HOUSE OF REPRESENTATIVES—*Monday, May 19, 1986*

The House met at 12 noon.

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

We admit, gracious God, That we are not masters of our fate and we know the uncertainty of our lives. We pray that Your spirit will be with us along life's way strengthening us when we need to be strong, giving solace when we are hurt, and forgiving when we are wrong. We thank You, gracious God, for Your mercies to us and may Your goodness never depart from us. Amen.

THE JOURNAL

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

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

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate has passed without amendment joint resolutions of the House of the following titles:

H.J. Res. 234. Joint resolution designating the week of May 18, 1986, through May 24, 1986, as "National Food Bank Week";

H.J. Res. 427. Joint resolution designating the week beginning May 11, 1986, as "National Asthma and Allergy Awareness Week";

H.J. Res. 492. Joint resolution to designate the week beginning on June 1, 1986, as "National Neighborhood Housing Services Week"; and

H.J. Res. 613. Joint resolution allowing qualified persons representing all the States to be naturalized on Ellis Island on July 3 or 4, 1986.

The message also announced that the Senate had passed a bill and joint resolutions of the following titles, in which the concurrence of the House is requested:

S. 2460. An act to extend until June 30, 1986, the date on which certain limitations become effective with respect to obligations that may be made from the Military Personnel accounts of the Department of Defense for fiscal year 1986;

S.J. Res. 342. Joint resolution to designate May 25, 1986, as "Missing Children Day"; and

S.J. Res. 344. Joint resolution to designate the week beginning June 8, 1986, as "National Children's Accident Prevention Week."

CONSENT CALENDAR

The SPEAKER. This is the day for the call of the Consent Calendar. The Clerk will call the first bill on the Consent Calendar.

RURAL WATER RIGHT-OF-WAY POLICY ACT OF 1985

The Clerk called the bill (H.R. 3617) to exempt rural water systems facilities assisted under the Consolidated Farm and Rural Development Act as amended from certain right-of-way rental payments under the Federal Land Policy and Management Act of 1976.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. WORTLEY. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

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

There was no objection.

AMENDING THE DEPARTMENT OF DEFENSE AUTHORIZATION ACT, 1985

The Clerk called the bill (H.R. 4530) to amend the Department of Defense Authorization Act, 1985, to provide that members of the Commission on Merchant Marine and Defense shall not be considered to be Federal employees for certain purposes, to extend the deadline for reports of the Commission, and to extend the availability of funds appropriated to the Commission.

There being no objection, the Clerk read the bill, as follows:

H.R. 4530

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

SECTION 1. STATUS OF MEMBERS OF COMMISSION ON MERCHANT MARINE AND DEFENSE; EXTENSIONS OF REPORT DEADLINES AND AVAILABILITY OF APPROPRIATIONS.

(a) STATUS OF COMMISSION MEMBERS.—Subsection (d) of section 1536 of the Department of Defense Authorization Act, 1985 (Public Law 98-525; 98 Stat. 2633), is amended—

(1) by inserting "(1)" after "(d)"; and

(2) by adding at the end the following new paragraph:

"(2) A member of the Commission appointed under subsection (c)(1)(C) (who is not otherwise employed by the Federal Government) shall not be considered to be a Federal employee, except for the purposes of—

"(A) chapter 81 of title 5, United States Code, relating to compensation for work-related injuries; and

"(B) chapter 171 of title 28, United States Code, relating to tort claims.".

(b) EXTENSIONS.—Such section is further amended as follows:

(1) The last sentence of subsection (b) and the first sentence of subsection (g) are each amended by striking out "the date of the enactment of the law first providing funds for the Commission" and inserting in lieu thereof "the date on which sufficient members of the Commission to constitute a quorum have been appointed".

(2) The second sentence of subsection (g) is amended by striking out "of enactment" each place it appears.

(3) The last sentence of subsection (i) is amended by striking out "September 30, 1988" and inserting in lieu thereof "36 months after the date on which sufficient members of the Commission to constitute a quorum have been appointed".

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

GENERAL LEAVE

Mr. GORDON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

DEMOCRATS SET AGENDA

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

Mr. RICHARDSON. Mr. Speaker, the critics said that the Democrats were dead and had no new ideas, causing the 1982 Presidential debacle. But today I stand proud to be a Democrat, gloating that our party has set the congressional agenda on tax reform, the budget deficit, and now this week, trade.

House Democrats, led by Representative ROSTENKOWSKI, produced a strong tax reform bill that critics said would die in the other body. But the other body adopted a Democratic bill originally proposed by the gentleman from New Jersey [Mr. BRADLEY], and now tax reform is alive and well.

Last week, the House passed a budget deficit control bill that falls under Gramm-Rudman targets, equally splits the painful cuts between domestic and military spending, and deals responsibly with revenue increases. But the message we sent to the White House and the Republican

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Party is that we will not pay for their defense increases nor their new taxes.

This week, House Democrats will take the initiative on trade. Our trade deficit this year is expected to climb to $170.9 billion—U.S. businesses in nearly every manufacturing sector have lost market share at home, while their exports face market business and unfair trade practices abroad. America, once the prominent player in world trade, is finding itself playing second or third string in every market.

The Reagan administration has ignored the need to develop a clear, coherent national trade policy. It prefers instead to respond on an ad hoc, item-by-item basis. Whether the problem relates to automobile trade, textile trade, customs fraud, market access or exchange rate policy, the administration has refused to act until pushed by outside forces—usually Democrats in Congress.

Mr. Speaker, when the voters go to the polls in November, I hope they remember what party set the positive agenda on tax reform deficit reduction, and trade.

NATIONAL TOURISM WEEK AND THE SPLENDOR OF WISCONSIN

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

Mr. ROTH. Mr. Speaker, today marks the first day of National Tourism Week. While we endure 90-degree temperatures and 90-percent humidity here in Washington, let me entice my colleagues with the splendor of northeast Wisconsin. Come to the northwoods and to Door County and enjoy two of the best places on Earth to spend a vacation. Rand McNally's new book, "Vacation Places Rated," calls the northwoods and Door Country two of the best vacation places in America.

Rhinelander, Eagle River, Minocqua, and the entire Oneida, Vilas, Forest County area in the northwoods of Wisconsin and Door and Kewaunee Counties exude the bounty of America, its beauty, and its excitement.

Tourism is big business in Wisconsin. It means millions of dollars for Wisconsin's economy. It means more than 106,000 jobs. And it means $763 million in the pockets of workers and millions more in tax revenue for Wisconsin. The Presidential proclamation designating this week as National Tourism Week calls attention to the importance of tourism to the Nation. The northwoods and Door County are but two of the spots which are important to Wisconsin tourism.

TRADE AND INTERNATIONAL ECONOMIC POLICY REFORM ACT OF 1986

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

Mr. BONKER. Mr. Speaker, this week is World Trade Week, so it is appropriate that the House begin consideration of H.R. 4800, the Trade and International Economic Policy Reform Act of 1986. This legislation is the product of six committees working in concert to develop trade legislation that will bring down the trade deficit and make America competitive once again.

H.R. 4800 will give us a more effective trade policy and compel a reluctant President to deal with our trade problems, but it stops short of protectionism.

Secretary Jim Baker recently said that the declining dollar will "fix" our trade problem, but the facts do not support his claim. The dollar has declined relative to the yen by one-third this past year, but the bilateral trade deficit with Japan for March was $5.5 billion, up 27 percent over the previous month and an all-time high.

Clearly the Reagan administration's international economic and trade policies have failed, as evidenced by the accumulating trade deficit and a threatening external debt. It is time for an alternative policy, and that is what the Democratic leadership has done. H.R. 4800 is a bill we can support with pride, and one that will promote our domestic industries while restoring our competitive position abroad.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 2031, THE FEDERAL TAX DELINQUENCY AMNESTY ACT OF 1985

Mr. WORTLEY. Mr. Speaker, I ask unanimous consent that my name be removed as a cosponsor of H.R. 2031, the Federal Tax Delinquency Amnesty Act of 1985.

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

There was no objection.

GOVERNMENT OF THE ISLAND NATION OF VANUATU IS ESTABLISHING DIPLOMATIC RELATIONS WITH LIBYA

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

Mr. SUNIA. Mr. Speaker, I rise today to bring to the attention of this House a shocking turn of events taking place in the South Pacific Ocean, which, as you know, is also the home of American Samoa, the U.S. territory which I am proud to represent.

But this beautiful corner of the world is not as tranquil as it once was. On Tuesday of last week, I learned that the government of the island-nation of Vanuatu, an independent republic since only 1980, is in the process of establishing diplomatic relations with Libya. Indeed, I am informed that it is only a matter of time before these two nations proudly link arms.

Last year, I came before this body to warn of the rapid decrease in American influence throughout the Pacific. The Soviet Union has planted its foot in the region, having last August been granted a 1-year license to fish in the vast waters of the island-nation of Kiribati. Overtures of a similar nature have been made to several other small states by the Soviets and Moscow is looking forward to renewing its deal with Kiribati later this year. The American name and presence are not revered as they were in the days following World War II, and our assistance to the region, low to begin with, has decreased in recent years.

Taken by themselves, these are troubling developments which require our attention. But they pale in comparison to what has been happening recently. The proposed bond between Vanuatu and Libya carries an urgency that cannot be ignored.

Who can imagine the final purpose Libya might be considering for Vanuatu? It is no secret that the Soviet Union, as Libya's mentor, is involved in these "diplomatic" proceedings. Similarly, Libya has never been reticent about doing the Soviets' bidding. Mr. Speaker, we would deceive only ourselves if we did not acknowledge the strong possibility of a strategic alliance between Vanuatu, Libya, and the Soviet Union. Such an alliance would be very likely to include some sort of military arrangement, perhaps even a permanent naval base. Should this occur, our naval and shipping needs throughout the Pacific would be severely jeopardized.

Mr. Speaker, we simply can no longer take the Pacific for granted. The people and the nations that occupy one-sixth of the Earth's surface deserve our respect and sincere concern for their welfare. If these are not forthcoming, Vanuatu and nations like it will continue to turn to sources that are eager to step in and exert their power. I urge the Congress to recognize the seriousness of this situation and take the necessary steps that will prevent the South Pacific from becoming just another piece in the game of global chess.

APPOINTMENT OF MEMBERS FROM PRIVATE LIFE TO BOARD OF TRUSTEES OF THE AMERICAN FOLKLIFE CENTER IN THE LIBRARY OF CONGRESS FOR TERM ENDING MARCH 3, 1992

The SPEAKER. Pursuant to the provisions of section 4(b) of Public Law 94-201, the Chair appoints to the Board of Trustees of the American Folklife Center in the Library of Congress for a term ending March 3, 1992, the following members from private life:

Mr. Russell W. Fridley, of St. Paul, MN; and

Ms. Judith McCulloh, of Urbana, IL.

COMMON SENSE IS NOW THE LAW

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

Mr. GEKAS. Mr. Speaker, the U.S. Supreme Court is coming home. After a long stretch of years where the Supreme Court decisions seem to have swung a pendulum toward the criminal and away from law enforcement, shackling law enforcement, as it were, it seems that day by day we see increasing evidence that indeed the U.S. Supreme Court is coming home with respect to law enforcement.

Today it issued an opinion in which it said that police authorities need not have a search warrant to fly over and try to detect fields of marijuana or other controlled substances which could be detected from the air.

This is, of course, logical and proper. But after having seen what the Supreme Court has done over the years, it is refreshing to see that what is common sense is also now the law.

THE CONTADORA PROCESS

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

Mr. LAGOMARSINO. Mr. Speaker, much attention is given to the goal of finding a negotiated agreement in Central America through the Contadora process. Such an agreement would require the cooperation of the Sandinista regime in Nicaragua and the trust of its neighbors that the Sandinista government would honor its commitment.

Considering the Sandinistas' track record, it is hard to understand why the Sandinistas deserve that trust. They promised the OAS in July 1979 they would protect human rights, have free elections, a pluralistic society, and would be nonaligned. None of those promises have been kept. Further, in violation of international law and the language of the Contadora drafts, the Sandinistas continue to supply guerrilla groups in neighboring countries with arms and ammunition.

In March, a series of actions by Honduran military forces resulted in the capture of several caches of Nicaraguan arms destined for El Salvador. The media failed to give attention to the Sandinistas' continuing role in trying to subvert its neighbors. In one case, an arms cache was discovered in a "safe house" in Tegucigalpa with thousands of rounds of rifle ammunition, Marxist-Leninist literature and other documents showing links connecting Nicaraguan suppliers with Salvadoran guerrillas. The continuing efforts of the Sandinistas to subvert their neighbors must be considered in any negotiated agreement in the Contadora process.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. HUBBARD). Pursuant to the provisions of clause 5, rule I, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

Such rollcall votes, if postponed, will be taken on Wednesday, May 21, 1986.

ADMINISTRATIVE CONFERENCE AUTHORIZATIONS

Mr. GLICKMAN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4588) to authorize appropriations for the Administrative Conference of the United States, and for other purposes, as amended.

The Clerk read as follows:

H.R. 4588

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

SECTION 1. MEMBERSHIP OF ADMINISTRATIVE CONFERENCE.

(a) Section 573 of title 5, United States Code, is amended—

(1) in subsection (a) by striking "91" and inserting "101"; and

(2) in subsection (b)(6) by striking "36" and inserting "40".

SEC. 2. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—Section 576 of title 5, United States Code, is amended to read as follows:

"§ 576. Authorization of appropriations

"There are authorized to be appropriated to carry out the purposes of this subchapter not more than $1,600,000 for fiscal year 1986, and not more than $2,000,000 for each fiscal year thereafter up to and including fiscal year 1990. Of any amounts appropriated under this section, not more than $1,000 may be made available in each fiscal year for official reception and entertainment expenses for foreign dignitaries.".

(b) CLERICAL AMENDMENT.—The item relating to section 576 in the table of sections for chapter 5 of title 5, United States Code, is amended to read as follows:

"576. Authorization of Appropriations.".

The SPEAKER pro tempore. Is a second demanded?

Mr. COBLE. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Kansas [Mr. GLICKMAN] will be recognized for 20 minutes and the gentleman from North Carolina [Mr. COBLE] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Kansas [Mr. GLICKMAN].

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

Mr. Speaker, H.R. 4588 would authorize appropriations for the Administrative Conference of the United States from 1986 through 1990. The amounts authorized by this bill are for no more than $1.6 million in fiscal year 1986 and no more than $2 million a year for fiscal year 1987 through 1990.

The Administrative Conference of the United States was established in 1964. The purpose of the Conference is to serve the public by working to attain fairness and balance in the procedures followed by agencies. It also assists the Congress by analyzing or suggesting legislative changes in order to assist in increasing the efficiency and fairness of agency procedures.

The Conference works with agencies on a continuing basis to improve and simplify their regulatory, enforcement, and adjudicatory functions. It also renders technical assistance and advice to other agencies charged with the direct implementation of new legislation, such as the Equal Access to Justice Act and the Regulatory Flexibility Act. In addition, the Conference has statutory mandates, such as those in the Sunshine Act and the Magnuson-Moss Act, to monitor agency implementation of statutory programs.

The committee has examined the activities of the Conference since its last authorization in 1982, and has concluded that reauthorization of the Administrative Conference is fully justified because of the Conference's significant contributions to the improvement of agency operations through its numerous studies and recommendations. For example, between 1982 and 1984 alone, the Conference adopted 18 recommendations and 4 formal statements which addressed a wide range of procedural issues.

In addition, the Conference has carried out a number of specific statutory mandates during this time, including the issuance of model regulations for all agencies for the implementation of the Equal Access to Justice Act. There are also currently pending bills that

would assign new statutory responsibilities to the Conference. One example of such legislation is the bill to reauthorize the Superfund Program.

In the last year, the Conference has also issued a "Guide to Federal Agency Rulemaking," which analyzes and discusses the principles which govern agency rulemaking, and the "Federal Administrative Procedure Sourcebook," which collects the basic statutes, regulations, and related materials on procedural requirements applicable to agencies generally, including the Equal Access to Justice Act, the Ethics in Government Act, the Freedom of Information Act, and the Contract Disputes Act. These documents provide basic source materials for all Government agencies in carrying out their statutory responsibilities.

Based on this record of achievement, the committee has concluded that the Administrative Conference of the United States should be reauthorized as provided in H.R. 4588, and recommends that the House act favorably on H.R. 4588.

The amended bill before the House today is identical to the bill reported by the Judiciary Committee except in one respect. The amended version places a cap on the amount that can be appropriated for the Conference for fiscal years 1987 through 1990, a cap of $2 million for each year, while the committee reported version placed a cap on the authorization for fiscal year 1986 only. This amendment, which has been cleared with the minority, will give definite guidelines to the Appropriations Committee as to the maximum level of funding which the Administrative Conference should receive. While it implies no criticism of the Administrative Conference, which has performed and will continue to perform, services of value to this Government, these caps nevertheless demonstrate the need we currently face for fiscal restraint.

The administration supports enactment of H.R. 4588, and I urge its passage, as amended, by the House.

□ 1215

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

Mr. Speaker, I believe my colleague and good friend from Kansas, Mr. GLICKMAN, touched on this, but I would like to note that this bill sets a cap on the expenditures of this organization that is below the administration's budget request.

I believe, Mr. Speaker, that the cap is a realistic one; one with which the conference can live. I support it.

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

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

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Kansas [Mr. GLICKMAN] the House suspend the rules and pass the bill, H.R. 4588, as amended.

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

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. GLICKMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

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

There was no objection.

SUSQUEHANNA RIVER BASIN COMPACT

Mr. GLICKMAN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2971) granting the consent of the Congress to the amendments to the Susquehanna River Basin Compact.

The Clerk read as follows:

H.R. 2971

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

SECTION 1. AMENDMENTS TO SUSQUEHANNA RIVER BASIN COMPACT.

(a) CONSENT OF CONGRESS.—The consent of the Congress is hereby given to the amendments, described in subsection (b), to the Susquehanna River Basin Compact, entered into by the States of New York, Pennsylvania, and Maryland and consented to by the Congress in the Act of December 24, 1970 (84 Stat. 1509).

(b) DESCRIPTION OF AMENDMENTS.—The amendments referred to in subsection (a) have been ratified by the States described in such subsection and have the effect of—

(1) amending section 13.9 of Article 13 of the Susquehanna River Basin Compact (84 Stat. 1528) to read as follows:

"13.9 Interest. Bonds shall bear interest at such rate as the commission shall determine, payable annually and semi-annually."; and

(2) amending section 13.13 of such article (84 Stat. 1528) to read as follows:

"13.13 Sale. The commission may fix terms and conditions for the sale or other disposition of any authorized issue of bonds and may sell its bonds at less than their par or face value. All bonds issued or sold for cash pursuant to this compact shall be sold on sealed proposals to the highest bidder. Prior to such sale, the commission shall advertise for bids by publication of a notice of sale not less than ten days prior to the date of sale, at least once in a newspaper of general circulation printed and published in New York City carrying municipal bonds notices and devoted primarily to financial news. The commission may reject any and all bids submitted and may thereafter sell the bonds so advertised for sale at private sale to any financially responsible bidder under such terms and conditions as it deems most advantageous to the public interest, but the bonds shall not be sold at a net interest cost calculated upon the entire issue so advertised, greater than the lowest bid which was rejected. In the event the commission desires to issue its bonds in exchange for an existing facility or portion thereof, or in exchange for bonds secured by the revenues of an existing facility, it may exchange such bonds for the existing facility or portion thereof or for the bonds so secured, plus an additional amount of cash, without advertising such bonds for sale.".

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Kansas [Mr. GLICKMAN] will be recognized for 20 minutes and the gentleman from North Carolina [Mr. COBLE] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Kansas [Mr. GLICKMAN].

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

Mr. Speaker, the bill, H.R. 2971, would grant the consent of Congress to amendments to the Susquehanna River Basin Compact which would remove the current 6 percent limit on bond interest and permit the Susquehanna River Basin Commission to fix the interest rate of bonds issued under the compact. The amendments would delete a provision that presently bars sales below par or face value when the effect of the sale would result in an interest cost to the Commission of more than 6 percent.

The Susquehanna River Basin Compact was consented to in 1970 with the enactment of Public Law 91-574. The original provisions of the compact included the provisions which would be amended by the amendments embodied in this bill. These amendments have been approved by the signatory States of New York, Pennsylvania and Maryland in laws enacted by the legislatures. Section 13.9 stated that all bonds issued by the Commission were to bear interest at not to exceed 6 percent per year payable annually or semiannually. Section 13.13 concerning sale of bonds, while authorizing the Commission to sell bonds at less than their par or face value contained the limitation that no issue of bonds could be sold at an aggregate price below the par or face value thereof if the net interest cost of the issue to the Commission would result in an interest rate of more than 6 percent per year. As has been stated, the amendments would be to allow the Commission to fix the rate applicable to its bonds, and similarly delete the parallel provision that limited the sales at par or face value to an interest rate yielding an interest cost to a rate at no more than 6 percent.

The Commission was given the responsibility of developing and imple-

menting a comprehensive plan for the river basin. The plans as developed covers six major areas of water resources concern including: First, flood plain management and protection; second, water supply, third, water quality; fourth, watershed management; fifth, recreation, fish and wildlife; and sixth, cultural, visual, and aesthetic values. As required by the compact, the plan also considers the Chesapeake Bay, which receives about 50 percent of its freshwater from the Susquehanna. Under the guidance of the comprehensive plan, the Commission carries out programs, promulgates regulations, coordinates signatory activities, reviews water resources projects and, as necessary, initiates water resources projects of its own.

The Commission has advised the committee that the interest limit of 6 percent severely restricts its ability to obtain funds in the present day credit market. Unless such money is available at 6 percent or less, the Commission cannot obtain the necessary funds for its projects.

The committee has been advised that the Commission expects to execute contracts with the Corps of Engineers and the user groups sometime in early 1986 following the completion of certain special studies on the project and a public hearing. The Commission has stated that congressional approval of the Compact amendments will minimize the problems related to undertaking this project.

In its report to the committee on the bill, the Department of the Army stated it has no objection to its enactment. It is recommended by the Committee on the Judiciary that the bill be considered favorably.

