker, this weekend, hundreds of thousands of Americans will participate in The March—a rally to raise public awareness in support of the fight to end cancer. A high-profile gathering led by Gen. Norman Schwarzkopf, Vice President AL GORE, and others will be held on the National Mall, and similar events are planned in communities around the country. This week is also ''Prostate Cancer Awareness Week,'' and October is ''National Breast Cancer Awareness Month.''

Cancer causes one of every four deaths in the United States. Tragically, about 1.2 million new cancer cases will be diagnosed in 1998, according to the Centers for Disease Control and Prevention (CDC). CDC estimates that half a million people will lose their lives to cancer this year—more than 1,500 people a day. Despite these sobering statistics, however, there is reason for renewed hope in the ''War on Cancer.''

A recent report by CDC, the American Cancer Society and the National Cancer Institute showed cancer incidence and death rates for all cancers combined actually declined between 1990 and 1995—reversing an almost 20-year trend of increasing cancer cases and deaths in the United States. The report recognized, however, that ''the declines in cancer incidence and deaths have not been seen for all Americans and that our collective efforts must be directed at reaching populations with a disproportionate cancer burden.''

While we seek to give hope to cancer patients and their loved ones, we must not let optimism breed complacency. Instead, events like The March should heighten our determination to win the war.

As Chairman of the Health and Environment Subcommittee, I believe the federal government can and should do more to support ongoing research efforts. Specifically, I support an increased financial commitment to biomedical research, which is necessary to find a cure for cancer.

To that end, I have endorsed a proposal to double federal funding for the National Institutes for Health over the next five years. I have also authored legislation to provide additional funding for NIH research efforts. The bill, H.R. 3563, the Biomedical Research Assistance Voluntary Option (BRAVO) Act, would allow taxpayers to designate a portion of their federal income tax refund to support biomedical research through the National Institutes of Health.

Last year, Congress approved $40 million in funding for prostate cancer research within the Department of Defense. I was pleased to support this measure when it was considered by the House of Representatives. I also supported a recent effort to increase funding by joining Representatives SHERROD BROWN, BILL GOODLING and a bipartisan coalition of my colleagues in requesting $60 million for this important program in the Fiscal Year 1999 appropriations measure.

In March, my Subcommittee held a hearing on the process for setting research priorities at

the National Institutes of Health. Following the hearing, I wrote to NIH Director Harold Varmus to urge increased attention to prostate cancer and breast cancer research.

In July, my Subcommittee held a hearing to shed light on the many recent developments in cancer-related research. This forum provided an opportunity to gain knowledge from the experiences of a distinguished group of cancer researchers, all of whom are recognized as leading experts in their field of practice.

Earlier this month, I was proud to secure approval by the House of Representatives of H.R. 4382, legislation to reauthorize the Mammography Quality Standards Act. This important law was enacted in 1992 to improve the quality of breast cancer screening exams by establishing national standards for mammography facilities. Without question, it has been an overwhelming success.

Screening mammography is currently the most effective technique for early detection of breast cancer. This procedure can identify small tumors and breast abnormalities up to two years before they can be detected by touch. More than 90 percent of these early stage cancers can be cured, according to the Food and Drug Administration.

The use of screening mammography provides a ray of hope in the fight against breast cancer. Early detection of breast cancer through accurate and reliable mammograms can spare women from undergoing radical surgery—and often save their lives. Enactment of H.R. 4382 will help reduce the threat of breast cancer by providing women the tools they need to detect this terrible disease in its early stages.

In closing, Mr. Speaker, I want to commend all of the volunteers who have worked as tireless advocates of cancer research. Events like The March remind us all of the terrible toll cancer extracts each year in our nation. For the hundreds of thousands of patients, families, caregivers and friends whose lives have been touched by cancer, we should renew and strengthen our commitment to ending this terrible disease.

SHARON DARLING IS AWARDED THIS YEAR'S ALBERT SCHWEITZER PRIZE FOR HUMANITARIANISM

HON. ANNE M. NORTHUP

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 24, 1998

Mrs. NORTHUP. Mr. Speaker, I rise today to honor a Louisville-resident who is dedicated to breaking the cycle of illiteracy.

Sharon Darling is being awarded this year's Albert Schweitzer Prize for Humanitarianism, joining the ranks of former President Jimmy Carter, former Surgeon General C. Everett Koop and Marian Wright Edelman, president of the Children's Defense Fund. This award, administered by John Hopkins University, recognizes ''exemplary contributions to humanity and the environment.''

Truly, the work of Sharon Darling has been felt not only by the Louisville community, but throughout our nation. As the founder of the National Center for Family Literacy (NCFL), Sharon has pioneered a program that combines early childhood education, adult literacy education, parent support and structured interaction between parents and their children.

Sharon is a perfect recipient for this year's award because of her dedication to breaking the grasp of poverty by teaching families the skills so necessary to succeed in our society. Without the ability to read, individuals are restricted in their ability to get ahead in our world. Illiteracy is a cycle because parents' inability to read is reflected in the ability of their children to succeed in the classroom.

The fact is a child's success in school is linked to the education of the parents and the ability of the parents to earn a living. What the National Center of Family Literacy has learned is that to approach literacy through the family is the surest way to increase education levels of adults and children because this approach expands the skills of both and draws on the power of the family to affect its own future.

In an era where individuals are moving from welfare rolls into the workforce, Sharon Darling and the NCFL have worked in Louisville and throughout the country to free families from the trap of poverty and ignorance.

I am thrilled Sharon Darling is being awarded the Albert Schweitzer Prize for Humanitarianism and am honored to recognize her today for her commitment to a truly noble goal. Literacy is a key to success, and Sharon is using that key to give families nationwide the chance for a brighter future.

IN RECOGNITION OF JUDGE MAXINE DARST

HON. RALPH M. HALL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 24, 1998

Mr. HALL of Texas. Mr. Speaker, I rise today to recognize the accomplishments of a great American and long time constituent—Judge Evelyn Maxine Valentine Darst. Presiding as the Kaufman County Judge for her fourth consecutive term, Judge Darst continues her life long service to the preservation of our great legal system.

Born in Edgewood, Texas, Judge Darst moved to Terrell at an early age, where she has remained all her life. Intrigued by the law and dedicated to helping others, Judge Darst entered law school and received her B.S. from East Texas State University. She was admitted to practice law in Texas in 1976 and practiced in Terrell with her husband until 1983. Judge Darst became an attorney in Kaufman County and was also the first female to practice law in Kaufman. In 1983, Maxine achieved another first—when she became the first female Kaufman County Judge.

As Kaufman County Judge, Maxine has led the county to many improvements, including—a new Kaufman County Law Enforcement Center, a Kaufman County Emergency Children's Shelter, a Kaufman County Library, the hiring of a chief juvenile probation officer and a newly formed Public Works Department. Not only has Judge Darst greatly influenced County government, but she also has devoted her time and talents to such civic activities as the Kaufman County Child Welfare Board, Kaufman County Historical Commission Board, the Terrell Social Science Club, the Girl Scout Little House Board, the Terrell March of Dimes and the KauCedar Charities.

Ever dedicated to her professional career and civic duties, Maxine also managed to remain a devoted wife and mother. Maxine Darst's life and achievements stand as an example for us all. Through hard work, dedication and desire Judge Evelyn Maxine Valentine Darst has shown us all that we can accomplish whatever goals we want to achieve.

Mr. Speaker, this January, 1999, Judge Darst will retire from her seat as Kaufman County Judge. As we adjourn today, let us do so in honor of and respect for this great American—Judge Evelyn Maxine Valentine Darst.

A TRIBUTE TO FOODLINK FOR TULARE COUNTY, INC

HON. CALVIN M. DOOLEY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 24, 1998

Mr. DOOLEY of California. Mr. Speaker, I rise today to commend Foodlink for Tulare County which is proudly celebrating its 20th anniversary on September 24, 1998.

Foodlink, which was originally called Food Resources, was founded in the mid-1970's by a dedicated group of individuals who were very concerned about the growing hunger problem in the Tulare County, and equally concerned about food going to waste in this rich agricultural area. At the time, hunger in Tulare County was worse than the national average. Food Resources (Foodlink) worked with area farmers who were more than willing to donate agricultural surplus, culled vegetables, day-old bread, unlabeled canned goods, and other usable items to Foodlink to be distributed among the different foodbanks in Tulare County.

After 20 years of growth, Foodlink is currently providing 5 million pounds of food to 82,000 hungry people through a network of nonprofit emergency pantries, soup kitchens, shelters, and youth programs.

Foodlink would not exist without the many volunteers and donors who have dedicated their time and resources. On September 24, 1998 in Visalia, California Foodlink, will present awards to Kraft Foods as outstanding Food Donor and St. Vincent de Paul in Porterville as outstanding Food Agency. With such partners as these, Foodlink has been able to provide much needed assistance to many families in Tulare County.

Unfortunately, the problem of hunger still exists in Tulare County. But, with contained support of the local community food donations from the USDA and others, Foodlink will continue their mission of ending hunger. I believe our community is lucky to have an organization like Foodlink to help those in need.

Mr. Speaker and my colleagues, please join me in wishing Foodlink a Happy Anniversary and a special thank you for all their hard work to end hunger in Tulare County.

COMMENDING PRESIDENT LEE TENG-HUI OF TAIWAN

HON. ROBERT SMITH

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 24, 1998

Mr. SMITH of Oregon. Mr. Speaker, I hereby submit the attached statement for the CONGRESSIONAL RECORD regarding Taiwanese President Lee Teng-hui's leadership in seeking a peaceful solution to the Taiwan/China reunification issue.

PRESIDENT LEE TENG-HUI SEEKS DIALOGUE WITH MAINLAND CHINA

As The Republic of China on Taiwan gets ready to celebrate their forthcoming National Day, President Lee Teng-hui has urged his mainland China counterparts to consider seriously proposals for a meeting between top leaders, cooperation on assistance to Southeast Asian countries, cooperation in agriculture, an offshore transshipment center, assistance on the reform of state enterprises, and cultural exchanges.

So far, the Chinese communists have been lukewarm towards President Lee's many gestures of goodwill. The Chinese communists insist on the undemocratic ''one country, two systems'' arrangement as the way to solve the reunification issue.

President Lee has made it very clear that the people on Taiwan cannot accept such an arrangement. The Republic of China has 87 years of history as a constitutional sovereign country and it can't turn itself into a local government.

We hope that both Taiwan and the Chinese mainland will find a peaceful solution to the reunification issue. In the meantime as we better our relations with the Chinese mainland, we should further strengthen our ties to Taiwan. After all, Taiwan has been our ally since its founding 87 years ago.

PERSONAL EXPLANATION

HON. ASA HUTCHINSON

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 24, 1998

Mr. HUTCHINSON. Mr. Speaker, I was unavoidably detained for the vote on the Mink Amendment to H.R. 3248 (Roll No. 450). Had I been present, I would have voted against this amendment.

