By Mr. JEFFORDS, from the Committee on Labor and Human Resources, without amendment:

S. 2564: An original bill to provide for compassionate payments with regard to individuals with blood-clotting disorders, such as hemophilia, who contracted human immunodeficiency virus due to contaminated blood products, and for other purposes.

EXECUTIVE REPORTS OF COMMITTEE

The following executive reports of committee was submitted on October 6, 1998:

By Mr. MURKOWSKI, from the Committee on Energy and Natural Resources:

Eljay B. Bowron, of Michigan, to be Inspector General, Department of the Interior.

(The above nomination was reported with the recommendation that he be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

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. ROBERTS (for himself and Mr. MCCAIN):

S. 2563. A bill to amend title 10, United States Code, to restore military retirement benefits that were reduced by the Military Retirement Reform Act of 1986; to the Committee on Armed Services.

By Mr. JEFFORDS:

S. 2564. An original bill to provide for compassionate payments with regard to individuals with blood-clotting disorders, such as hemophilia, who contracted human immunodeficiency virus due to contaminated blood products, and for other purposes; from the Committee on Labor and Human Resources; placed on the calendar.

By Mr. DURBIN (for himself, Mr. WARNER, Ms. MIKULSKI, Mr. HUTCHINSON, Mr. ROBB, Mr. KENNEDY, and Mr. DEWINE):

S. 2565. A bill to amend the Federal Food, Drug, and Cosmetic Act to clarify the circumstances in which a substance is considered to be a pesticide chemical for purposes of such Act, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Ms. LANDRIEU (for herself, Mr. MURKOWSKI, Mr. LOTT, Mr. BREAUX, Mr. D'AMATO, Mr. CLELAND, Mr. JOHNSON, Mr. COCHRAN, Ms. MIKULSKI, and Mr. SESSIONS):

S. 2566. A bill to provide Coastal Impact Assistance to State and local governments, to amend the Outer Continental Shelf Lands Act Amendments of 1978, the Land and Water Conservation Fund Act of 1965, the Urban Park and Recreation Recovery Act, and the Federal Aid in Wildlife Restoration Act (commonly referred to as the Pittman-Robertson Act) to establish a fund to meet the outdoor conservation and recreation needs of the American people, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. WELLSTONE:

S. 2567. A bill to ensure that any entity owned, operated, or controlled by the people's Liberation Army or the People's Armed Police of the People's Republic of China does not conduct certain business with United States persons, and for other purposes; to the Committee on Finance.

By Mr. JEFFORDS (for himself and Mr. DODD):

S. 2568. A bill to amend the Internal Revenue Code of 1986 to provide that the exclusion from gross income for foster care payments shall also apply to payments by qualifying placement agencies, and for other purposes; to the Committee on Finance.

By Mr. GORTON (for himself, Mr. SMITH of Oregon, and Mr. KEMPTHORNE):

S. 2569. A bill to amend the Pacific Northwest Electric Power Planning and Conservation Act to provide for expanding the scope of the Independent Scientific Review Panel; to the Committee on Energy and Natural Resources.

By Mr. KOHL (for himself, Mr. REID, and Mrs. FEINSTEIN):

S. 2570. A bill entitled the ''Long-Term Care Patient Protection Act of 1998''; to the Committee on Finance.

By Mr. LIEBERMAN:

S. 2571. A bill to reduce errors and increase accuracy and efficiency in the administration of Federal benefit programs, and for other purposes; to the Committee on Governmental Affairs.

By Mr. SARBANES:

S. 2572. A bill to amend the International Maritime Satellite Telecommunications Act to ensure the continuing provision of certain global satellite safety services after the privatization of the business operations of the International Mobile Satellite Organization, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. LAUTENBERG:

S. 2573. A bill to make spending reductions to save taxpayers money; to the Committee on Armed Services.

By Mr. JOHNSON (for himself and Mr. DASCHLE):

S. 2574. A bill for the relief of Frances Schochenmaier; to the Committee on the Judiciary.

By Mr. CHAFEE (for himself and Mr. MOYNIHAN):

S. 2575. A bill to expand authority for programs to encourage Federal employees to commute by means other than single-occupancy motor vehicles to include an option to pay cash for agency-provided parking spaces, and for other purposes; to the Committee on Governmental Affairs.

By Ms. SNOWE (for herself, Ms. MIKULSKI, Ms. COLLINS, Mrs. HUTCHISON, Ms. MOSELEY-BRAUN, Mrs. MURRAY, Mrs. BOXER, Mr. DODD, Mr. JEFFORDS, Mr. REID, Mr. D'AMATO, Mr. ROCKEFELLER, Mr. KERREY, Mr. LIEBERMAN, Mr. TORRICELLI, Mr. DURBIN, Mr. SARBANES, Mr. KERRY, Mr. LAUTENBERG, Mr. INOUYE, and Mr. LEAHY):

S. 2576. A bill to create a National Museum of Women's History Advisory Committee; to the Committee on Rules and Administration.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. MCCONNELL:

S. Res. 289. A resolution authorizing the printing of the ''Testimony from the Hearings of the Task Force on Economic Sanctions''; considered and agreed to.

By Mr. LOTT (for himself and Mr. DASCHLE):

S. Res. 290. A resolution to authorize representation by Senate Legal Counsel; considered and agreed to.

S. Res. 291. A resolution to authorize representation by Senate Legal Counsel; considered and agreed to.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. ROBERTS (for himself and Mr. MCCAIN):

S. 2563. A bill to amend title 10, United States Code, to restore military retirement benefits that were reduced by the Military Retirement Reform Act of 1986; to the Committee on Armed Services.

MILITARY RETIREMENT READINESS ENHANCEMENT ACT OF 1998

Mr. ROBERTS. Mr. President, a few weeks ago I called the Senate's attention to several issues in the military that are contributing to problems in recruiting and retention of key, midcareer military personnel. Briefly, those issues were as follows:

We are asking the military, significantly smaller than it was during the cold war, to operate and deploy much more frequently.

We are asking the military to deploy on missions that may not be in the vital national interest of this Nation.

We are not paying servicemen and women a salary that is comparable to the pay they could get outside the military for the same skills.

We are not providing quality health care for the families of the military, and we have not provided the promised health care for the retired members of the military.

We are not providing quality housing to all military families.

And we are not providing a retirement program that is adequate to justify a career commitment to the arduous lifestyle and the difficult family separations that are necessary in military life.

Mr. President, I rise today to offer legislation to address military retirement. The bill that I am introducing repeals the Military Reform Retirement Act of 1986, also known as REDUX. This experiment in the military retirement system was introduced in 1986 with the intended purpose—and it was a good one—of encouraging members of the military to stay longer than the popular career of 20 years.

The service chiefs now say that retirement is one of the top reasons that our men and women are leaving the service. The Chairman of the Joint Chiefs of Staff, General Shelton, listed it among the most pressing problems facing the military in retaining key people. The Secretary of Defense has voiced very similar concerns.

Pay is being addressed slowly, including a 3.6 percent pay raise in this defense appropriations bill.

The Department of Defense is working on housing issues that may solve the problems. Problems with the health care programs are very complex and multilayered and requires detailed study to solve. The issue of the high rate of deployments and the quality of

missions rests at the feet of the administration and this Congress and are now the subject of policy debate.

Congress must address, however, the issue of retirement. We must show the men and women of our armed services that we are listening to their concerns and that we deeply care about them, their families and the commitment they make to the defense of this Nation.

While the purpose of this bill is to repeal the 1986 retirement program, I want to emphasize it is not the final solution to the military's retirement problem. I urge the Department of Defense to start a comprehensive study—I think they are—and to examine all creative options to solve the recruitment and retention problems that now face the military.

The repeal of REDUX is only but one option. There may be others. I know that private industry has many creative retirement programs that may serve as part of a final solution. The civilian sector of the Federal Government has long experience in retirement programs. Whatever course we end up taking, the bottom line must be a retirement program that is perceived as fair and adequate by our service men and women.

The fundamental job of the Federal Government is to provide for the security of the Nation. That security begins and ends with people. It is clear that they are sending a strong message that we are letting them down. We are not providing adequately for their welfare and their postmilitary life.

So providing better benefits for members of the military will pay dividends for national security. And, Mr. President, it is the right thing to do. We owe it to our military men and women who are making the personal and family sacrifices to do such an important job. They do an outstanding job under the most difficult of circumstances. It is not too much to ask that we provide adequate support for them and their families.

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. 2563

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; REFERENCES TO TITLE 10, UNITED STATES CODE.

(a) SHORT TITLE.—This Act may be cited as the ''Military Retirement Readiness Enhancement Act of 1998''.

(b) REFERENCES TO TITLE 10.—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 title 10, United States Code.

SEC. 2. RETIRED PAY MULTIPLIER.

(a) REPEAL OF REDUCTION FOR LESS THAN 30 YEARS OF SERVICE.—Subsection (b) of section 1409 is amended by striking out paragraph (2).

(b) CONFORMING AMENDMENTS.—(1) Paragraph (1) of such subsection is amended by striking out ''paragraphs (2) and (3)'' and inserting in lieu thereof ''paragraph (2)''.