Mr. COBLE. Mr. Speaker, I yield such time as he may consume to the gentleman from Pennsylvania [Mr. GEKAS], the sponsor of this legislation, who is responsible for its being before us today.

Mr. GEKAS. I thank the gentleman for yielding to me.

Mr. Speaker, I am very grateful to the gentleman from Kansas for taking to heart my imploring him to consider this legislation and to finally bring it to the floor of the House.

The Susquehanna River flows majestically from New York State, through Pennsylvania, through Maryland, thus touching upon the lives of thousands of our fellow Americans in those three important States of the Union. Then it flows into the Chesapeake Bay.

These are important facts to consider when you look over the geography of the Nation and to recollect that the President of the United States, in one of his State of the Union messages, paid extra attention to the Chesapeake Bay and initiated a new program to clean up the Chesapeake Bay, which, in conjunction with what goes on northward of the Chesapeake Bay in the Susquehanna River, makes this kind of legislation all the more important.

The flood projects that might yet come on to the blueprints for the Susquehanna River are as a result of a whole host of historical factors, including the severe Agnes storm of 1972 and the one that followed in 1975, plus the historical presence, as I say, of the Susquehanna river in this particular region.

I am very pleased that the artificial limitation of 6 percent for bond issues will be lifted as a result of this legislation, allowing the Susquehanna River Basin Commission to apply its discretion with the bond market and within the financial situation that might pertain at a particular time to effectuate a long-desired or planned flood project.

The gentleman from Kansas alluded to it; this is a compact among four entities: the State of New York, the State of Pennsylvania, the State of Maryland, and the U.S. Government. So it shows that it has a regional and national importance. To artificially limit it at 6 percent means that many flood projects would have to be foregone or not even begun because of the nature of the financial market.

□ 1225

The way that interest rates are falling these days—and we hope that they continue—this may turn out to be moot, this 6 percent, but I doubt it, and especially do I doubt it in the near future.

So I repeat my gratitude to the gentleman from Kansas, to the ranking member of the subcommittee, and to the gentleman from North Carolina [Mr. COBLE] on the Republican side of the committee.

Mr. COBLE. Mr. Speaker, I have no additional requests for time, and I yield back the balance of my time.

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

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Kansas [Mr. GLICKMAN] that the House suspend the rules and pass the bill, H.R. 2971.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. GLICKMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the bill just passed.

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

There was no objection.

FEDERATED WOMEN'S CLUBS CHARTER

Mr. GLICKMAN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4434) to amend the act entitled "An Act granting a charter to the General Federation of Women's Clubs."

The Clerk read as follows:

H.R. 4434

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first section of the Act entitled "An Act granting a charter to the General Federation of Women's Clubs", approved March 3, 1901, is amended by (1) inserting "(a)" after "That", (2) striking the comma after "succession" and all that follows through "pleasure", (3) and adding the following new subsections at the end thereof:

"(b) The General Federation of Women's Clubs shall be organized and operated exclusively for charitable and educational purposes within the meaning of section 501(c)(3) of the Internal Revenue Code of 1954 and shall otherwise comply with any requirements for classification as an exempt organization under such section. Said charitable purposes shall be achieved through volunteer efforts on the part of the membership of the General Federation of Women's Clubs, specifically including arts programs, conservation programs, educational programs, homelife programs, international affairs, public affairs programs advancing information regarding public affairs, and community improvement programs.

"(c) In the event of the dissolution of the General Federation of Women's Clubs, its board of directors shall liquidate and distribute its assets to organizations qualified as exempt organizations under section 501(c)(3) of the Internal Revenue Code of 1954 with purposes similar to those of the General Federation of Women's Club.".

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Kansas [Mr. GLICKMAN] will be recognized for 20 minutes and the gentleman from North Carolina [Mr. COBLE] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Kansas [Mr. GLICKMAN].

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

Mr. Speaker, this bill would restate the purposes of the General Federation of Women's Clubs by deleting the present language stating the purpose of the organization, and adding a new subsection to the first section of the charter. The new language states that the federation is organized and operated for charitable and educational purposes within the meaning of section 501(c)(3) of the Internal Revenue Code of 1954 and that it is to comply

with the requirements of that section. A new subsection (c) provides that in the event of dissolution, all assets are to be distributed to 501(c)(3) organizations with similar purposes.

The General Federation of Women's Clubs was chartered on March 3, 1901. The purposes were that it was incorporated "for educational, industrial, philanthropic, literary, artistic and scientific culture, and to bring into communication with one another the various women's clubs throughout the world." It has performed outstanding services for hundreds of thousands of Americans.

The general federation was recognized as an example nonprofit organization in 1984 under section 501(c)(3). However, because of the broad terminology of its original statement of purposes, it was recommended by their legal counsel that the purposes of the organization be restated to make clear that its purposes were charitable and educational. This is what the bill does.

In addition, the language states these purposes are to be achieved through volunteer efforts of its membership in arts programs, conservation programs, educational programs, homelife programs, international affairs, public affairs programs, and community improvement programs.

In the event of dissolution, a new subsection (c) provides that the assets of the General Federation of Women's Clubs are to be distributed to organizations qualified as exempt organizations under 501(c)(3) with purposes similar to the general federation.

It is recommended that the bill be considered favorably.

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

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

GENERAL LEAVE

Mr. GLICKMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the bill now under consideration.

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

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Kansas [Mr. GLICKMAN] that the House suspend the rules and pass the bill, H.R. 4434.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

U.S. MINT AUTHORIZATION

Mr. ANNUNZIO. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4529) to authorize appropriations for the U.S. Mint for fiscal years 1987 and 1988, as amended.

The Clerk read as follows:

H.R. 4529

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

SECTION 1. AUTHORIZATION OF APPROPRIATIONS.

(a) ANNUAL OPERATING COSTS.—Paragraph (2) section 5132(a) of title 31, United States Code, is amended to read as follows:

"(2) Not more than $43,521,000 may be appropriated to the Secretary for the fiscal year ending on September 30, 1987, to pay costs of the mints and assay office.".

(b) EXPANSION AND IMPROVEMENT OF MINT FACILITIES.—Not more than $694,000 may be appropriated to the Secretary of the Treasury for expansion and improvement of mint facilities. Amounts appropriated pursuant to this subsection shall remain available until expended.

SEC. 2. PROFITS FOR SALE OF NUMISMATIC ITEMS AVAILABLE ONLY FOR PUBLIC DEBT REDUCTION.

(a) IN GENERAL.—Subsection (b) of section 5111 of title 31, United States Code, is amended by striking out the last 2 sentences and inserting in lieu thereof the following new sentences: "The Secretary shall charge the coinage profit fund with waste incurred in minting coins, costs incurred in distributing coins, and costs incurred in connection with the preparation and sale of numismatic items, including the value of gold certificates (not exceeding forty-two and two-ninths dollars a fine troy ounce) retired from the use of gold contained in any numismatic item. The Secretary shall credit amounts received from the sale of numismatic items to the coinage profit fund. Excess amounts in the coinage profit fund shall be deposited by the Secretary in the general fund of the Treasury and shall be used for the sole purpose of reducing the national debt.".

(b) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) Paragraph (1) of section 5132(a) of title 31, United States Code, is amended by striking out the second sentence.

(2) Subsection (g) of section 5112 of title 31, United States Code, is amended by striking out "of section 5132(a)(1)".

(3) Paragraph (3) of section 5112(i) of title 31, United States Code, is amended by striking out "of section 5132(a)(1)".

(4) Subsection (f) of section 2 of the Gold Bullion Coin Act of 1985 is hereby repealed.

(5) Subsection (f) of section 5112 of title 31, United States Code, is amended by striking out "dyes" and inserting in lieu thereof "dies".

SEC. 3. REDESIGNATION OF ASSAY OFFICE AS MINT.

(a) REDESIGNATION.—Section 5131(a)(4) of title 31, United States Code, is amended by striking out "assay office" and inserting in lieu thereof "mint".

(b) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) Section 5131(b) of title 31, United States Code, is amended by striking out "assay offices" each place such term appears and inserting in lieu thereof "assay office".

(2) Section 5132(b) of such title is amended by striking out "assay offices" and inserting in lieu thereof "assay office".

(3) Section 5133(a)(1) of such title is amended by striking out "and the officer in charge of the assay office at San Francisco" and by striking out "or officer".

(4) Section 5133(a)(2) of such title is amended by striking out "and the officer" and by striking out "or officer"

(5) Section 5133(a)(3) of such title is amended by striking out "and the officer".

(6) Section 5133(b) of such title is amended to read as follows:

"(b) SETTLEMENT OF ACCOUNTS.—

"(1) IN GENERAL.—At least once each year, the Secretary of the Treasury shall settle the accounts of the superintendents of the mints and the assay office.

"(2) PROCEDURE.—At any settlement under this subsection, the superintendent shall—

"(A) return to the Secretary any coin, clipping, or other bullion in the possession of the superintendent; and

"(B) present the Secretary with a statement of bullion received and returned since the last settlement (including any bullion returned for settlement).

"(3) AUDIT.—The Secretary shall—

"(A) audit the accounts of each superintendent; and

"(B) allow each superintendent the waste of precious metals that the Secretary determines is necessary—

"(i) for refining and minting (within the limitations which the Secretary shall prescribe); and

"(ii) for casting fine gold and silver bars (within the limit prescribed for refining) except that any waste allowance under this clause may not apply to deposit operations.".

(7) Subsections (c) and (d) of section 5133 of such title are each amended by striking out "assay offices" and inserting in lieu thereof "assay office".

The SPEAKER pro tempore. Is a second demanded?

Mr. ROTH. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Illinois [Mr. ANNUNZIO] will be recognized for 20 minutes and the gentleman from Wisconsin [Mr. ROTH] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Illinois [Mr. ANNUNZIO].

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

Mr. Speaker, although the legislation before the House today is the U.S. Mint authorization bill, it might well be called the "double whammy." This legislation not only has a single whammy of saving taxpayers $4.2 million next year, but has a second whammy that will reduce the national debt by at least $20 million each year.

I know this sounds too good to be true, but that is exactly what the legislation will accomplish.

H.R. 4529 would authorize an appropriation of $43,521,000 for the U.S.

Mint for fiscal year 1987. This is the amount that the mint has requested in its testimony on the bill before the Consumer Affairs and Coinage Subcommittee. It is $4.2 million less than the mint had requested in testimony before the Appropriations Committee, and it is $3 million less than last year's authorization.

The legislation also authorizes the appropriation of $694,000 so that the mint may acquire materials-handling equipment to complete improvements at the Denver Mint.

The mint requested less money for next year because it has excessive coin reserves and will not have to produce as many coins in the next fiscal year.

This 1-year aurhorization is consistent with the policy the Congress has followed since 1981, when the mint's authorization was changed from a permanent, to a 1-year, authorization. This has enabled Congress to maintain effective oversight on the operations of the mint. This has been beneficial to both the Congress and the mint, and it is a policy wisely continued in H.R. 4529.

The second section of the bill, as amended, transfers the reimbursable programs of the U.S. Mint from the appropriated salaries and expenses account to the coinage profit fund. The reimbursable programs are completely self-sustaining, and have no impact on the amount of the mint's appropriation. In fact, the programs return a profit to the Treasury. Transferring the programs to the coinage profit fund, coupled with the language that requires the profits from the coinage profit fund be used only to reduce the national debt, removes any temptation to find a reason to spend the money. It assures that these revenues are used to meet the No. 1 problem facing us, namely, the Federal deficit.

Based on this year's reimbursable coin program and the projections for next year, at least $20 million per year can be used to retire the national debt. It may well be that the reduction will be even greater in years where special coin programs, such as the Statue of Liberty coin sales effort, are in operation.

The transfer is also consistent with the treatment that Congress has given to specially authorized commemorative coin programs. The accounting for those programs has been through the coinage profit fund. This amendment would account for the annual numismatic coin programs of the mint in a consistent manner.

The third section of the bill redesignates the San Francisco Assay Office as a U.S. Mint. Since a full range of coins are struck at San Francisco, the facility should have the same standing as the Denver and Philadelphia Mints.

The U.S. Mint has been a profitable and generally well-run operation. Its management has been receptive to suggestions from your Coinage Subcommittee, the Members of Congress, and the general public. The mint has not been afraid to be innovative. In its testimony, the mint freely and frankly admitted that its earlier coin predictions were too high and requested a lower authorization than it had requested earlier this year. This shows flexibility for which it is to be commended, and I urge the passage of H.R. 4529.

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

Mr. Speaker, I rise in strong support of H.R. 4529, the U.S. Mint authorization for 1987.

I want especially to commend the chairman of the Consumer Affairs and Coinage Subcommittee, Mr. ANNUNZIO, and the ranking member of the subcommittee, Mr. HILER, for their work in putting this package together.

The chairman, Mr. ANNUZIO, is one of the most diligent Members of this House. Where currency and coinage issues are concerned, he is truly a most effective watchdog of the Treasury.

Of the gentleman from Indiana, I would say that the American taxpayer has no greater friend than JOHN HILER. A word also to the staff which is so diligent and bright.

A word of commendation is also in order for the Director of the Mint, Donna Pope, who worked with the subcommittee to develop a responsible budget for the mint which represents the best interests of the taxpayer.

It is important to note that this legislation provides for a reduction in the fiscal 1987 mint authorization of 9 percent below the original request. Here we have a case of an agency which has realistically assessed its needs. I am also pleased that our Subcommittee on Consumer Affairs and Coinage has not needed prodding to make cuts in a program it oversees. I hope this can serve as an example for other executive branch agencies and committees of Congress.

The original request made by the mint for 1987 programs was $47.808 million for salaries and expenses. The request contained in H.R. 4529, which is precisely the same as the mint's latest request, is for $43.521 million, a reduction of about $4.3 million in budget authority and a reduction in mint personnel.

The legislation before us provides, first, for a reduction in expenditures for the coinage production program.

There has been a sharp decline in the demand for coinage. Today, coinage reserves range from more than 8 months for pennies to more than 2 years for half-dollars. Both the committee and the mint agree that coin production can be reduced with no adverse impact on supplies, at a significant savings of tax dollars.

In addition, this legislation protects the highly profitable numismatic operations of the mint from potential cuts under the Balanced Budget and Emergency Deficit Control Act. It achieves this goal by removing numismatic programs from the appropriated account and places them in the coinage profit fund. Congress exempted the coinage profit fund from automatic Gramm-Rudman cuts. This only makes sense, since numismatic operations have consistently earned profits for the Treasury. Subjecting them to Gramm-Rudman would have an effect which is just the reverse of what we intended under that act.

Profits earned under numismatic operations, expected by the mint to be $20 millon in 1987, will be used to reduce the national debt. This is one piece of legislation that is certainly going in the right direction. Let's hope it's a model to others.

Mr. Speaker, the U.S. Mint has as its primary purpose the striking of coins for domestic use. We are, I believe, making progress in ensuring that our coinage manufacturing operations are being conducted in a cost-effective manner, using the most modern facilities and equipment we can.

We have the largest mint in the world, producing upward of 15 billion coins a year. Until recently, we had a relatively small investment in modernization, but I am convinced that our record is improving.

This legislation will allow for a modest increase in research and development funding, which will allow further improvements in production operations at the mint. It also will allow for the replacement of wornout or obsolete equipment. Finally, it provides $694,000 requested by the mint for expansion and improvements at the Denver Mint.

A second, key function of the mint is the highly visible numismatic and modal program. These programs benefit the U.S. Treasury and are a source of pride for U.S. citizens who are collectors or investors.

The mint has showed its ability to market successfully a wide range of numismatic items, such as the Statue of Liberty-Ellis Island commemorative coin and the Olympic coin. A test of the mint's marketing skills will be the new gold and silver coin program. I am pleased that the mint is virtually meeting the scheduled release targets for these coins which was established in the legislation approved last year. Both the gold and silver coins should be on the market by the beginning of October.

I believe much of the credit for the success of these programs lies with the excellent leadership at the mint. But it also lies with the chairman of our Consumer Affairs and Coinage Subcommittee, the gentleman from Illinois, Mr. ANNUNZIO. He keeps every-

one vigilant and has a deep concern for how tax money is spent.

This is good legislation. I urge my colleagues to support it.

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Mr. ANNUNZIO. Mr. Speaker, I want to commend the gentleman from Wisconsin [Mr. ROTH], one of the ablest members of the Consumer Affairs and Coinage Committee. I want to thank him for all the kind remarks that he has made on my behalf, but I also would like to point out to the Members of the House that the credit for the outstanding job being done in the Coinage and Currency Committee is a reflection on all the members who attend the meetings, who are conscientious and devoted to the cause of duty in our committee. I want to thank the gentleman from Wisconsin [Mr. ROTH] for his excellent cooperation.

Mr. ROTH. Mr. Speaker, I thank the gentleman.

Mr. HILER. Mr. Speaker, I join Chairman ANNUNZIO in his support of H.R. 4529, the U.S. Mint budget authorization for fiscal year 1987. This bill, as amended in the Consumer Affairs and Coinage Subcommittee, is good legislation and deserves the fullest support of this body.

Perhaps the most commendable feature of this measure is its authorization of $43.521 million for salaries and expenses of the U.S. Mint during fiscal year 1987. This figure is about $4 million less than the administration's original fiscal year 1987 budget request of $47.8 million for the U.S. Mint. Moreover, the fiscal year 1987 authorization that we are considering today is $3 million less than the fiscal year 1986 appropriation for the Mint.

Mr. Speaker, what is remarkable about this reduced authorization is that it was requested by the U.S. Mint itself. When Hon. Donna Pope, Director of the Mint, appeared before the Consumer Affairs and Coinage Subcommittee last week, she informed its members that as a result of a severe decline in coin demand and the accumulation of excessively large inventories of coins, the mint decided to lower its budget request for fiscal year 1987. Rarely does the head of a Federal agency come before the Congress with a budget request that has been revised downward. The Mint and the U.S. Treasury should be commended for their reasonable approach to budgeting, as well as for their contribution to efforts to reduce the Federal budget deficit.

H.R. 4529, as amended, also contains several other meritorious provisions. One of the most significant of these removes the Mint's reimbursable programs from the appropriated accounts and places them in the coinage profit fund. This measure will protect the Agency's numismatic programs from Gramm-Rudman budget cuts, since Gramm-Rudman specifically exempts the coinage profit fund from its ax.

Mr. Speaker, some might question the merits of this protective measure. However, the Mint's numismatic programs continue to be a profit center for the U.S. Government. In fiscal year 1987, the Mint expects to contribute to the U.S. Treasury a profit of $20 million from the sale of numismatic items. The subjection of these profitable programs to Gramm-Rudman budget cuts could actually have a perverse effect on budget reduction efforts. Certainly every effort should be made to avoid this counterproductive scenario.

Mr. Speaker, H.R. 4529 is commendable legislation, and I hope that my colleagues will give it their full support.

Mr. ROTH. Mr. Speaker, I have no further requests for time.

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

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Illinois [Mr. ANNUNZIO] that the House suspend the rules and pass the bill, H.R. 4529, as amended.

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

The title of the bill was amended so as to read: "A bill to authorize appropriations for the United States Mint for fiscal year 1987, and for other purposes."

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ROTH. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 4529, the bill just passed.

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

There was no objection.

THE WORLD ECONOMY AND ITS EFFECT ON U.S. MILITARY SPENDING AND TRADE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio [Mr. REGULA] is recognized for 60 minutes.

Mr. REGULA. Mr. Speaker, I rise today to address the House on the world economy and its effect on U.S. military spending and trade.

"Global geopolitics is being reshaped in a way that defines security more in economic than in traditional military terms." So writes Les Brown in his 1986 "State of the World" publication. We would do well to heed his warnings on the changing world economic climate and what those changes require for America's survival as a global economic power.

For 40 years, the United States and the Soviet Union have been engaged in an arms race that is impacting heavily on both of our economies. While the United States devoted some 7 percent of its GNP to defense in 1985, the Soviet Union, trying to maintain a competitive military establishment with a much smaller economy, allocated 14 percent.

Preoccupied with each other, the superpowers have failed to recognize that national security includes economic security as well as being defined in purely military terms.

One country that has recognized this emergence is Japan. Following World War II, Japan was both sheltered under the U.S. defense umbrella and barred from the arms race by stipulations preventing Japan from amassing a huge offensive force. Thus freed from a military burden, Japan has been forging ahead industrially and rapidly capturing a key position among the world economic powers.

Per capita income in Japan surpassed that in the Soviet Union in the midsixties and will shortly surpass that of the United States. In trade, Japan's exports are nearly double those of the Soviet Union. And, if recent trends continue, before 1990, Japan will supplant the United States as the world's leading trading power.

The message is clear. Unless the United States makes changes now, we will lose our economic footing and fall to a global position from which recovery may well be impossible. Under the new definitions of strength, our arms race becomes less meaningful. In this new age, world political influence derives more from the economic strength of a highly productive, internationally competitive economy than from nuclear arsenals.

On the other hand, history and the military reality of global struggles force us to maintain a certain level of military strength and preparedness for worldwide contingencies. The difficulty is striking the balance and remaining strong militarily without losing our position as a global economic power.

In the past, I have addressed this body to stress putting pressure on our allies to assume more of the Free World defense burden. My words, though echoed throughout the administration, have done little to spark real change in allied defense spending.

I have even proposed legislation that would place tariffs on allied imports in levels designed to recover the costs we incur in protecting them. Once again, this idea has been met with indifference and even opposition from the administration.

I now submit that the changing world power struggle necessitates taking a different approach.

The doubling of the U.S. national debt, from $914 billion in 1980 to $1,841 billion in 1985, is due more to the growth in military expenditures than to any other single factor. Between 1980 and 1985, U.S. military expenditures climbed from $134 billion to $244 billion. This increase of roughly $100 billion dwarfs growth in all other major economic sectors.

While the deficit was more than doubling between 1980 and 1985, interest payments on the total debt, reflecting higher real interest rates, were climbing even more, reaching an estimated $143 billion in 1986.

The growing Federal deficit is mortgaging the U.S. economic future and, consequently, the Nation's position in the world economy. Among other things, it is leading to record-high real interest rates and an overvalued dollar that make U.S. exports more costly, in turn weakening the country's competitive position.