IN RECOGNITION OF JOHN R. BRIGGS

HON. RALPH M. HALL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 24, 1998

Mr. HALL of Texas. Mr. Speaker, I rise today to pay my respects to a loving family man and dedicated civic servant, Mr. ''Big'' John R. Briggs, Jr., who passed away in Terrell, Texas, on June 10, 1998.

Big John was born in Rockwall, Texas, on June 14, 1918. At an early age, John began to work with his father at Briggs Oil Company and established Briggs Wrecker Service in 1933, a business he continued until his retirement. In 1953, Big John married the former Marion Howie, with whom he raised a son and two daughters.

Big John became a lifelong resident of Terrell when he began work for the Texas Highway Department surveying new roads in the southern part of Kaufman County. During World War II, John and his father helped construct the British Flying Training School that was built at the local airport. There John remained as Supervisor of Civilian Operations non-military personnel through the duration of the War.

Tirelessly committed to the community, Big John not only served as a member of the Terrell Volunteer Fire Department for over 38 years, but was even named fire chief by his peers. When he retired from the fire department Big John was elected mayor of Terrell, serving four terms from 1981 to 1988. According to his family, Big John was eternally dedicated to the City of Terrell, making every decision with the best interest of the people of Terrell at heart. With great vision, Big John helped lay the foundation in the 1980s for the extensive industrial growth that benefits Terrell today.

Mr. Speaker, Big John Briggs was loved and respected by most everyone who knew him and he will be greatly missed by family and friends. As we adjourn today, let us do so in honor of and respect for this great American—the late John R. Briggs.

HONORING AGAPE CHRISTIAN FELLOWSHIP FAMILY WORSHIP CENTER'S 10TH ANNIVERSARY

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 24, 1998

Mr. TOWNS. Mr. Speaker, I rise today to honor Agape Christian Fellowship Family Worship Center's 10th Anniversary in Brooklyn, New York.

Agape Christian Fellowship is more than a place of worship. It strives to take care of the spiritual, educational, support, and social needs of the family as a whole. From a small acorn a mighty oak tree shall grow, with its roots planted deep and its presence strong. This metaphor only begins to describe The Agape Christian Fellowship Family Worship Center.

The numerous ministries, evangelical and missionary outreaches strive to constantly increase in number and spirit the Family of the Savior. The Elders and Ministers Alliance celebrates and supports those called to serve and those who desire to be a vehicle for God. The Nehemiah Ministry for children encourages the positive support and rearing of children in the way of righteousness. The Evangelism and Missionary Department serve to meet the needs of the lost and preach salvation and hope in Christ. These are but a few of the many examples of Agape's diligence to spread the word of God.

The Educational Division, Music Ministry, and Daughters of Esther are integral parts of Agape's desire to support members and nonmembers to have a complete life in the Lord. The Educational Division celebrates those in schools at all levels and encourages them to stay steadfast in their faith. The Daughters of Esther minister to young women to construct their lives according to biblical principles.

Mr. Speaker, with the accomplishments highlighted and the numerous others I could not, I ask you to join me in saluting the Agape Christian Fellowship Family Worship Center on their 10th Anniversary.

A TRIBUTE TO LOU NANNE ON HIS ELECTION TO THE U.S. HOCKEY HALL OF FAME

HON. JIM RAMSTAD

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 24, 1998

Mr. RAMSTAD. Mr. Speaker, I rise today to pay tribute to one of the greatest figures in the history of hockey in Minnesota, the birthplace of this great sport in America.

Hockey is an instrumental part of the culture of our wonderful state. Minnesotans often boast about our 10,000 lakes, but we have 10 times as many ice rinks. And Lou Nanne is one of the founding fathers of hockey in Minnesota as well as our nation.

Mr. Speaker, Lou Nanne of Edina, Minnesota, located in the Third Congressional District, was elected to the U.S. Hockey Hall of Fame on Wednesday, September 23rd, a truly fitting tribute to ''Sweet Lou from The Soo,'' a reference to his native Sault Ste. Marie, Michigan.

Just like his patented rushes from one end of the rink to the other, Lou Nanne is known from coast to coast for the key role he played in making hockey the major sport it is in America today. In 1989, Lou received the prestigious Lester Patrick Award for his outstanding service to hockey in the United States.

Mr. Speaker, there is no level of hockey—amateur, college, Olympic, international and pro—in America which has not been touched by Lou Nanne's great playing talent, coaching expertise, distinctive management style, enthusiasm, articulate salesmanship and inspirational involvement.

Whether it is attending a pee wee hockey game at a cold, neighborhood rink somewhere in a distant corner of our state, speaking to a high school boosters group, helping to raise money for a paralyzed young player, competing at the highest level of the sport both here and around the world, or managing a professional team, Lou Nanne has done it all in promoting the sport he loves so dearly.

Mr. Speaker, Lou came to prominence as a player for the University of Minnesota, my alma mater. Lou played for the Gophers from 1959 to 1963 and was named an All-American his senior year.

Lou Nanne served as captain of the 1968 U.S. Olympic team, as well as general manager of Team USA for four years.

Lou was the hometown favorite when he played for the Minnesota North Stars of the National Hockey League, starring with the team from its inception and remaining one of the team's stalwarts for more than a decade of thrills, from 1967 to 1978. He was coach of the North Stars in 1978, general manager for the ensuing decade and president from 1988 to 1990.

We Minnesotans just call him Sweet Lou because of his smooth stick handling skills and low-key, friendly personality. I'm also proud to call Lou Nanne my good friend of many years.

Mr. Speaker, all Minnesotans are extremely proud of Lou Nanne on his election to the U.S. Hockey Hall of Fame. We wish Lou and Francine and their wonderful family the very best in the years to come.

TRIBUTE TO MAMIE HUGHES

HON. KAREN McCARTHY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 24, 1998

Ms. MCCARTHY of Missouri. Mr. Speaker, I am honored to rise today to pay tribute to Ms. Mamie Hughes, an inspirational civic leader and civil rights activist in my district. For her dedicated, steadfast commitment to public service and quality leadership throughout the years, Hughes is being recognized As Woman of the Year by the Central Exchange, an organization established in 1980 as a networking resource for women. Ms. Hughes is the first African-American in Kansas City to receive this coveted award.

Ms. Hughes graduated from Fisk University in Nashville, TN, with a Bachelor of Arts degree, and began her public service as an elementary school teacher in Arcola, MS. She continued her career as a teacher in the Kansas City, Missouri School District.

In 1962, as a mother of five children, Ms. Hughes volunteered for several Kansas City civil rights organizations. She represented the 4th district in the Jackson County Legislature for 6 years following a 1972 election, and eventually chaired its Health and Welfare Committee. Following a 1976 re-election, Ms. Hughes was chosen by her peers for the honorable position of Vice-Chair of the Legislature, and 2 years later she was appointed by President Carter to be Regional Director for ACTION, a Federal Volunteer Service Agency, where she oversaw more than 20,000 volunteers in four states.

In 1981, Ms. Hughes' focus shifted slightly from regional to local concerns when she accepted an offer by the Black Economic Union of Greater Kansas City to serve as a Community Planner. A year later, as President and Chief Executive Officer of the Black Economic Union, Ms. Hughes became a driving force behind the rejuvenation of the Historic Jazz District at 18th and Vine as she promoted the area as a cultural center and worked with local officials to get the project designated as an Historic District. We owe thanks to Ms. Hughes for the successful tourist attraction including the Negro League Baseball Museum and Jazz Museum, and the growing business and residential development that 18th and Vine are today.

Ms. Hughes currently is employed by the City of Kansas City, Missouri, as an ombudsman for the Bruce R. Watkins Drive, an important thoroughfare that is being constructed to connect the communities of south Kansas City with downtown. When the development of the Bruce R. Watkins Drive led to public concern about citizens' property rights. Ms. Hughes stepped up as champion for citizens within the area, to counsel them about their rights as residents. She also coordinates activities of the Missouri Department of Transportation with Kansas City's Housing and Urban Development, Public Works, and Parks, Recreation, and Boulevards Departments.

As a founding and charter member of the Central Exchange, a lifetime member of the National Association for the Advancement of Colored People, board member of the Kansas City Habitat for Humanity, and an advisory board member of the Women's Foundation, Ms. Hughes has received many awards. Her honors include the Public Service Award from the African American Episcopal Church Missionary Society, Career Woman of the Year from the Jones Store Company, and Eleanor Roosevelt Award for her Exemplary Leadership for Women from the Greater Kansas City Commission on the Status of Women.

My friendship with Ms. Hughes is special. She is an inspirational figure in our community and offers the woman of Kansas City and the region a strong role model. As an original member of the Woman's Public Service Network, she is very active in the organization which is a network on key issues of concern to women in our community, especially in helping women succeed in the political process.

Ms. Hughes has the respect, admiration, and trust of citizens in our area and region. She is unique, and truly deserves to be Woman of the Year. Mr. Speaker, please join me in thanking her for her efforts on behalf of others, and congratulating her for her dedication to making the world a better place for all of us.

BALTIMORE REGIONAL CITIZENS AGAINST LAWSUIT ABUSE

HON. ROBERT L. EHRLICH, JR.

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 24, 1998

Mr. EHRLICH. Mr. Speaker, the week of September 20–26, 1998, has been recognized in my home state of Maryland as ''Lawsuit Abuse Awareness Week.'' Baltimore Regional Citizens Against Lawsuit Abuse (BRCALA) has worked tirelessly over the last three years to educate Marylanders about the higher costs for consumer products, medical expenses, taxes, and lost business expansion and product development associated with lawsuit abuse. Almost everyone agrees that America has become an overly litigious society.

BRCALA is a non-profit, non-partisan, grassroots, legal watchdog organization. Its efforts include running educational media announcements, posting billboards and signs, and speaking to local groups throughout the Baltimore area in order to raise public awareness of lawsuit abuse.

When frivolous lawsuits are filed, we all pay, and we all lose, BRCALA's mission to curb lawsuit abuse is an example of Marylanders devoting energy and efforts toward solving problems which cost our state jobs, profits, and opportunities. Its public awareness campaign reaches out to thousands of my constituents as well as thousands of other citizens throughout the Baltimore metropolitan region.

Legal reform of any kind is not a simple issue. The legal system must function properly to provide justice to every American. Accordingly, when lawsuits and the courts can be used recklessly at the consequence of imposing excessive costs to other parties—from individuals to nonprofit agencies to businesses—the system should be reviewed and reformed if possible.

While BRCALA has thousands of supporters throughout the state of Maryland, I would like to take this opportunity to recognize particular individuals who have given countless hours to advance its mission. They are Mary Felica Kniep, Executive Director for BRCALA; Vicki L. Almond, chairwoman; Joseph Brown, Jr.; Stanley Dill; Dr. William Howard; Gary O. Prince; and the Honorable Joseph Sachs—each directors and supporters dedicated to BRCALA.

Mr. Speaker, I would like to commend all of the individuals who are involved with Baltimore Regional Citizens Against Lawsuit Abuse for their wholehearted dedication to this important endeavor.