(2) Paragraph (3) of such subsection is redesignated as paragraph (2).

SEC. 3. ADJUSTMENTS OF RETIRED AND RETAINER PAY TO REFLECT CHANGES IN THE CONSUMER PRICE INDEX.

(a) REPEAL OF REDUCED COLA RATE.—Subsection (b) of section 1401a is amended—

(1) by striking out paragraphs (1), (2), (3), and (4), and inserting in lieu thereof the following:

''(1) GENERAL RULE.—Effective on December 1 of each year, the Secretary of Defense shall increase the retired pay of each member and former member of an armed force by the percent (adjusted to the nearest one-tenth of 1 percent) by which—

''(A) the price index for the base quarter of that year, exceeds

''(B) the base index.''; and

(2) by redesignating paragraph (5) as paragraph (2).

(b) FIRST COLA ADJUSTMENT.—Subsections (c)(3) and (d) of such section are amended by striking out ''who first became a member of a uniformed service before August 1, 1986, and''.

(c) REPEAL OF SPECIAL RULE ON PRO RATING INITIAL ADJUSTMENT FOR POST-1986 REFORM RETIREES.—Subsection (e) of such section is repealed.

(d) CONFORMING AMENDMENTS.—Subsections (f), (g), and (h) of such section are redesignated as subsections (e), (f), and (g), respectively.

SEC. 4. RESTORAL OF FULL RETIREMENT AMOUNT AT AGE 62.

(a) REPEAL.—Section 1410 is repealed.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 71 is amended by striking out the item relating to section 1410.

SEC. 5. CONFORMING AMENDMENTS FOR SURVIVOR BENEFIT PLAN.

(a) UNREDUCED RETIRED PAY AS BASIS FOR ANNUITY.—Section 1447(6)(A) is amended by striking out ''(determined without regard to any reduction under section 1409(b)(2) of this title)''.

(b) COST-OF-LIVING ADJUSTMENTS AND RECOMPUTATIONS.—Section 1451 is amended by striking out subsections (h) and (i) and inserting in lieu thereof the following:

''(h) ADJUSTMENTS TO BASE AMOUNT FOR COST-OF-LIVING.—

''(1) INCREASES IN BASE AMOUNT WHEN RETIRED PAY INCREASED.—Whenever retired pay is increased under section 1401a of this title (or any other provision of law), the base amount applicable to each participant in the Plan shall be increased at the same time.

''(2) PERCENTAGE OF INCREASE.—The increase shall be by the same percent as the percent by which the retired pay of the participant is so increased.''.

(c) REDUCTION IN RETIRED PAY.—(1) Section 1452 is amended—

(A) in subsection (c), by striking out paragraph (4); and

(B) by striking out subsection (i).

(2) Section 1460(d) is amended by striking out ''or recomputed under section 1452(i) of this title'', or recomputed, as the case may be,'' and ''or recomputation''.

SEC. 6. EFFECTIVE DATE.

This Act and the amendments made by this Act shall take effect on October 1, 1999, and shall apply with respect to retired or retainer pay accruing for months beginning on or after that date.

Mr. MCCAIN. Mr. President, I rise to support and cosponsor the legislation that Senator ROBERTS introduced earlier today that reinstates the 50 percent retirement ''earned benefit'' plan for men and women in the military who retire with 20 years of military service. I also implore the Senate leadership to act quickly on this legislation and move for its swift passage before the 105th Congress adjourns for the year.

Times have changed since 1986. Our economy has prospered, producing historically high levels of employment and resulting in the emergence of a very difficult recruiting and retention environment for the armed services. Maintaining a top-quality force requires a military personnel system that has the flexibility to react quickly to the dynamics of the civilian market, and the leadership and confidence to follow through with critical personnel decisions rather than neglecting them out of fiscal opportunism. Regrettably, this year, first, second, and third-term enlisted retention, pilot and mid-grade officer retention, and recruiting are all short of the goal for each of the services.

Recruiting and retaining quality individuals requires pay scales that adjust to meet prevailing rates rather than fall 14 percent behind comparable civilian pay. It requires adequate funding for recruiting. It requires proper promotion rates—not promotion boards that take five months to process reports of promotion boards, as is the case with the Navy. It requires proper living conditions and morale, welfare and recreation services. It also requires reasonable tours of duty, a higher quality of civilian leadership, and ''role models'' within the leadership who are seen to take service members' quality-of-life concerns to heart.

Reinstatement of the 50 percent retirement plan for career military men and women would serve as an important signal of resolve to our service members that the United States Congress is aware of the shortfall in benefits for those who wear the uniform of their country and is acting to improve those benefits. Last week, the Senate Armed Services Committee heard directly from the Joint Chiefs that restoring retirement benefits is a requirement for recruiting and retaining the qualified individuals we rely on to defend this nation.

General Hugh Shelton, Chairman of the Joint Chiefs of Staff, stated clearly that fixing the military retirement system is a top recommendation for restoring the readiness of our armed forces. Army Chief of Staff General Reimer has written to me that

> . . .the retirement package we have offered our soldiers entering the Army since 1986 is inadequate. Having lost 25 percent of its lifetime value as a result of the 1980's reforms, military retirement is no longer our number one retention tool. Our soldiers and families deserve better. We need to send them a strong signal that we haven't forgotten them.

The military medical health care system, particularly the TRICARE program, has been described by Service

Chiefs as falling far short of what is warranted and needed. We cannot ignore the erosion of retirement and health care benefits, and the resultant impact on retention and readiness. General Reimer writes,

''The loss in medical benefits when a retiree turns 65 is particularly bothersome to our soldiers who are making career decisions.''

From the Service Chiefs' answers, it is highly questionable whether we are meeting any of these requirements. On the contrary, it is clear that there is much work to be done.

Finally, it is demoralizing to the men and women we send into harm's way, and is incomprehensible to the American people, who expect a well-trained and well-equipped force, to witness as many as 25,000 military personnel and their families on food stamps. One tax provision that I have tried to reverse this year excludes uniformed men and women in the military from beneficial tax treatment on the profits resulting from the sale of their homes. We order servicemembers to move from place to place, but we do not afford them the same tax treatment as other U.S. citizens. Should this issue have been permitted to exist for so many years?

Mr. President, we cannot afford to neglect this array of personnel concerns. Let us begin by acting immediately to restore the higher earned benefit plan for retired service members. Senator ROBERTS has offered critical legislation to help reverse the diminishing retention rates that cripple our Armed Services and ultimately diminish their ability to execute our National Military Strategy. On behalf of all men and women who have honorably dedicated their careers to serving this country in uniform, I urge my colleagues to join me in support of this legislation.

By Ms. LANDRIEU (for herself, Mr. MURKOWSKI, Mr. LOTT, Mr. BREAUX, Mr. D'AMATO, Mr. CLELAND, Mr. JOHNSON, Mr. COCHRAN, Ms. MIKULSKI, and Mr. SESSIONS):

S. 2566. A bill to provide Coastal Impact Assistance to State and local governments, to amend the Outer Continental Shelf Lands Act Amendments of 1978, the Land and Water Conservation Fund Act of 1965, the Urban Park and Recreation Recovery Act, and the Federal Aid in Wildlife Restoration Act (commonly referred to as the Pittman-Robertson Act) to establish a fund to meet the outdoor conservation and recreation needs of the American people, and for other purposes; to the Committee on Energy and Natural Resources.

REINVESTMENT AND ENVIRONMENTAL RESTORATION ACT OF 1998

Ms. LANDRIEU. Mr. President, I begin by thanking my colleague from Louisiana Senator BREAUX, a cosponsor on this measure, as well as Senator MURKOWSKI, Senator LOTT, Senator D'AMATO, Senator CLELAND, Senator JOHNSON, Senator COCHRAN, Senator SESSIONS and Senator MIKULSKI as cosponsors of this measure, and also thank the many leaders on the House side that are today introducing this bill on the House side.

Surely, with the time so short, we will not be considering this bill in this session, but we plan for a very lively debate as the 106th Congress meets in January on this very important piece of environmental legislation for our country.

I will take a few minutes to outline in a highlighted form what this bill will attempt to do, something that we have worked on, a group of us, earnestly and very excitedly for the last year. Then my colleague from Louisiana, Senator BREAUX, will say a few words about the bill.

This is the Reinvestment and Environmental Restoration Act of 1998. It is going to attempt to take 50 percent of the moneys that are now flowing into the Federal Treasury from offshore oil and gas revenues—which have been very significant; $120 billion since 1955—and redistribute those revenues in a smarter way, in a better way, and in a way that our country can be proud of.

We are going to ask that 27 percent of those revenues be distributed to coastal States for coastal conservation impact assistance, 16 percent to fund more fully the Land and Water Conservation Fund, and 7 percent to fund the Wildlife Conservation and Restoration Act. These are the major titles of this bill. Let me very briefly hit on each one.