Industry in the United States has been doubly handicapped by these soaring military expenditures. Averaging over $200 billion per year since 1981, U.S. military expenditures have totaled $1,000 billion during the first half of the eighties, siphoning capital away from investment in industrial plant and equipment and leaving the Nation with outdated, inefficient industrial facilities in many sectors.

Even when American corporations have capital to invest, they are reluctant to commit it at home, given their inability to compete in either overseas or domestic markets. One result is declining output in basic industries, such as steel, automobiles, and machine tools. Between 1981 and 1984, a period of moderate economic expansion in the United States and worldwide, 2 million Americans lost jobs in these basic industries.

The deindustrialization of America now in progress is evident from recent U.S. labor statistics, which show that every month 20,000 to 30,000 manufacturing industry workers lose their jobs. This is an alarming figure. Translated into Japanese terms, it is equivalent to the collapse of a major corporation every month. Admittedly, there is growth in jobs in the service sector, but, meanwhile, the way things are going, some now suggest that the share of workers in secondary industry, that is, the manufacturing sector, will soon drop below 20 percent.

Secondary industry has been the mainstay of the U.S. economy. The service sector is less productive and pays wages that are only about 70 percent of those in manufacturing.

Meanwhile, the U.S. trade deficit has climbed from $36 billion in 1980 to a staggering $150 billion in 1985. The $70 billion trade deficit of 1983 has more than doubled in just 2 years. This ballooning U.S. trade deficit and the associated borrowing abroad to finance the Federal debt have cost this country its position as the world's leading international investor. Almost overnight, the United States has become a debtor nation.

Much of our trade problem lies with Japan. The combination of negligible defense expenditures and high domestic savings have enabled the Japanese to invest heavily in modernizing plants and equipment. This, in turn, enhances Japan's competitive position, enabling it to achieve a large foreign trade surplus, even though it imports virtually all its oil and most of its raw materials.

Very obviously, Japan is challenging U.S. dominance of world trade. In 1950, exports from the United States exceeded those from Japan by more than 10 to 1. Over the years, this gap slowly narrowed, until by 1970, it was little more than 2 to 1. As recently as 1980, it was still near this level, but the U.S. advantage is disappearing during the eighties. By 1985, U.S. exports were only 20 percent greater than those of Japan.

The U.S. economy is still twice as large as Japan's, and we have a vastly superior indigenous resource base of land, energy fuels, minerals, and forest products. Nonetheless, the United States is in the process of losing its role of world leadership. A country that is a net debtor, borrowing heavily from the rest of the world, will find its economic and political leadership diminished.

What, then, can we do? The key lies in reducing our debt and deficit. This is certainly not a surprising answer, as over half of the debate in this Chamber revolves around the problem of the deficit. But we need to tackle the deficit in a new way—one that addresses the allied military imbalance and our reduced position in the world trade economy.

Since our Federal deficit stems to a great extent from the increases in our military spending, it is time to examine our military commitments around the globe and determine where we can reduce expenditures.

In 1983 figures, the United States was shouldering nearly 70 percent of the Free World defense burden. Japan assumed only 3.8 percent of defending Free World interests, while non-U.S. NATO countries and France provided less than 20 percent. While some changes have occurred in allied burden-sharing in recent years, the bottom line is that we are still paying the lion's share for our allies' protection worldwide.

This made sense after World War II when the United States was the only allied country not decimated by the war effort. Japanese and European economies were in tatters, and their limited capital was necessarily spent to feed and shelter their populations and repair the many devastations of the war.

Those days are over. Japan and Europe now threaten America's economic survival through unfair trade practices and a failure to assume their share of the defense burden. Their GNP's are on par with our own and their economies are comparable. It is no longer appropriate or necessary for the United States to play the rich uncle among our allies. On the contrary, the uncle is facing hard times and it is time for the younger members of the family to grow up and assume their rightful places in the Free World's responsibilities.

We have a tremendous military commitment abroad. Our overseas forces number 520,000, with 64,850 afloat. These figures do not reflect the many military dependents who live abroad with our servicemen and women. In Europe alone, we maintain 353,100 military personnel, with 27,250 afloat in the European Theater.

The costs of these soldiers and sailors in Europe are difficult to determine, as each cost estimate necessarily takes into account different perceptions of the cost factors involved. It is estimated that the total costs of European-deployed U.S. forces is $55 billion.

Other estimates put this figure much higher. For example, the cost of U.S. forces formally committed to NATO as listed in the NATO Defense Planning Questionnaire is $133 billion. Still other estimates consider this figure too low.

The fact is that we are spending a tremendous amount of money to defend Europe. While U.S. interests certainly run high in maintaining peace and security in Europe, one has to wonder why our concern for European security seems to be far stronger than that of the Europeans themselves.

I fear that Europeans take us for granted. They are anxious to have us defend them, yet we are not to expect their public support for such defense. In fact, as the Libyan bombing incident grossly pointed out, we are not even to expect their support when we are faced with serious security threats on their own soil.

It is time to address the realities of the new age. Perhaps it is time for Europe to play a much larger role in its defense.

Japan is in the same position. We have committed 143,800 troops in the Pacific and Far East, with 33,600 afloat in the theater. Our actual costs in defending Japanese interests are similarly difficult to gauge, but they run in the billions. And the Japanese have steadfastly resisted all efforts to assume more of the Pacific defense costs, all the while vastly enjoying the protected shipping lanes that bring them oil and safely carry their cars, televisions, and steel to America and throughout the world.

In fact, we have so spoiled our allies that many are now demanding increased trade with the United States in exchange for the "privilege" of operating U.S. bases on their soil. It is obvious that they have lost all sight of the true nature of America's military presence around the world.

This was glaringly pointed out in an April 2, 1986, Washington Post article about allied countries linking trade and security concerns. Secretary of State George Shultz was meeting with Turkish Prime Minister Turgut Ozal over the renewal of an agreement of American military bases in Turkey. Ozal was quoted as saying, "If I give them bases, I want an increase in trade in return." He said that Turkish exports to the United States should jump from their 1984 level of $433 million to $3 billion.

It is reported that other countries are more subtle in linking trade and security. South Korea, for example, frequently makes quiet use of its security concerns in trade talks without officially raising them at the bargaining table. The Koreans like to underscore their vulnerability to Communist takeover by taking trade negotiators to the 38th parallel, less than an hour's drive from Seoul, where the visitors can look across the border at Communist North Korean troops.

We maintain thousands of military personnel in South Korea. These Americans are there to provide for security in the region. While South Korea does commit more to national defense than most of our other allies—5.7 percent of GNP in 1983—they could do more toward their own protection. Linking trade concessions to "allowing" U.S. bases on Korean soil is not the correct posture for a government so reliant on U.S. military support.

Apparently, security considerations provide an unstated underpinning to our trade relations with Japan, serving as a force for limiting pressure on Tokyo to open markets. Our own Defense Department, during Cabinet meetings, frequently urges restraint by U.S. trade officials on possible trade retaliation against Japan, arguing that stiff action might harm the security aspects of the relationship.

For Japan, it appears the trade relationship is more important. The United States seems to give more emphasis to national security. I think it is time to alter our priorities and force Japan and our allies into the military realities of the 1980's. They obviously need to be reminded that our overseas bases go a long way toward protecting their interests.

Another aspect of this, particularly with regard to Japan, is the disparity between the openness of our respective markets. While this is a commonly-expressed concern from a purely trade standpoint, it is important to look at this factor as it affects the military purchases of both countries.

Technology for the Strategic Defense Initiative (SDI or "star wars") is a perfect example. America's most sophisticated weapons are rapidly becoming dependent on components imported from Japan. Defense industry sources are particularly concerned about SDI, where Japanese high-technology companies now outstrip U.S. defense contractors in several key technologies vital to the development of such a system.

While U.S. companies are able to do most of the SDI systems design work, the cheapest and most reliable hardware—ranging from lasers to new materials—is produced by the Japanese. For example, the Japanese have become the world's dominant supplier of computer memory chips—a key element in many electronics-based weapons systems.

Three high-level commissions are examining the military's growing reliance on overseas electronics: A newly formed Defense Sciences Board Task Force on Semiconductor Dependency; a panel of the Pentagon's joint logistics commanders; and a National Academy of Science Electronics Components Committee.

Currently, there are no good estimates on what percentage of defense electronics components are produced overseas. However, the House Armed Services Subcommittee staff has stated that roughly 80 percent of the military's silicon chips are manufactured in Asia.

Meaningful estimates of Japanese content of U.S. defense electronics are further complicated because U.S. contractors do not always have to disclose where the components for their electronics systems were originally made.

In addition to volume supply, Japanese companies recently have begun to provide critical components for such weapons systems as missiles and electronic warfare devices, according to Pentagon and industry officials. Exacerbating that situation is the fact that, in some areas, Japanese companies have become the sole providers of high-quality, low-cost key electronics materials after winning price wars, often unfairly fought, with American companies.

After Monsanto Co. dropped out of the market 3 years ago, for example, the United States no longer has a domestic supplier of "float-zone" silicon—a special kind of silicon used in fabricating high-power electronic switching devices that would be indispensable for space-based weaponry. Japanese companies are the key U.S. defense suppliers.

Much of the reason for this is cost. Most technology experts agree that if the Pentagon is serious about obtaining the best high technologies at the most reasonable cost, most of the component production will be done offshore by Japanese high-technology concerns—unless there are specific policies designed to minimize foreign involvement.

On the other hand, Japan's Defense Agency is currently debating whether to buy foreign—likely U.S.—planes to replace their 10-year-old F-1 fighter jets or to produce them domestically. At the present time, the Japanese do not have the domestic capability to produce fighter jets, but Japanese commercial aircraft companies are pushing for the chance to design and build the planes at home.

The Japanese Defense Agency says it may commission Japanese aircraft industries for this project, expected to total more than $5.6 billion. While industry officials concede that the West is ahead in many aerospace technologies and has the edge on cost, they are confident Japan's industry has much of the necessary technology and can learn what it doesn't know.

U.S. officials disagree. They say that the Japanese lack experience and many crucial technologies needed to design a modern fighter from scratch. Additionally, Japanese-built planes would not be compatible with United States forces in the region. This is a problem that has plagued NATO for years—United States planes have frequently been stranded on West German bases without parts.

But the Japanese maintain that they wish to have independence in designing and building their own weapons and that they are willing to pay the costs for this approach.

I think it is time for us to let them help with defense costs. Frankly, it is time that Japan become a partner in providing security on the Pacific rim.

Our soaring Federal deficit is eroding trust in the country's future. Much of the deficit can be traced directly to military expenditures. We spend a great deal on defending our allies. I think it is time to reexamine these costs and see where we can save money.

In redefining security in economic terms, we can come to grips with many of the problems that are plaguing our economic society. We must preserve our basic industries, we must find ways to compete on the world markets, and we must insure America's future as a world power.

With these goals in mind, it is time to focus on some of the examples being set by countries that have addressed the problem of excess military-security commitments and expenditures.

China, for example, as recently as 1972, was spending 14 percent of its GNP for military purposes, one of the highest levels in the world at that time. Beginning in 1975, however, the Chinese began to systematically reduce its military expenditures, and, except for 1979, it has reduced them in each of the last 8 years. By 1985, military spending had fallen to 7.5 percent of China's GNP.

In Argentina, the military government that was in office in the late seventies and early eighties increased

military expenditures from the historical level of 1.5 percent of GNP to almost 4 percent. One of the first things that Raul Alfonsin did as newly elected President in late 1983 was to announce a plan to steadily lower this figure. When he took office, there was broad public support for a reduction in arms expenditures, partly because of the ill-fated Falklands war, which undermined the military's credibility throughout Argentina.

By 1984, arms outlays in Argentina had been cut to half the peak level of 1980, with a shift of resources toward social programs.

More recently, Peru's President Garcia has pledged to reduce the 5 percent of the country's GNP allotted to the military, a sum that consumed one-fourth of the Federal budget.

The overriding reason for cutting military expenditures in each of these three countries is economic. Encouragingly, the reductions in military expenditures undertaken by these three governments were independent of any negotiated military reductions in neighboring countries. China, for example, lowered its military outlays unilaterally, despite its 3,000-kilometer border with the Soviet Union, which has continued to increase its military might.

And these three countries are cited as showing considerable progress economically. They may well provide the model for the future.

I am not suggesting, however, that the military concerns of China, Argentina, and Peru parallel our own. We have made substantial commitments toward maintaining free world security that cannot and should not be ignored. I do not suggest that we abandon our allies and bring all of our troops home. Such an approach is naive and dangerous.

I am suggesting, however, that we rethink our security priorities and push for greater support from our allies. It is time to encourage their independence. It is also time for America to put a high priority on its economic future.

For the United States, maintaining a position of world leadership may now depend on holding the line on military expenditures to provide for greater investment in our domestic economy. If we had committed Japan's level of GNP defense spending to our own defense in the past 10 years, for example, we would have had $1½ trillion to invest revitalizing our industries at home. In 1985 alone, $200 billion would have been available for capital investment. This level of investment for modernizing in the private sector would have made U.S. products much more competitive in the world marketplace and preserved U.S. jobs.

It is time to take a lesson from the Japanese and take care of ourselves first. We cannot allow the current pattern to continue. We must not allow American workers to lose a game that is stacked against them. We have a responsibility to America first and I suggest that we take that responsibility seriously.

□ 1310

CONFERENCE REPORT ON H.R. 2672

Mr. FORD of Michigan submitted the following conference report and statement on the bill (H.R. 2672), to redesignate the New York International and Bulk Mail Center in Jersey City, New Jersey, as the "New Jersey International and Bulk Mail Center", and to honor the memory of a former postal employee by dedicating a portion of a street at the New York International and Bulk Mail Center in Jersey City, New Jersey, as "Michael McDermott Place":

CONFERENCE REPORT (H. REPT. 99-606)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 2672), to redesignate the New York International and Bulk Mail Center in Jersey City, New Jersey, as the "New Jersey International and Bulk Mail Center", and to honor the memory of a former postal employee by dedicating a portion of a street at the New York International and Bulk Mail Center in Jersey City, New Jersey, as "Michael McDermott Place", having met, after full and free conference, have agreed to recommend and to recommend do their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 1 and 2, and agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 3 and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment, insert the following:

TITLE I—FEDERAL EMPLOYEES' RETIREMENT SYSTEM

SEC. 100. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Federal Employees' Retirement System Act of 1986".

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

TABLE OF CONTENTS

TITLE I—FEDERAL EMPLOYEES' RETIREMENT SYSTEM

Sec. 100. Short title; table of contents.
Sec. 100A. Purposes.
Sec. 101. Establishment.

TITLE II—OTHER AMENDMENTS TO TITLE 5 OF THE UNITED STATES CODE

Sec. 201. Treatment under Civil Service Retirement System of certain individuals excluded from Federal Employees' Retirement System.
Sec. 202. Non-applicability of Civil Service Retirement System to individuals under Federal Employees' Retirement System.
Sec. 203. Pay for the Executive Director of the Federal Retirement Thrift Investment Board.
Sec. 204. Alternative forms of annuities.
Sec. 205. Retirement counseling.
Sec. 206. Participation by certain employees and Members only in the Thrift Savings Plan.
Sec. 207. Miscellaneous amendments.

TITLE III—OTHER PROVISIONS RELATING TO THE FEDERAL EMPLOYEES' RETIREMENT SYSTEM AND THE CIVIL SERVICE RETIREMENT SYSTEM

Sec. 301. Elections.
Sec. 302. Effect of an election under section 301 to become subject to the Federal Employees' Retirement System.
Sec. 303. Provisions relating to an election to become subject to chapter 83 subject to certain offsets relating to Social Security.
Sec. 304. Amendments relating to Social Security.
Sec. 305. Extension of Federal Employees' Retirement Contribution Temporary Adjustment Act of 1983; refund of excess contributions.
Sec. 306. Applicability to the United States Postal Service.
Sec. 307. Use of "normal-cost percentage".
Sec. 308. Retirement study.
Sec. 309. Repeal of automatic transfer provision.
Sec. 310. Disclosure of return information.
Sec. 311. Initial appointments to the Federal Retirement Thrift Investment Board.
Sec. 312. Plan for delayed contributions to the Thrift Savings Fund.

TITLE IV—FOREIGN SERVICE RETIREMENT

Sec. 401. Short title; references to Foreign Service Act of 1980.
Sec. 402. Redesignation of certain provisions of the Foreign Service Act of 1980.
Sec. 403. Definition of court.
Sec. 404. Creditable service for purposes of subchapters I and II.
Sec. 405. Contributions to the Foreign Service Retirement and Disability System.
Sec. 406. Offset of annuity by the amount of Social Security benefits.
Sec. 407. 18-month period to elect survivor annuity.
Sec. 408. Alternate forms of annuities.
Sec. 409. Treatment of certain recall service.
Sec. 410. Reemployment.
Sec. 411. Comparability between the Federal Employees' Retirement System and the Foreign Service Pension System.
Sec. 412. Moderation of remarriage penalty.
Sec. 413. Lump-sum payments.
Sec. 414. Exclusion of participants in Foreign Service Pension System from Foreign Service Retirement and Disability System.
Sec. 415. Foreign Service Pension System.
Sec. 416. Table of contents.
Sec. 417. Effective date.

TITLE V—CENTRAL INTELLIGENCE AGENCY RETIREMENT AND RELATED MATTERS

Sec. 501. References.
Sec. 502. Contributions to the Central Intelligence Agency Retirement and Disability System.
Sec. 503. Offset of annuity by the amount of Social Security benefits.
Sec. 504. Thrift savings fund participation by participants in the Central Intelligence Agency Retirement and Disability System.
Sec. 505. Alternative forms of annuities.

Sec. 506. Participation in the Federal Employees' Retirement System.
Sec. 507. Special retirement accrual for other intelligence personnel.

TITLE VI—MISCELLANEOUS PROVISIONS

Sec. 601. Annuities for survivors of District of Columbia judges.

TITLE VII—AUTHORIZATION OF APPROPRIATIONS; EFFECTIVE DATES

Sec. 701. Authorization of appropriations for certain expenses of the Federal Retirement Thrift Investment Management System.
Sec. 702. Effective dates.

SEC. 100A. PURPOSES.

The purposes of this Act are—

(1) to establish a Federal employees' retirement plan which is coordinated with title II of the Social Security Act;

(2) to ensure a fully funded and financially sound retirement benefits plan for Federal employees;

(3) to enhance portability of retirement assets earned as an employee of the Federal Government;

(4) to provide options for Federal employees with respect to retirement planning;

(5) to assist in building a quality career work force in the Federal Government;

(6) to encourage Federal employees to increase personal savings for retirement; and

(7) to extend financial protection from disability to additional Federal employees and to increase such protection for eligible Federal employees.

SEC. 101. ESTABLISHMENT.

(a) IN GENERAL.—Title 5, United States Code, is amended by inserting after chapter 83 the following new chapter:

"CHAPTER 84—FEDERAL EMPLOYEES' RETIREMENT SYSTEM

"SUBCHAPTER I—GENERAL PROVISIONS

"Sec.
"8401. Definitions.
"8402. Federal Employees' Retirement System; exclusions.
"8403. Relationship to the Social Security Act.

"SUBCHAPTER II—BASIC ANNUITY

"8410. Eligibility for annuity.
"8411. Creditable service.
"8412. Immediate retirement.
"8413. Deferred retirement.
"8414. Early retirement.
"8415. Computation of basic annuity.
"8416. Survivor reduction for a current spouse.
"8417. Survivor reduction for a former spouse.
"8418. Survivor elections; deposit; offsets.
"8419. Survivor reductions; computation.
"8420. Insurable interest reductions.
"8420a. Alternative forms of annuities.
"8421. Annuity supplement.
"8421a. Reductions on account of earnings from work performed while entitled to an annuity supplement.
"8422. Deductions from pay; contributions for military service.
"8423. Government contributions.
"8424. Lump-sum benefits; designation of beneficiary; order of precedence.
"8425. Mandatory separation.

"SUBCHAPTER III—THRIFT SAVINGS PLAN

"8431. Definition.
"8432. Contributions.
"8433. Benefits and election of benefits.
"8434. Annuities: methods of payment; election; purchase.
"8435. Protections for spouses and former spouses.
"8436. Administrative provisions.
"8437. Thrift Savings Fund.
"8438. Investment of Thrift Savings Fund.
"8439. Accounting and information.
"8440. Tax treatment of the Thrift Savings Fund.

"SUBCHAPTER IV—SURVIVOR ANNUITIES

"8441. Definitions.
"8442. Rights of a widow or widower.
"8443. Rights of a child.
"8444. Rights of a named individual with an insurable interest.
"8445. Rights of a former spouse.

"SUBCHAPTER V—DISABILITY BENEFITS

"8451. Disability retirement.
"8452. Computation of disability annuity.
"8453. Application.
"8454. Medical examination.
"8455. Recovery; restoration of earning capacity.
"8456. Relationship to workers' compensation.
"8457. Military reserve technicians.

"SUBCHAPTER VI—GENERAL AND ADMINISTRATIVE PROVISIONS

"8461. Authority of the Office of Personnel Management.
"8462. Cost-of-living adjustments.
"8463. Rate of benefits.
"8464. Commencement and termination of annuities of employees and Members.
"8465. Waiver, allotment, and assignment of benefits.
"8466. Application for benefits.
"8467. Court orders.
"8468. Annuities and pay on reemployment.
"8469. Withholding of State income taxes.
"8470. Exemption from legal process; recovery of payments.

"SUBCHAPTER VII—FEDERAL RETIREMENT THRIFT INVESTMENT MANAGEMENT SYSTEM

"8471. Definitions.
"8472. Federal Retirement Thrift Investment Board.
"8473. Employee Thrift Advisory Council.
"8474. Executive Director.
"8475. Investment policies.
"8476. Administrative provisions.
"8477. Fiduciary responsibilities; liability and penalties.
"8478. Bonding.
"8479. Exculpatory provisions; insurance.