TRIBUTE TO SANDRA S. MORGAN

HON. JULIAN C. DIXON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 24, 1998

Mr. DIXON. Mr. Speaker, I am pleased to recognize Ms. Sandra B. Morgan who on October 14, 1998, will retire after a distinguished 31 year career with the City of Los Angeles government. On October 2, 1998, Sandy, as she is affectionately known, will be honored at an appreciation dinner at the Proud Bird Restaurant in Los Angeles. In honor of her exemplary service to the City of Los Angeles government, I am pleased to have the opportunity today to publicly commend her.

A native Angeleno, Sandy was born to Hiawatha and Lula Garrett on October 2, 1948. She attended public schools in Los Angeles, graduating from Manual Arts High School in 1966. After attending Los Angeles City Junior College, she began her career with the City of Los Angeles government working for the Department of Traffic as a clerk stenographer. From 1967 to 1985, she held various clerical positions of increasing responsibility, rising to become an executive secretary to the vice president of the Board of Public Works in April 1985. Later that same year, she became a personnel analyst, serving as a management advocate for the City of Los Angeles Department of Public Works. As part of her duties, Sandy developed and implemented employee training modules for the Department of Transportation Office of Parking Management.

When not fulfilling her responsibilities as a city employee, Sandy can be found managing her real estate company, Morgan's Real Estate, which operates in the states of California and Nevada. She is also a notary public. Married to Leslie H. Morgan, a retired real estate officer for the City of Los Angeles, she has three stepsons, Fredrick, Gerry, and Vincent. Sandra and Leslie also are the proud grandparents of Fredrick and Darnell.

Mr. Speaker, I am delighted on behalf of the citizens of the 32nd Congressional District of California to have this occasion to thank Sandra S. ''Sandy'' Morgan for her many years of dedicated and committed services to the citizens of Los Angeles. As she prepares to set course on yet another chapter of her life, which I understand will begin with the Morgan family's move to Las Vegas, Nevada, I ask that you join me in extending our best wishes to her for a future that is filled with much happiness, good health, and abundant prosperity.

A TRIBUTE TO WWII VETERAN WILLIAM HAYWARD REED

HON. RALPH M. HALL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 24, 1998

Mr. HALL of Texas. Mr. Speaker, I rise today to pay tribute to all WWII Veterans by reading a poem that I had the pleasure of hearing while back in my District. One of my constituents, Millie Jean Purgerson, wrote this poem in dedication to her uncle, William Hayward Reed, and his service to this great nation during WWII.

Millie Jean Purgerson, is a 12-year dedicated Dallas Independent School District teacher with a Master's degree in Education. An active member of the Northeast Texas Writer's Group, Millie Jean is also a freelance writer. Five years ago Millie Jean began researching her uncle's death and military service with no more information than that listed on his 1948 tombstone.

Millie Jean's mother's brother, William Hayward Reed, was in the 79th Division, 314th Regiment, 3rd Battalion when killed in action in Rhowiller, France, in a battle known as the Little Bulge. He was only 19 years old at the time of his death. So, Millie Jean felt it her duty to convey her uncle's story to all Americans. This poem, a moving story, applies to tens of thousands of our young men and women who lost their lives so early in life while serving their country in a war a world away from home. As we adjourn today, let us do so in honor of and respect for this Great American—William Hayward Reed. Mr. Speaker, if I may, ''Hayward—A Tribute'' by Millie Jean Purgerson:

Hayward, a farm boy in the heyday of his youth.
Up before the sun rose to light the aging wood heater.
The wind blew through the cracks in the walls.
The black tar paper stretched to keep out the cold draft.

Oh, the aroma of Mama's country ham frying in the skillet.
Biscuits baking in the cook stove and coffee steaming in the blue granite pot.
Fluffy, country-fresh scrambled eggs with rich red-eye gravy.
Home-preserved muscadine jelly and fresh churned creamy butter.

Hayward had not yet really tasted the adventures of life.
The farm work was hard and demanding.
There had been no time for girls or cars,
Country fairs, Sunday afternoon rides, or church socials.

Then the call came from Uncle Sam's draft.
''We need you! It is your time to serve your country!''
He said good-bye to his loved ones and friends.
He hugged and kissed his mama for the last time.

A lump grew in his throat and tears welled in his eyes.
He tried to explain to his faithful old hound
That he would be away for a while.
Little did he know that he would never return.

The train ride to boot camp seemed like an endless journey.
The cropped haircut, strange clothes, fast moving orders and expectations.
Bunking with boys who were forced to become men by a war they had not created.
Anticipating the adventure, yet lonesome for the warmth and smells of home.

Drills and marches, training for a fight beyond their imagination.
Then the final order.
Be ready to board the train for New York by morning.
The destination yet unknown to the men. France!

Off in the distance the shoreline of a strange new land.
Boats, tanks, movement, strategy.
Orders, gun and tanks exploding.
The noise, the confusion, the panic of the moment.

Heavy boots, wool socks, sore, aching, blistered feet.
The same clothes worn day after day, lost their sophisticated military appeal.
He dug his own bed, a cold, damp fox hole.
When rain filled his haven, he used his helmet to dip it dry.

Penetrating deeper into the war-ravaged countryside.
The destruction his eyes beheld ripped at his gut, making him heave in horror.
Senseless slaughter of innocent people, young children, old women,
Made his heart weep, his eyes fill, and his body tremble.

A land once so beautiful, now lay smothered in total ruin.
A people rich in their culture without a home.
All they ever knew and loved
Crumbled at the mercy of the enemy.

Marching into Rohrwiller, physically exhausted, emotionally drained.
No time for thoughts of tomorrow, every movement on constant guard.
Covering his buddies advancing to the front.
The chill of the darkness like a blanket spread over the city.

Then came the barrage like a blast from hell
From the water factory's many windows!
Mowing down the soldiers like hail in a rainstorm,
Until the new fallen snow reeked with the smell of blood.

Their cries of pain and agony filled the night air
As one by one their breathing stopped.
Hayward lay mortally wounded.
In his dying breath, he whispered his final word, ''Mother.''

He will never see the brilliant sun rise over the tall pine trees in the pasture.
He will never celebrate another Christmas.
He will never know the joy of holding his firstborn child.
He will never hear his mother call his name, again.

COMMENDING THE HONORABLE FRANCIS T. WASIELEWSKI, AND HIS SERVICE TO THE POLISH COMMUNITY

HON. GERALD D. KLECZKA

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 24, 1998

Mr. KLECZKA. Mr. Speaker, I rise today to commend the Honorable Francis T. Wasielewski, a circuit court judge, husband, father, and dedicated servant to the Polish community in the greater Milwaukee area.

Mr. Wasielewski's roots in this community are deep. Judge Wasielewski's father, Thad, ably represented the 4th Congressional district, a district I am now honored to serve. Father and son served as past presidents of the Milwaukee Society, a fraternal Polish-American organization. Fran Wasielewski grew up in Milwaukee, attended Marquette High School and graduated from Marquette University with a degree in mathematics.

After a year of piano study at Indiana University, he followed his father's path in law, enrolling at the University of Wisconsin in Madison. After graduating Fran practiced law with his father for several years before joining the staff of the Milwaukee City Attorney where he worked in ordinance prosecution, public works construction, eminent domain and general real estate. This experience afforded him the opportunity to appear several times before the Wisconsin Supreme Court.

In 1975, he returned to private practice until he was appointed in 1983 to the circuit court by Governor Anthony Earl.

Fran Wasielewski has been active in a number of civic, arts, and professional organizations and is also active in his church, serving as a member of the Parish Council at St. John's Cathedral. He and his wife, Mary, have two adult children, Ann and Justin.

Mr. Speaker, it is with pride and pleasure that I commend Mr. Fran Wasielewski, who will be honored October 10 as Polish American of the Year at the annual Pulaski Day Banquet, presented by the Milwaukee Society.

HR 4619

HON. PATSY T. MINK

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 24, 1998

Mrs. MINK of Hawaii. Mr. Speaker, today I have introduced a bill H.R. 4619 to modify requirements under the Immigrant Investor Pilot Program to permit an alien who joins a limited partnership after its original creation to qualify with respect to the establishment of a new commercial enterprise and thus, qualify for a visa under such program.

This legislation is needed due to a ruling of the Immigration Administrative Appeals Office. The court held in Matter of Izumii that if an alien does not establish that they played a participatory role in the establishment of the commercial enterprise, then that alien is not considered a investor under the provisions of the Immigration and Nationality Act. In other words, if an investor joins a project after a limited partnership is formed, as is true in most cases, then the investor does not qualify for a visa under this program.

This has come as a shock to the business community. Never before has the act been interpreted in this manner. This interpretation ignores the reality and normal business practice involved in creating such a partnership. The limited partnership or other entity formed is normally created first and efforts are then made to attract other investors. Documents must first be reviewed and a ''due diligence'' study completed before any investor will commit substantial capital. It usually takes several months from the time when the investor learns about an investment program before they can sign the contract. It is very unrealistic to require an investor to participate in the formation of the business entity in order to qualify.

To overcome this difficulty, my bill allows the investor to invest after the initial creation of the partnership, but limits this exemption to areas where a regional center has been designated.

These regional centers as referred to in PL 102–395 Section 610, have an active role in the approval of these visas to protect against fraud. These regional centers promote economic growth, including increased export sales, improved regional activity, job creation, and increase domestic capital investment.

I am hopeful that during the conference negotiations of FY99 Commerce, Justice, State and Judiciary appropriations, this important amendment will be considered as a matter of fairness.

OPPOSITION TO THE PROVISION IN THE DEFENSE AUTHORIZATION BILL RELATED TO SATELLITE CONTROLS UNDER THE U.S. MUNITIONS LIST

HON. DANA ROHRABACHER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 24, 1998

Mr. ROHRABACHER. Mr. Speaker, this afternoon, I voted NO on the Fiscal Year 1999 Defense Authorization Bill for a number of reasons, the most pressing is the policy included in the bill under Section 1513, that concerns American satellite and rocket cooperation with communist China.

After months of personal investigations, as Chairman of the House Science Subcommittee on Space and Aeronautics, I disclosed on the House floor evidence indicating that some U.S. aerospace companies had helped China upgrade its rocket system. In a cooperative effort to launch American satellites, technology and knowledge has been transferred that improved China's ability to land a nuclear weapon in the United States, including those with multiple warheads.

Since making this charge on the floor of the House, a Select Committee has been appointed to thoroughly investigate the issue. Under Congressman CHRIS COX's leadership, that committee is now underway. From what I understand, it has verified much of what I originally charged. This legislation, Section 1513, however, is letting those who betrayed America off the hook by giving them six months to complete their projects and to apply for new export licenses during that period—until March 1999—that would be excluded from national security control under the United States Munitions List.

Do we hold U.S. security that lightly that we are willing to give one of the most ruthless communist regimes on this planet the technology to further develop weapons systems that could incinerate our country?