I am from Louisiana, a State that has supported, proudly supported, oil and gas drilling and exploration. It has created many jobs in our State. We try to do it in a more environmentally sensitive way each and every year, and every decade we make tremendous progress. Other States like Texas, Mississippi, and to a certain degree, Alabama, although not as much, and Alaska, join in that effort.

There are many States that do not have drilling and many States that have a moratorium on drilling. This bill is not a pro-drilling bill or anti-drilling bill. The purpose is to say that the production of those resources off the shores of our States, although they are offshore, have tremendous impact—both positive and negative—on the States that host drilling.

Louisiana has contributed since the 1950s over 90 percent of these revenues that I spoke about, the $120 billion, and we have gotten less than 1 percent back. It is time to correct that inequity. That is what the first title of this bill does. It says to Louisiana, thank you for your commitment to our energy security and for the way that you have contributed to this oil and gas drilling. We believe that some of this money should go back to help your State and the coastal areas to shore up our wetlands and to reinvest in our environment. That is Title I of this bill. It will distribute funds to all coastal States, whether they have drilling or not.

As I said, there are no incentives; there are no disincentives. It is a revenue-sharing bill to all the coastal States. These revenues are collected from a nonrenewable resource. One day these oil and gas wells will be dried up. It might be 10 years from now or 20 years from now, but some day they will be dried up, and we want to make sure that a portion of this money is reinvested back into our States for environmental infrastructure and wetland conservation so that we have something to show for it.

The second part of this bill amends the Land and Water Conservation Act in an attempt to restore this fund, or to more fully fund it. I will ask unanimous consent to have printed in the RECORD an excerpt from an editorial from the New York Times on this subject.

I will read the first short paragraph of this editorial.

More than 30 years ago, Congress passed a quiet little environmental program that offered great promise to future generations of Americans. Conceived under Dwight Eisenhower, proposed by John F. Kennedy and signed into law by Lyndon Johnson, the Federal Land and Water Conservation Fund was designed to provide a steady revenue stream to preserve ''irreplaceable lands of natural beauty and unique recreational value.'' Royalties from offshore oil and gas leases would provide the money, giving the program an interesting symmetry. Dollars raised from depleting one natural resource would be used to protect another.

The problem is, this promise was never fulfilled. That is what the second title of this bill will do. It seeks to make this promise real for our families, for our children, and for the next generation. It will take, as I said, 16 percent of these revenues to almost fully fund the State side and the Federal side of the Land and Water Conservation Fund. It will provide a reliable and steady stream of revenue to do just that.

Let me share with you that on the Federal side in only 6 out of the last 33 years have we really lived up to the promise that we made to the land and water conservation side. On the State side, the funding record has been even more dismal. Only 1 year out of 33 years since this Land and Water Conservation Fund was enacted did we live up to that promise. So title II happens to fully restore funding so that we can plan and count on these moneys to help expand our parks and our recreation for our children and families in rural and urban areas around this great country.

Finally, title III is a new title, a new chapter, but an attempt to sort of weave together some of the attempts by my colleague, Senator BREAUX, and others to improve the Wildlife Conservation and Restoration Act. I believe it makes little sense to spend all of our money in this area on the back end, after species have become endangered. Then we have problems not only

with the species in question but with property rights. We have questions with economies that can be very negatively affected when industries have to move out or can't proceed because of this.

So we believe it is time to start investing some money on the front end. That is what this title does—helping species, helping States to give educational and technical assistance to stop these species from becoming endangered, and therefore saving the taxpayers a lot of money and local economies a lot of anguish, and to give some much-needed revenue to our State wildlife agencies around this country.

So those are generally the titles of the bill.

I just want to say that it is high time that we live up to the promise made 30 years ago, and we can do that by more wisely spending this money. It makes no sense to take 100 percent of these revenues and spend them on Federal operating expenses that have nothing to do with our environment, or with this promise that was made, or with our investments in future generations. It is time not just for Louisiana, Texas, Alaska, and Mississippi, who have contributed so much to this industry, but also it is high time for all of our States to benefit in a more direct way than they are currently. This is a wiser fiscal policy, it is a much wiser environmental policy, and it most certainly is an idea whose time has come.

To reiterate, the Reinvestment and Environmental Restoration Act of 1998 will go farther than any legislation to date to make good on promises that were made to the people of this country decades ago. In addition, it will begin to right a wrong endured by oil and gas producing states for over 50 years, particularly for the states along the Gulf of Mexico, and my state of Louisiana.

The Reinvestment and Environmental Restoration Act first provides a guaranteed source of funding equal to twenty-seven percent of all Outer Continental Shelf revenues for Coastal Impact Assistance to states to offset the impacts of offshore oil and gas activity, as well as to non-producing states for environmental purposes. This funding goes directly to States and local governments for improvements in air and water quality, fish and wildlife habitat, wetlands, or other coastal resources, including shoreline protection and coastal restoration. These revenues to coastal states will help offset a range of costs unique to maintaining a coastal zone. The formula is based on population, coastline and proximity to production.

Second, the bill provides a permanent stream of revenue for the State and Federal sides of the Land and Water Conservation Fund, as well as for the Urban Parks and Recreation Recovery Program. Under the bill, funding to the LWCF becomes automatic at sixteen percent of annual revenues. Receiving just under half this amount, the state side of LWCF will provide funds to state and local governments for land acquisition, urban conservation and recreation projects, all under the discretion of state and local authorities. Since its enactment in 1965, the LWCF state grant program has funded more than 37,000 park and recreation projects throughout the nation, including in Louisiana the Joe Brown Park Development in New Orleans, the Baton Rouge Animal Exhibit, the Veterans Memorial Park in Point Barre and the Northwestern State University Recreation Complex in Natchitoches. The Urban Parks program would enable cities and towns to focus on the needs of its populations within our more densely inhabited areas with fewer greenspaces, playgrounds and soccer fields for our youth. Stable funding, not subject to appropriations, will provide greater revenue certainty to state and local planning authorities.

A stable baseline will be established for Federal land acquisition through the LWCF at a level higher than the historical average over the past decade. Federal LWCF will receive just under half of the amount in this title of the bill. And, nothing in this bill will preclude additional Federal LWCF funds to be sought through the annual appropriations process. Some very worthy national projects that have received funding in the past include the Atchafalaya National Wildlife Refuge in Louisiana, the Mississippi Sandhill Crane Wildlife Refuge, the Cape Cod National Seashore, Voyageurs National Park in Minnesota and the Sterling Forest in New Jersey. Federal LWCF dollars will be used for land acquisition in areas which have been and will be authorized by Congress. The bill will restore Congressional intent with respect to the LWCF, the goal of which is to share a significant portion of revenues from offshore development with the states to provide for protection and public use of the natural environment.

Finally, the wildlife conservation and restoration provision includes guaranteed funding of seven percent of annual OCS revenues for wildlife habitat protection, conservation education and delisting of endangered species. Moreover, this funding may be used by states for habitat preservation and land acquisition of wintering habitat for important species, therefore preventing listings under the Endangered Species Act.

While we are proud of the accomplishment represented by the introduction of this bill, I feel compelled to mention other interests that are not included in the legislation, but for which I maintain a strong level of support and commitment. The National Historic Preservation Fund is an important authorized use for Outer Continental Shelf revenues. In fact, I introduced legislation earlier this year to reauthorize the fund for its continued viability and vitality. We see the Reinvestment and Environmental Restoration Act as a starting point for debate and consideration of additional issues. I would like to work with proponents of historic preservation over the course of the year to see their needs addressed in the future. This would include similar consideration for Historic Battlefield Preservation, which is important to other members in this body. I also wish to work with other groups to address their concerns about other provisions in the bill having to do with formulas. Indeed, this is a measure that should enjoy broad support, and I want to continue to work with groups to that end.

Mr. President, all three portions of the bill will effectively free up State resources which in turn may then be used for other pressing local needs. The Reinvestment and Environmental Restoration Act is a perfect opportunity to reinvest in our nation's renewable resources for the benefit of our children's future and our grandchildren's future. It is an idea whose time has come. I urge my colleagues to carefully consider this proposal.

Mr. President, I thank Chairman MURKOWSKI, and I thank the majority leader, Senator LOTT, for all of their help in making this legislation possible.

I ask unanimous consent that the bill and New York Times editorial be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[The bill was not available for printing. It will appear in a future issue of the RECORD]

[From the New York Times, June 16, 1997]

REVIVE THE CONSERVATION FUND

More than 30 years ago, Congress passed a quiet little environmental program that offered great promise to future generations of Americans. Conceived under Dwight Eisenhower, proposed by John F. Kennedy and signed into law by Lyndon Johnson, the Federal Land and Water Conservation Fund was designed to provide a steady revenue stream to preserve ''irreplaceable lands of natural beauty and unique recreational value.'' Royalties from offshore oil and gas leases would provide the money, giving the program an interesting symmetry. Dollars raised from depleting one natural resource would be used to protect another.

Since its inception, the fund has helped acquire seven million acres of national and state parkland and develop 37,000 recreation projects. Its notable triumphs include the Cape Cod National Seashore, the New Jersey Pinelands National Reserve and Voyageurs National Park in Minnesota. But the program fell apart during the Reagan Administration and has yet to recover. Of the $900 million that has flowed to the fund from oil and gas royalties each year since 1980, Congress has seen fit to appropriate only a third, and in some years far less. The rest has simply disappeared into the Treasury, allocated for deficit reduction.