"SUBCHAPTER I—GENERAL PROVISIONS

"§ 8401. Definitions

"For the purpose of this chapter—

"(1) the term 'account' means an account established and maintained under section 8439(a) of this title;

"(2) the term 'annuitant' means a former employee or Member who, on the basis of that individual's service, meets all requirements for title to an annuity under subchapter II or V of this chapter and files claim therefor;

"(3) the term 'average pay' means the largest annual rate resulting from averaging an employee's or Member's rates of basic pay in effect over any 3 consecutive years of service or, in the case of an annuity under this chapter based on service of less than 3 years, over the total service, with each rate weighted by the period it was in effect;

"(4) except as provided in subchapter III of this chapter, the term 'basic pay' has the meaning given such term by section 8331(3);

"(5) the term 'Board' means the Federal Retirement Thrift Investment Board established by section 8472(a) of this title;

"(6) the term 'Civil Service Retirement and Disability Fund' or 'Fund' means the Civil Service Retirement and Disability Fund under section 8348;

"(7) the term 'court' means any court of any State, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Northern Mariana Islands, or the Virgin Islands, and any Indian court;

"(8) the term 'Director' means the Director of the Office of Personnel Management;

"(9) the term 'dynamic assumptions' means economic assumptions that are used in determining actuarial costs and liabilities of a retirement system and in anticipating the effects of long-term future—

"(A) investment yields;

"(B) increases in rates of basic pay; and

"(C) rates of price inflation;

"(10) the term 'earnings', when used with respect to the Thrift Savings Fund, means the amount of the gain realized or yield received from the investment of sums in such Fund;

"(11) the term 'employee' means—

"(A) an individual referred to in subparagraph (A), (E), (F), (H), (I), or (J) of section 8331(1) of this title; and

"(B) a Congressional employee as defined in section 2107 of this title, including a temporary Congressional employee and an employee of the Congressional Budget Office;

any of whose civilian service after December 31, 1983, is employment for the purposes of title II of the Social Security Act and chapter 21 of the Internal Revenue Code of 1954, except that such term does not include—

"(i) any individual referred to in—

"(I) clause (i), (v), (vi), or (ix) of paragraph (1) of section 8331;

"(II) clause (ii) of such paragraph (other than an employee of the United States Park Police, or the United States Secret Service, any of whose civilian service after December 31, 1983, is such employment); or

"(III) the undesignated material after the last clause of such paragraph; or

"(ii) any individual excluded under section 8402(c) of this title;

"(12) the term 'former spouse' means a former spouse of an individual—

"(A) if such individual performed at least 18 months of civilian service creditable under section 8411 as an employee or Member; and

"(B) if the former spouse was married to such individual for at least 9 months;

"(13) the term 'Executive Director' means the Executive Director appointed under section 8474(a);

"(14) the term 'firefighter' means—

"(A) an employee, the duties of whose position—

"(i) are primarily to perform work directly connected with the control and extinguishment of fires; and

"(ii) are sufficiently rigorous that employment opportunities are required to be limited to young and physically vigorous individuals, as determined by the Director considering the recommendations of the employing agency; and

"(B) an employee who is transferred directly to a supervisory or administrative position after performing duties described in subparagraph (A) for at least 10 years;

"(15) the term 'Government' means the Federal Government and Gallaudet College;

"(16) the term 'Indian court' has the meaning given such term by section 8331(24);

"(17) the term 'law enforcement officer' means—

"(A) an employee, the duties of whose position—

"(i) are primarily—

"(I) the investigation, apprehension, or detention of individuals suspected or convicted of offenses against the criminal laws of the United States, or

"(II) the protection of officials of the United States against threats to personal safety; and

"(ii) are sufficiently rigorous that employment opportunities are required to be limited to young and physically vigorous individuals, as determined by the Director considering the recommendations of the employing agency;

"(B) an employee who is transferred directly to a supervisory or administrative position after performing duties described in subparagraph (A) for at least 10 years; and

"(C) an employee—

"(i) of the Bureau of Prisons or Federal Prison Industries, Incorporated;

"(ii) of the Public Health Service assigned to the field service of the Bureau of Prisons or of the Federal Prison Industries, Incorporated; or

"(iii) in the field service at Army or Navy disciplinary barracks or at any other confinement and rehabilitation facility operated by any of the armed forces;

whose duties in connection with individuals in detention suspected or convicted of offenses against the criminal laws of the United States or of the District of Columbia or offenses against the punitive articles of the Uniform Code of Military Justice (chapter 47 of title 10) require frequent direct contact with these individuals in their detention and are sufficiently rigorous that employment opportunities are required to be limited to young and physically vigorous individuals, as determined by the head of the employing agency;

"(18) the term 'loss', when used with respect to the Thrift Savings Fund, means the amount of the loss resulting from the investment of sums in such Fund;

"(19) the term 'lump-sum credit' means the unrefunded amount consisting of—

"(A) retirement deductions made from the basic pay of an employee or Member under section 8422(a) of this title (or under section 204 of the Federal Employees' Retirement Contribution Temporary Adjustment Act of 1983);

"(B) amounts deposited by an employee or Member under section 8422(e); and

"(C) interest on the deductions and deposits which, for any calendar year, shall be equal to the overall average yield to the Fund during the preceding fiscal year from all obligations purchased by the Secretary of the Treasury during such fiscal year under section 8348(c), (d), and (e), as determined by the Secretary (compounded annually);

but does not include interest—

"(i) if the service covered thereby aggregates 1 year or less; or

"(ii) for a fractional part of a month in the total service;

"(20) the term 'Member' has the same meaning as provided in section 2106, except that such term does not include an individual who irrevocably elects, by written notice to the official by whom such individual is paid, not to participate in the Federal Employees' Retirement System;

"(21) the term 'net earnings' means the excess of earnings over losses;

"(22) the term 'net losses' means the excess of losses over earnings;

"(23) the term 'normal-cost percentage' means the entry-age normal cost of the provisions of the System which relate to the Fund, computed by the Office in accordance with generally accepted actuarial practice and standards (using dynamic assumptions) and expressed as a level percentage of aggregate basic pay;

"(24) the term 'Office' means the Office of Personnel Management;

"(25) the term 'price index' has the same meaning as provided in section 8331(15);

"(26) the term 'service' means service which is creditable under section 8411;

"(27) the term 'supplemental liability' means the estimated excess of—

"(A) the actuarial present value of all future benefits payable from the Fund under this chapter based on the service of current or former employees or Members, over

"(B) the sum of—

"(i) the actuarial present value of deductions to be withheld from the future basic pay of employees and Members currently subject to this chapter pursuant to section 8422;

"(ii) the actuarial present value of the future contributions to be made pursuant to section 8423(a) with respect to employees and Members currently subject to this chapter;

"(iii) the Fund balance as of the date the supplemental liability is determined, to the extent that such balance is attributable—

"(I) to the System, or

"(II) to contributions made under the Federal Employees' Retirement Contribution Temporary Adjustment Act of 1983 by or on behalf of an individual who became subject to the System; and

"(iv) any other appropriate amount, as determined by the Office in accordance with generally accepted actuarial practices and principles;

"(28) the term 'survivor' means an individual entitled to an annuity under subchapter IV of this chapter;

"(29) the term 'System' means the Federal Employees' Retirement System described in section 8402(a);

"(30) the term 'military reserve technician' means a member of one of the reserve components of the armed forces specified in section 261(a) of title 10 who—

"(A) is assigned to a civilian position as a technician in the administration and training of such reserve components or in the maintenance and repair of supplies issued to such reserve components; and

"(B) as a condition of employment in such position, is required to be a member of one of such reserve components serving in a specified military grade; and

"(31) the term 'military service' means honorable active service—

"(A) in the armed forces;

"(B) in the commissioned corps of the Public Health Service after June 30, 1960; or

"(C) in the commissioned corps of the National Oceanic and Atmospheric Administration, or a predecessor entity in function, after June 30, 1961;

but does not include service in the National Guard except when ordered to active duty in the service of the United States.

"§ 8402. Federal Employees' Retirement System; exclusions

"(a) The provisions of this chapter comprise the Federal Employees' Retirement System.

"(b) The provisions of this chapter shall not apply with respect to—

"(1) any individual who has performed service of a type described in subparagraph (C), (D), (E), or (F) of section 210(a)(5) of the Social Security Act continuously since December 31, 1983 (determined in accordance with the provisions of section 210(a)(5)(B) of the Social Security Act, relating to continuity of employment); or

"(2)(A) any employee or Member who has separated from the service after—

"(i) having been subject to subchapter III of chapter 83 of this title, or subchapter I of chapter 8 of the Foreign Service Act of 1980; and

"(ii) having completed at least 5 years of civilian service creditable under subchapter III of chapter 83 of this title, or at least 5 years of civilian service creditable under subchapter I of the Foreign Service Act of 1980 (determined without regard to any deposit or redeposit requirement under either such subchapter, or any requirement that the individual become subject to either such subchapter after performing the service involved); or

"(B) any employee having at least 5 years of civilian service performed before January 1, 1987, creditable under subchapter III of chapter 83 of this title (determined without regard to any deposit or redeposit requirement under such subchapter, any requirement that the individual become subject to such subchapter after performing the service involved, or any requirement that the individual give notice in writing to the official by whom such individual is paid of such individual's desire to become subject to such subchapter);

except to the extent provided for under title III of the Federal Employees' Retirement System Act of 1986 pursuant to an election under such title to become subject to this chapter.

"(c)(1) The Office may exclude from the operation of this chapter an employee or group of employees in or under an Executive agency, the United States Postal Service, or the Postal Rate Commission, whose employment is temporary or intermittent, except an employee whose employment is part-time career employment (as defined in section 3401(2).

"(2) The Architect of the Capitol may exclude from the operation of this chapter an employee under the Office of the Architect of the Capitol whose employment is temporary or of uncertain duration.

"(3) The Librarian of Congress may exclude from the operation of this chapter an employee under the Library of Congress whose employment is temporary or of uncertain duration.

"(4) The Director or Acting Director of the Botanic Garden may exclude from the operation of this chapter an employee under the Botanic Garden whose employment is temporary or of uncertain duration.

"§ 8403. Relationship to the Social Security Act

"Except as otherwise provided in this chapter, the benefits payable under the System are in addition to the benefits payable under the Social Security Act.

"SUBCHAPTER II—BASIC ANNUITY

"§ 8410. Eligibility for annuity

"Notwithstanding any other provision of this chapter, an employee or Member must complete at least 5 years of civilian service creditable under section 8411 in order to be eligible for an annuity under this subchapter.

"§ 8411. Creditable service

"(a)(1) The total service of an employee or Member is the full years and twelfth parts thereof, excluding from the aggregate the fractional part of a month, if any.

"(2) Credit may not be allowed for a period of separation from the service in excess of 3 calendar days.

"(b) For the purpose of this chapter, creditable service of an employee or Member includes—

"(1) employment as an employee, and any service as a Member (including the period from the date of the beginning of the term for which elected or appointed to the date of taking office as a Member), after December 31, 1986;

"(2) service with respect to which deductions and withholdings under section 204(a)(1) of the Federal Employees' Retirement Contribution Temporary Adjustment Act of 1983 have been made;

"(3) except as provided in subsection (f), any civilian service (performed before January 1, 1989, other than any service under paragraph (1) or (2)) which, but for the amendments made by subsections (a)(4) and (b) of section 202 of the Federal Employees' Retirement System Act of 1986, would be creditable under subchapter III of chapter 83 of this title (determined without regard to any deposit or redeposit requirement under such subchapter, any requirement that the individual become subject to such subchapter after performing the service involved, or any requirement that the individual give notice in writing to the official by whom such individual is paid of such individual's desire to become subject to such subchapter); and

"(4) a period of service (other than any service under any of the preceding provisions of this subsection and other than any military service) that was creditable under the Foreign Service Pension System described in subchapter II of chapter 8 of the Foreign Service Act of 1980, if the employee or Member waives credit for such service under the Foreign Service Pension System and makes a payment to the Fund equal to the amount that would have been deducted from pay under section 8422(a) had the employee been subject to this chapter during such period of service (together with interest on such amount computed under paragraphs (2) and (3) of section 8334(e)).

"(c)(1) Except as provided in paragraph (2) or (3), an employee or Member shall be allowed credit for—

"(A) each period of military service performed before January 1, 1957; and

"(B) each period of military service performed after December 31, 1956, and before the separation on which title to annuity is based, if a deposit (including interest, if any) is made with respect to such period in accordance with section 8422(e).

"(2) If an employee or Member is awarded retired pay based on any period of military service, the service of the employee or Member may not include credit for such period of military service unless the retired pay is awarded—

"(A) based on a service-connected disability—

"(i) incurred in combat with an enemy of the United States; or

"(ii) caused by an instrumentality of war and incurred in line of duty during a period of war as defined by section 301 of title 38; or

"(B) under chapter 67 of title 10.

"(3) An employee or Member who has made a deposit under section 8334(j) (or a similar prior provision of law) with respect to a period of military service, and who has not taken a refund of such deposit—

"(A) shall be allowed credit for such service without regard to the deposit requirement under paragraph (1)(B); and

"(B) shall be entitled, upon filing appropriate application therefor with the Office, to a refund equal to the difference between—

"(i) the amount deposited with respect to such period under such section 8334(j) (or prior provision), excluding interest; and

"(ii) the amount which would otherwise have been required with respect to such period under paragraph (1)(B).

"(d) Credit under this chapter shall be allowed for leaves of absence without pay granted an employee while performing military service, or while receiving benefits under subchapter I of chapter 81. An employee or former employee who returns to duty after a period of separation is deemed, for the purpose of this subsection, to have been on leave of absence without pay for that part of the period in which that individual was receiving benefits under subchapter I of chapter 81. Credit may not be allowed for so much of other leaves of absence without pay as exceeds 6 months in the aggregate in a calendar year.

"(e) Credit shall be allowed for periods of approved leave without pay granted an employee to serve as a full-time officer or employee of an organization composed primarily of employees (as defined by section 8331(1) or 8401(11)), subject to the employee arranging to pay, through the employee's employing agency, within 60 days after commencement of such leave without pay, amounts equal to the retirement deductions and agency contributions which would be applicable under sections 8422(a) and 8423(a), respectively, if the employee were in pay status. If the election and all payments provided by this subsection are not made, the employee may not receive credit for the periods of leave without pay, notwithstanding the third sentence of subsection (d).

"(f)(1) An employee or Member who has received a refund of retirement deductions under subchapter III of chapter 83 with respect to any service described in subsection (b)(3) may not be allowed credit for such service under this chapter unless such employee or Member deposits an amount equal to 1.3 percent of basic pay for such service, with interest.

"(2) An employee or Member may not be allowed credit under this chapter for any service described in subsection (b)(3) for which retirement deductions under subchapter III of chapter 83 have not been made, unless such employee or Member deposits an amount equal to 1.3 percent of basic pay for such service, with interest.

"(3) Interest under paragraph (1) or (2) shall be computed in accordance with paragraphs (2) and (3) of section 8334(e) and regulations prescribed by the Office.

"(4) For the purpose of survivor annuities, deposits authorized by the preceding provisions of this subsection may also be made by a survivor of an employee or Member.

"§ 8412. Immediate retirement

"(a) An employee or Member who is separated from the service after attaining the applicable minimum retirement age under subsection (h) and completing 30 years of service is entitled to an annuity.

"(b) An employee or Member who is separated from the service after becoming 60 years of age and completing 20 years of service is entitled to an annuity.

"(c) An employee or Member who is separated from the service after becoming 62 years of age and completing 5 years of service is entitled to an annuity.

"(d) An employee who is separated from the service, except by removal for cause on charges of misconduct or delinquency—

"(1) after completing 25 years of service as a law enforcement officer or firefighter, or any combination of such service totaling at least 25 years, or

"(2) after becoming 50 years of age and completing 20 years of service as a law enforcement officer or firefighter, or any combination of such service totaling at least 20 years,

is entitled to an annuity.

"(e) An employee who is separated from the service, except by removal for cause on charges of misconduct or delinquency—

"(1) after completing 25 years of service as an air traffic controller, or

"(2) after becoming 50 years of age and completing 20 years of service as an air traffic controller,

is entitled to an annuity.

"(f) A Member who is separated from the service, except by resignation or expulsion—

"(1) after completing 25 years of service, or

"(2) after becoming 50 years of age and completing 20 years of service,

is entitled to an annuity.

"(g) An employee or Member who is separated from the service after attaining the applicable minimum retirement age under subsection (h) and completing 10 years of service is entitled to an annuity. This subsection shall not apply to an employee or Member who is entitled to an annuity under any other provision of this section.

"(h)(1) The applicable minimum retirement age under this subsection is—

"(A) for an individual whose date of birth is before January 1, 1948, 55 years of age;

"(B) for an individual whose date of birth is after December 31, 1947, and before January 1, 1953, 55 years of age plus the number of months in the age increase factor determined under paragraph (2)(A);

"(C) for an individual whose date of birth is after December 31, 1952, and before January 1, 1965, 56 years of age;

"(D) for an individual whose date of birth is after December 31, 1964, and before January 1, 1970, 56 years of age plus the number of months in the age increase factor determined under paragraph (2)(B); and

"(E) for an individual whose date of birth is after December 31, 1969, 57 years of age.

"(2)(A) For an individual whose date of birth occurs during the 5-year period consisting of calendar years 1948 through 1952, the age increase factor shall be equal to two-twelfths times the number of months in the period beginning with January 1948 and ending with December of the year in which the date of birth occurs.

"(B) For an individual whose date of birth occurs during the 5-year period consisting of calendar years 1965 through 1969, the age increase factor shall be equal to two-twelfths times the number of months in the period beginning with January 1965 and ending with December of the year in which the date of birth occurs.

"§ 8413. Deferred retirement

"(a) An employee or Member who is separated from the service, or transferred to a position in which the employee or Member does not continue subject to this chapter, after completing 5 years of service is entitled to an annuity beginning at the age of 62 years.

"(b)(1) An employee or Member who is separated from the service, or transferred to a position in which the employee or Member does not continue subject to this chapter, after completing 10 years of service is entitled to an annuity beginning on the date designated by the employee or Member in a written election under this subsection. The date designated under this subsection may not precede the date on which the employee or Member attains the applicable minimum retirement age under section 8412(h) and must precede the date on which the employee or Member becomes 62 years of age.

"(2) The election of an annuity under this subsection shall not be effective unless—

"(A) it is made at such time and in such manner as the Office shall by regulation prescribe; and

"(B) the employee or Member will not otherwise be eligible to receive an annuity within 31 days after filing the election.

"(3) The election of an annuity under this subsection extinguishes the right of the employee or Member to receive any other annuity based on the service on which the annuity under this subsection is based.

"§ 8414. Early retirement

"(a)(1) A member of the Senior Executive Service who is removed from the Senior Executive Service for less than fully successful executive performance (as determined under subchapter II of chapter 43 of this title) after completing 25 years of service, or after becoming 50 years of age and completing 20 years of service, is entitled to an annuity.

"(2) A member of the Defense Intelligence Senior Executive Service or the Senior Cryptologic Executive Service who is removed from such service for less than fully successful executive performance after completing 25 years of service, or after becoming 50 years of age and completing 20 years of service, is entitled to an annuity.

"(b)(1) Except as provided in paragraphs (2) and (3), an employee who—

"(A) is separated from the service involuntarily, except by removal for cause on charges of misconduct or delinquency; or

"(B) while serving in a geographic area designated by the Director, is separated from the service voluntarily during a period in which (as determined by the Director)—

"(i) the agency in which the employee is serving is undergoing a major reorganization, a major reduction in force, or a major transfer of function; and

"(ii) a significant percentage of the total number of employees serving in such agency will be separated or subject to an immediate reduction in the rate of basic pay (without regard to subchapter VI of chapter 53 of this title or comparable provisions);

after completing 25 years of service, or after becoming 50 years of age and completing 20 years of service, is entitled to an annuity.

"(2) An employee under paragraph (1) who is separated as described in subparagraph (A) of such paragraph is not entitled to an annuity under this subsection if the employee has declined a reasonable offer of another position in the employee's agency for which the employee is qualified, and the offered position is not lower than 2 grades (or pay levels) below the employee's grade (or pay level) and is within the employee's commuting area.

"(3) Paragraph (1) shall not apply to an employee entitled to an annuity under subsection (d) or (e) of section 8412.

"(c) A military reserve technician who is separated from technician service, after becoming 50 years of age and completing 25 years of service, by reason of ceasing to satisfy the condition described in section 8401(30)(B) is entitled to an annuity.

"§ 8415. Computation of basic annuity

"(a) Except as otherwise provided in this section, the annuity of an employee retiring under this subchapter is 1 percent of that individual's average pay multiplied by such individual's total service.

"(b) The annuity of a Member, or former Member with title to a Member annuity, retiring under this subchapter is computed under subsection (a), except that if the individual has had at least 5 years of service as a Member or Congressional employee, or any combination thereof, so much of the annuity as is computed with respect to either such type of service (or a combination thereof), not exceeding a total of 20 years, shall be computed by multiplying 1 7/10 percent of the individual's average pay by the years of such service.

"(c) The annuity of a Congressional employee, or former Congressional employee, retiring under this subchapter is computed under subsection (a), except that if the individual has had at least 5 years of service as a Congressional employee or Member, or any combination thereof, so much of the annuity as is computed with respect to either such type of service (or a combination thereof), not exceeding a total of 20 years, shall be computed by multiplying 1 7/10 percent of the individual's average pay by the years of such service.

"(d) The annuity of an employee retiring under subsection (d) or (e) of section 8412 or under subsection (a) or (b) of section 8425 is—

"(1) 1 7/10 percent of that individual's average pay multiplied by so much of such individual's total service as does not exceed 20 years; plus

"(2) 1 percent of that individual's average pay multiplied by so much of such individual's total service as exceeds 20 years.

"(e)(1) In computing an annuity under this subchapter for an employee whose service includes service performed on a part-time basis—

"(A) the average pay of the employee, to the extent that it includes pay for service performed in any position on a part-time basis, shall be determined by using the annual rate of basic pay that would be payable for full-time service in the position; and

"(B) the benefit so computed shall then be multiplied by a fraction equal to the ratio which the employee's actual service, as determined by prorating the employee's total service to reflect the service that was performed on a part-time basis, bears to the total service that would be creditable for the employee if all of the service had been performed on a full-time basis.

"(2) For the purpose of this subsection, employment on a part-time basis shall not be considered to include employment on a temporary or intermittent basis.

"(f)(1) The annuity of an employee or Member retiring under section 8412(g) or 8413(b) is computed in accordance with applicable provisions of this section, except that the annuity shall be reduced by five-twelfths of 1 percent for each full month by which the commencement date of the annuity precedes the sixty-second anniversary of the birth of the employee or Member.