IN CELEBRATION OF THE THIRTY YEARS OF MINISTRY OF THE CENTER OF HOPE COMMUNITY CHURCH AND DR. ERNESTINE CLEVELAND REEMS, PASTOR AND FOUNDER

HON. BARBARA LEE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 24, 1998

Ms. LEE. Mr. Speaker, I rise to join in the commemoration of the 30th Year Celebration of the Center of Hope Community Church in the East Oakland community and the Bay area. This event will be held the week of September 27 to October 3, 1998.

Under the leadership of Dr. Ernestine Cleveland Reems Pastor and Founder, the Centers of Hope have made rehabilitation and restoration of their neighborhood the center of their pastoral mission. While many concentrate on the deterioration of human lives, Center of Hope is a ''Beacon of Hope'' focusing on fostering urban renewal and reform. Its accomplishments, over the last 30 years in community development, are successful testaments to community parthership with Oakland's civic and corporate leadership to build a better Oakland.

The success it has achieved in its various programs has led to an 85% reduction in crime in the area. The Church founded the Hope School of Excellence, a preschool to 8th grade curricula in 1978, and many of the School's graduates have gone on to Morehouse, Howard, Spellman and the University of California. In 1985, the Food and Clothing Bank was organized to serve hot, nourishing meals and distribute clothing to the East Oakland community on a weekly basis. Single parents and/or low income households are the targets of Project REDY (Reems Enrichment Development for Youth) established in 1986, which provides development and enrichment for their children.

The Center of Hope Community Church has provided housing to the most vulnerable members of the community. E.E. Cleveland Manor, erected in 1990, is a 54-unit housing complex for senior and disabled residents. Opened in 1992, the Matilda Cleveland Transitional Housing Program is a full service housing facility for homeless single women and their children. E.C. Reems Gardens is a 150-unit affordable housing complex finished in 1998. Alvingroom Court was renamed E.C. Reems Courts in honor of its Pastor and Founder, Dr. Ernestine Cleveland Reems.

Dr. Reems was born to Elmer Elijah and Matilda Cleveland in Oklamulgee, Oklahoma and, at the age of nine, the family moved to Richmond, Califormia. She attended Richmond High School and Patton Bible College in Oakland. Dr. Reems, faith and education to the ministry were forged when she contracted tuberculosis at age thirteen and determined that the call of God to preach the Gospel was her life's salvation.

She received her spiritual foundation in the World of God through her father, Bishop E.E. Cleveland, a national evangelist. Dr. Reems with her brother, Elmer Cleveland Jr., traveled to every major city in this country. Pastor Ernestine Reems has set the pace for women in the ministry when she founded the Center of Hope with four members in 1968. Today, the membership exceeds 1,500. In 1973, the United States Army sent for Pastor Reems and her crusade to minister to the soldiers in West Germany for which she was honored as a Five-Star General. However, greater satisfaction came from teaching and preaching the gospel which won many soldiers to Christ.

Accolades have been bestowed upon Dr. Reems: Outstanding Service in Religion, Top 100 Black Business & Professional Women in America, Outstanding Community Service Award, State of California Legislature Women of the Year Award, Christian Image Lifetime Achievement Award, to name a few. Her highest honor was conferred upon her on February 14, 1998 as a Doctor of Divinity.

Dr. Ernestine C. Reems, as a pastor and teacher continues, to be a full-time Evangelist with the support of her husband, Paul Reems and their two sons, Brandon and Brian Ernest Reems. New heights of achievements are in the horizon for Pastor Reems and the Center of Hope Community Church and I wish them another 30 years of successful ministry.

CELEBRATING THE 27TH ANNIVERSARY OF THE ASSOCIATION FOR THE ADVANCEMENT OF MEXICAN AMERICANS

HON. GENE GREEN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 24, 1998

Mr. GREEN. Mr. Speaker, on October 1, the Association for the Advancement of Mexican Americans will be celebrating their achievements over the past 27 years. I would like to express my sincere appreciation to AAMA for its leadership and dedication to our community and would like to extend my congratulations.

Founded in 1970 in Houston, Texas, AAMA is the largest Hispanic nonprofit service provider in Texas. This community organization was founded to advance the needs of Hispanic families that are coping and struggling to beat back the grip of poverty, poor health and family planning, and low educational attainment. Today, AAMA provides services in Houston and across South Texas.

Mr. Speaker, I would like to briefly discuss some of these services.

The George I. Sanchez Charter High School was founded in 1973 to provide at-risk Hispanic youth with an alternative educational environment. Today, the school is the largest Texas charter school, serving 389 low-income, at-risk students. The class of 1997 graduated 95 students, with one-third advancing into higher education. I was proud to host Secretary of Education Richard Riley on his visit to see one of the most successful charter schools in the nation.

The AAMA Adelante Family Education Program provides English-as-a-second language classes, GED classes, citizenship training classes, and native literacy classes to immigrants and other adults who are working toward an education that will improve their marketability in the U.S. workforce.

In addition to these education services, AAMA also operates many social service programs, including three gang intervention programs, two HIV and AIDS counseling programs and several drug and alcohol abuse programs throughout Texas. With these programs in place, it is easy to see why AAMA is the largest social service provider in Texas.

AAMA is also involved in community development. The AAMA Community Development Corporation is dedicated to the revitalization of Houston's inner-city through the development of affordable and decent housing. The AAMA Community Development Corporation recently completed and leased a new 84-unit affordable living center in Houston's East End. No other development had occurred in this area in over 30 years.

AAMA is fortunate to have leaders like Gilbert Moreno, President and CEO, as well as Board Members Karen Becerra, Anthony Magdaleno, Maria Garza, Fernando Tovar, David Corpus, Carmen Orta, Raymond T. Garcia, Daniel Gonzalez, Taylor Margis-Noriega, David Medina, Jacob Monty, Olga Ordonez, Lisa Ottman, Eduardo Pellon, Rudy Ramos, Rogelio R. Santos, and Antonio Villanueva. Without their dedication and commitment, we would not be celebrating twenty-seven productive years. Congratulations to everyone associated with AAMA and best wishes for continued success.

TRIBUTE TO MRS. ELEANOR DOYLE ON HER RETIREMENT

HON. NYDIA M. VELÁZQUEZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 24, 1998

Mr. VELÁZQUEZ. Mr. Speaker, I rise today to pay tribute to Mrs. Eleanor Doyle, Senior Clerk at St. John's University's Graduate School of Arts and Sciences, upon her retirement.

Mrs. Doyle has dedicated her twenty-nine year career to the service of the St. John's University community. Her great care and attention to the needs of the University's student body have earned her a special place in the hearts of all those who have met her. Her excellent work, pleasant demeanor, and good sense of humor will surely be missed in the department.

Mr. Speaker, I ask my colleagues to rise with me today and honor Eleanor for all of her hard work and dedication.

SPECIAL OLYMPICS

HON. CONSTANCE A. MORELLA

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 24, 1998

Mrs. MORELLA. Mr. Speaker, I rise today to pay tribute to Special Olympics Incorporated and to the extraordinary vision of its founder, Eunice Kennedy Shriver on the occasion of this wonderful organization's 30th anniversary. Begun as a day camp program in the city of Rockville, Maryland, which I am proud to represent, today, Special Olympic athletes compete throughout the United States and in 150 countries around the world.

''Let me win. But if I cannot win, let me be brave in the attempt.'' This is the Special Olympics Oath. Since its inception, the Special Olympics have allowed athletes with special needs to train and compete year-round in a variety of Olympic-type sports. Individuals with mental retardation have the opportunity to develop physical fitness, demonstrate courage, experience joy and participate in a sharing of gifts, skills and friendship with their families, other Special Olympics athletes and the community.

The Special Olympics of Maryland is holding its third annual Athlete Congress, composed entirely of Special Olympics athletes from Maryland. Montgomery County is represented by Tony Gorczyca and Carla Shipp. Kelli Smith is also an alternate delegate from Montgomery County.

The unofficial theme of the congress is ''Look how far our athletes have come in 30 years.'' One example of how far the Special Olympics has come is that they can now govern themselves through the Athlete Congress. The third annual Congress will be attended by people from all over the world. This year's Congress will look at expanding the Athlete Congress to include the representatives from all 50 states and 150 foreign countries.

Mr. Speaker, I congratulate Special Olympics Incorporated for 30 years of dedicated service to our community. It is a proud moment for me to pay tribute to Eunice Kennedy Shriver, whose vision and commitment created the Special Olympics, and to the winning combination of staff, volunteers, and athletes of the Special Olympics who have devoted their time and energies to searching for the true potential in every person.

PERSONAL EXPLANATION

HON. LORETTA SANCHEZ

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 24, 1998

Ms. SANCHEZ. Mr. Speaker, on Wednesday, September 23, I was unavoidably detained on official business and missed the following roll call votes: No. 445 and No. 456.

Mr. Speaker, on Roll Call vote No. 455, had I been present I would have voted yea.

Mr. Speaker, on Roll Call vote No. 456, had I been present I would have voted yea.

THE COURT HOUSE IN SPOKANE, WA, IN HONOR OF SPEAKER THOMAS FOLEY

HON. JIM McDERMOTT

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 24, 1998

Mr. McDERMOTT. Mr. Speaker—today, I introduce legislation to rename the Court House in Spokane, Washington to ''The Thomas S. Foley United States Court House'' in honor of former Speaker Thomas Foley.

Speaker Foley has dedicated his life to public service, including almost thirty years serving in this body. He served the fifth district of Washington and rose to become the first Speaker from Washington State.

In addition to his long and distinguished congressional service, Speaker Foley has effectively served the public in other capacities. He began his career as the Deputy Prosecuting Attorney from Spokane County, and then moved to become the Assistant State Attorney General of Washington. Before winning his first congressional election in 1965, he served as Special Counsel to the Committee on Interior and Insular Affairs in the United States Senate.

After leaving Congress, Speaker Foley has continued to serve the public in one of the nation's most distinguished Foreign Service posts as American Ambassador to Tokyo. There he has played a crucial role in representing American interests in the world's second largest economy.

Naming the Court House in Spokane after Speaker Foley would be an appropriate way to thank him for the years of honorable public service he has dedicated to the State of Washington and the nation. Mr. Speaker, I urge quick passage of this bill that gives Tom Foley the honor that he so justly deserves.

TRIBUTE TO MURIEL HUMPHREY BROWN

HON. JAMES L. OBERSTAR

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 24, 1998

Mr. OBERSTAR. Mr. Speaker, I rise today to pay tribute to Muriel Humphrey Brown, the first woman from the State of Minnesota to serve in the U.S. Senate. On Sunday, Muriel died at the age of 86 in Minnesota.

Born Muriel Fay Buck in 1912 in Huron, South Dakota, she overcame her natural shyness to play a vital role in one of the most revered political families in American history. Muriel met Hubert H. Humphrey, Jr. in 1934 when he was working in the family drugstore and she was a bookkeeper. They married two years later.