The biggest losers have been the states. Over time, appropriations have been split about evenly between Federal and state conservation projects. But for two years running, not a dime has gone to the states—again for budgetary reasons. This has been hard on New York, which needs Federal help to buy valuable open space threatened by development in the Adirondacks and elsewhere.

Now, quite suddenly, this legislative stepchild has acquired a bunch of new friends. As part of the recent budget deal, Republican leaders agreed to add $700 million to the $166 million that President Clinton has requested for the new fiscal year. The Republicans had been getting heat from governors back home and saw a chance to polish their environmental image. For his part, Mr. Clinton needed about $315 million to complete two important Federal purchases, both strongly supported by this page—$65 million to develop on his pledge to buy the New World Mine on the edge of Yellowstone National Park, the rest to acquire the Headwaters Redwood Grove in California from a private lumber company.

That would still leave several hundred million dollars for other Federal projects and for the states—but only if the House and Senate appropriations committees honor the outlines of the budget deal and commit to sizable share of the money to state projects. State officials have been descending upon Washington in recent days to plead their cased. Gov. George Pataki has written every member of Congress and, last week, the New York State Parks Commissioner, Bernadette Castro, testified at hearings convened by Senator Frank Murkowski of Alaska.

Mr. BREAUX. Mr. President, I thank the Senator from Louisiana and congratulate her for all the effort she has put forth in bringing this legislation to this point.

I have been in Congress for a long time—something like 26 years now, in the House and in this body—and I have never really seen a first-term Member who has been so dedicated to a major legislative effort as has the Senator from Louisiana, Ms. LANDRIEU, in bringing this legislation to the floor of the U.S. Senate. Many Members, on their first day, have come in and introduced a bill, issued a press release, and then forgotten about it. This has been an effort by the Senator from Louisiana, Senator LANDRIEU, of very carefully prodding and very carefully studying and working with Members on both sides of the aisle to put together a bipartisan coalition to bring this legislation to the floor of the Senate.

While this is brought to the floor of the Senate in the last days of this session, we all know that there will be another day. The groundwork that she has laid in putting this package and this coalition together is going to be here in the next Congress. So in the next Congress we will start not from scratch but from the groundwork that she has laid in bringing this legislation to the point it is today.

I congratulate her for the way she has done it. It is something that I have not seen by a new Member of the Congress in all of the years that I have been here. It is a major accomplishment on her part. I am very pleased to participate in it.

Just a brief word on the legislation. I think it is a fair thing to do. Many non-coastal States have Federal property, owned 100 percent by the Federal Government, within their borders. When minerals are extracted or oil and gas are found on those Federal lands, the State in which those lands are located gets as much as 50 percent of the revenue. Coastal States, however, get nothing. That is clearly not fair. Offshore mineral development operations have a major impact on coastal Louisiana. These operations impact our roads, bridges and other infrastructure, our freshwater supply, our housing and other vital public resources. It is only fair that there be a reasonable sharing of those revenues with states that bear these kinds of burdens. The impact coastal states suffer is a burden borne for the good of the whole country and, without it, the whole country would suffer.

Therefore, to share in a true partnership with the coastal States is certainly something that this Congress should favorably consider, and I think that we will because of what the Senator has been able to do in a bipartisan fashion. So while it is late this year, it is early for next year. The work that she has done this year will pay off next year.

Mr. MURKOWSKI. Mr. President, I rise today, along with Senators LANDRIEU and LOTT, to introduce the Reinvestment and Environmental Restoration Act of 1998.

This important piece of legislation remedies a tremendous inequity in the distribution of revenues generated by offshore oil and gas production by directing that a portion of those moneys be allocated to coastal States and communities who shoulder the responsibility for energy development activity off their coastlines. It also provides a secure funding source for state recreation and wildlife conservation programs.

The OCS Impact Assistance portion of this bill is similar to legislation I have introduced in prior Congresses and is an issue I have worked on for my entire Senate career.

Title 1 of the bill directs that a portion of the revenues generated from oil and natural gas production on the Outer Continental Shelf—or OCS—be returned to coastal States and communities that share the burdens of exploration and production off their coastlines.

Offshore oil and gas production generates $3 to $4 billion in revenues annually for the U.S. Treasury. Yet, unlike mineral receipts from onshore Federal lands, OCS oil and gas revenues are not directly returned to the States in which production occurs.

This legislation remedies this disparity. States and communities that bear the responsibilities for offshore oil and gas production will share in its benefits.

This legislation would, for the first time, share revenues generated by OCS oil and gas activities with counties, parishes and boroughs—the local governmental entities most directly affected—and State governments.

The bill also acknowledges that all coastal States, including those States bordering the Great Lakes, have unique needs and directs that a portion of OCS revenues be shared with these States, even if no OCS production occurs off their coasts.

Coastal States and communities can use OCS Impact Assistance funds on everything from environmental programs, to coastal and marine conservation efforts, to new infrastructure requirements.

In Alaska, local communities could use OCS funds to participate in the environmental planning process required by Federal laws before OCS development occurs.

Other rural coastal communities in Alaska will use the money for sanitation improvements. While still others, like Unalakleet, will use the money to construct sea walls and breakwaters or beach rehabilitation—efforts which will combat the impacts of coastal erosion.

This is money that will be used, day-in and day-out, to improve the quality of life on coastal State residents—money which comes from oil and gas production.

Further, as the Federal OCS program expands in Alaska, this legislation will mean even more revenues to the State, boroughs and local communities.

This is a true investment in the future.

As Chairman of the Energy and Natural Resources Committee, I know all too well that offshore oil and gas production is a lightning rod for environmental groups who will go to great lengths to disparage an activity that is vital to the long-term energy and economic security of this country.

These groups will likely say that this bill creates incentives for offshore oil and gas production because a factor in the distribution formula is a State's proximity to OCS production.

Let us remember, this is an impact assistance bill—revenue sharing, if you will.

States only will have impacts if they have production. The States with production, obviously, have greater needs and are most deserving of a larger share of OCS revenues.

Mr. President, let me also remind everyone, that OCS production only occurs off the coasts of 6 States—yet the bill shares OCS revenues with 34 States.

There are 28 coastal States that will get a share of OCS revenues which have no OCS production. In fact, in all areas except the Gulf of Mexico and Alaska there is a moratorium prohibiting any new OCS production.

It is in the long-term best interest of this country to support responsible and sustainable development of nonrenewable resources.

We now import more than 50 percent of our domestic petroleum requirements and the Department of Energy's Information Administration predicts, in ten years, America will be at least 64 percent dependent on foreign oil.

OCS development will play an important role in offsetting even greater dependence on foreign energy.

The OCS accounts for 24 percent of this Nation's natural gas production

and 14 percent of its oil production. We need to ensure that the OCS continues to meet our future domestic energy needs.

I firmly believe that the Federal Government needs to do all it can to pursue and encourage further technological advances in OCS exploration and production.

These technological achievements have and will continue to result in new OCS production having an unparalleled record of excellence on environmental and safety issues.

Additional technological advances with appropriate incentives will further improve new resource recovery and therefore increase revenues to the Treasury for the benefit of all Americans who enjoy programs funded by OCS money.

I will do all I can to ensure a healthy OCS program, including new OCS development in the Arctic.

A number of challenges face new developments in this area—I am confident that we can work through them all.

History has shown us that in the Arctic, and in other OCS areas, development and the environmental protection are compatible.

This bill also takes a portion of the revenues received by the Federal Government from OCS development and invests it in conservation and wildlife programs.

Thus, Titles II and III of the bill share OCS revenues with all States for such purposes.

Title II of this bill provides a secure source of funding for the Land and Water Conservation Fund. The LWCF was established over three decades ago to provide Federal money for State and Federal land acquisition and help meet Americans' recreation needs.

Over thirty years ago, Congress had the foresight to recognize the ever growing need of the American public for parks and recreation facilities with the passage of the Land and Water Conservation Fund Act.

That landmark piece of legislation was premised on the belief that revenues earned from the depletion of a nonrenewable resource need to be reinvested in a renewable resource for the benefit of future generations.

This rationale is as valid today as it was in the mid-1960's.

To accomplish this goal, the Land and Water Conservation Fund Act directs that revenues earned from offshore oil and gas production should be spent on the acquisition of Federal recreation lands by the land management agencies.

The act also creates a state-side matching grant program.

The state-side matching grant program provides 50–50 matching grants to States and local communities for the acquisition and construction of park and recreation facilities.

The state-side program has a truly unique legacy in the history of American conservation by providing the States with a leadership role in the provision of recreation opportunities.

Through the 1995 fiscal year, over 3.2 billion in Federal dollars have been leveraged to fund over 37,000 State and local park and recreation projects.

Yet, despite these successes, the President had not requested any money for the state-side program for the last 4 years.

This is a program supported by this Nation's mayors, Governors, and the recreation community.