"(2)(A) Paragraph (1) does not apply in the case of an employee or Member retiring under section 8413(b) if the employee or Member would satisfy the age and service requirements for title to an annuity under section 8412 (a), (b), (d)(2), (e)(2), or (f)(2), determined as if the employee or Member had, as of the date of separation, attained the age specified in subparagraph (B).

"(B) A determination under subparagraph (A) shall be based on how old the employee or Member will be as of the date on which the annuity under section 8413(b) is to commence.

"(g)(1) In applying subsection (a) with respect to an employee under paragraph (2), the percentage applied under such subsection shall be 1.1 percent, rather than 1 percent.

"(2) This subsection applies in the case of an employee who—

"(A) retires entitled to an annuity under section 8412; and

"(B) at the time of the separation on which entitlement to the annuity is based, is at least 62 years of age and has completed at least 20 years of service;

but does not apply in the case of a Congressional employee, military reserve technician, law enforcement officer, firefighter, or air traffic controller.

"§ 8416. Survivor reduction for a current spouse

"(a)(1) If an employee or Member is married at the time of retiring under this chapter, the reduction described in section 8419(a) shall be made unless the employee or Member and the spouse jointly waive, by written election, any right which the spouse may have to a survivor annuity under section 8442 based on the service of such employee or Member. A waiver under this paragraph shall be filed with the Office under procedures prescribed by the Office.

"(2) Notwithstanding paragraph (1), an employee or Member who is married at the time of retiring under this chapter may waive the annuity for a surviving spouse without the spouse's consent if the employee or Member establishes to the satisfaction of the Office (in accordance with regulations prescribed by the Office)—

"(A) that the spouse's whereabouts cannot be determined; or

"(B) that, due to exceptional circumstances, requiring the employee or Member to seek the spouse's consent would otherwise be inappropriate.

"(3) Except as provided in subsection (d), a waiver made under this subsection shall be irrevocable.

"(b)(1) Upon remarriage, a retired employee or Member who was married at the time of retirement (including an employee or Member whose annuity was not reduced to provide a survivor annuity for the employee's or Member's spouse or former spouse as of the time of retirement) may irrevocably elect during such marriage, in a signed writing received by the Office within 2 years after such remarriage or, if later, within 2 years after the death or remarriage of any former spouse of such employee or Member who was entitled to a survivor annuity under section 8445 (or of the last such surviving former spouse, if there was more than one), a reduction in the employee's or Member's annuity under section 8419(a) for the purpose of providing an annuity for such employee's or Member's spouse in the event such spouse survives the employee or Member.

"(2) The election and reduction shall be effective the first day of the second month after the election is received by the Office, but not less than 9 months after the date of the remarriage.

"(3) An election to provide a survivor annuity to an individual under this subsection—

"(A) shall prospectively void any election made by the employee or Member under section 8420 with respect to such individual; or

"(B) shall, if an election was made by the employee or Member under section 8420 with respect to a different individual, prospectively void such election if appropriate written application is made by such employee or Member at the time of making the election under this subsection.

"(4) Any election under this subsection made by an employee or Member on behalf of an individual after the retirement of such employee or Member shall not be effective if—

"(A) the employee or Member was married to such individual at the time of retirement; and

"(B) the annuity rights of such individual based on the service of such employee or Member were then waived under subsection (a).

"(c)(1) An employee or Member who is unmarried at the time of retiring under this chapter and who later marries may irrevocably elect, in a signed writing received by the Office within 2 years after such employee or Member marries or, if later, within 2 years after the death or remarriage of any former spouse of such employee or Member who was entitled to a survivor annuity under section 8445 (or of the last such surviving former spouse, if there was more than one), a reduction in the current annuity of the retired employee or Member, in accordance with section 8419(a).

"(2) The election and reduction shall take effect the first day of the first month beginning 9 months after the date of marriage. Any such election to provide a survivor annuity for an individual—

"(A) shall prospectively void any election made by the employee or Member under section 8420 with respect to such individual; or

"(B) shall, if an election was made by the employee or Member under section 8420 with respect to a different individual, prospectively void such election if appropriate written application is made by such employee or Member at the time of making the election under this subsection.

"(d)(1) An employee or Member—

"(A) who is married on the date of retiring under this chapter, and

"(B) with respect to whose spouse a waiver under subsection (a) has been made,

may, during the 18-month period beginning on such date, elect to have a reduction made under section 8419 in order to provide a survivor annuity under section 8442 for such spouse.

"(2)(A) An election under this subsection shall not be effective unless the amount described in subparagraph (B) is deposited into the Fund before the expiration of the 18-month period referred to in paragraph (1).

"(B) The amount to be deposited under this subparagraph is equal to the sum of—

"(i) the difference (for the period between the date on which the annuity of the former employee or Member commences and the date on which reductions pursuant to the election under this subsection commence) between the amount paid to the former employee or Member from the Fund under this chapter and the amount which would have been paid if such election had been made at the time of retirement; and

"(ii) the costs associated with providing for the election under this subsection.

The amount to be deposited under clause (i) shall include interest, computed at the rate of 6 percent a year.

"(3) An annuity which is reduced pursuant to an election by a former employee or Member under this subsection shall be reduced by the same percentage as was in effect under section 8419 as of the date of the employee's or Member's retirement.

"(4) Rights and obligations under this chapter resulting from an election under this subsection shall be the same as the rights and obligations which would have resulted had the election been made at the time of retirement.

"(5) The Office shall inform each employee and Member who is eligible to make an election under this subsection of the right to make such election and the procedures and deadlines applicable in making any such election.

"§ 8417. Survivor reduction for a former spouse

"(a) If an employee or Member has a former spouse who is entitled to a survivor annuity as provided in section 8445, the reduction described in section 8419(a) shall be made.

"(b)(1) An employee or Member who has a former spouse may elect, under procedures prescribed by the Office, a reduction in the annuity of the employee or Member under section 8419(a) in order to provide a survivor annuity for such former spouse under section 8445.

"(2) An election under this subsection shall be made at the time of retirement or, if the marriage is dissolved after the date of retirement, within 2 years after the date on which the marriage of the former spouse to the employee or Member is so dissolved.

"(3) An election under this subsection—

"(A) shall not be effective to the extent that it—

"(i) conflicts with—

"(I) any court order or decree referred to in section 8445(a) which was issued before the date of such election; or

"(II) any agreement referred to in such section 8445(a) which was entered into before such date; or

"(ii) would cause the total of survivor annuities payable under sections 8442 and 8445, respectively, based on the service of the employee or Member to exceed the amount which would be payable to a widow or widower of such employee or Member under such section 8442 (determined without regard to any reduction to provide for an annuity under such section 8445); and

"(B) shall not be effective, in the case of an employee or Member who is then married, unless it is made with the spouse's written consent.

The Office shall by regulation provide that subparagraph (B) may be waived for either of the reasons set forth in section 8416(a)(2).

"§ 8418. Survivor elections; deposit; offsets

"(a)(1) An individual who makes an election under subsection (b) or (c) of section 8416 or section 8417(b) which is required to be made within 2 years after the date of a prescribed event shall deposit into the Fund, before the expiration of the 2-year period involved, an amount determined by the Office (as nearly as may be administratively feasible) to reflect the amount by which the annuity of such individual would have been reduced if the election had been in effect since the date of retirement (or, if later, and in the case of an election under such section 8416(b), since the date the previous reduction in the annuity of such individual was terminated under paragraph (1) or (2) of section 8419(b)), plus interest.

"(2) Interest under paragraph (1) shall be computed at the rate of 6 percent a year.

"(b) If the electing individual does not make the deposit required under subsection (a), the Office shall collect such amount by offset against such individual's annuity, up to a maximum of 25 percent of the net annuity otherwise payable, and the individual is deemed to consent to such offset.

"(c) Subsections (a) and (b) shall not apply if—

"(1) the employee or Member makes an election under section 8416(b) or (c) after having made an election under section 8420; and

"(2) the election under such section 8420 becomes void under subsection (b)(3) or (c)(2) of such section 8416.

"(d) The Office shall prescribe regulations under which the survivor of an employee or Member may make a deposit under this section.

"§ 8419. Survivor reductions; computation

"(a)(1) Except as provided in paragraph (2), the annuity of an annuitant computed under section 8415, or under section 8452 (including subsection (a)(2) of such section, if applicable), shall be reduced by 10 percent if a survivor annuity, or a combination of survivor annuities, under section 8442 or 8445 (or both) are to be provided for.

"(2)(A) If no survivor annuity under section 8442 is to be provided for, but one or more survivor annuities under section 8445 involving a total of less than the entirety of the amount referred to in subsection (b)(2) of such section are to be provided for, the annuity of the annuitant involved (as computed under section 8415, or under section 8452 (including subsection (a)(2) of such section, if applicable)), shall be reduced by an appropriate percentage determined under subparagraph (B).

"(B) The Office shall prescribe regulations under which an appropriate reduction under this paragraph, not to exceed a total of 10 percent, shall be made.

"(b)(1) Any reduction in an annuity for the purpose of providing a survivor annuity for the current spouse of a retired employee or Member shall be terminated for each full month—

"(A) after the death of the spouse; or

"(B) after the dissolution of the spouse's marriage to the employee or Member, except that an appropriate reduction shall be made thereafter if the spouse is entitled, as a former spouse, to a survivor annuity under section 8445.

"(2) Any reduction in an annuity for the purpose of providing a survivor annuity for a former spouse of a retired employee or Member shall be terminated for each full month after the former spouse remarries before reaching age 55 or dies. This reduction shall be replaced by appropriate reductions under subsection (a) if the retired employee or Member has one or more of the following:

"(A) another former spouse who is entitled to a survivor annuity under section 8445;

"(B) a current spouse to whom the employee or Member was married at the time of retirement and with respect to whom a survivor annuity was not waived under section 8416(a) (or, if waived, with respect to whom an election under section 8416(d) has been made); or

"(C) a current spouse whom the employee or Member married after retirement and with respect to whom an election has been made under subsection (b) or (c) of section 8416.

"§ 8420. Insurable interest reductions

"(a)(1) At the time of retiring under section 8412, 8413, or 8414, an employee or Member who is found to be in good health by the Office may elect to have such employee's or Member's annuity (as computed under section 8415) reduced under paragraph (2) in order to provide an annuity under section 8444 for an individual having an insurable interest in the employee or Member. Such individual shall be designated by the employee or Member in writing.

"(2) The annuity of the employee or Member making the election is reduced by 10 percent, and by 5 percent for each full 5 years the individual named is younger than the retiring employee or Member, except that the total reduction may not exceed 40 percent.

"(3) An annuity which is reduced under this subsection shall, effective the first day of the month following the death of the individual named under this subsection, be recomputed and paid as if the annuity had not been so reduced.

"(b)(1) In the case of a married employee or Member, an election under this section on behalf of the spouse may be made only if any right of such spouse to a survivor annuity based on the service of such employee or Member is waived in accordance with section 8416(a).

"(2) Paragraph (1) does not apply in the case of an employee or Member if such employee or Member has a former spouse who would become entitled to an annuity under section 8445 as a survivor of such employee or Member.

"§ 8420a. Alternative forms of annuities

"(a) The Office shall prescribe regulations under which an employee or Member may, at the time of retiring under this subchapter, elect annuity benefits under this section instead of any other benefits under this subchapter, and any benefits under subchapter IV of this chapter, based on the service of the employee or Member.

"(b) Subject to subsection (c), the Office shall by regulation provide for such alternative forms of annuities as the Office considers appropriate, except that among the alternatives offered shall be—

"(1) an alternative which provides for—

"(A) payment of the lump-sum credit (excluding interest) to the employee or Member; and

"(B) payment of an annuity to the employee or Member for life; and

"(2) in the case of an employee or Member who is married at the time of retirement, an alternative which provides for—

"(A) payment of the lump-sum credit (excluding interest) to the employee or Member; and

"(B) payment of an annuity to the employee or Member for life, with a survivor annuity payable for the life of a surviving spouse.

"(c) Each alternative provided for under subsection (b) shall, to the extent practicable, be designed such that the present value of the benefits provided under such alternative (including any lump-sum credit) is actuarially equivalent to the sum of—

"(1) the present value of the annuity which would otherwise be provided under this subchapter, as computed under section 8415; and

"(2) the present value of the annuity supplement which would otherwise be provided (if any) under section 8421.

"(d) An employee or Member who, at the time of retiring under this subchapter—

"(1) is married, shall be ineligible to make an election under this section unless a waiver is made under section 8416(a); or

"(2) has a former spouse, shall be ineligible to make an election under this section if the former spouse is entitled to benefits under section 8445 or 8467 (based on the service of the employee or Member) under the terms of a decree of divorce or annulment, or a court order or court-approved property settlement incident to any such decree, with respect to which the Office has been duly notified.

"(e) An employee or Member who is married at the time of retiring under this subchapter and who makes an election under this section may, during the 18-month period beginning on the date of retirement, make the election provided for under section 8416(d), subject to the deposit requirement thereunder.

"§ 8421. Annuity supplement

"(a)(1) Subject to paragraph (3), an individual shall, if and while entitled to an annuity under subsection (a), (b), (d), or (e) of section 8412, or under section 8414(c), also be entitled to an annuity supplement under this section.

"(2) Subject to paragraph (3), an individual shall, if and while entitled to an annuity under section 8412(f), or under subsection (a) or (b) of section 8414, also be entitled to an annuity supplement under this section if such individual is at least the applicable minimum retirement age under section 8412(h).

"(3)(A) An individual whose entitlement to an annuity under section 8412 or 8414 does not commence before age 62 is not entitled to an annuity supplement under this section.

"(B) An individual entitled to an annuity supplement under this section ceases to be so entitled after the last day of the month preceding the first month for which such individual would, on proper application, be entitled to old-age insurance benefits under title II of the Social Security Act, but not later than the last day of the month in which such individual attains age 62.

"(b)(1) The amount of the annuity supplement of an annuitant under this section for any month shall be equal to the product of—

"(A) an amount determined under paragraph (2), multiplied by

"(B) a fraction, as described in paragraph (3).

"(2) The amount under this paragraph for an annuitant is an amount equal to the old-age insurance benefit which would be payable to such annuitant under title II of the Social Security Act (without regard to sections 203, 215(a)(7), and 215(d)(5) of such Act) upon attaining age 62 and filing application therefor, determined as if the annuitant had attained such age and filed application therefor, and were a fully insured individual (as defined in section 214(a) of such Act), on January 1 of the year in which such annuitant's entitlement to any payment under this section commences, except that the reduction of such old-age insurance benefit under section 202(q) of such Act shall be the maximum applicable for an individual born in the same year as the annuitant. In computing the primary insurance amount under section 215 of such Act for purposes of this paragraph, the number of elapsed years (referred to in section 215(b)(2)(B)(iii) of such Act and used to compute the number of benefit computation years) shall not include years beginning with the year in which such annuitant's entitlement to any payment under this section commences, and—

"(A) only basic pay for service performed (if any) shall be taken into account in computing the total wages and self-employment income of the annuitant for a benefit computation year;

"(B) for a benefit computation year which commences after the date of the separation with respect to which entitlement to the annuitant's annuity under this subchapter is based and before the date as of which such annuitant is treated, under the preceding sentence, to have attained age 62, the total wages and self-employment income of such annuitant for such year shall be deemed to be zero; and

"(C) for a benefit computation year after age 21 which precedes the separation referred to in subparagraph (B), and during which the individual did not perform a full year of service, the total wages and self-employment income of such annuitant for such year shall be deemed to have been an amount equal to the product of—

"(i) the average total wages of all workers for that year, multiplied by

"(ii) a fraction—

"(I) the numerator of which is the total basic pay of the individual for service performed in the first year thereafter in which such individual performed a full year of service; and

"(II) the denominator of which is the average total wages of all workers for the year referred to in subclause (I).

"(3) The fraction under this paragraph for any annuitant is a fraction—

"(A) the numerator of which is the annuitant's total years of service (rounding a fraction to the nearest whole number, with ½ being rounded to the next higher number), not to exceed the number under subparagraph (B); and

"(B) the denominator of which is 40.

"(4) For the purpose of this subsection—

"(A) the term 'benefit computation year' has the meaning provided in section 215(b)(2)(B)(i) of the Social Security Act;

"(B) the term 'average total wages of all workers', for a year, means the average of the total wages, as defined and computed under section 215(b)(3)(A)(ii)(I) of the Social Security Act for such year; and

"(C) the term 'service' does not include military service.

"(c) An amount under this section shall, for purposes of section 8467, be treated in the same way as an amount computed under section 8415.

"§ 8421a. Reductions on account of earnings from work performed while entitled to an annuity supplement

"(a) The amount of the annuity supplement to which an individual is entitled under section 8421 for any month (determined without regard to subsection (c) of such section) shall be reduced by the amount of any excess earnings of such individual which are required to be charged to such supplement for such month, as determined under subsection (b).

"(b) The amount of an individual's excess earnings shall be charged to months as follows:

"(1)(A) There shall be charged to each month of a year under subsection (a) an amount equal to the individual's excess earnings (as determined under paragraph (2) with respect to such year), divided by the number of the individual's supplement entitlement months for such year (as determined under paragraph (3)).

"(B) Notwithstanding subparagraph (A), the amount charged to a month under subsection (a) may not exceed the amount of the annuity supplement to which the individual is entitled under section 8421 for

such month (determined without regard to subsection (c) of such section).

"(2) The excess earnings based on which reductions under subsection (a) shall be made with respect to an individual in a year—

"(A) shall be equal to 50 percent of so much of such individual's earnings for the immediately preceding year as exceeds the applicable exempt amount for such preceding year; but

"(B) may not exceed the total amount of the annuity supplement payments to which such individual was entitled for such preceding year under section 8421 (determined without regard to subsection (c) of such section, and without regard to this section).

"(3)(A) Subject to subparagraph (B), the number of an individual's supplement entitlement months for a year shall be 12.

"(B) The number determined under subparagraph (A) shall be reduced so as not to include any month after which such individual ceases to be entitled to an annuity supplement by reason of section 8421(a)(3)(B), relating to cessation of entitlement upon attaining age 62.

"(4)(A) For purposes of this section, and except as provided in subparagraph (B), the 'earnings' and the 'applicable exempt amount' of an individual shall be determined in a manner consistent with applicable provisions of section 203 of the Social Security Act.

"(B) For purposes of this section—

"(i) in determining the excess earnings of any individual, only earnings attributable to periods during which such individual was entitled to an annuity supplement under section 8421 shall be considered; and

"(ii) any earnings attributable to a period before attaining the applicable retirement age under section 8412(h) shall not be considered in determining the excess earnings of an individual who retires under section 8412(d) or (e), or section 8414(c).

"(c) If, after an individual ceases to be entitled to an annuity supplement under section 8421 by reason of subsection (a)(3)(B) of such section, any portion of the individual's excess earnings remains outstanding, an amount not to exceed 25 percent of the amount otherwise payable to such individual under this chapter for each month shall be deducted from such monthly payment until the full amount of that outstanding portion has been accounted for. To the extent practicable, reductions under this subsection shall be made by a level percentage.

"(d) The Office shall prescribe regulations under which this section shall be applied in the case of a reemployed annuitant.

"§ 8422. Deductions from pay; contributions for military service

"(a)(1) The employing agency shall deduct and withhold from basic pay of each employee and Member a percentage of basic pay determined in accordance with paragraph (2).

"(2) The applicable percentage under this subsection for any pay period shall be—

"(A) in the case of an employee (other than a law enforcement officer, firefighter, air traffic controller, or Congressional employee) a percentage equal to—

"(i) 7 percent, minus

"(ii) the percentage then in effect under section 3101(a) of the Internal Revenue Code of 1954 (relating to rate of tax for old-age, survivors, and disability insurance); and

"(B) in the case of a Member, law enforcement officer, firefighter, air traffic controller, or Congressional employee, a percentage equal to—

"(i) 7½ percent, minus

"(ii) the same percentage as would apply in the case of an employee under subparagraph (A)(ii).

"(b) Each employee or Member is deemed to consent and agree to the deductions under subsection (a). Notwithstanding any law or regulation affecting the pay of an employee or Member, payment less such deductions is a full and complete discharge and acquittance of all claims and demands for regular services during the period covered by the payment, except the right to any benefits under this subchapter, or under subchapter IV or V of this chapter, based on the service of the employee or Member.

"(c) The amounts deducted and withheld under this section shall be deposited in the Treasury of the United States to the credit of the Fund under such procedures as the Comptroller General of the United States may prescribe.

"(d) Under such regulations as the Office may prescribe, amounts deducted under subsection (a) shall be entered on individual retirement records.

"(e)(1) Each employee or Member who has performed military service before the date of the separation on which the entitlement to any annuity under this subchapter, or subchapter V of this chapter, is based may pay, in accordance with such regulations as the Office shall issue, to the agency by which the employee is employed, or, in the case of a Member or a Congressional employee, to the Secretary of the Senate or the Clerk of the House of Representatives, as appropriate, an amount equal to 3 percent of the amount of the basic pay paid under section 204 of title 37 to the employee or Member for each period of military service after December 1956. The amount of such payments shall be based on such evidence of basic pay for military service as the employee or Member may provide, or if the Office determines sufficient evidence has not been so provided to adequately determine basic pay for military service, such payment shall be based on estimates of such basic pay provided to the Office under paragraph (4).

"(2) Any deposit made under paragraph (1) more than two years after the later of—

"(A) January 1, 1987; or

"(B) the date on which the employee or Member making the deposit first becomes an employee or Member,

shall include interest on such amount computed and compounded annually beginning on the date of the expiration of the two-year period. The interest rate that is applicable in computing interest in any year under this paragraph shall be equal to the interest rate that is applicable for such year under section 8334(e).

"(3) Any payment received by an agency, the Secretary of the Senate, or the Clerk of the House of Representatives under this subsection shall be immediately remitted to the Office for deposit in the Treasury of the United States to the credit of the Fund.

"(4) The Secretary of Defense, the Secretary of Transportation, the Secretary of Commerce, or the Secretary of Health and Human Services, as appropriate, shall furnish such information to the Office as the Office may determine to be necessary for the administration of this subsection.