Muriel, whom Hubert always affectionately called ''Bucky,'' was the very essence of calm, grace and warmth in the intensity with which Hubert pursued elective office and public policy issues. She was constantly at his side in his public life, even while performing the equally challenging task of seeing to the day-to-day nurturing of their four children. Muriel was the ever-present picture of grace and radiance while Hubert served as Mayor of Minneapolis in 1945, U.S. Senator from Minnesota from 1949–64 and from 1971–78, and Vice President of the United States from 1965–69, and during his campaign for the Presidency of the United States in 1968.

When Hubert Humphrey lost his courageous battle with cancer in 1978, Governor Rudy Perpich wisely and thoughtfully appointed Muriel to fulfill her husband's term in the U.S. Senate. She was the only woman in the U.S. Senate at the time, and only the twelfth woman ever to serve in the Senate. ''It's the most challenging thing I've ever done in my whole life,'' she said later. Muriel chose not to seek election in the fall of 1978.

While Hubert was constantly in the spotlight, those who followed his career knew that Muriel was his lifelong partner and source of inner-strength, and that they made an enviable team. Muriel took up many of the causes championed by her husband: social programs and labor issues were particularly important to her. She brought together people with diverse and often contentious positions through her dedication, hard work, and diplomacy. Together, Muriel and Hubert made America a better place in which to live, work and raise a family.

Recently, I heard a story that former President Jimmy Carter told about Muriel that epitomizes her inherent sense of fairness and decency.

In 1964, when he [Hubert] became the vice-presidential candidate, in Georgia, it wasn't a very popular thing to be for the Johnson-Humphrey slate. . . . In that campaign, Hubert and Muriel came down to south Georgia to Moultrie for a Democratic rally. And because of my mother's loyalty, she was given the honor of picking up Muriel at the airport. And Rosalynn and my mother and Muriel and my sister Gloria went down to Moultrie to attend the rally. Senator Humphrey made a speech, and they had a women's reception for Muriel. And they were riding around that south Georgia town getting ready for the reception. Everybody in town was very excited. And as Muriel approached the site, she said, ''Are any black women invited to the reception?''

For a long time no one spoke, and finally my sister said, ''I don't know.'' She knew quite well that they weren't. And Muriel said, ''I'm not going in.'' So, they stopped the car, and my sister Gloria went inside to check and let the hostess know that Muriel was not coming to the reception. But in a few minutes, Gloria came back and said, ''Mrs. Humphrey, it's okay.'' So, she went in and, sure enough, there were several black ladies there at the reception. And Muriel never knew until now that the maids just took off their aprons for the occasion. But that was the first integrated reception in south Georgia, Muriel, and you are responsible for it. (Former President Jimmy Carter at a Washington, D.C. fundraiser in December 1977 to benefit the Hubert Humphrey Institute located at the University of Minnesota.)

A year after Hubert Humphrey died, Muriel married Max Brown, a lifelong Republican whom she met when the two were sixth-graders in South Dakota. She and Max enjoyed many years of well-deserved retirement together out of the storm of public policy controversies, and tended to the personal joys of their very close, warm family circle.

Hubert H. Humphrey III, known affectionately as ''Skip,'' continued the family tradition of public service, winning election to the Minnesota State Senate, and then as Minnesota's Attorney General. When he won the Democratic-Farmer-Labor Party nomination for governor in the Minnesota primary election earlier this month, Muriel was at Skip's side. ''Hubert would have been proud,'' she said after her son's victory.

I offer my heartfelt sympathy to Muriel's husband, her sons Bob, Douglas, and Skip, and her daughter Nancy Solomonson, for their loss. I hope, in their grief, they know that their wife and mother made a profound difference to the State of Minnesota and to a grateful nation. Her love of family, warmth in outreach to others, and tireless teaching by example of the very best in family values will be her everlasting legacy to future generations. It is a privilege to offer my colleagues this brief, but deserved tribute to Muriel Humphrey Brown, who gave so much of herself to enrich the lives of others.

TRIBUTE TO BARBARA LANE, MILWAUKEE'S POLKA QUEEN

HON. GERALD D. KLECZKA

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 24, 1998

Mr. KLECZKA. Mr. Speaker, I rise today to pay tribute to Milwaukee's Polka Queen, Barbara Lane, on her 35th anniversary as a polka artist, musician and band leader. Ms. Lane will be honored by her many fans and admirers from throughout the United States with a series of performances and other polka-related events Saturday October 10 and Sunday October 11 held at Milwaukee's south side unofficial polka headquarters, the Blue Canary.

Barbara Lane was crowned Milwaukee's Polka Queen in 1972. She has kept that title every since. Barbara's greatest claim to fame has been her ability to break the gender barrier of the male-dominated polka fraternity. She became the first female polka band leader to perform to a nationwide audience. Her band, known as Barbara and the Karousels, regularly performs throughout the United States from Maryland to Arizona to Las Vegas and has also entertained fans in Europe. No other female-led polka band has performed to such a worldwide audience.

Undoubtedly, a highlight of Barbara Lane's career was her 1997 performance at the Presidential Inaugural parade, Washington, D.C. Her band was the first ever polka band to participate in an inaugural. Over 33 million people watched the performance on worldwide television. While preparing for the Inaugural, Barbara wrote a tribute tune ''The White House Polka,'' which brought her additional nationwide recognition and accolades.

Barbara's other accomplishments include induction into the Cleveland Hall of Fame in 1992 and the much sought-after European-American Heritage Music Award in 1993. She is currently a nominee for the Wisconsin Polka Hall of Fame Lifetime Achievement Award for 1998 and the 1998 Band of the Year Award.

Best wishes, Barbara, as you are honored the weekend of October 10th. keep up the excellent work of entertaining the young and young at heart in Milwaukee, Wisconsin, the nation and the world

Thursday, September 24, 1998

Daily Digest

HIGHLIGHTS

The House agreed to the conference report on H.R. 4112, Legislative Branch Appropriations for FY 1999.

The House agreed to the conference report on H.R. 3616, DOD Authorization for FY 1999.

The House passed H.R. 3736, Workforce Improvement and Protection Act.

House Committee ordered reported 7 sundry measures.

Senate

Chamber Action

Routine Proceedings, pages S10865–S10943

Measures Introduced: Six bills and one resolution were introduced, as follows: S. 2514–2519 and S. Res. 282. **Pages S10920–21**

Measures Reported: Reports were made as follows:

S. 1405, to provide for improved monetary policy and regulatory reform in financial institution management and activities, to streamline financial regulatory agency actions, to provide for improved consumer credit disclosure, and for other purposes, with an amendment in the nature of a substitute. (S. Rept. No. 105–346)

H.R. 378, for the relief of Heraclio Tolley.

H.R. 379, for the relief of Larry Errol Pieterse.

H.R. 2744, for the relief of Chong Ho Kwak.

S. 1202, providing relief for Sergio Lozano, Fauricio Lozano, and Ana Lozano.

S. 1460, for the relief of Alexandre Malofienko, Olga Matsko, and their son Vladimir Malofienko.

S. 1551, for the relief of Kerantha Poole-Christian.

S. 2151, to clarify Federal law to prohibit the dispensing or distribution of a controlled substance for the purpose of causing, or assisting in causing, the suicide, euthanasia, or mercy killing of any individual, with an amendment in the nature of a substitute.

S. 2235, to amend part Q of the Omnibus Crime Control and Safe Streets Act of 1968 to encourage the use of school resource officers.

S. 2253, to establish a matching grant program to help State and local jurisdictions purchase bullet resistant equipment for use by law enforcement departments. **Page S10919**

Measures Passed:

Congressional Gold Medal: Senate passed H.R. 3506, to award a congressional gold medal to Gerald R. and Betty Ford, after agreeing to the following amendment proposed thereto: **Pages S10941–42**

McCain (for D'Amato) Amendment No. 3647, to award congressional gold medals to Jean Brown Trickey, Carlotta Walls LaNier, Melba Patillo Beals, Terrence Roberts, Gloria Ray Karlmark, Thelma Mothershed Wair, Ernest Green, Elizabeth Eckford, and Jefferson Thomas, commonly referred to collectively as the ''Little Rock Nine'', on the occasion of the 40th anniversary of the integration of the Central High School in Little Rock, Arkansas. **Pages S10941–42**

FAA Authorizations: Senate concluded consideration of H.R. 4057, to amend title 49, United States Code, to reauthorize programs of the Federal Aviation Administration, after striking all after the enacting clause and inserting in lieu thereof the text of S. 2279, Senate companion measure, after agreeing to a committee amendment in the nature of a substitute, and taking action on amendments proposed thereto, as follows:

Pages S10866–67, S10869–73, S10875–77, S10879–81, S10884, S10886–89, S10893–S10901, S10903–13

Adopted:

Reed Amendment No. 3629, to provide for the expenditure of certain unobligated funds for noise abatement discretionary grants. **Pages S10879–80**

McCain (for Faircloth) Amendment No. 3631, to express the sense of the Senate that the Secretary of Transportation should ensure the enforcement of the rights of the United States under the air service agreement between the United States and the United Kingdom known as the ''Bermuda II Agreement''. **Pages S10886–87**

McCain (for DeWine) Amendment No. 3632, to express the sense of the Senate that the Secretary of Transportation should ensure the enforcement of the rights of the United States under the air service agreement between the United States and the United Kingdom known as the ''Bermuda II Agreement''. **Page S10887**

McCain (for Thompson) Amendment No. 3633, to provide for criminal penalties for pilots operating in air transportation without an airman's certificate. **Page S10887**

Robb Amendment No. 3634, to ensure consumers benefit from any changes to the slot rule and perimeter rule at Ronald Reagan Washington National Airport. **Page S10888**

Moynihan Amendment No. 3635, to provide for reporting of certain amounts contributed to the Airport and Airway Trust Fund and funding of States for airport improvement. **Pages S10888–89, S10896**

Dorgan Amendment No. 3636, to facilitate air service to under-served communities and encourage airline competition through non-discriminatory interconnection requirements between air carriers. **Pages S10893–95**

Sarbanes/Mikulski/Robb/Warner Amendment No. 3637, to ensure that certain funds made available to the Metropolitan Washington Airports Authority are used for noise compatibility planning and programs. **Pages S10897–98**

Sarbanes/Mikulski/Robb/Warner Amendment No. 3638, to mitigate adverse environmental noise consequences of exemptions of additional air carrier slots added to Ronald Reagan Washington National Airport as a result of exemption. **Page S10898**

Sarbanes/Mikulski/Robb/Warner Amendment No. 3639, to mitigate adverse environmental noise consequences of exemptions for Ronald Reagan Washington National Airport flight operations by making available financial assistance for noise compatibility planning and programs. **Pages S10898–S10906**

McCain Amendment No. 3640 (to Amendment No. 3639), of a clarifying nature. **Page S10899**

McCain (for Bingaman/Domenici) Amendment No. 3641, to require the Administrator of the Federal Aviation Administration to conduct a demonstration project to require aircraft to maintain a minimum altitude over Taos Pueblo and the Blue Lake Wilderness Area of Taos Pueblo, New Mexico. **Page S10899**

McCain (for Reed) Amendment No. 3642, to require the Secretary of Transportation to promulgate regulations to improve notification to consumers of air transportation from an air carrier of the corporate identity of the transporting air carrier. **Pages S10899–S10900**