The state-side matching grant should not have to justify annually its existence with congressional appropriators.

Title II makes this program self-sufficient and provides secure funding from OCS revenues.

Title III of this bill provides funding for State fish and wildlife conservation programs.

In Alaska, with its unparalleled natural beauty, fishing and hunting are two of the most popular forms of outdoor recreation.

The bill directs that a portion of OCS revenues should go to the States for wildlife purposes.

The money would be distributed through the Pittman-Robertson program administered by the United States Fish and Wildlife Services.

With the inclusion of OCS revenues, the amount of money available for State fish and game programs would nearly double.

This is a no-tax alternative to the Teaming with Wildlife proposal.

States will be able to use these monies to increase fish and wildlife populations and improve fish and wildlife habitat.

States also could use the money for wildlife education programs.

I am proud of this proposal which is a win-win for the oil and gas industry, the States, environmental and conservation groups, and all Americans.

This bill will ensure not only that Coastal States have money to address the effects of OCS-activities but that all States have funds necessary to provide outdoor recreation and conservation resources for all of us today to enjoy.

As we end the 105th Congress, I can pledge, as Chairman of the Energy and Natural Resources Committee, that the enactment of this bill will be one of my highest priorities next year.

Mr. LOTT. Mr. President, it is with great pleasure that I join my colleagues, Senators LANDRIEU and MURKOWSKI, in introducing the Reinvestment and Environmental Restoration Act.

Mr. President, since the inception of the oil and gas program on the Outer Continental Shelf (OCS), states and coastal communities have sought a greater share of the benefits from development. And why shouldn't they? These communities provide the infrastructure, public services, manpower and support industries necessary to sustain this development.

Currently, the majority of OCS revenues are funneled into the Federal Treasury where they are used to pay for various federal programs and to reduce the deficit. While funding programs and reducing the deficit are certainly important, I believe that some percentage of the revenues should be reinvested in that which makes them possible.

Our bill does that. The Reinvestment and Environmental Restoration Act diverts one-half of the OCS revenues from the Federal Treasury to coastal states and communities for a multitude of programs: air and water quality monitoring, wetlands protection, coastal restoration and shoreline protection, land acquisition, infrastructure, public service needs, state park and recreation programs and wildlife conservation.

This bill allows states and communities to use these funds in whatever manner they deem appropriate. In Pascagoula, for example, authorities might choose to restore and secure the shoreline where years of sea traffic have taken their toll. Further north in Vancleave, they may choose instead to refurbish the roads and bridges that carry the heavy machinery coming and going from the coast. This bill provides a framework within which these localities can make the right decisions for their citizens and environment.

Mr. President, I have been working on this issue for many, many years. As a coast dweller myself, I know the impact that the oil and gas industry can have on communities and the importance of reinvestment in these areas. This is not to say that the industry mistreats the states; on the contrary, they work very hard to comply with stringent environmental regulations and to take care of the community as best they can. The OCS Policy Committee said in 1993 that, despite the oil industry's best efforts, ''OCS development still can affect community infrastructure, social services and the environment in ways that cause concerns among residents of the coastal states and communities.''

I know that there is no way to totally eliminate this impact on coastal communities. I also know that, while the benefits of a healthy OCS program are felt nationally, the infrastructure, environmental and social costs are felt locally. Our bill would put money back into the communities that need it most.

It would also put money back into the environmental resources of the area. Exploration for non-renewable resources and stewardship of coastal resources are not mutually exclusive, but must be carefully balanced for both to be sustained. It is important that our wetlands, fisheries and water resources are taken into consideration and afforded adequate protection.

In addition to propping up the states and coastal communities, our bill also provides funding for the Land and Water Conservation Fund (LWCF). Over 30 years ago, Congress set up this fund to address the American public's

desire for more parks and recreational facilities. This bill makes the program self-sufficient, providing secure funding from the OCS revenues. This is an investment in our future—our land, our resources and our recreational enjoyment.

Mr. President, our bill makes yet another investment with these OCS revenues—an investment in fish and wildlife programs. With the inclusion of OCS revenues, the amount of money available for state programs would nearly double. This is money that can be used to increase populations and improve habitat for fish and wildlife. It could even be used for wildlife education programs.

Mr. President, this bill was carefully crafted to strike a balance between the needs and interests of the oil and gas industry, the states, and the environmental and conservation groups. It's a good package that will benefit all Americans, not just those who live and work in coastal areas. It will benefit hunters and anglers. It will benefit bird watchers and campers. It will benefit all Americans who take solace in the fact that the oil industry is taking care of the communities that support it.

I appreciate the hard work of my colleagues and look forward to advancing this important legislation in the 106th Congress.

By Mr. WELLSTONE:

S. 2567. A bill to ensure that any entity owned, operated, or controlled by the People's Liberation Army or the People's Armed Police of the People's Republic of China does not conduct certain business with United States persons, and for other purposes; to the Committee on Finance.

TRADING WITH THE PEOPLE'S REPUBLIC OF CHINA MILITARY ACT OF 1998

• Mr. WELLSTONE. Mr. President, today I'm introducing a bill that would bar firms owned by China's People's Liberation Army and People's Armed Police from operating in the United States and prohibit the import into the United States of products made by these firms or the export of products to these firms. It would also prohibit extension of credit to or ownership interest in Chinese military companies. The bill contains an exemption for humanitarian aid, waiving these prohibitions if the President determines that a transaction involves items intended to relieve human suffering such as food, medicine or emergency supplies.

My bill is based in part on H.R. 4433 introduced in the House on August 6, 1998 by Representatives GEPHARDT, BONIOR, and PELOSI, who I want to commend for taking this bold and important human rights initiative.

Before I get into the key question of why I'm introducing this bill, I would like to touch on the question of the extent of PLA and People's Armed Police commercial relations with the United States. To begin with, I should stress that there is uncertainty about the extent and nature of activities of companies linked to Chinese military and security forces in the United States. For example, a Rand study last year estimated that there are ''between 20–30 PLA-affiliated companies operating in the United States, although there are certainly more that have not yet been identified.'' It added that one of the major obstacles to identifying these companies is that they ''often consciously disguise their military background by using offshore holding companies and unfamiliar names.''

Nevertheless, while there is much we don't know, there is some hard data available on PLA and People's Armed Police business dealings with the United States. In June, 1997 the AFL–CIO's Food and Allied Services Trades Department issued a report providing a wealth of detailed information on these business dealings. The report, based on extensive research, found twelve companies incorporated in the United States owned by the People's Armed Police and various elements of the PLA, including the General Staff Department and the Navy. In addition, the report cited seven PLA companies that had been dissolved after their officials had been accused of smuggling AK–47's into the United States in 1996—an episode I will discuss later. For each company, the report provided addresses and dates of incorporation, and for some companies the names of registered agents, officers, and directors.

The AFL–CIO report also provided detailed data on the exports to the United States of twenty-five People's Armed Police and PLA companies during 1996. The companies included not only major PLA components such as the General Staff and General Logistics Departments, but also some owned by various PLA military regions. All told, these companies exported 34 million pounds of products to the United States, including furniture, chemicals, rain gear, toys, sport rifles, aircraft engines, and fish. According to an AFL–CIO official, PLA companies were the largest exporters of fish for U.S. fast-food restaurants. Finally, the report contained a listing of U.S. companies that had purchased these products. In testimony before the Senate Foreign Relations Committee last November, an AFL–CIO official pointed out that several well-known U.S. concerns had purchased products directly from PLA companies.

While it is not illegal for the People's Armed Police and PLA companies to operate in the United States, on at least one occasion a major PLA company participated in a clearly illegal activity. In May, 1996, federal law enforcement agencies carried out a sting operation connected with seizure of 2,000 fully automatic AK–47 weapons from China. Since 1994 Chinese gun exports to the United States have been illegal and this was the largest seizure of fully automatic weapons in U.S. history. One of the two Chinese companies involved, Poly Technologies, is the most successful PLA-controlled company. Poly is run by China's princelings, family members of top Chinese civilian and military leaders. Poly's president is the late Deng Xiaoping's son-in-law and a retired PLA Major General. The Chairman of Poly is the son of the late Wang Zhen, who was China's vice-president and a retired General. While China experts doubt there was high-level collusion in the smuggling of AK–47's, a federal law enforcement officer noted that those involved were ''in a position to deliver substantial arms and are not low-level flunkies.''

Mr. President, I now want to turn to the key question of why I decided to introduce this bill. Why is there a need for such legislation? Because companies owned by the PLA—the Chinese Government's main and indispensable instrument of repression—are permitted to operate in the United States. Because the American people are unwittingly purchasing products exported to the United States by companies owned by the PLA and the People's Armed Police. Because the American people would be outraged—as deeply outraged as I am—if they knew they were subsidizing those responsible for massacring students, workers, and other demonstrators for democracy in Tiananmen Square on June 4, 1989, those who have occupied Tibet for almost 50 years, brutally oppressing its people and seeking to erase their unique, cultural, linguistic, and religious heritage. And because they would be outraged—as deeply outraged as I am, that their government is not only doing nothing to stop this, but is opposing efforts to end PLA and People's Armed Police profit-making in the United States.