"§ 8423. Government contributions

"(a)(1) Each employing agency having any employees or Members subject to section 8422(a) shall contribute to the Fund an amount equal to the sum of—

"(A) the product of—

"(i) the normal-cost percentage, as determined for employees (other than employees covered by subparagraph (B)), multiplied by

"(ii) the aggregate amount of basic pay payable by the agency, for the period involved, to employees and Members (under clause (i)) who are within such agency.

"(2) In determining any normal-cost percentage to be applied under this subsection, amounts provided for under section 8422 shall be taken into account.

"(3) Contributions under this subsection shall be paid—

"(A) in the case of law enforcement officers, firefighters, air traffic controllers, military reserve technicians, and other employees, from the appropriation or fund used to pay such law enforcement officers, firefighters, air traffic controllers, military reserve technicians, or other employees, respectively;

"(B) in the case of elected officials, from an appropriation or fund available for payment of other salaries of the same office or establishment; and

"(C) in the case of employees of the legislative branch paid by the Clerk of the House of Representatives, from the contingent fund of the House.

"(4) A contribution to the Fund under this subsection shall be deposited under such procedures as the Comptroller General of the United States may prescribe.

"(b)(1) The Office shall compute—

"(A) the amount of the supplemental liability of the Fund with respect to individuals other than those to whom subparagraph (B) relates, and

"(B) the amount of the supplemental liability of the Fund with respect to current or former employees of the United States Postal Service (and the Postal Rate Commission) and their survivors;

as of the close of each fiscal year beginning after September 30, 1987.

"(2) The amount of any supplemental liability computed under paragraph (1)(A) or (1)(B) shall be amortized in 30 equal annual installments, with interest computed at the rate used in the most recent valuation of the System.

"(3) At the end of each fiscal year, the Office shall notify—

"(A) the Secretary of the Treasury of the amount of the installment computed under this subsection for such year with respect to individuals under paragraph (1)(A); and

"(B) the Postmaster General of the United States of the amount of the installment computed under this subsection for such year with respect to individuals under paragraph (1)(B).

"(4)(A) Before closing the accounts for a fiscal year, the Secretary of the Treasury shall credit to the Fund, as a Government contribution, out of any money in the Treasury of the United States not otherwise appropriated, the amount under paragraph (3)(A) for such year.

"(B) Upon receiving notification under paragraph (3)(B), the United States Postal Service shall pay the amount specified in such notification to the Fund.

"(5) For the purpose of carrying out paragraph (1) with respect to any fiscal year, the Office may—

"(A) require the Board of Actuaries of the Civil Service Retirement System to make actuarial determinations and valuations, make recommendations, and maintain records in the same manner as provided in section 8347(f); and

"(B) use the latest actuarial determinations and valuations made by such Board of Actuaries.

"(c) Under regulations prescribed by the Office, the head of an agency may request reconsideration of any amount determined to be payable with respect to such agency under subsection (a) or (b). Any such request shall be referred to the Board of Actuaries of the Civil Service Retirement System. The Board of Actuaries shall review the computations of the Office and may make any adjustment with respect to any such amount which the Board determines appropriate. A determination by the Board of Actuaries under this subsection shall be final.

"§ 8424. Lump-sum benefits; designation of beneficiary; order of precedence

"(a) Subject to subsection (b), an employee or Member who—

"(1)(A) is separated from the service for at least 31 consecutive days; or

"(B) is transferred to a position in which the individual is not subject to this chapter and remains in such a position for at least 31 consecutive days;

"(2) files an application with the Office for payment of the lump-sum credit;

"(3) is not reemployed in a position in which the individual is subject to this chapter at the time of filing the application; and

"(4) will not become eligible to receive an annuity within 31 days after filing the application;

is entitled to be paid the lump-sum credit. Except as provided in section 8420a, payment of the lump-sum credit to an employee or Member voids all annuity rights under this subchapter, and subchapters IV and V of this chapter, based on the service on which the lump-sum credit is based.

"(b)(1) Payment of the lump-sum credit under subsection (a)—

"(A) may be made only if any current spouse and any former spouse of the employee or Member are notified of the application by the employee or Member; and

"(B) in any case in which there is a former spouse, shall be subject to the terms of a court decree of divorce, annulment, or legal separation issued with respect to such former spouse if—

"(i) the decree expressly relates to any portion of the lump-sum credit involved; and

"(ii) payment of the lump-sum credit would affect any right or interest of the former spouse with respect to a survivor annuity under section 8445, or to any portion of an annuity under section 8467.

"(2)(A) Notification of a spouse or former spouse under this subsection shall be made in accordance with such requirements as the Office shall by regulation prescribe.

"(B) Under the regulations, the Office may provide that paragraph (1)(A) may be waived with respect to a spouse or former spouse if the employee or Member establishes to the satisfaction of the Office that the whereabouts of such spouse or former spouse cannot be determined.

"(3) The Office shall prescribe regulations under which this subsection shall be applied in any case in which the Office receives two or more orders or decrees referred to in paragraph (1)(B)(i).

"(c) Under regulations prescribed by the Office, an employee or Member, or a former employee or Member, may designate one or more beneficiaries under this section.

"(d) Lump-sum benefits authorized by subsections (e) through (g) shall be paid to the individual or individuals surviving the employee or Member and alive at the date title to the payment arises in the following order of precedence, and the payment bars recovery by any other individual:

"First, to the beneficiary or beneficiaries designated by the employee or Member in a signed and witnessed writing received in the Office before the death of such employee or Member. For this purpose, a designation, change, or cancellation of beneficiary in a will or other document not so executed and filed has no force or effect.

"Second, if there is no designated beneficiary, to the widow or widower of the employee or Member.

"Third, if none of the above, to the child or children of the employee or Member and descendants of deceased children by representation.

"Fourth, if none of the above, to the parents of the employee or Member or the survivor of them.

"Fifth, if none of the above, to the duly appointed executor or administrator of the estate of the employee or Member.

"Sixth, if none of the above, to such other next of kin of the employee or Member as the Office determines to be entitled under the laws of the domicile of the employee or Member at the date of death of the employee or Member.

For the purpose of this subsection, 'child' includes a natural child and an adopted child, but does not include a stepchild.

"(e) If an employee or Member, or former employee or Member, dies—

"(1) without a survivor, or

"(2) with a survivor or survivors and the right of all survivors under subchapter IV terminates before a claim for survivor annuity under such subchapter is filed,

the lump-sum credit shall be paid.

"(f) If all annuity rights under this chapter (other than under subchapter III of this chapter) based on the service of a deceased employee or Member terminate before the total annuity paid equals the lump-sum credit, the difference shall be paid.

"(g) If an annuitant dies, annuity accrued and unpaid shall be paid.

"(h) Annuity accrued and unpaid on the termination, except by death, of the annuity of an annuitant or survivor shall be paid to that individual. Annuity accrued and unpaid on the death of a survivor shall be paid in the following order of precedence, and the payment bars recovery by any other person:

"First, to the duly appointed executor or administrator of the estate of the survivor.

"Second, if there is no executor or administrator, payment may be made, after 30 days from the date of death of the survivor, to such next of kin of the survivor as the Office determines to be entitled under the laws of the domicile of the survivor at the date of death.

"§ 8425. Mandatory separation

"(a) An air traffic controller who is otherwise eligible for immediate retirement under section 8412(e) shall be separated from the service on the last day of the month in which that air traffic controller becomes 56 years of age or completes 20 years of service if then over that age. The Secretary, under such regulations as the Secretary may prescribe, may exempt a controller having exceptional skills and experience as a controller from the automatic separation provisions of this subsection until that controller becomes 61 years of age. The Secretary shall notify the controller in writing of the date of separation at least 60 days before that date. Action to separate the controller is not effective, without the consent of the controller, until the last day of the month in which the 60-day notice expires.

"(b) A law enforcement officer or firefighter who is otherwise eligible for immediate retirement under section 8412(d) shall be separated from the service on the last day of the month in which that law enforcement officer or firefighter becomes 55 years of age or completes 20 years of service if then over that age. If the head of the agency judges that the public interest so requires, that agency head may exempt such an employee from automatic separation under this subsection until that employee becomes 60 years of age. The employing office shall notify the employee in writing of the date of separation at least 60 days before that date. Action to separate the employee is not effective, without the consent of the employee, until the last day of the month in which the 60-day notice expires.

"(c) The President, by Executive order, may exempt an employee from automatic separation under this section if the President determines the public interest so requires.

"SUBCHAPTER III—THRIFT SAVINGS PLAN

"§ 8431. Definition

"Notwithstanding section 8401 of this title, for the purpose of this subchapter, the term 'basic pay', when used with respect to an employee or Member, means the basic pay of the employee or Member established pursuant to law, without regard to any provision of law (except sections 5308 and 5382(b) of this title) limiting the rate of pay actually payable in any pay period (including any provision of law restricting the use of appropriated funds).

"§ 8432. Contributions

"(a) An employee or Member may contribute to the Thrift Savings Fund in any pay period, pursuant to an election under subsection (b)(1), an amount not to exceed 10 percent of such individual's basic pay for such period. Contributions made under this subsection during any 6-month period for which an election period is provided under subsection (b)(1) shall be made each pay period during such 6-month period pursuant to a program of regular contributions provided in regulations prescribed by the Executive Director.

"(b)(1)(A) The Executive Director shall prescribe regulations under which employees and Members shall be afforded a reasonable period every 6 months to elect to make contributions under subsection (a), to modify the amount to be contributed under such subsection, or to terminate such contributions. An election to make such contributions shall remain in effect until modified or terminated.

"(B) The amount to be contributed pursuant to an election under subparagraph (A) shall be the percentage of basic pay or amount designated by the employee or Member.

"(2) Under the regulations—

"(A) an employee or Member who has not previously been eligible to make an election under this subsection shall not become so eligible until the second period (described in paragraph (1)) beginning after the date of commencing service as an employee or Member;

"(B) an employee or Member whose appointment or election to a position or office in the Federal Government follows a previous period of service during which that individual met the requirements of subpara-

graph (A) shall be eligible to make an election under this subsection notwithstanding any period of separation;

"(C) an employee or Member who elects under subparagraph (D) to terminate contributions shall not again become eligible to make an election under this subsection until the second period (described in paragraph (1)) commencing after the election to terminate; and

"(D) an election to terminate may be made under this subparagraph at any time other than during a period afforded under paragraph (1).

"(3) Notwithstanding paragraph (2)(A), an employee or Member who elects to become subject to this chapter under section 301 of the Federal Employees' Retirement System Act of 1986 may make the first election for the purpose of subsection (a) during the period prescribed for such purpose by the Executive Director. The period prescribed by the Executive Director shall commence on the date on which the employee or Member makes the election to become subject to this chapter.

"(c)(1) At the end of the pay period that includes the first date on which an employee or Member may make contributions under subsection (a) (without regard to whether the employee or Member has elected to make such contributions during such pay period), and at the end of each succeeding pay period, the employing agency shall contribute to the Thrift Savings Fund for the benefit of such employee or Member the amount equal to 1 percent of the basic pay of such employee or Member for such pay period.

"(2)(A) In addition to contributions made under paragraph (1), the employing agency of an employee or Member who contributes to the Thrift Savings Fund under subsection (a) for any pay period shall make a contribution to the Thrift Savings Fund for the benefit of such employee or Member. The employing agency's contribution shall be made at the end of such pay period.

"(B) The amount contributed under subparagraph (A) by an employing agency with respect to a contribution of an employee or Member during any pay period shall be the amount equal to the sum of—

"(i) such portion of the total amount of the employee's or Member's contribution as does not exceed 3 percent of such employee's or Member's basic pay for such period; and

"(ii) one-half of such portion of the amount of the employee's or Member's contribution as exceeds 3 percent, but does not exceed 5 percent, of such employee's or Member's basic pay for such pay period.

"(3)(A) There shall be contributed to the Thrift Savings Fund on behalf of each employee or Member described in subparagraph (B) the amount determined under subparagraph (C).

"(B) An employee or Member referred to in subparagraph (A) is an employee or Member who—

"(i) is an employee or Member on January 1, 1987;

"(ii) has creditable service described in section 8411(b)(2) of this title; and

"(iii) has not received a refund of the amount of the retirement deductions made with respect to such service under section 204 of the Federal Employees' Retirement Contribution Temporary Adjustment Act of 1983.

"(C) The amount referred to in subparagraph (A) in the case of an employee or Member is equal to the sum of—

"(i) 1 percent of the total basic pay paid to such employee or Member for service described in section 8411(b)(2) of this title; and

"(ii) interest on such amount computed with respect to such service in the manner provided in paragraphs (2) and (3) of section 8334(e) of this title.

"(D) The Secretary of the Treasury shall credit to the Thrift Savings Fund, out of any sums in the Treasury not otherwise appropriated, the amounts determined by the Director to be necessary to carry out this paragraph.

"(d) Notwithstanding any other provision of this section, no contribution may be made under this section for any year to the extent that such contribution, when added to prior contributions for such year, exceeds any limitation under section 415 of the Internal Revenue Code of 1954.

"(e) The sums required to be contributed to the Thrift Savings Fund by an employing agency under subsection (c) for the benefit of an employee or Member shall be paid from the appropriation or fund available to such agency for payment of salaries of the employee's or Member's office or establishment. When an employee or Member in the legislative branch is paid by the Clerk of the House of Representatives, the Clerk may pay from the contingent fund of the House of Representatives the contribution that otherwise would be contributed from the appropriation or fund used to pay the employee or Member.

"(f) Amounts contributed by an employee or Member under subsection (a) and amounts contributed with respect to such employee or Member under subsection (c) shall be deposited in the Thrift Savings Fund to the credit of that employee's or Member's account in accordance with such procedures as the Comptroller General of the United States may, in consultation with the Executive Director, prescribe in regulations.

"(g)(1) Except as provided in paragraphs (2) and (3), all contributions made under this section shall be fully nonforfeitable when made.

"(2) Contributions made for the benefit of an employee under subsection (c)(1) and all earnings attributable to such contributions shall be forfeited if the employee separates from Government employment before completing—

"(A) 2 years of civilian service in the case of an employee who, at the time of separation, is serving in—

"(i) a position in the Senior Executive Service as a noncareer appointee (as defined in section 3132(a)(7) of this title);

"(ii) a position listed in section 5312, 5313, 5314, 5315, or 5316 of this title or a position placed in level IV or V of the Executive Schedule under section 5317 of this title; or

"(iii) a position in the Executive branch which is excepted from the competitive service by the Office by reason of the confidential and policy-determining character of the position; or

"(B) 3 years of civilian service in the case of an employee who is not serving in a position described in subparagraph (A) at the time of separation.

"(3) Contributions made for the benefit of a Member or Congressional employee under subsection (c)(1) and all earnings attributable to such contributions shall be forfeited if the Member or Congressional employee separates from Government employment before completing 2 years of civilian service.

"(h) No transfers or contributions may be made to the Thrift Savings Fund except as provided in this chapter or section 8351 of this title.

"§ 8433. Benefits and election of benefits

"(a) An employee or Member who separates from Government employment is entitled to the amount of the balance in the employee's or Member's account (except for the portion of such amount forfeited under section 8432(g) of this title, if any) as provided in this section.

"(b) Subject to section 8435 of this title, any employee or Member who separates from Government employment entitled to an immediate annuity under subchapter II of this chapter, any employee or Member who separates from Government employment entitled to benefits under subchapter I of chapter 81 of this title, and any employee or Member who is entitled to receive disability benefits under subchapter V of this chapter is entitled and may elect—

"(1) to receive an immediate annuity from the Thrift Savings Fund;

"(2) to defer the commencement of the payment of an annuity from the Thrift Savings Fund until such date as the employee or Member specifies, but not later than April 1 of the year following the year in which the employee or Member becomes 70½ years of age;

"(3) to withdraw the amount of the balance in the employee's or Member's account in the Thrift Savings Fund in one or more substantially equal payments to be made not less frequently than annually and to commence before April 1 of the year following the year in which the employee or Member becomes 70½ years of age; or

"(4) to transfer the amount of the balance in the employee's or Member's account to an eligible retirement plan as provided in subsection (e).

"(c) Subject to section 8435 of this title, any employee or Member who separates from Government employment entitled to a deferred annuity under subchapter II of this chapter is entitled and may elect—

"(1) to receive an immediate annuity from the Thrift Savings Fund;

"(2) to defer the commencement of the payment of an annuity from the Thrift Savings Fund until such date as the employee or Member specifies, but not later than April 1 of the year following the year in which the employee or Member becomes 70½ years of age;

"(3) to withdraw the amount of the balance in the employee's or Member's account in the Thrift Savings Fund in one or more substantially equal payments to be made not less frequently than annually and to commence during any period which (A) commences on or after the date on which payment of the employee's or Member's annuity under subchapter II of this chapter commences, and (B) ends not later than April 1 of the year following the year in which the employee or Member becomes 70½ years of age; or

"(4) to transfer the amount of the balance in the employee's or Member's account to an eligible retirement plan as provided in subsection (e).

"(d) Subject to section 8435 of this title, any employee or Member who separates from Government employment before becoming entitled to a deferred annuity under subchapter II of this chapter shall transfer the amount of the balance in the employee's or Member's account to an eligible retirement plan as provided in subsection (e).

"(e)(1) The Executive Director shall make each transfer elected under subsection (b)(4) or (c)(4) or required under subsection (d) directly to an eligible retirement plan or plans

(as defined in section 402(a)(5)(E) of the Internal Revenue Code of 1954) identified by the employee, Member, former employee, or former Member for whom the transfer is made.

"(2) A transfer may not be made for an employee, Member, former employee, or former Member under paragraph (1) until the Executive Director receives from that individual the information required by the Executive Director specifically to identify the eligible retirement plan or plans to which the transfer is to be made.

"(f)(1) Subject to paragraph (3)(A) and subsections (a) and (d) of section 8435 of this title, an employee or Member may change an election previously made under this subchapter.

"(2) Subject to paragraph (3)(B) and section 8435(d) of this title, a former employee or Member who has made an election pursuant to subsection (b)(2) or (c)(2) may modify the date specified in such election or in a previous modification under this paragraph.

"(3)(A) A former employee or Member may not change an election under this section on or after the date on which a payment is made in accordance with such election or, in the case of an election to receive an annuity, the date on which an annuity elected by the former employee or Member commences.

"(B) A modification of a date may not be made under paragraph (2) on or after such date and may not specify a date for the commencement of an annuity earlier than 1 month after the date on which the modification is submitted to the Executive Director.

"(g) If an employee or Member (or former employee or Member) dies without having made an election under this section or after having elected an annuity under this section but before making an election under section 8434 of this title, an amount equal to the value of that individual's account (as of death) shall, subject to any decree, order, or agreement referred to in section 8435(d)(2) of this title be paid in a manner consistent with section 8424(d) of this title.

"(h) Unless otherwise elected under this section, benefits under this subchapter shall be paid as an annuity commencing for an employee, Member, former employee, or former Member on February 1 of the year following the latest of the year in which—

"(1) the employee, Member, former employee, or former Member becomes 65 years of age;

"(2) occurs the tenth anniversary of the year in which the employee, Member, former employee, or former Member became subject to this subchapter; or

"(3) the employee, Member, former employee, or former Member separates from Government employment.

"(i)(1) At any time after December 31, 1987, and before separation, an employee or Member may apply to the Board for permission to borrow from the employee's or Member's account an amount not exceeding the value of that portion of such account which is attributable to contributions made by the employee or Member under section 8432(a) of this title.

"(2) An application under this subsection may be approved only for—

"(A) the purchase of a primary residence;

"(B) educational expenses;

"(C) medical expenses; or

"(D) financial hardship.

"(3) Loans under this subsection shall be subject to such conditions as the Board may prescribe consistent with section 408(b)(1) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1108(b)(1)). The conditions shall be included in regulations issued by the Executive Director.

"(4) A loan may not be made under this subsection to the extent that the loan would be treated as a taxable distribution under section 72(p) of the Internal Revenue Code of 1954.

"(5) A loan may not be made under this subsection unless the requirements of section 8435(f) of this title are satisfied.

"§ 8434. Annuities: methods of payment; election; purchase

"(a)(1) The Board shall prescribe methods of payment of annuities under this subchapter.

"(2) The methods of payment prescribed under paragraph (1) shall include, but not be limited to—

"(A) a method which provides for the payment of a monthly annuity only to an annuitant during the life of the annuitant;

"(B) a method which provides for the payment of a monthly annuity to an annuitant for the joint lives of the annuitant and the spouse of the annuitant and an appropriate monthly annuity to the one of them who survives the other of them for the life of the survivor;

"(C) a method described in subparagraph (A) which provides annual increases in the amount of the annuity payable;

"(D) a method described in subparagraph (B) which provides annual increases in the amount of the annuity payable; and

"(E) a method which provides for the payment of a monthly annuity—

"(i) to the annuitant for the joint lives of the annuitant and an individual who is designated by the annuitant under regulations prescribed by the Executive Director and (I) is a former spouse of the annuitant, or (II) has an insurable interest in the annuitant; and

"(ii) to the one of them who survives the other of them for the life of the survivor.

"(b) Subject to section 8435(c) of this title, under such regulations as the Executive Director shall prescribe, an employee, Member, former employee, or former Member who elects under section 8433 of this title to receive an annuity under this subchapter shall elect, on or before the date on which the annuity commences, one of the methods of payment prescribed under subsection (a).

"(c) Notwithstanding an elimination of a method of payment by the Board—

"(1) an employee, Member, former employee, or former Member who is entitled under section 8412 of this title to an immediate annuity not reduced under section 8415(f) of this title may elect the eliminated method if the elimination of such method became effective less than 5 years before the date on which the annuity commences; and

"(2) any other employee, Member, former employee, or former Member may elect such method of payment for amounts contributed by or on behalf of the employee, Member, former employee, or former Member under section 8432 of this title before such effective date and for earnings attributable to such amounts.

"(d)(1) At the time an annuity is to commence under this subchapter, the Executive Director shall expend the balance in the annuitant's account to purchase an annuity contract from any entity which, in the normal course of its business, sells and provides annuities.

"(2) The Executive Director shall assure, by contract entered into with each entity from which an annuity contract is purchased under paragraph (1), that the annuity shall be provided in accordance with the provisions of this subchapter and subchapter VII of this chapter.