Warner/Sarbanes/Robb/Mikulski Amendment No. 3643, relating to the granting of exemptions. **Page S10901**

Subsequently, adoption of the amendment was vitiated. **Page S10907**

Warner Amendment No. 3644, to provide for an assessment of safety, noise and environmental impacts at Ronald Reagan Washington National Airport. **Page S10907**

McCain/Ford Amendment No. 3646, to make technical corrections to Amendment No. 3618, previously agreed to. **Page S10912**

Rejected:

By 46 yeas to 51 nays (Vote No. 286), Inhofe Amendment No. 3620, to provide for the immediate application of certain orders relating to the amendment, modification, suspension, or revocation of certificates under chapter 447 of title 49, United States Code. **Pages S10866–67**

Torricelli Amendment No. 3627, to establish the Office of Noise Abatement and Control in the Environmental Protection Agency. (By 69 yeas to 27 nays (Vote No. 287), Senate tabled the amendment.) **Pages S10871–73, S10875–77**

Withdrawn:

Dorgan Amendment No. 3628, to provide an investment credit to promote the availability of jet aircraft to underserved communities, and to reduce the passenger tax rate on rural domestic flight segments. **Pages S10879–81**

Specter Amendment No. 3645, to provide for the recovery of non-pecuniary damages in commercial aviation suits. **Pages S10907–10**

A unanimous-consent agreement was reached providing that following passage of the bill on Friday, September 25, 1998, the Senate insist on its amendment, request a conference with the House thereon, and the Chair be authorized to appoint conferees on the part of the Senate. **Page S10913**

Federal Vacancies Reform Act—Cloture Vote: By 96 yeas to 1 nay (Vote No. 285), three-fifths of those Senators duly chosen and sworn having voted in the affirmative, Senate agreed to close further debate on the motion to proceed to consideration of S. 2176, to amend sections 3345 through 3349 of title 5, United States Code (commonly referred to as the ''Vacancies Act'') to clarify statutory requirements relating to vacancies in and appointments to certain Federal offices. **Page S10866**

Subsequently, a motion to proceed to consideration of the bill was agreed to by unanimous-consent, and a motion was entered to close further debate on the bill. In accordance with the provisions of Rule XXII of the Standing Rules of the Senate a vote on the cloture motion will occur on Monday, September 28, 1998. **Pages S10868–69**

Nominations Confirmed: Senate confirmed the following nominations:

Linwood Holton, of Virginia, to be a Member of the Reform Board (AMTRAK) for a term of five years.

Amy M. Rosen, of New Jersey, to be a Member of the Reform Board (AMTRAK) for a term of five years. **Pages S10941, S10943**

Nominations Received: Senate received the following nominations:

C. Donald Johnson, Jr., of Georgia, for the Rank of Ambassador during his tenure of service as Chief Textile Negotiator.

William Clifford Smith, of Louisiana, to be a Member of the Mississippi River Commission for a term expiring October 21, 2005. Page S10943

Messages From the House: Pages S10916–17

Measures Referred: Page S10917

Measures Placed on Calendar: Page S10917

Communications: Pages S10917–19

Executive Reports of Committees: Pages S10919–20

Statements on Introduced Bills: Pages S10921–29

Additional Cosponsors: Page S10929

Amendments Submitted: Pages S10929–37

Notices of Hearings: Page S10937

Authority for Committees: Page S10937

Additional Statements: Pages S10937–41

Record Votes: Three record votes were taken today. (Total—287) Pages S10866–67, S10877

Adjournment: Senate convened at 9:30 a.m., and adjourned at 7:09 p.m., until 9:30 a.m., on Friday, September 25, 1998. (For Senate's program, see the remarks of the Acting Majority Leader in today's Record on page S10942.)

Committee Meetings

(Committees not listed did not meet)

NOMINATIONS

Committee on Armed Services: Committee ordered favorably reported the nominations of Richard Danzig, of the District of Columbia, to be Secretary of the Navy, Bernard Daniel Rostker, of Virginia, to be Under Secretary of the Army, Stephen W. Preston, of the District of Columbia, to be General Counsel of the Department of the Navy; Herbert Lee Buchanan, III, of Virginia, to be an Assistant Secretary of the Navy, Jeh Charles Johnson, of New York, to be General Counsel of the Department of the Air Force, James M. Bodner, of Virginia, to be Deputy Under Secretary of Defense for Policy, and 5,539 military nominations in the Army, Navy, Air Force, and Marine Corps.

BALLISTIC MISSILE THREAT

Committee on Armed Services: Committee concluded open and closed hearings on the report of the Commission to Assess the Ballistic Missile Threat to the United States, after receiving testimony from Donald H. Rumsfeld, Chairman, Commission to Assess the Ballistic Missile Threat to the United States, who was accompanied by several of his associates.

ARMY/MARINE READINESS

Committee on Armed Services: Subcommittee on Readiness concluded hearings to examine the readiness challenges confronting the United States Army and Marine Corps forces and their ability to successfully execute the National Military Strategy, after receiving testimony from Gen. Thomas A. Schwartz, USA, Commanding General, U.S. Army Forces Command; Gen. David A. Bramlett, USA, former Commanding General, U.S. Army Forces Command; Maj. Gen. Wayne E. Rollings, USMC, Commanding General, II Marine Expeditionary Force; Maj. Gen. Emil R. Bedard, USMC, Commanding General, 2nd Marine Division; Maj. Gen. William L. Nyland, USMC, Commanding General, 2nd Marine Aircraft Wing; Maj. Gen. Ray L. Smith, USMC, Commanding General, Marine Corps Base Camp Lejeune; and Brig. Gen. Paul M. Lee, Jr., USMC, 2nd Force Service Support Group.

MIDWEST ELECTRICITY PRICE SPIKES

Committee on Energy and Natural Resources: Committee concluded oversight hearings on the need to provide consumers with the benefits of a competitive electric market, focusing on the electricity pricing abnormalities that occurred in the Midwest during the week of June 22 through 26, 1998, after receiving testimony from Senator Durbin; James J. Hoecker, Chairman, Federal Energy Regulatory Commission; Jolynn Barry Butler, Commissioner, Public Utility Commission of Ohio, on behalf of the National Association of Regulatory Utility Commissioners, and Susan Tomasky, American Electric Power Company, both of Columbus, Ohio; James L. Turner, Cinergy Corporation, Cincinnati, Ohio; Steven J. Kean, Enron Corporation, Houston, Texas; and Mark Millett, Steel Dynamics, Inc., Butler, Indiana.

NOMINATIONS

Committee on Finance: Committee concluded hearings on the nominations of Patricia T. Montoya, of New Mexico, to be Commissioner on Children, Youth, and Families, Department of Health and Human Services, and David C. Williams, of Maryland, to be Inspector General, Department of the Treasury, after the nominees testified and answered questions in their own behalf. Ms. Montoya was introduced by Senators Domenici and Bingaman.

BUSINESS MEETING

Committee on Governmental Affairs: Committee ordered favorably reported the following business items:

The nominations of Patricia A. Broderick, Natalia Combs Greene, and Neal E. Kravitz, each to be an Associate Judge of the Superior Court of the District of Columbia, Kenneth Prewitt, of New York, to be Director of the Census, Department of Commerce, and Robert M. Walker, of Tennessee, to be Deputy Director of the Federal Emergency Management Agency;

S. 2404, to establish designations for United States Postal Service buildings located in Coconut Grove, Opa Locka, Carol City, and Miami, Florida;

S. 2370, to designate the facility of the United States Postal Service located at Tall Timbers Village Square, United States Highway 19 South, in Thomasville, Georgia, as the ''Lieutenant Henry O. Flipper Station'';

S. 2310, to designate the United States Post Office located at 297 Larkfield Road in East Northport, New York, as the ''Jerome Anthony Ambro, Jr. Post Office Building'';

H.R. 3999, to designate the United States Postal Service building located at 5209 Greene Street, Philadelphia, Pennsylvania, as the ''David P. Richardson, Jr., Post Office Building'';

H.R. 3939, to designate the United States Postal Service building located at 658 63rd Street, Philadelphia, Pennsylvania, as the ''Edgar C. Campbell, Sr., Post Office Building'';

H.R. 3810, to designate the United States Post Office located at 202 Center Street in Garwood, New Jersey, as the ''James T. Leonard, Sr. Post Office'';

H.R. 3808, to designate the United States Post Office located at 47526 Clipper Drive in Plymouth, Michigan, as the ''Carl D. Pursell Post Office'';

H.R. 3630, to redesignate the facility of the United States Postal Service located at 9719 Candelaria Road NE. in Albuquerque, New Mexico, as the ''Steven Schiff Post Office'';

H.R. 2799, to redesignate the building of the United States Postal Service located at 324 South Laramie Street, in Chicago, Illinois, as the ''Reverend Milton R. Brunson Post Office Building'';

H.R. 2798, to redesignate the building of the United States Postal Service located at 2419 West Monroe Street, in Chicago, Illinois, as the ''Nancy B. Jefferson Post Office Building''; and

H.R. 2623, to designate the United States Post Office located at 16250 Highway 603 in Kiln, Mississippi, as the ''Ray J. Favre Post Office Building''.

FOOD IMPORT SAFETY

Committee on Governmental Affairs: Permanent Subcommittee on Investigations resumed hearings to examine the safety of food imports, focusing on imported fruits and vegetables, receiving testimony from Senators Coverdell, Kennedy, Mikulski, and Harkin; Raymond W. Kelly, Commissioner, United States Customs Service, Department of the Treasury; Thomas J. Billy, Administrator, Food Safety and Inspection Service, Department of Agriculture; William B. Schultz, Deputy Commissioner for Policy, Food and Drug Administration, Department of Health and Human Services; and Sanford A. Miller, University of Texas Health Science Center, San Antonio, on behalf of the Committee to Ensure Safe Food From Production to Consumption, Institute of Medicine/National Research Council/National Academy of Sciences.

Subcommittee will meet again tomorrow.

BUSINESS MEETING

Committee on the Judiciary: Committee ordered favorably reported the following bills:

S. 2151, to clarify Federal law to prohibit the dispensing or distribution of a controlled substance for the purpose of causing, or assisting in causing, the suicide, euthanasia, or mercy killing of any individual, with an amendment in the nature of a substitute;

S. 2099, to provide for enhanced Federal sentencing guidelines for counterfeiting offenses, with an amendment;

S. 2235, to amend part Q of the Omnibus Crime Control and Safe Streets Act of 1968 to encourage the use of school resource officers;

S. 2253, to establish a matching grant program to help State and local jurisdictions purchase bullet resistant equipment for use by law enforcement departments;

H.R. 379, for the relief of Larry Errol Pieterse;.