Mr. President, you may well ask what is the People's Armed Police. The People's Armed Police, who are under the operational control of the PLA, are an internal security force of over 1 million troops, one of whose main purposes is to suppress the legitimate protests of the Chinese people. For example, the People's Armed Police is often used to quash the peaceful protests of Chinese workers.

Last year the People's Armed Police was used to brutally break up protests by thousands of laid-off state enterprise workers in Sichuan province. Hundreds of these workers, who took to the streets because company officials embezzled their unemployment compensation, were reportedly beaten by the People's Armed Police and several ''instigators'' were arrested. Chinese officials were said to have ordered hospitals not to treat wounded demonstrators, comparing them to ''counterrevolutionary thugs'' who ''rioted'' at Tiananmen in June 1989. What were the laid-off workers seeking that provoked such a vicious crackdown by the People's Armed Police? Just that the government provide them with the subsistence they are entitled to and that corrupt company officials be punished.

How can we continue to subsidize the thugs who repress Chinese workers?

The People's Armed Police also man the guard towers of the Laogai, China's massive forced labor camp system—the largest in the world. The Laogai is China's version of the Soviet gulag. The Laogai is comprised of more than 1,100 forced labor camps, with an estimated population of 6 to 8 million prisoners. Prisoners are overworked, denied medical treatment and tortured.

How can we continue to subsidize those who guard slave laborers?

The People's Armed Police and the PLA are the key agents of repression in Tibet. The People's Armed Police have been filmed in Lhasa, the capital of Tibet, beating monks and nuns peacefully demonstrating for their rights. This past May, the People's Armed Police and PLA soldiers reportedly fired on 150 Tibetan political prisoners who staged a demonstration in Tibet's main prison and the police later stormed the prison and arrested the demonstrators. Chinese officials were apparently offended when the political prisoners flew a Tibetan national flag during the demonstration.

How can we continue to subsidize those who deny Tibetans fundamental freedoms, beat and torture them, and seek to destroy their unique culture and religion?

Mr. President, this is shameful and it must be stopped. Would we have allowed Stalin's NKVD or Hitler's SS to subsidize their heinous activities by running profit-making entities in the United States and exporting goods to us and buying goods from us? Of course not. Why then do we allow the likes of the PLA and the People's Armed Police to profit from commercial relations with us and why does the Administration oppose efforts to put an end to this?

Mr. President, the Administration in the past has justified the unjustifiable by arguing that imposing sanctions on PLA and People's Armed Police companies would be an ''impossible task'' for U.S. law enforcement agencies, risk retaliation against major U.S. exporters, and harm our efforts to develop a military-to-military dialog and relationship with China.

While I believe these arguments don't hold water, they have been overtaken by events. In July, President Jiang Zemin ordered the PLA and the People's Armed Police to end the ''commercial activities'' of their subordinate units. There are some questions about the extent to which Jiang's orders will be carried out and over what timeframe. Tai Ming Cheung, a noted expert on China's military, foresees some shrinkage of the military-business complex, but predicts that it will ''remain powerful and more focused.'' Some China experts estimate that as much as one-third of total defense spending derive from profits from PLA businesses and it would obviously be difficult for the government to compensate the military for loss of this funding stream.

Be this as it may, the fact remains that it is now Chinese government policy to end the commercial activities of the PLA and the People's Armed Police. I believe that the Senate should do all we can to help Beijing by passing my bill, which seeks to cut U.S. commercial ties with the PLA and the People's Armed Police and to end their business activities in the United States. Since we would be cooperating with Jiang's policies, the Administration can no longer point to alleged harmful effects on our military-to-military dialog or Chinese retaliation against U.S. exporters. Moreover, we would have reason to expect that the ability of U.S. law enforcement agencies to implement the sanctions contained in this bill would be enhanced since PLA and People's Armed Police business activities would be illegal both in China and the United States. Jiang Zemin presumably would have incentives to end or at least circumscribe Chinese military and police business dealings with and in the United States and, perhaps, even cooperate with U.S. law enforcement agencies.

While no one can predict how successful Jiang will be in eliminating or even in cutting back China's military-business complex, we must act to end U.S. subsidies to those who beat, torture, and imprison those who bravely fight for freedom and democracy. By contributing to PLA and People's Armed Police coffers we act in complicity with those who repress workers, run slave labor camps, crush religious freedom, quash Tibetans and other minorities seeking to preserve their identity culture and religion. We betray those who laid down their lives at Tiananmen Square, inspired by American principles of democracy and individual rights and we betray those brave dissidents who rot in Chinese jails or toil in forced labor camps, whose only crime was to fight for the ideals all Americans hold dear. It is time to end this complicity, end these betrayals of our friends.

I urge my colleagues to support this bill.

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. 2567

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 ''Trading With the People's Republic of China Military Act of 1998''.

SEC. 2. FINDINGS AND POLICY.

(a) FINDINGS.—Congress makes the following findings:

(1) The People's Liberation Army is the principal instrument of repression within the People's Republic of China and is responsible for massacring an unknown number of students, workers, and other demonstrators for democracy in Tiananmen Square on June 4, 1989.

(2) The People's Liberation Army is responsible for occupying Tibet since 1950 and implementing the official policy of the People's Republic of China to eliminate the unique cultural, linguistic, and religious heritage of the Tibetan people.

(3) The People's Liberation Army has operational control of the People's Armed Police, an internal security force of over 1,000,000 troops, whose primary purpose is to suppress the legitimate protests of the Chinese people.

(4) The People's Liberation Army is engaged in a massive effort to modernize its military capabilities.

(5) The People's Liberation Army owns and operates hundreds of companies and thousands of factories the profits from which in some measure are used to support military activities.

(6) Companies owned by the People's Liberation Army and the People's Armed Police export to the United States such products as toys, clothing, frozen fish, lighting fixtures, garlic, glassware, yarn, footwear, chemicals, machinery, metal products, furniture, decorations, gloves, tents, and tools.

(7) Companies owned by the People's Liberation Army and the People's Armed Police regularly solicit investment in joint ventures with United States companies.

(8) The People's Liberation Army and the People's Armed Police have established at least 23 different companies in the United States over the past decade.

(9) The people of the United States are unaware that certain products they purchase in retail stores are produced by companies owned and operated by the People's Liberation Army or the People's Armed Police.

(10) The purchase of these products by United States consumers places them in the position of unwittingly subsidizing the operations of the People's Liberation Army and the People's Armed Police.

(11) The Government of the People's Republic of China, with the assistance of the People's Liberation Army and the People's Armed Police, continues to deny its citizens basic human rights enumerated in the Universal Declaration of Human Rights, persecutes those who seek to freely practice their religion, and denies workers the right to establish free and independent trade unions.

(b) POLICY.—It is the policy of the United States to prohibit any entity owned, operated, or controlled by the People's Liberation Army or the People's Armed Police from operating in the United States or from conducting certain business with persons subject to the jurisdiction of the United States.

SEC. 3. COMPILATION AND PUBLICATION OF LIST OF PEOPLE'S REPUBLIC OF CHINA MILITARY COMPANIES.

(a) COMPILATION AND PUBLICATION.—

(1) IN GENERAL.—Not later than 90 days after the date of enactment of this Act, the Secretary of Defense, in consultation with the Secretary of the Treasury, the Attorney General, the Director of Central Intelligence, and the Director of the Federal Bureau of Investigation, shall—

(A) compile a list of persons who are People's Republic of China military companies and who are operating directly or indirectly in the United States or any of its territories and possessions; and

(B) publish the list of such persons in the Federal Register.

(2) PERIODIC UPDATES.—Every 6 months after the date of the publication of the list under paragraph (1), the Secretary of Defense, in consultation with the officials referred to in that paragraph, shall make such additions to or deletions from the list as the

Secretary considers appropriate based on the latest information available.

(b) PEOPLE'S REPUBLIC OF CHINA MILITARY COMPANY.—For purposes of making the determination required by subsection (a), the term ''People's Republic of China military company''—

(1) means a person that is—

(A) engaged in providing commercial services, manufacturing, producing, or exporting; and

(B) owned, operated, or controlled by the People's Liberation Army or the People's Armed Police; and

(2) includes any person identified in Defense Intelligence Agency publication numbered VP–1920–271–90, dated September 1990, or PC–1921–57–95, dated October 1995, or any updates of such publications under subsection (c).

(c) UPDATING OF PUBLICATIONS.—Not later than 90 days after the date of enactment of this Act, and every 6 months thereafter, the Defense Intelligence Agency shall update the publications referred to in subsection (b)(2) for purposes of determining People's Republic of China military companies under this section.

SEC. 4. PROHIBITIONS.

(a) OFFICERS, DIRECTORS, ETC.—It shall be unlawful for any person to serve as an officer, director, or other manager of any office or business anywhere in the United States or its territories or possessions that is owned, operated, or controlled by a People's Republic of China military company.