"(3) An annuity contract purchased under paragraph (1) shall include such terms and conditions as the Executive Director requires for the protection of the annuitant.

"(4) The Executive Director shall require, from each entity from which an annuity contract is purchased under paragraph (1), a bond or proof of financial responsibility sufficient to protect the annuitant.

"§ 8435. Protections for spouses and former spouses

"(a)(1)(A) A married employee or Member (or former employee or Member) may make an election under subsection (b)(3), (b)(4), (c)(3), or (c)(4) of section 8433 of this title or change an election previously made under subsection (b)(1), (b)(2), (c)(1), or (c)(2) of such section only if the employee or Member (or former employee or Member) satisfies the requirements of subparagraph (B).

"(B) An employee or Member (or former employee or Member) may make an election or change referred to in subparagraph (A) if the employee or Member and the employee's or Member's spouse (or the former employee or Member and the former employee's or Member's spouse) jointly waive, by written election, any right which the spouse may have to a survivor annuity with respect to such employee or Member (or former employee or Member) under section 8434 of this title or subsection (c).

"(2) Paragraph (1) shall not apply to an election or change of election by an employee or Member (or former employee or Member) who establishes to the satisfaction of the Executive Director (at the time of the election or change and in accordance with regulations prescribed by the Executive Director)—

"(A) that the spouse's whereabouts cannot be determined; or

"(B) that, due to exceptional circumstances, requiring the spouse's waiver would otherwise be inappropriate.

"(b)(1) Except as provided in paragraph (2), a transfer may be made by an employee or Member (or former employee or Member) under section 8433(d) of this title only after the Executive Director notifies any current spouse and each former spouse of the employee or Member (or former employee or Member), if any, that the transfer is to be made.

"(2) Paragraph (1) may be waived with respect to a spouse or former spouse if the employee or Member (or former employee or Member) establishes to the satisfaction of the Executive Director that the whereabouts of such spouse or former spouse cannot be determined.

"(c)(1) Notwithstanding any election under subsection (b) of section 8434 of this title, the method described in subsection (a)(2)(B) of such section (or, if more than one form of such method is available, the form which the Board determines to be the one which provides for a surviving spouse a survivor annuity most closely approximating the annuity of a surviving spouse under section 8442 of this title) shall be deemed the applicable method under such subsection (b) in the case of an employee, Member, former employee, or former Member who is married on the date on which the employee's, Member's, former employee's, or former Member's annuity commences under this subchapter.

"(2) Paragraph (1) shall not apply—

"(A) in the case of an employee or Member retiring under section 8412, 8413, 8414, or 8451 of this title if—

"(i) a joint waiver of such method is made, in writing, by the employee or Member and the spouse; or

"(ii) the employee or Member waives such method, in writing, after establishing to the satisfaction of the Executive Director that circumstances described in subsection (a)(2)(A) or (a)(2)(B) make the requirement of a joint waiver inappropriate; or

"(B) in the case of an employee or Member not covered by subparagraph (A), if the employee or Member waives such method after—

"(i) having provided notification to the spouse of intent to waive; or

"(ii) establishing to the satisfaction of the Executive Director that the whereabouts of such spouse cannot be determined.

"(d)(1) An election, change of election, or modification of the commencement date of a deferred annuity shall not be effective under this subchapter and a transfer may not be made under section 8433(d) of this title to the extent that the election, change, modification, or transfer conflicts with any court decree, order, or agreement described in paragraph (2).

"(2) A court decree, order, or agreement referred to in paragraph (1) is, with respect to an employee or Member (or former employee or Member), a court decree of divorce, annulment, or legal separation issued in the case of such employee or Member (or former employee or Member) and any former spouse of the employee or Member (or former employee or Member) or any court order or court-approved property settlement agreement incident to such decree if—

"(A) the decree, order, or agreement expressly relates to any portion of the balance in the employee's or Member's (or former employee's or Member's) account; and

"(B) notice of the decree, order, or agreement was received by the Executive Director before—

"(i) the date on which payment is made, or

"(ii) in the case of an annuity, the date on which the annuity commences,

in accordance with the election, change, modification, or contribution referred to in paragraph (1).

"(3) The Executive Director shall prescribe regulations under which this subsection shall be applied in any case in which the Executive Director receives two or more decrees, orders, or agreements referred to in paragraph (1).

"(e)(1) Subject to paragraphs (2) through (7), a former spouse of a deceased employee or Member (or a deceased former employee or Member) who died after performing 18 or more months of service and a former spouse of a deceased former employee or Member who died entitled to an immediate or deferred annuity under subchapter II of this chapter is entitled to a survivor annuity under this subsection if and to the extent that—

"(A) an election under section 8434(a)(2)(E) of this title, or

"(B) any court decree, order, or agreement (described in subsection (d)(2), without regard to subparagraph (B) of such subsection) which relates to such deceased individual and such former spouse,

expressly provides for such survivor annuity.

"(2) Paragraph (1) shall apply only to payments made by the Executive Director after the date on which the Executive Director receives written notice of the election, decree, order, or agreement, and such additional information and documentation as the Executive Director may require.

"(3) The amount of the survivor annuity payable from the Thrift Savings Fund to a former spouse of a deceased employee, Member, former employee, or former Member under this section may not exceed the excess, if any, of—

"(A) the amount of the survivor annuity determined for a surviving spouse of the deceased employee, Member, former employee, or former Member under the method described in subsection (c)(1), over

"(B) the total amount of all other survivor annuities payable under this subchapter to other former spouses of such deceased employee, Member, former employee, or former Member based on the order of precedence provided in paragraph (4).

"(4) If more than one former spouse of a deceased employee, Member, former employee, or former Member is entitled to a survivor annuity pursuant to this subsection, the amount of each such survivor annuity shall be limited appropriately to carry out paragraph (3) in the order of precedence established for the entitlements by the chronological order of the dates on which elections are properly made pursuant to section 8434(a)(2)(E) of this title and the dates on which the court decrees, orders, or agreements applicable to the entitlement were issued, as the case may be.

"(5) Subsections (c) and (d) of section 8445 of this title shall apply to an entitlement of a former spouse to a survivor annuity under this subsection.

"(6) For the purposes of this section, a court decree, order, or agreement or an election referred to in subsection (a) of this section shall not be effective, in the case of a former spouse, to the extent that the election is inconsistent with any joint waiver previously executed with respect to such former spouse under subsection (a)(2) or (c)(2).

"(7) Any payment under this subsection to any individual bars recovery by any other individual.

"(f)(1)(A) A loan may be made to a married employee or Member under section 8433(i) of this title only if the employee's or Member's spouse consents to such loan in writing.

"(B) A consent under subparagraph (A) shall be irrevocable with respect to the loan to which the consent relates.

"(C) Subparagraph (A) shall not apply to a loan to an employee or Member who establishes to the satisfaction of the Executive Director (at the time the employee or Member applies for such loan and in accordance with regulations prescribed by the Executive Director)—

"(i) that the spouse's whereabouts cannot be determined; or

"(ii) that, due to exceptional circumstances, requiring the employee or Member to seek the spouse's consent would otherwise be inappropriate.

"(2) An application for a loan under section 8433(i) of this title shall not be approved if approval would have the result described in subsection (d)(1).

"(g) Waivers and notifications required by this section and waivers of the requirements for such waivers and notifications (as authorized by this section) may be made only in accordance with procedures prescribed by the Executive Director.

"(h) The protections provided by this section are in addition to the protections provided by section 8467 of this title.

"§ 8436. Administrative provisions

"(a) The Executive Director shall make or provide for payments and transfers in accordance with an election of an employee or Member under section 8433 or 8434(b) of this title or, if applicable, in accordance with section 8435 of this title.

"(b) Any election, change of election, or modification of a deferred annuity commencement date made under this subchapter shall be in writing and shall be filed with the Executive Director in accordance with regulations prescribed by the Executive Director.

"§ 8437. Thrift Savings Fund

"(a) There is established in the Treasury of the United States a Thrift Savings Fund.

"(b) The Thrift Savings Fund consists of the sum of all amounts contributed under section 8432 of this title and all amounts deposited under section 8479(b) of this title, increased by the total net earnings from investments of sums in the Thrift Savings Fund or reduced by the total net losses from investments of the Thrift Savings Fund, and reduced by the total amount of payments made from the Thrift Savings Fund (including payments for administrative expenses).

"(c) The sums in the Thrift Savings Fund are appropriated and shall remain available without fiscal year limitation—

"(1) to invest under section 8438 of this title;

"(2) to pay benefits or purchase annuity contracts under this subchapter;

"(3) to pay the administrative expenses of the Federal Retirement Thrift Investment Management System prescribed in subchapter VII of this chapter;

"(4) to make distributions for the purposes of section 8440(b) of this title;

"(5) to make loans to employees and Members as authorized under section 8433(i) of this title; and

"(6) to purchase insurance as provided in section 8479(b)(2) of this title.

"(d) Administrative expenses incurred to carry out this subchapter and subchapter VII of this chapter shall be paid first out of any sums in the Thrift Savings Fund forfeited under section 8432(g) of this title and then out of net earnings in such Fund attributable to sums contributed to such Fund under section 8432(c) of this title.

"(e)(1) Subject to paragraphs (2) and (3), sums in the Thrift Savings Fund credited to the account of an employee, Member, former employee, or former Member may not be used for, or diverted to, purposes other than for the exclusive benefit of the employee, Member, former employee, or former Member or his beneficiaries under this subchapter.

"(2) Except as provided in paragraph (3), sums in the Thrift Savings Fund may not be assigned or alienated and are not subject to execution, levy, attachment, garnishment, or other legal process. For the purposes of this paragraph, a loan made from such Fund to an employee or Member shall not be considered to be an assignment or alienation.

"(3) Moneys due or payable from the Thrift Savings Fund to any individual and, in the case of an individual who is an employee or Member (or former employee or Member), the balance in the account of the employee or Member (or former employee or Member) shall be subject to legal process for the enforcement of the individual's legal obligations to provide child support or make alimony payments as provided in section 459 of the Social Security Act (42 U.S.C. 659).

"(f) The sums in the Thrift Savings Fund shall not be appropriated for any purpose other than the purposes specified in this section and may not be used for any other purpose.

"(g) All sums contributed to the Thrift Savings Fund by an employee or Member or by an employing agency for the benefit of such employee or Member and all net earnings in such Fund attributable to investment of such sums are held in such Fund in trust for such employee or Member.

"§ 8438. Investment of Thrift Savings Fund

"(a) For the purposes of this section—

"(1) the term 'Common Stock Index Investment Fund' means the Common Stock Index Investment Fund established under subsection (b)(1)(C);

"(2) the term 'equity capital' means common and preferred stock, surplus, undivided profits, contingency reserves, and other capital reserves;

"(3) the term 'Fixed Income Investment Fund' means the Fixed Income Investment Fund established under subsection (b)(1)(B);

"(4) the term 'Government Securities Investment Fund' means the Government Securities Investment Fund established under subsection (b)(1)(A);

"(5) the term 'net worth' means capital, paid-in and contributed surplus, unassigned surplus, contingency reserves, group contingency reserves, and special reserves;

"(6) the term 'plan' means an employee benefit plan, as defined in section 3(3) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1002(3));

"(7) the term 'qualified professional asset manager' means—

"(A) a bank, as defined in section 202(a)(2) of the Investment Advisers Act of 1940 (15 U.S.C. 80b-2(a)(2)) which—

"(i) has the power to manage, acquire, or dispose of assets of a plan; and

"(ii) has, as of the last day of its latest fiscal year ending before the date of a determination for the purpose of this clause, equity capital in excess of $1,000,000;

"(B) a savings and loan association, the accounts of which are insured by the Federal Savings and Loan Insurance Corporation, which—

"(i) has applied for and been granted trust powers to manage, acquire, or dispose of assets of a plan by a State or Government authority having supervision over savings and loan associations; and

"(ii) has, as of the last day of its latest fiscal year ending before the date of a determination for the purpose of this clause, equity capital or net worth in excess of $1,000,000;

"(C) an insurance company which—

"(i) is qualified under the laws of more than one State to manage, acquire, or dispose of any assets of a plan;

"(ii) has, as of the last day of its latest fiscal year ending before the date of a determination for the purpose of this clause, net worth in excess of $1,000,000; and

"(iii) is subject to supervision and examination by a State authority having supervision over insurance companies; or

"(D) an investment adviser registered under section 203 of the Investment Advisers Act of 1940 (15 U.S.C. 80b-3) if the investment adviser has, on the last day of its latest fiscal year ending before the date of a determination for the purpose of this subparagraph, total client assets under its management and control in excess of $50,000,000, and—

"(i) the investment adviser has, on such day, shareholder's or partner's equity in excess of $750,000; or

"(ii) payment of all of the investment adviser's liabilities, including any liabilities which may arise by reason of a breach or violation of a duty described in section 8477 of this title, is unconditionally guaranteed by—

"(I) a person (as defined in section 8471(4) of this title) who directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with the investment adviser and who has, on the last day of the person's latest fiscal year ending before the date of a determination for the purpose of this clause, shareholder's or partner's equity in an amount which, when added to the amount of the shareholder's or partner's equity of the investment adviser on such day, exceeds $750,000;

"(II) a qualified professional asset manager described in subparagraph (A), (B), or (C); or

"(III) a broker or dealer registered under section 15 of the Securities Exchange Act of 1934 (15 U.S.C. 78o) that has, on the last day of the broker's or dealer's latest fiscal year ending before the date of a determination for the purpose of this clause, net worth in excess of $750,000; and

"(8) the term 'shareholder's or partner's equity', as used in paragraph (7)(D) with respect to an investment adviser or a person (as defined in section 8471(4) of this title) who is affiliated with the investment adviser in a manner described in clause (ii)(I) of such paragraph (7)(D), means the equity shown in the most recent balance sheet prepared for such investment adviser or affiliated person, in accordance with generally accepted accounting principles, within 2 years before the date on which the investment adviser's status as a qualified professional asset manager is determined for the purposes of this section.

"(b)(1) The Board shall establish—

"(A) a Government Securities Investment Fund under which sums in the Thrift Savings Fund are invested in securities of the United States Government issued as provided in subsection (f);

"(B) a Fixed Income Investment Fund under which sums in the Thrift Savings Fund are invested in—

"(i) insurance contracts;

"(ii) certificates of deposits; or

"(iii) other instruments or obligations selected by qualified professional asset managers,

which return the amount invested and pay interest, at a specified rate or rates, on that amount during a specified period of time; and

"(C) a Common Stock Index Investment Fund as provided in paragraph (2).

"(2)(A) The Board shall select an index which is a commonly recognized index comprised of common stock the aggregate market value of which is a reasonably complete representation of the United States equity markets.

"(B) The Common Stock Index Investment Fund shall be invested in a portfolio designed to replicate the performance of the index selected under subparagraph (A). The portfolio shall be designed such that, to the extent practicable, the percentage of the Common Stock Index Investment Fund that is invested in each stock is the same as the percentage determined by dividing the aggregate market value of all shares of that stock by the aggregate market value of all shares of all stocks included in such index.

"(c)(1) Subject to subsection (e), the Executive Director shall invest the sums available in the Thrift Savings Fund for investment as provided in elections made under subsection (d).

"(2) If an election has not been made with respect to any sums in the Thrift Savings Fund available for investment, the Executive Director shall invest such sums in the Government Securities Investment Fund.

"(d)(1) At least twice each year, an employee or Member (or former employee or Member) may elect the investment funds referred to in subsection (b) into which the sums in the Thrift Savings Fund credited to such individual's account and not subject to subsection (e) are to be invested or reinvested.

"(2) An election may be made under paragraph (1) only in accordance with regulations prescribed by the Executive Director and within such period as the Executive Director shall provide in such regulations.

"(e)(1)(A) During each year specified under column 1 of table I set out in subparagraph (D), the Executive Director shall invest, with respect to each employee, Member, former employee, and former Member not less than the percentage determined under subparagraph (B) of the amount described in subparagraph (C) in the Government Securities Investment Fund.

"(B) For the purposes of subparagraph (A), the minimum percentage applicable to investments during a year specified under column 1 of table I is the percentage which corresponds to such year under column 2 of table I.

"(C) The amount to be invested as provided in subparagraph (A) in any year specified under column 1 of table I is the total amount contributed to the Thrift Savings Fund by an employee, Member, former employee, or former Member under section 8432(a) of this title and available for investment during such year.

"(D) Table I is as follows:

"TABLE I

"Column 1 Year:	*Column 2 Minimum percentage:*
1987	*100*
1988	*80*
1989	*60*
1990	*40*
1991	*20.*

"(2)(A) During each year specified under column 1 of table II set out in subparagraph (D), the Executive Director shall invest, with respect to each employee, Member, former employee, and former Member not less than the percentage determined under subparagraph (B) of the amount described in subparagraph (C) in the Government Securities Investment Fund.

"(B) For the purposes of subparagraph (A), the minimum percentage applicable to investments during a year specified under column 1 of table II is the percentage which corresponds to such year under column 2 of table II.

"(C) The amount to be invested as provided in subparagraph (A) in any year specified under column 1 of table II is the total amount contributed to the Thrift Savings Fund for the benefit of an employee, Member, former employee, or former Member under section 8432(c) of this title and available for investment during such year.

"(D) Table II is as follows:

"Table II

"Column 1 Year:	Column 2 Minimum percentage:
1987–1992	100
1993	80
1994	60
1995	40
1996	20.

"(3)(A) Before 1992, the sums invested in the Government Securities Investment Fund as required by paragraph (1) and the earnings attributable to the investment of such sums may not be reinvested in any investment fund other than the Government Securities Investment Fund.

"(B) Before 1997, the sums invested in the Government Securities Investment Fund as required by paragraph (2) and the earnings attributable to the investment of such sums may not be reinvested in any investment fund other than the Government Securities Investment Fund.

"(f)(1) The Secretary of the Treasury is authorized to issue special interest-bearing obligations of the United States for purchase by the Thrift Savings Fund for the Government Securities Investment Fund.

"(2)(A) Obligations issued for the purpose of this subsection shall have maturities fixed with due regard to the needs of such Fund as determined by the Executive Director, and shall bear interest at a rate equal to the average market yield (computed by the Secretary of the Treasury on the basis of market quotations as of the end of the calendar month next preceding the date of issue of such obligations) on all marketable interest-bearing obligations of the United States then forming a part of the public debt which are not due or callable earlier than 4 years after the end of such calendar month.

"(B) Any average market yield computed under subparagraph (A) which is not a multiple of one-eighth of 1 percent, shall be rounded to the nearest multiple of one-eighth of 1 percent.

"(g) The Board, other Government agencies, the Executive Director, an employee, a Member, a former employee, and a former Member may not exercise voting rights associated with the ownership of securities by the Thrift Savings Fund.

"§ 8439. Accounting and information

"(a)(1) The Executive Director shall establish and maintain an account for each individual for whom contributions are made under section 8432(c)(1) of this title or who makes contributions to the Thrift Savings Fund under section 8351 of this title.

"(2) The balance in an individual's account at any time is the excess of—

"(A) the sum of—

"(i) all contributions made to the Thrift Savings Fund by the individual under section 8432(a) or 8351 of this title;

"(ii) all contributions made to such Fund for the benefit of the individual under section 8432(c) of this title; and

"(iii) the total amount of the allocations made to and reductions made in the account pursuant to paragraph (3), over

"(B) the amounts paid out of the Thrift Savings Fund with respect to such individual under this subchapter.

"(3) Pursuant to regulations prescribed by the Executive Director, the Executive Director shall allocate to each account an amount equal to a pro rata share of the net earnings and net losses from each investment of sums in the Thrift Savings Fund attributable to sums credited to such account, reduced by an appropriate share of the administrative expenses paid out of the net earnings under section 8437(d) of this title, as determined by the Executive Director.

"(b)(1) For the purposes of this subsection, the term 'qualified public accountant' shall have the same meaning as provided in section 103(a)(3)(D) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1023(a)(3)(D)).

"(2) The Executive Director shall annually engage, on behalf of all individuals for whom an account is maintained, an independent qualified public accountant, who shall conduct an examination of all accounts and other books and records maintained in the administration of this subchapter and subchapter VII as the public accountant considers necessary to enable the public accountant to make the determination required by paragraph (3). The examination shall be conducted in accordance with generally accepted auditing standards and shall involve such tests of the accounts, books, and records as the public accountant considers necessary.

"(3) The public accountant conducting an examination under paragraph (2) shall determine whether the accounts, books, and records referred to in such paragraph have been maintained in conformity with generally accepted accounting principles applied on a basis consistent with the manner in which such principles were applied during the examination conducted under such paragraph during the preceding year. The public accountant shall transmit to the Board and the Comptroller General of the United States a report on his examination, including his determination under this paragraph.

"(4) In making a determination under paragraph (3), a public accountant may rely on the correctness of any actuarial matter certified by an enrolled actuary if the public accountant states his reliance in the report transmitted to the Board under such paragraph.

"(c)(1) The Board shall prescribe regulations under which each individual for whom an account is maintained shall be furnished with—

"(A) a periodic statement relating to the individual's account; and

"(B) a summary description of the investment options under section 8438 of this title covering, and an evaluation of, each such option the 5-year period preceding the date as of which such evaluation is made.

"(2) Information under this subsection shall be provided at least 30 calendar days before the beginning of each election period under section 8432(b)(1)(A) of this title, and in a manner designed to facilitate informed decisionmaking with respect to elections under sections 8432 and 8438 of this title.

"(d) Each employee, Member, former employee, or former Member who elects to invest in the Common Stock Index Investment Fund or the Fixed Income Investment Fund described in paragraphs (1) and (3), respectively, of section 8438(a) of this title shall sign an acknowledgement prescribed by the Executive Director which states that the employee, Member, former employee, or former Member understands that an investment in either such Fund is made at the employee's, Member's, former employee's, or former Member's risk, that the employee, Member, former employee, or former Member is not protected by the Government against any loss on such investment, and that a return on such investment is not guaranteed by the Government.