H.R. 2744, for the relief of Chong Ho Kwak;

S. 1551, for the relief of Kerantha Poole-Christian;

H.R. 378, for the relief of Heraclio Tolley;

S. 1202, providing relief for Sergio Lozano, Fauricio Lozano, and Ana Lozano; and

S. 1460, for the relief of Alexandre Malofienko, Olga Matsko, and their son Vladimir Malofienko.

CAPITOL SECURITY

Committee on Rules and Administration: Committee held closed hearings to examine United States Capitol security issues, receiving testimony from Larry E. Torrence, Acting Assistant Director, and Robert M. Blitzer, Section Chief, Domestic Terrorism Unit, both of the National Security Division, Federal Bureau of Investigation, Department of Justice; Gregory S. Casey, Sergeant at Arms, United States Senate; Wilson Livingood, Sergeant at Arms, U.S. House of Representatives; Alan M. Hantman, Architect of the Capitol; Gary Abrecht, Chief of Police, and Bob Greeley, Director, Physical Division, both of the United States Capitol Police; and Sam Raines, Booz, Allen & Hamilton, Inc., Falls Church, Virginia.

Hearings continue tomorrow.

SMALL BUSINESS COMPETITION

Committee on Small Business: Committee concluded hearings to examine how small businesses can compete with campus bookstores, and related provisions of S. 2490, to prohibit postsecondary educational institutions from requiring the purchase of goods and services from on-campus businesses, intentionally withholding course information from off-campus businesses, or preventing students from obtaining course information or materials from off-campus businesses, after receiving testimony from William D. Gray, Gray's College Bookstore, Charlotte, North

Carolina, on behalf of the Campus Area Small Business Alliance; Graham Gillette, Pinnacle Communications, Des Moines, Iowa, on behalf of the Campus Book Store, Inc.; Rob Karr, Illinois Retail Merchants Association, Chicago; and Anthony Samu, United States Student Association, Washington, D.C.

AUBURN INDIAN RESTORATION ACT

Committee on Indian Affairs: Committee concluded hearings on H.R. 1805, to amend the Auburn Indian Restoration Act to establish restrictions related to gaming on and use of land held in trust for the United Auburn Indian Community of the Auburn Rancheria of California, after receiving testimony from Representative Doolittle; Kevin Gover, Assistant Secretary of the Interior for Indian Affairs; and Jessica Tavares, United Auburn Indian Community, Newcastle, California.

House of Representatives

Chamber Action

Bills Introduced: 10 public bills, H.R. 4617–4626; and 1 resolution, H. Res. 554, were introduced.

Pages H8626–27

Reports Filed: Reports were filed today as follows:

H.R. 2370, to amend the Organic Act of Guam for the purposes of clarifying the local judicial structure and the office of Attorney General, amended (H. Rept. 105–742);

H. Res. 551, providing for the consideration of H.R. 4618, to provide emergency assistance to American farmers and ranchers for crop and livestock feed losses due to disasters and to respond to loss of world markets for American agricultural commodities (H. Rept. 105–743);

H. Res. 552, providing for consideration of H.R. 4578, to amend the Social Security Act to establish the Protect Social Security Account into which the Secretary of the Treasury shall deposit budget surpluses until a reform measure is enacted to ensure the long-term solvency of the OASDI trust fund, and for consideration of H.R. 4579, to provide tax relief for individuals, families, and farming and other small businesses, to provide tax incentives for education, to extend certain expiring provisions (H. Rept. 105–744); and

H. Res. 553, providing for consideration of H.R. 2621, to extend trade authorities procedures with respect to reciprocal trade agreements (H. Rept. 105–745). **Page H8626**

Speaker Pro Tempore: Read a letter from the Speaker wherein he designated Representative Ney to act as Speaker pro tempore for today. **Page H8535**

Guest Chaplain: The prayer was offered by the guest Chaplain, Rev. A. David Argo of Washington, D.C. **Page H8535**

Legislative Branch Appropriations: The House agreed to the conference report on H.R. 4112, making appropriations for the Legislative Branch for the fiscal year ending September 30, 1999, by a yea and nay vote of 356 yeas to 65 nays, Roll No. 457.

Pages H8546–58

Agreed to H. Res. 550, the rule waiving points of order against the conference report by voice vote.

Pages H8540–46

Defense Authorization: The House agreed to the conference report on H.R. 3616, to authorize appropriations for fiscal year 1999 for military activities of the Department of Defense, to prescribe military personnel strengths for fiscal year 1999, by a yea and nay vote of 373 yeas to 50 nays, Roll No. 458.

Pages H8563–71

Agreed to H. Res. 549, the rule waiving points of order against the conference report by voice vote.

Pages H8558–63

Workforce Improvement and Protection Act: The House passed H.R. 3736, to amend the Immigration and Nationality Act to make changes relating to H–1B nonimmigrants, by a recorded vote of 288 ayes to 133 noes, Roll No. 460.

Pages H8578–H8602

Agreed to the amendment in the nature of a substitute made in order by the rule, as amended.

Page H8578

Rejected the Watt of North Carolina amendment in the nature of a substitute numbered 2 printed in the Congressional Record that temporarily increases H–1B program visas from 65,000 to 95,000 in 1998, 105,000 in 1999, 115,000 in 2000; and then returns to 65,000 in 2001 and subsequent years. The increases are offset by a decrease in H–2B visas allowed each year (rejected by a yea and nay vote of 177 yeas to 242 nays, Roll No. 459).

Pages H8591–H8600

The Clerk was authorized in the engrossment of the bill to make technical and conforming changes to reflect the actions of the House. **Page H8602**

Agreed to H. Res. 513, the rule providing for consideration of the bill by voice vote. Earlier, agreed to the Dreier amendment that made in order as self-executing the amendment in the nature of a

substitute numbered 3 and printed in the Congressional Record. **Pages H8571–78**

Head Start Amendments: The House insisted upon its amendment to S. 2206, to amend the Head Start Act, the Low-Income Home Energy Assistance Act of 1981, and the Community Services Block Grant Act to reauthorize and make improvements to those Acts, to establish demonstration projects that provide an opportunity for persons with limited means to accumulate assets, and agreed to a conference. Appointed as conferees: Representatives Goodling, Castle, Souder, Clay, and Martinez. **Page H8602**

Senate Messages: Message received from the Senate appears on page H8535.

Amendments: Amendments ordered printed pursuant to the rule appear on pages H8627–55.

Quorum Calls—Votes: Three yea and nay votes and one recorded vote developed during the proceedings of the House today and appear on pages H8557–58, H8571, H8600–01, and H8601–02. There were no quorum calls.

Adjournment: The House met at 10:00 a.m. and adjourned at 9:44 p.m.

Committee Meetings

OVERSIGHT—FEDERAL HOUSING FINANCE BOARD

Committee on Banking and Financial Services: Subcommittee on Capital Markets, Securities and Government Sponsored Enterprises held an oversight hearing on the Federal Housing Finance Board's responsibility for safety and soundness and mission regulation of the Federal Home Loan Bank System. Testimony was heard from Richard S. Carnell, Assistant Secretary, Financial Institutions, Department of the Treasury; Nancy Kingsbury, Acting Assistant Comptroller General, GAO; and Bruce Morrison, Chairman, Federal Housing Finance Board.

MISCELLANEOUS MEASURES

Committee on Commerce: Ordered reported the following bills: H.R. 3888, amended, Consumer Anti-Slamming and Spamming Prevention Act; H.R. 3783, amended, Child Online Protection Act; H.R. 563, amended, to establish a toll-free number in the Department of Commerce to assist consumers in determining if products are American-made; H.R. 4353, amended, International Anti-Bribery and Fair Competition Act of 1998; H.R. 4321, amended, Financial Information Privacy Act of 1998; H.R. 3610, amended, National Oilheat Research Alliance Act of 1998; and H.R. 4081, to extend the deadline under the Federal Power Act applicable to the construction of a hydroelectric project in the State of Arkansas.

IMPEDIMENTS TO UNION DEMOCRACY

Committee on Education and the Workforce: Subcommittee on Employer-Employee Relations, continued hearings on Impediments to Union Democracy, Part IV: Rank and File Rights at the American Radio Association. Testimony was heard from representatives of the American Radio Association.

FEHB PREMIUM INCREASES

Committee on Government Reform and Oversight: Subcommittee on Civil Service held a hearing on FEHB Premium Increases for 1999. Testimony was heard from William E. Flynn, III, Associate Director, Retirement and Insurance Services, OPM; and public witnesses.

DRAFT REPORTS

Committee on Government Reform: Subcommittee on Human Resources met to consider, but no action was taken on the following draft reports: ''Fixing the Consumer Price Index: The Bureau of Labor Statistics Needs to Develop a Long Range, Systematic Approach to CPI Improvements''; ''Early Head Start: Linking Early Childhood Programs to Success''; ''Hepatitis C: Silent Epidemic, Mute Public Health Response''; and ''Medicare Home Health Services: No Surety in the Fight Against Fraud and Waste''.

POSTAL REFORM ACT

Committee on Government Reform: Subcommittee on Postal Service approved for full Committee action amended H.R. 22, Postal Reform Act of 1997.

U.S. POLICY TOWARD NORTH KOREA

Committee on International Relations: Held a hearing on U.S. Policy Toward North Korea. Testimony was heard from Ambassador Charles Kartman, Special Envoy for the Korean Peace Talks, Department of State; Kurt Campbell, Deputy Assistant Secretary, Asia and Pacific Affairs, Department of Defense; and public witnesses.

WESTERN SAHARA REFERENDUM FUTURE

Committee on International Relations: Subcommittee on Africa held a hearing on The Future of the Western Sahara Referendum. Testimony was heard from Ronald E. Neumann, Deputy Assistant Secretary, Bureau of Near Eastern Affairs, Department of State; and public witnesses.

DEFENSE HEALTH PROGRAM ADEQUACY

Committee on National Security: Subcommittee on Military Personnel held a hearing on the adequacy of the fiscal year 1999 Defense health program. Testimony was heard from the following officials of the Department of Defense: Lt. Gen. Ronald Blanck, USA, Surgeon General, Department of the Army; Vice Adm. Richard Nelson, USN, Surgeon General, Department of the Navy; Lt. Gen. Charles Roadman, USAF, Surgeon General, Department of the Air Force; Rudy de Leon, Under Secretary (Personnel and Readiness); and William J. Lynn, III, Under Secretary (Comptroller/Chief Financial Officer).

OVERSIGHT—GRAND CANYON NATIONAL PARK

Committee on Resources: Subcommittee on National Parks and Public Lands held an oversight hearing on Grand Canyon National Park. Testimony was heard from Robert Arnberger, Superintendent, Grand Canyon National Park, National Park Service, Department of the Interior; and public witnesses.

TAXPAYER RELIEF ACT; SAVE SOCIAL SECURITY ACT

Committee on Rules: Granted, by voice vote, a modified closed rule providing for the consideration of H.R. 4578, The Save Social Security Act, in the House without intervention of any point of order. The rule provides that the bill be considered as read and that the Committee on Ways and Means amendment in the nature of a substitute now printed in the bill shall be considered as adopted. The rule provides one hour of debate equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means. The rule provides for consideration, without intervention of any point of order, of an amendment printed in the Congressional Record and number 1, if offered by Representative Rangel or his designee, which shall be considered as read and shall be debatable for one hour equally divided and controlled by the proponent and an opponent. The rule provides one motion to recommit with or without instructions.