(b) DIVESTITURE.—The President shall by regulation require the closing and divestiture of any office or business in the United States or its territories or possessions that is owned, operated, or controlled by a People's Republic of China military company.

(c) IMPORTATION.—No goods or services that are the growth, product, or manufacture of a People's Republic of China military company may enter the customs territory of the United States.

(d) CONTRACTS, LOANS, OWNERSHIP INTERESTS.—It shall be unlawful for any person subject to the jurisdiction of the United States—

(1) to make any loan or other extension of credit to any People's Republic of China military company; or

(2) to acquire an ownership interest in any People's Republic of China military company.

(e) EXPORTS.—It shall be unlawful for any person subject to the jurisdiction of the United States to export goods, technology, or services to, or for any person to export goods, technology, or services that are subject to the jurisdiction of the United States to, a People's Republic of China military company.

(f) EXCEPTION FOR HUMANITARIAN ITEMS.—Subsections (a) through (e) shall not apply with respect to a transaction if the President—

(1) determines that the transaction involves the transfer of food, clothing, medicine, or emergency supplies intended to relieve human suffering; and

(2) transmits notice of that determination to Congress.

SEC. 5. REGULATORY AUTHORITY.

The President shall prescribe such regulations as are necessary to carry out this Act.

SEC. 6. PENALTIES.

Any person who knowingly violates section 4 or any regulation issued thereunder—

(1) in the case of the first offense, shall be fined not more than $100,000, imprisoned not more than 1 year, or both; and

(2) in the case of any subsequent offense, shall be fined not more than $1,000,000, imprisoned not more than 4 years, or both.

SEC. 7. DEFINITIONS.

For purposes of this Act:

(1) PEOPLE'S ARMED POLICE.—The term ''People's Armed Police'' means the paramilitary service of the People's Republic of China, whether or not such service is subject to the control of the People's Liberation Army, the Public Security Bureau of that government, or any other governmental entity of the People's Republic of China.

(2) PEOPLE'S LIBERATION ARMY.—The term ''People's Liberation Army'' means the land, naval, and air military services and the military intelligence services of the People's Republic of China, and any member of any such service.●

By Mr. JEFFORDS (for himself and Mr. DODD):

S. 2568. A bill to amend the Internal Revenue Code of 1986 to provide that the exclusion from gross income for foster care payments shall also apply to payments by qualifying placement agencies, and for other purposes; to the Committee on Finance.

EXCLUSION FOR FOSTER CARE PAYMENTS TO APPLY PAYMENTS BY QUALIFYING PLACEMENTS AGENCIES

Mr. JEFFORDS. Mr. President, today I am introducing a bill that will eliminate unnecessary distinctions drawn by the Internal Revenue Code for the tax treatment of payments received by families and individuals who open their homes to care for foster children and adults. Currently, the law allows an exclusion from income for foster care payments received by some providers, while denying eligibility for the exclusion to other foster care providers.

My bill expands the law's exclusion of foster care payments. Under my bill, foster care payments to providers made by placement agencies that contract with, or are licensed by, State or local governments will be eligible for the exclusion, regardless of the age of the individual in foster care. This bill is a companion to H.R. 3991, introduced by Congressman JIM BUNNING of Kentucky. By simplifying the tax treatment of foster care payments, the bill will remove the inequities and uncertainties inherent in the current tax treatment of foster care payments.

Under current law, foster care providers are permitted to deduct expenditures made while caring for foster individuals. Providers must maintain detailed records to substantiate these deductions. In lieu of this detailed record keeping, section 131 of the Internal Revenue Code allows certain foster care providers to exclude from income the payments they receive to care for foster care. Eligibility for this exclusion depends upon a complicated analysis of three factors: the age of the person in foster care; the type of foster care placement agency; and the source of the foster care payments.

For children under age 19 in foster care, section 131 permits providers to exclude payments when a State (or one of its political subdivisions) or a charitable tax-exempt placement agency places the individual in foster care and makes the foster care payments. For persons age 19 and older, section 131 permits providers to exclude foster care payments only when a State (or one of its political subdivisions) places the individual and makes the payments.

This bill will simplify these anachronistic tax rules by expanding the tax code's exclusion to include foster care payments for all persons in foster care, regardless of age, even if the foster care placement is made by a foster care placement agency and even if foster care payments are received through a foster care placement agency, rather than directly from a State (or one of its political subdivisions). To ensure appropriate oversight, the bill requires that the placement agency be either licensed by, or under contract with, a State or a political subdivision thereof.

Increasingly, State and local governments are relying on private agencies to arrange for foster care services for children and adults. While foster care for children has been in existence for decades, foster care for adults is a more recent phenomenon. Sometimes referred to as ''host homes'' or ''developmental homes,'' adult foster care facilities have proven to be an effective alternative to institutional care for adults with disabilities. My home State of Vermont, at the forefront of efforts to develop individualized alternatives to institutional care, authorizes local developmental service providers to act as placement agencies and to contract with families willing to provide foster care in their homes. The tax law's disparate tax treatment of foster care payments, however, impedes alternative arrangements. Persons providing foster care for individuals placed in their homes by the government can exclude foster care payments from income. For providers receiving payments from private agencies, however, the exclusion is not available (unless the individual in foster care is under age 19 and the placement agency is a nonprofit organization). These rules discourage families willing to provide foster care in their homes to persons placed by private placement agencies, thus reducing the availability of care alternatives. Because of the complexity of the current law, providers often receive conflicting advice from tax professionals regarding the proper tax treatment of foster care payments they receive.

Mr. President, this bill will advance the development of family-based foster care services, a highly valued alternative to institutionalization. I urge my colleagues to support it.

Mr. DODD. Mr. President, I am very pleased to rise along with my colleague, Senator JEFFORDS, in introducing a critically important piece of legislation that will ensure fair treatment for individuals and families who provide invaluable care to foster children and adults.

Presently, foster care providers are permitted to deduct expenditures made while caring for foster individuals if detailed expense records are maintained to support such deductions.

However, section 131 of the Internal Revenue Code permits certain foster care providers to exclude, from taxable income, payments they receive to care for foster individuals. Who specifically is available for this exclusion depends upon a complicated analysis of three factors: the age of the individual receiving foster care services, the type of foster care placement agency, and the source of the foster care payments.

Section 131 presently permits foster care providers to exclude payments from taxable income only when a state, or one of its political divisions, or a charitable tax exempt placement agency places the individual and makes the foster care payments for children under 19 years of age. However, for adults over the age of 19, section 131 permits foster providers to exclude payments from taxable income only when a State, or one of its divisisions, places the individual and provides the foster care payments.

Mr. President, it is time that we remove the inequities and needless complexities of the current system. States and localities across the country are increasingly relying on private agencies to arrange for foster care services for both children and adults. However, some foster care providers are understandably reluctant to contract with private placement agencies because current law requires such providers to include foster care payments as taxable income. In contrast, current law permits providers who care for foster individuals placed in their homes by government agencies to exclude such payments from taxable income. Current law, therefore, discourages families from providing foster care on behalf of private placement agencies, thereby reducing badly-needed foster care opportunities for individuals requiring assistance.

The bill Senator JEFFORDS and I introduce today will greatly simplify the outdated tax rules applicable to foster care payments. Under our legislation, foster care providers would be able to avoid onerous record keeping by excluding from income any foster care payment received regardless of the age of the individual receiving foster care services, the type of agency that placed the individual, or the source of foster care payments. To ensure appropriate oversight, this bill will require the placement agency to be licensed either by, or under contract with, a state or one or its political divisions.

Mr. President, this legislation accomplishes what current law does not—consistent and fair treatment of families and individuals who open their homes and their hearts to foster children and adults.

By Mr. KOHL (for himself, Mr. REID, and Mrs. FEINSTEIN):

S. 2570. A bill entitled the ''Long-Term Care Patient Protection Act of 1998''; to the Committee on Finance.

LONG-TERM CARE PATIENT PROTECTION ACT OF 1998

Mr. KOHL. Mr. President, I rise today to introduce the Long-Term Care Patient Protection Act of 1998, along with Senators REID and FEINSTEIN. I am pleased to introduce this legislation on behalf of the Administration.

Recently, the Department of Health & Human Services Office of Inspector General issued a report describing how easy it is for people with abusive and criminal backgrounds to find work in nursing homes. On September 14th, the Senate Aging Committee held hearings on this disturbing problem, where we heard horrifying stories of elderly patients being abused by the very people who are charged with their care. While the vast majority of nursing home workers are dedicated and professional, even one instance of abuse is inexcusable. This should not be happening in a single nursing home in America.

Senator REID and I have already introduced legislation, the Patient Abuse Prevention Act, to require background checks for health care workers. Those with prior abusive and criminal backgrounds would be prohibited from working in patient care. I am pleased that the Administration has also recognized the importance of addressing this problem, and I have been glad to work with them in this effort. While the bill we introduce today on the Administration's behalf is not perfect, I believe it is another important step in our efforts to pass strong patient protections.

Mr. President, it is estimated that more than 43 percent of Americans over the age of 65 will likely spend time in a nursing home. The number of people needing long-term care services will continue to increase as the Baby Boom generation ages. The vast majority of nursing homes do an excellent job in caring for their patients, but it only takes a few abusive staff to cast a dark shadow over what should be a healing environment.