The rule further provides for the consideration, without intervention of any point of order, of H.R. 4579, Taxpayer Relief Act of 1998, after the disposition of H.R. 4578. The rule provides that the bill be considered as read and that the Committee on Ways and Means amendment in the nature of a substitute now printed in the bill, as modified by the amendment printed in the report of the Committee on Rules accompanying the resolution, shall be considered as adopted. The rule provides one hour of debate equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means. The rule provides for consideration, without intervention of any point of order, of an amendment printed in the Congressional Record and numbered 1, if offered by Representative Rangel or his designee, which shall be considered as read and shall be debatable for one hour equally divided and controlled by the proponent and an opponent. The rule provides for one motion to recommit with or without instructions. The rule provides that in the engrossment of H.R. 4579, the Clerk shall add the text of H.R. 4578, as passed by the House, and that upon the addition of the text, H.R. 4578 shall be laid on the table. Testimony was heard from Chairman Archer and Representatives Neumann, Spratt, Stenholm, Maloney of Connecticut, Berry, Sanchez, and Stark.

RECIPROCAL TRADE AGREEMENT AUTHORITIES ACT

Committee on Rules: Granted, by voice vote, a closed rule providing two hours of debate on H.R. 2621, Reciprocal Trade Agreement Authorities Act. The rule provides that the amendment in the nature of a substitute recommended by the Committee on Ways and Means now printed in the bill, modified by the amendments printed in the report of the Committee on Rules accompanying this resolution, be considered as adopted. The rule waives all points of order against the bill, as amended. Finally, the rule provides for one motion to recommit with or without instructions. Testimony was heard from Representatives Crane and Peterson of Minnesota.

AGRICULTURE DISASTER RELIEF AND MARKET LOSS ASSISTANCE ACT

Committee on Rules: Granted, by voice vote, a closed rule providing one hour of debate on H.R. 4168, Agriculture Disaster and Market Loss Assistance Act. The rule provides for consideration of the bill in the House without the intervention of any point of order. The rule provides one motion to recommit.

Y2K: WHAT EVERY CONSUMER SHOULD KNOW

Committee on Science: Subcommittee on Technology and the Subcommittee on Government Management of the Committee on Government Reform and Oversight held a joint hearing on Y2K: What Every Consumer Should Know. Testimony was heard from public witnesses.

OVERSIGHT—MARITIME ADMINISTRATION PROGRAMS

Committee on Transportation and Infrastructure: Subcommittee on Coast Guard and Maritime Transportation held an oversight hearing on the Programs of the U.S. Maritime Administration. Testimony was heard from Clyde J. Hart, Jr., Administrator, Maritime Administration, Department of Transportation.

MISCELLANEOUS RESOLUTIONS

Committee on Transportation and Infrastructure: Subcommittee on Public Buildings and Economic Development approved for full Committee action the following: 9 lease resolutions; 4 courthouse construction resolutions; 1 site acquisition and design resolution; 1 repair and alteration resolution; and H.R. 4595, to redesignate a Federal building located in Washington, D.C., as the ''Sidney R. Yates Federal Building''.

2000 (Y2K) BIOMEDICAL DEVICE ISSUES—IMPACT ON DVA

Committee on Veterans' Affairs: Subcommittee on Oversight and Investigations held a hearing on 2000 (Y2K) biomedical device issues and their impact on the Department of Veterans Affairs. Testimony was heard from Joel C. Willemssen, Director, Civil

Agencies Information Systems, Accounting and Information Management Division, GAO; Kenneth W. Kizer, M.D., Under Secretary, Health, Department of Veterans Affairs; John J. Callahan, Assistant Secretary, Management and Budget, Department of Health and Human Services; and a public witness.

Joint Meetings

APPROPRIATIONS—ENERGY AND WATER

Conferees continued in evening session to resolve the differences between the Senate- and House-passed versions of H.R. 4060, making appropriations for energy and water development for the fiscal year ending September 30, 1999.

WIPO COPYRIGHT TREATY

Conferees met to resolve the differences between the Senate- and House-passed versions of H.R. 2281, to amend title 17, United States Code, to implement the WIPO Copyright Treaty and the WIPO Performances and Phonograms Treaty, to provide limitation on copyright liability relating to material online, but did not complete action thereon, and recessed subject to call.

NEW PUBLIC LAWS

(For last listing of Public Laws, see DAILY DIGEST, p. D1028)

S. 1683, to transfer administrative jurisdiction over part of the Lake Chelan National Recreation Area from the Secretary of the Interior to the Secretary of Agriculture for inclusion in the Wenatchee National Forest. Signed September 23, 1998. (P.L. 105–238)

S. 1883, to direct the Secretary of the Interior to convey the Marion National Fish Hatchery and the Claude Harris National Aquacultural Research Center to the State of Alabama. Signed September 23, 1998. (P.L. 105–239)

COMMITTEE MEETINGS FOR FRIDAY, SEPTEMBER 25, 1998

(Committee meetings are open unless otherwise indicated)

Senate

Committee on Armed Services, closed briefing on the world wide threat and status of U.S. military forces and potential operational requirements, 10 a.m., SR–222.

Committee on Foreign Relations, to hold hearings on the nomination of Robert C. Randolph, of Washington, to be Assistant Administrator for Asia and Near East Affairs, Agency for International Development; to be followed by hearings on the nominations of B. Lynn Pascoe, of Virginia, to be Ambassador to Malaysia, and Diane Edith Watson, of California, to be Ambassador to the Federated States of Micronesia, 9:30 a.m., SD–419.

Committee on Governmental Affairs, Permanent Subcommittee on Investigations, to continue hearings to examine the safety of food imports, focusing on legislative, administrative and regulatory remedies, 9:30 a.m., SD–342.

Committee on Rules and Administration, to continue hearings in open and closed session to examine United States Capitol securities issues, 9:30 a.m., SR–301.

House

Committee on Commerce, Subcommittee on Energy and Power, hearing on the Federal Hydroelectric Relicensing Process, 10:30 a.m., 2322 Rayburn.

Subcommittee on Oversight and Investigations, hearing on Implementation of the Abstinence Education Provisions of the Welfare Reform Law, 10:30 a.m., 2123 Rayburn.

Committee on Education and the Workforce, Subcommittee on Oversight and Investigations, hearing on American Worker Project: Retailers and Manufacturers Concerning the Garment Industry, 10:00 a.m., 2175 Rayburn.

Committee on Government Reform and Oversight, Subcommittee on Government Management, Information, and Technology, to mark up the following: the Statistical Consolidation Act of 1998; H.R. 2635, Human Rights Information Act; H.R. 3032, Construction Subcontractors Payment Protection Enhancement Act of 1998; and a measure to provide for the conveyance of Federal land in New Castle, New Hampshire, to the Town of New Castle, New Hampshire, and to authorize the conversion of the use of certain lands in such town, 11 a.m., 2203 Rayburn.

Subcommittee on Human Resources, hearing on VA Oversight: The Impact of Restructuring on Health Care Quality, 10:30 a.m., 2154 Rayburn.

Committee on the Judiciary, executive, to consider the redaction of and the withholding of certain documents, records, and materials received from the Independent Counsel, which would otherwise be required to be released on September 28, 1998, 10 a.m., 2141 Rayburn.

September 25, Subcommittee on Commercial and Administrative Law, hearing and mark up of S.J. Res. 51, granting the consent of Congress to the Potomac Highlands Airport Authority Compact entered into between the States of Maryland and West Virginia; and to mark up H.R. 4572, to clarify that governmental pension plans of the possessions of the United States shall be treated in the same manner as State pension plans for purposes of the limitation on the State income taxation of pension income, 1 p.m., 2237 Rayburn.

Committee on National Security, Subcommittee on Military Readiness, Subcommittee on Installations and Facilities, and the Subcommittee on Military Personnel, joint hearing on readiness realities, 9:30 a.m., 2118 Rayburn.

Select Committee on U.S. National Security and Military/Commercial Concerns with the People's Republic of China, executive, to continue to receive briefings, 8 a.m., H–405 Capitol.

Joint Meetings

Conferees, on H.R. 4101, making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs, for the fiscal year ending September 30, 1999, 12 Noon, H–140, Capitol.

Next Meeting of the SENATE

9:30 a.m., Friday, September 25

Senate Chamber

Program for Friday: Senate will vote on H.R. 4057, FAA Authorizations, at 9:50 a.m., following which Senate may consider any legislative or executive business cleared for action.

Next Meeting of the HOUSE OF REPRESENTATIVES

9 a.m., Friday, September 25

House Chamber

Program for Friday: Consideration of H.R. 4578, Protect Social Security Account (modified closed rule, 1 hour of debate); and

Consideration of H.R. 2621, Reciprocal Trade Agreement Authorities Act (closed rule, 2 hours of debate).

Extensions of Remarks, as inserted in this issue

HOUSE

Congressional Record The public proceedings of each House of Congress, as reported by the Official Reporters thereof, are printed pursuant to directions of the Joint Committee on Printing as authorized by appropriate provisions of Title 44, United States Code, and published for each day that one or both Houses are in session, excepting very infrequent instances when two or more unusually small consecutive issues are printed at one time. ¶Public access to the Congressional Record is available online through *GPO Access,* a service of the Government Printing Office, free of charge to the user. The online database is updated each day the Congressional Record is published. The database includes both text and graphics from the beginning of the 103d Congress, 2d session (January 1994) forward. It is available on the Wide Area Information Server (WAIS) through the Internet and via asynchronous dial-in. Internet users can access the database by using the World Wide Web; the Superintendent of Documents home page address is http://www.access.gpo.gov/su_docs, by using local WAIS client software or by telnet to swais.access.gpo.gov, then login as guest (no password required). Dial-in users should use communications software and modem to call (202) 512–1661; type swais, then login as guest (no password required). For general information about *GPO Access,* contact the *GPO Access* User Support Team by sending Internet e-mail to gpoaccess@gpo.gov, or a fax to (202) 512–1262; or by calling Toll Free 1–888–293–6498 or (202) 512–1530 between 7 a.m. and 5 p.m. Eastern time, Monday through Friday, except for Federal holidays. ¶The Congressional Record paper and 24x microfiche will be furnished by mail to subscribers, free of postage, at the following prices: paper edition, $150.00 for six months, $295.00 per year, or purchased for $2.50 per issue, payable in advance; microfiche edition, $141.00 per year, or purchased for $1.50 per issue payable in advance. The semimonthly Congressional Record Index may be purchased for the same per issue prices. Remit check or money order, made payable to the Superintendent of Documents, directly to the Government Printing Office, Washington, D.C. 20402. ¶Following each session of Congress, the daily Congressional Record is revised, printed, permanently bound and sold by the Superintendent of Documents in individual parts or by sets. ¶With the exception of copyrighted articles, there are no restrictions on the republication of material from the Congressional Record.