A disturbing number of cases have been reported where workers with criminal backgrounds have been cleared to work in direct patient care, and have subsequently abused patients in their care. Just last year, the Milwaukee Journal-Sentinel ran a series of articles describing this problem. This past March, The Wall Street Journal published an article describing the difficulties we face in tracking known abusers.

These news stories are only the tip of the iceberg. Unfortunately, it is just far too easy for a worker with a history of abuse to find employment and prey on the most vulnerable patients. The OIG report found that 5 percent of nursing home employees in Maryland and Illinois had prior criminal records. And it also found that between 15–20 percent of those convicted of patient abuse had prior criminal records. It is just too easy for known abusers to find work in health care and continue to prey on patients.

Why is this the case? Because current state and national safeguards are inadequate to screen out abusive workers. All States are required to maintain registries of abusive nurse aides. But nurse aides are not the only workers involved in abuse, and other workers are not tracked at all. Even worse, there is no system to coordinate information about abusive nurse aides between States. A known abuser in Iowa would have little trouble moving to Wisconsin and continuing to work with patients there.

In addition, there is no Federal requirement that nursing homes conduct a criminal background check on prospective employees. People with violent criminal backgrounds—people who have already been found guilty of murder, rape, and assault—could easily get a job in a nursing home or other health care setting without their past ever being discovered.

The Administration's bill that we introduce today builds upon the extensive work that Senator REID and I have done to address this issue, and incorporates some new ideas as well.

First, this legislation will create a National Registry of abusive nursing home employees. States will be required to submit information from their current State registries to the National Registry. Nursing homes will be required to check the National Registry before hiring a prospective worker. Any worker with a substantiated finding of abuse will be prohibited from working in nursing homes.

Second, the bill provides a second line of defense to prevent people with criminal backgrounds from working in nursing homes. If the National Registry does not include information about the prospective worker, the nursing home is then required to contact the state to initiate an FBI background check. Any conviction for patient abuse or a relevant violent crime would bar that applicant from working in nursing homes.

Let me be clear: I realize that this legislation is not perfect. I have significant concerns about several unresolved issues that I believe must be addressed. We must continue to work on minimizing costs and determine a fair and reasonable way to distribute those costs. We must ensure that the system is efficient and effective, with a quick turnaround time and accurate information for providers. And I believe that we must apply these requirements to other health care settings besides nursing homes. It would do little good to ban these people from working in nursing homes, and still permit them to work in home health care.

Senator REID and I have worked for a long time with patient advocates, the nursing home and home health industries, and law enforcement officials to address these issues. I have been very heartened by their enthusiasm and willingness to work with us in this effort. It is in all of our best interests to pass legislation that is strong, workable, and enforceable.

Despite the unresolved issues I have mentioned, I am introducing the Administration's legislation today because I believe it will provide a strong incentive for everyone to stay at the table and resolve these issues. All of us—the President, Congress, health care professionals and consumer advocates—we all share the common goal of protecting patients from abuse, neglect and maltreatment. We must keep working together to create a viable national system that will prevent abusive workers from working with patients.

Although the remaining days of this Congress are few, we all need to come together once again to reach consensus on the remaining issues and prepare to move this process forward. This legislation gives us an opportunity to act now. I look forward to continuing our work on this issue, and I welcome comments and suggestions for improving the bill.

Mr. President, I want to repeat that I strongly believe that most nursing homes and their staff provide the highest quality care. However, it is imperative that Congress act immediately to get rid of the few that don't. When a patient checks into a nursing home, they should not have to give up their right to be free from abuse, neglect, or mistreatment. They should not have to worry about dying from malnutrition and dehydration.

Our nation's seniors made our country what it is today. Before we cross that bridge to the next century that we have all heard so much about, we must make sure we treat the people that brought us this far with the dignity, care, and respect they deserve. I look forward to working with my colleagues and the administration in this effort to protect patients. Our Nation's seniors and disabled deserve nothing less than our full attention to this matter.

Mr. President, I ask that the text of the bill be printed in the RECORD.

[The bill was not available for printing. It will appear in a future issue of the RECORD.]

Mr. REID. Mr. President, I rise today to join my colleague, Senator KOHL, in introducing the ''Long Term Care Patient Protection Act of 1998''. This legislation represents our latest step in a series of efforts to institute greater protections for nursing home residents.

Over the past year, Senator KOHL and I, along with our colleagues on the Senate Special Committee on Aging, have worked to ensure that seniors are not placed in the hands of criminals in nursing homes. The disturbing problem of nursing home abuse by workers with a violent or criminal history was brought to our attention just over a year ago. Shortly thereafter, Senator KOHL, GRASSLEY, and I introduced S. 1122, ''The Patient Abuse Prevention Act.'' This measure would require criminal background checks for potential long-term care facility workers and would create a national registry of abusive health care workers.

This past July, Senator KOHL and I sponsored an amendment that would authorize nursing homes and home health agencies to use the FBI criminal background check system. This amendment is an important step towards our goal of mandatory background checks, and I am proud to report that this language was included in the Commerce, Justice, State Appropriations Bill.

Upon our request, the Senate Special Committee and Aging dedicated a hearing to the issue of criminal background checks for long-term care workers. At this time, the Office of the Inspector General (OIG) at the Department of Health and Human Services released a report entitling, ''Safeguarding Long Term Care Residents''. The year-long investigation by the OIG spanning facilities across the country produced the very recommendations Senator KOHL and I have been advocating for over a year. Specifically, the OIG concurred with our proposal to develop criminal background checks, and to create a national registry for nursing facility employees. Their findings were consistent with our position that a criminal background check system could help weed out potential employees with a history of abuse and prevent them from working with patients.

Recently, President Clinton acknowledged the need for tough legislative and administrative actions to improve the quality of nursing homes. Using our original legislation as a guide, the Administration drafted a proposal to address the crucial issue of criminal background checks for nursing home workers. I am pleased that the Administration has recognized the need for criminal background checks and has modeled its initiative after our legislation. I am introducing the ''Long-Term Care Patient Protection Act of 1998'' on behalf of the Administration because it builds on our extensive work in this area and represents an important step in the right direction.

The ''Long-Term Care Patient Protection Act of 1998'' would create a national registry of abusive workers. Further, the bill would expand the existing State nurse aide registries to include substantiated findings of abuse by all nursing facility employees, not just nurse aides. States would be required to submit any existing or newly acquired information contained in the State registries to the national registry of abusive workers. This provision is crucial because it would ensure that once an employee is added to the national registry, the offender will not be able to simply cross state lines and find employment in another nursing home where he may continue to prey on vulnerable seniors.

Another important portion of the bill outlines the process by which nursing homes must screen prospective employees. According to this legislation, all nursing homes must first initiate a search of the national registry of abusive workers. In cases where the prospective employee is not listed on the registry, the nursing home would be required to conduct a State and national criminal background check on the individual through the Federal Bureau of Investigations.

Finally, nursing homes would be required to report to the State any instance in which the facility determines that an employee has committee an act of resident neglect, abuse, or theft of a resident's property during the course of employment. The OIG at the Department of Health and Human Services reported that 46 percent of facilities believe that incidents of abuse are underreported. This provision would ensure that offenders are reported and added to the national registry before they have the opportunity to strike again.

One of the most difficult times for any individual or family is when they must make the decision to rely upon the support and services of a long-term care facility. Families should not have to live with the fear that their loved one is being left in the hands of an individual with a criminal record. No one should have to endure the pain and outrage of learning that their loved one has fallen prey to a nursing home employee with a violent or criminal record. At last month's Aging Committee hearing, we heard the real life nightmare of Richard Meyer, whose 92 year-old mother was sexually assaulted by a male certified nursing assistant who had previously been charged and convicted for sexually assaulting a young girl. We can and we must work to prevent tragedies like this one from occurring again in the future.

Americans over the age of 85 are the fastest growing segment of our elderly population. There are 31.6 million Americans over the age of sixty-five, and as the baby boom generation ages, that number will skyrocket. Over 43 percent of Americans will likely spend time in a nursing home. As our nation seeks ways to care for an aging population, we must establish greater protections to ensure that our seniors will receive the best care possible.

I have visited countless nursing homes in my home state of Nevada. During these visits, I have always been impressed by the compassion and dedication of the staff. Most nurse aides and health care workers are professional, honest, and dedicated. Unfortunately, it only takes one abusive staff member to terrorize the lives of the residents. That is why we must work to wed our the ''bad apples'' who do not have the best interest of the patient in mind. I urge you join Senator KOHL and me in our efforts to provide greater protections for all nursing home residents.

By Mr. LIEBERMAN:

S. 2571. A bill to reduce errors and increase accuracy and efficiency in the administration of Federal benefit programs, and for other purposes; to the Committee on Governmental Affairs.

FEDERAL BENEFIT VERIFICATION AND INTEGRITY ACT

Mr. LIEBERMAN. Mr. President, today I introduce the Federal Benefit