"§ 8440. Tax treatment of the Thrift Savings Fund

"(a) For purposes of the Internal Revenue Code of 1954—

"(1) the Thrift Savings Fund shall be treated as a trust described in section 401(a) of such Code which is exempt from taxation under section 501(a) of such Code;

"(2) any contribution to, or distribution from, the Thrift Savings Fund shall be treated in the same manner as contributions to or distributions from such a trust; and

"(3) subject to the provisions of subsection (b) and any dollar limitation on the application of section 402(a)(8) of such Code, contributions to the Thrift Savings Fund shall not be treated as distributed or made available to an employee or Member nor as a contribution made to the Fund by an employee or Member merely because the employee or Member has, under the provisions of this subchapter and section 8351 of this title, an election whether the contribution will be made to the Thrift Savings Fund or received by the employee or Member in cash.

"(b)(1) Subsection (a)(3) shall not apply to the Thrift Savings Fund unless the Fund meets the antidiscrimination requirements (other than any requirement relating to coverage) applicable to arrangements described in section 401(k) of the Internal Revenue Code of 1954 and to matching contributions.

"(2)(A) This subchapter shall not be treated as failing to meet the requirements of paragraph (1) for any year if the amount of the excess matching contributions and excess employee contributions for such year (and any income attributable to such contributions) is distributed before the close of the following year. Such contributions (and income) may be distributed without regard to any other provision of law.

"(B) For purposes of subparagraph (A), the term 'excess matching contributions' means, with respect to any year, the excess of—

"(i) the aggregate amount of contributions under section 8432(c) of this title actually made on behalf of highly compensated employees (as defined for purposes of section 401(k) of the Internal Revenue Code of 1954) for such year, over

"(ii) the maximum amount of such contributions permitted under the limitations of paragraph (1) (determined by reducing contributions made on behalf of highly compensated employees in order of the matching contribution percentages beginning with the highest of such percentages).

"(C) For purposes of subparagraph (A), the amount of excess employee contributions shall be determined under the principles of subparagraph (B).

"(D) Any distribution of the excess matching contributions or excess employee contributions for any year shall be made to highly compensated employees on the basis of the respective portions of such amounts attributable to each of such employees.

"(E) No early distribution tax, if any, under the Internal Revenue Code of 1954 shall be imposed on any amount required to be distributed under subparagraph (A).

"(c) Subsection (a) shall not be construed to provide that any amount of the employee's or Member's basic pay which is contributed to the Thrift Savings Fund shall not be included in the term 'wages' for the purposes of section 209 of the Social Security Act or section 3121(a) of the Internal Revenue Code of 1954.

"SUBCHAPTER IV—SURVIVOR ANNUITIES

"§ 8441. Definitions

"For the purpose of this subchapter—

"(1) the term 'widow' means the surviving wife of an employee, Member, or annuitant, or of a former employee or Member, who—

"(A) was married to him for at least 9 months immediately before his death; or

"(B) is the mother of issue by that marriage;

"(2) the term 'widower' means the surviving husband of an employee, Member, or annuitant, or of a former employee or Member, who—

"(A) was married to her for at least 9 months immediately before her death; or

"(B) is the father of issue by that marriage;

"(3) the term 'dependent', in the case of any child, means that the employee, Member, or annuitant involved was, at the time of death of the employee, Member, or annuitant either living with or contributing to the support of such child, as determined in accordance with such regulations as the Office shall prescribe; and

"(4) the term 'child' means—

"(A) an unmarried dependent child under 18 years of age, including (i) an adopted child, (ii) a stepchild but only if the stepchild lived with the employee, Member, or annuitant in a regular parent-child relationship, (iii) a recognized natural child, and (iv) a child who lived with and for whom a petition of adoption was filed by an employee, Member, or annuitant and who is adopted by the widow or widower of the employee, Member, or annuitant after the death of such employee, Member, or annuitant;

"(B) such unmarried dependent child regardless of age who is incapable of self-support because of mental or physical disability incurred before age 18; or

"(C) such unmarried dependent child between 18 and 22 years of age who is a student regularly pursuing a full-time course of study or training in residence in a high school, trade school, technical or vocational institute, junior college, college, university, or comparable recognized educational institution.

For the purpose of this paragraph and section 8443, a child whose 22nd birthday occurs before July 1 or after August 31 of a calendar year, and while regularly pursuing such a course of study or training, is deemed to have become 22 years of age on the first day of July after that birthday. A child who is a student is deemed not to have ceased to be a student during an interim between school years if the interim is not more than 5 months and if such child shows to the satisfaction of the Office that such child has a bona fide intention of continuing to pursue a course of study or training in the same or different school during the school semester (or other period into which the school year is divided) immediately after the interim.

"§ 8442. Rights of a widow or widower

"(a)(1) Except as provided in subsection (g), if an annuitant dies and is survived by a widow or widower, the widow or widower is entitled to an annuity equal to 50 percent of an annuity computed under section 8415 with respect to the annuitant, unless—

"(A) the right to an annuity was waived under section 8416(a) (and no election was subsequently made under section 8416(d) nullifying the waiver); or

"(B) in the case of a marriage after retirement, the annuitant did not file an election under section 8416 (b) or (c), as the case may be.

"(2) A spouse acquired after retirement is entitled to an annuity under this subsection (as provided in paragraph (1)) only upon electing this annuity instead of any other survivor benefit to which such spouse may be entitled under this subchapter or section 8424 or under another retirement system for Government employees.

"(b)(1) If an employee or Member dies after completing at least 18 months of civilian service creditable under section 8411 and is survived by a widow or widower, the widow or widower is entitled to—

"(A) an amount equal to the sum of—

"(i) 50 percent of the final annual rate of basic pay (or of the average pay, if higher) of the employee or Member; and

"(ii) $15,000 as adjusted under section 8462(e)); and

"(B) if the employee or Member completed at least 10 years of service, an annuity equal to 50 percent of an annuity computed under section 8415 with respect to the employee or Member, but without regard to subsection (f) of such section.

"(2) The Office shall prescribe regulations under which the total amount payable to a widow or widower under paragraph (1)(A) may, at the election of the widow or widower, be paid—

"(A) in a lump sum; or

"(B) on a monthly basis—

"(i) over a period of 3 years beginning on the day after the employee's or Member's death; or

"(ii) over any other period established under the regulations.

Any method of payment provided for under subparagraph (B) shall be designed such that the present value of the benefits provided under such method is actuarially equivalent to the present value of a lump-sum payment under subparagraph (A).

"(3) An amount payable under paragraph (1)(A) shall not be considered to be part of an annuity for purposes of this chapter.

"(c)(1) If a former employee or Member dies after having separated from the service with title to a deferred annuity under section 8413 but before having established a valid claim for an annuity, and is survived by a widow or widower to whom married on the date of separation, the widow or widower may elect to receive—

"(A) an annuity under paragraph (2); or

"(B) the lump-sum credit, if the widow or widower is the individual who would be entitled to the lump-sum credit and if such widow or widower files application therefor with the Office.

"(2)(A)(i) Subject to clause (ii) and subparagraph (B)(ii), the annuity of the widow or widower is equal to 50 percent of an annuity computed under section 8415 for the former employee or Member.

"(ii)(I) In computing an amount under section 8415 for a former employee or Member (described in subclause (II)) in order to compute the annuity for a widow or widower under this subsection, the computation under section 8415 shall be made as if the former employee or Member had attained the applicable minimum retirement age under section 8412(h).

"(II) This clause applies with respect to a former employee or Member who dies before having attained the applicable minimum retirement age under section 8412(h).

"(B)(i) Notwithstanding the first sentence of subsection (d)(1), the annuity of the widow or widower of a former employee or Member under subparagraph (A)(ii) commences—

"(I) on the day after the date on which the former employee or Member would have attained age 62; or

"(II) if the widow or widower so designates in the election, as of the day after the death of the former employee or Member.

"(ii) The present value of the annuity of a widow or widower who chooses the earlier commencement date under clause (i)(II) shall be actuarially equivalent to the present value of an annuity computed for the widow or widower, determined as if the commencement date under clause (i)(I) were applicable.

"(3)(A) Paragraphs (1) and (2) shall apply only in the case of an employee or Member who completes at least 10 years of service.

"(B) Nothing in this subsection shall be considered to affect the provisions of this chapter relating to a lump-sum credit in the case of the widow or widower of a former employee or Member who dies after completing less than 10 years of service.

"(d)(1) The annuity of a widow or widower under this section commences on the day after the death of the individual on whose service such annuity is based. This annuity and the right thereto terminate on the last day of the month before the widow or widower—

"(A) dies; or

"(B) remarries before becoming 55 years of age.

"(2) In the case of a widow or widower whose annuity under this section is terminated because of remarriage before becoming 55 years of age, the annuity shall be restored at the same rate commencing on the day the remarriage is dissolved by death, divorce, or annulment, if—

"(A) the widow or widower elects to receive this annuity instead of any other survivor benefit to which such widow or widower may be entitled (under this subchapter or section 8424 or under another retirement system for Government employees) by reason of the remarriage; and

"(B) any lump sum paid on termination of the annuity is returned to the Fund.

"(e) The requirement in paragraphs (1)(A) and (2)(A) of section 8441 that the widow or widower of an annuitant, employee, or Member, or of a former employee or Member, have been married to such individual for at least 9 months immediately before the death of the individual in order to qualify as the widow or widower of such individual shall be deemed satisfied in any case in which the individual dies within the applicable 9-month period, if—

"(1) the death of the individual was accidental; or

"(2) the surviving spouse of the individual had been previously married to such individual and subsequently divorced, and the aggregate time married is at least 9 months.

"(f)(1) Subject to paragraph (4), a survivor who is entitled to an annuity under subsection (a) shall also be entitled to a supplementary annuity under this subsection.

"(2) A supplementary annuity under this subsection shall be equal to the lesser of—

"(A) the amount by which the survivor's assumed CSRS annuity exceeds the annuity payable to such survivor under subsection (a); or

"(B) the amount determined under paragraph (3).

"(3)(A) Except as provided in subparagraph (B), the amount under this paragraph for a survivor is the amount of widow's or widower's insurance benefits which would be payable to such survivor under title II of the Social Security Act (without regard to sections 202(e)(7), 202(f)(2), and 203 of such Act) based on the wages and self-employment income of the deceased annuitant, and determined—

"(i) as of the date on which the annuitant died; and

"(ii) as if the survivor had attained age 60 and made application for those benefits under subsection (e) or (f) of section 202 of such Act, as the case may be.

"(B) Any computation or determination under this paragraph shall be made in accordance with the applicable provisions of the Social Security Act, except that in computing any primary insurance amount under section 215 of such Act for purposes of determining an amount under this subsection, subparagraphs (A) and (C) of section 8421(b)(2) shall apply.

"(4) A supplementary annuity under this subsection—

"(A) shall be payable to a survivor only for calendar months ending before the calendar month in which such survivor first satisfies the minimum age requirement under section 202(e)(1)(B)(i) or 202(f)(1)(B)(i) of the Social Security Act, as the case may be;

"(B) shall not be payable to a survivor who would not be entitled to benefits under subsection (e) or (f) of section 202 of the Social Security Act based on the wages and self-employment income of the deceased annuitant (determined, as of the date of the annuitant's death, as if the survivor had attained age 60 and made appropriate application for benefits, but without regard to any restriction under either such subsection relating to remarriage); and

"(C) shall not be payable to a survivor for any calendar month in which such survivor is entitled (or would, on proper application, be entitled) to benefits under section 202(g) of the Social Security Act (relating to mother's and father's insurance benefits), or under section 202 (e) or (f) of such Act by reason of having become disabled, based on the wages and self-employment income of the deceased annuitant.

"(5) For the purpose of this subsection, the term 'assumed CSRS annuity', as used in the case of a survivor, means the amount of the annuity to which such survivor would be entitled under subchapter III of chapter 83 of this title based on the service of the deceased annuitant, determined—

"(A) as of the day after the date of the annuitant's death;

"(B) as if the survivor had made appropriate application therefor; and

"(C) as if the service of the deceased annuitant were creditable under such subchapter.

"(6) An amount payable under this subsection shall be adjusted under section 8462 and shall otherwise be treated under this chapter in the same way as an amount payable under subsection (a).

"(g)(1) If the widow or widower of an annuitant under section 8452 (hereinafter in this subsection referred to as a 'disability annuitant') is determined under subsection (a) to be entitled to an annuity based on the service of such disability annuitant, the annuity of the widow or widower shall be equal to 50 percent of the amount determined under paragraph (2), rather than of the amount referred to in subsection (a).

"(2)(A) Except as provided in subparagraph (B), the amount on which the annuity of the widow or widower of a disability annuitant is based shall be the amount of the annuity to which such disability annuitant was entitled, as computed under section 8452 (including appropriate reduction under subsection (a)(2) of such section and any adjustments under section 8462 allowed under section 8452)), as of the day before the date of the disability annuitant's death.

"(B)(i) In the case of a widow or widower entitled to an annuity based on the service of a disability annuitant who dies before age 62, the amount under clause (ii) shall apply instead of the amount which would otherwise apply under subparagraph (A).

"(ii)(I) Subject to subclause (II), the amount of the annuity to which the disability annuitant was entitled as of the day before the date of death shall be considered to be the amount which would be computed with respect to such disability annuitant under section 8452(b) if the disability annuitant had attained age 62 on the day before date of death.

"(II) For purposes of any such computation under section 8452(b)(2) pursuant to this clause, creditable service shall (in addition to the service which would otherwise be used under subparagraph (B)(i) of such section) include the period of time between date of death and the date of the sixty-second anniversary of the birth of the annuitant, and average pay shall be adjusted in accordance with subparagraph (B)(ii) of such section only through date of death.

"(h) The following rules shall apply notwithstanding any other provision of this section:

"(1) The annuity payable under this section to a widow or widower may not exceed the difference between—

"(A) the amount of the annuity which would otherwise be payable to such widow or widower under this section; and

"(B) the amount of the annuity payable to any former spouse of the deceased employee, Member, or annuitant, or former employee or Member, based on an election made under section 8417(b) or a court order previously issued or agreement previously entered into as described in section 8445(a).

"(2) The amount payable under subsection (b)(1)(A) to a widow or widower may not exceed the difference between—

"(A) the amount which would otherwise be payable to such widow or widower under such subsection; and

"(B) the portion of such amount payable to any former spouse of the deceased employee, Member, or annuitant, or former employee or Member, based on a court order previously issued or agreement previously entered into.

"(3) A lump-sum credit under subsection (c)(2) shall be subject to the same terms and conditions as apply with respect to a lump-sum credit under section 8424(b).

"§ 8443. Rights of a child

"(a)(1) If an employee or Member dies after completing at least 18 months of civilian service which is creditable under section 8411, or an annuitant dies, each surviving child is, for any month, entitled to an annuity equal to—

"(A) the amount by which the applicable amount under paragraph (2) for such month exceeds the applicable amount under paragraph (3) for such month, divided by

"(B) the number of children entitled to a payment under this section for such month.

"(2) The applicable amount under this paragraph for any month is the total amount to which the surviving child or children (as the case may be) of the annuitant, employee, or Member would be entitled for such month under subchapter III of chapter 83 based on the service of such annuitant, employee, or Member, if the service of such annuitant, employee, or Member were creditable under such subchapter.

"(3) The applicable amount under this paragraph for any month is the total amount of child's insurance benefits which are payable (or would, on proper application, be payable) under title II of the Social Security Act for such month based on the wages and self-employment income of such annuitant, employee, or Member.

"(b) The annuity of a child under this subchapter—

"(1) commences on the day after the annuitant, employee, or Member dies;

"(2) commences or resumes on the first day of the month in which the child later becomes or again becomes a student as described by section 8441(4), if any lump sum paid is returned to the Fund; or

"(3) commences or resumes on the first day of the month in which the child later becomes or again becomes incapable of self-support because of a mental or physical disability incurred before age 18 (or a later recurrence of such disability), if any lump sum paid is returned to the Fund.

This annuity and the right thereto terminate on the last day of the month before the child—

"(A) becomes 18 years of age unless then a student as described or incapable of self-support;

"(B) becomes capable of self-support after becoming 18 years of age unless then such a student;

"(C) becomes 22 years of age if then such a student and capable of self-support;

"(D) ceases to be such a student after becoming 18 years of age unless then incapable of self-support; or

"(E) dies or marries;

whichever occurs first. On the death of the surviving wife or husband, or former wife or husband, or termination of the annuity of a child, the annuity of any other child or children shall be recomputed and paid as though the wife or husband, former wife or husband, or child had not survived the annuitant, employee, or Member.

"§ 8444. Rights of a named individual with an insurable interest

"The annuity of a survivor named under section 8420(a) is 55 percent of the reduced annuity of the retired employee or Member determined under paragraph (2) of such section 8420(a). The annuity of the survivor commences on the day after the retired employee or Member dies. This annuity and the right thereto terminate on the last day of the month before the survivor dies.

"§ 8445. Rights of a former spouse

"(a) Subject to subsections (b) through (e), a former spouse of a deceased employee, Member, or annuitant (or of a former employee or Member who dies after having separated from the service with title to a deferred annuity under section 8413 but before having established a valid claim for annuity) is entitled to an annuity under this section, if and to the extent expressly provided for in an election under section 8417(b), or in the terms of any decree of divorce or annulment or any court order or court-approved property settlement agreement incident to such decree.

"(b)(1) The annuity payable to a former spouse under this section may not exceed the difference between—

"(A) the amount applicable in the case of such former spouse, as determined under paragraph (2); and

"(B) the amount of any annuity payable under this section to any other former spouse of the employee, Member, or annuitant, or former employee or Member, based on an election previously made under section 8417(b), or a court order previously issued or agreement previously entered into as described in subsection (a).

"(2) The applicable amount, for purposes of paragraph (1)(A) in the case of a former spouse, is the amount of the annuity which would be payable under the provisions of section 8442 (including subsection (f) of such section, but without regard to subsection (h) of such section) if such former spouse were a widow or widower entitled to an annuity under such provisions based on the service of the deceased employee, Member, or annuitant, or former employee or Member.

"(c) The commencement and termination of an annuity payable under this section shall be governed by the terms of the applicable order, decree, agreement, or election, as the case may be, except that any such annuity—

"(1) shall not commence before—

"(A) the day after the employee, Member, or annuitant, or former employee or Member, dies; or

"(B) the first day of the second month beginning after the date on which the Office receives written notice of the order, decree, agreement, or election, as the case may be, together with such additional information or documentation as the Office may prescribe;

whichever is later; and

"(2) shall terminate no later than the last day of the month before the former spouse remarries before becoming 55 years of age or dies.

"(d) For purposes of this chapter, a modification in a decree, order, agreement, or election referred to in subsection (a) shall not be effective—

"(1) if such modification is made after the retirement or death of the employee, Member, or annuitant, or former employee or Member, concerned; and

"(2) to the extent that such modification involves an annuity under this section.

"(e) For purposes of this chapter, a decree, order, agreement, or election referred to in subsection (a) shall not be effective, in the case of a former spouse, to the extent that it is inconsistent with any joint waiver previously executed with respect to such former spouse under section 8416(a).

"(f)(1) Any amount under section 8442(b)(1)(A) which would otherwise be payable to a widow or widower based on the service of another individual shall be paid (in whole or in part) by the Office to a former spouse of such individual if and to the extent expressly provided for in the terms of a court decree of divorce, annulment, or legal separation, or the terms of a court order or court-approved property settlement incident to any decree of divorce, annulment, or legal separation.

"(2) Paragraph (1) shall apply only to payments made by the Office after the date of receipt in the Office of written notice of such decree, order, or agreement, and such additional information and documentation as the Office may prescribe.

"(g) Any payment under this section to a person bars recovery by any other person.

"SUBCHAPTER V—DISABILITY BENEFITS

"§ 8451. Disability retirement

"(a)(1)(A) An employee who completes at least 18 months of civilian service creditable under section 8411 and has become disabled shall be retired on the employee's own application or on application by the employee's agency.

"(B) For purposes of this subsection, an employee shall be considered disabled only if the employee is found by the Office to be unable, because of disease or injury, to render useful and efficient service in the employee's position.

"(2)(A) Notwithstanding paragraph (1), an employee shall not be eligible for disability retirement under this section if the employee has declined a reasonable offer of reassignment to a vacant position in the employee's agency for which the employee is qualified if the position—

"(i) is at the same grade (or pay level) as the employee's most recent grade (or pay level) or higher;

"(ii) is within the employee's commuting area; and

"(iii) is one in which the employee would be able to render useful and efficient service.

"(B) An employee who is applying for disability retirement under this subchapter shall be considered for reassignment by the employee's agency to a vacant position described in subparagraph (A) in accordance with such procedures as the Office shall by regulation prescribe.

"(C) An employee is entitled to appeal to the Merit Systems Protection Board under section 7701 any determination that the employee is not unable, because of disease or injury, to render useful and efficient service in a position to which the employee has declined reassignment under this section.

"(D) For purposes of subparagraph (A), an employee of the United States Postal Service shall not be considered qualified for a position if such position is in a different craft or if reassignment to such position would be inconsistent with the terms of a collective-bargaining agreement covering the employee.

"(b) A Member who completes at least 18 months of service as a Member and is found by the Office to be disabled for useful and efficient service as a Member because of disease or injury shall be retired on the Member's own application.

"(c) An employee or Member retiring under this section is entitled to an annuity computed under section 8452.

"§ 8452. Computation of disability annuity

"(a)(1)(A) Except as provided in paragraph (2), or subsection (b), (c), or (d), the annuity of an annuitant under this subchapter—

"(i) for the period beginning on the date on which such annuity commences, or is restored (as described in section 8455(b)(2) or (3)), and ending at the end of the twelfth month beginning on or after such date, shall be equal to 60 percent of the annuitant's average pay; and

"(ii) after the end of the period referred to in clause (i), shall be equal to 40 percent of the annuitant's average pay.

"(B) An annuity computed under this paragraph shall not, for purposes of any adjustment under section 8462 (including any adjustment under subsection (c)(1) of such section), be considered to have commenced until after such annuity ceases to be determined under subparagraph (A)(i).

"(2)(A) For any month in which an annuitant is entitled both to an annuity under this subchapter as computed under paragraph (1) and to a disability insurance benefit under section 223 of the Social Security Act, the annuitant's annuity for such month (as so computed) shall—

"(i) if such month occurs during a period referred to in paragraph (1)(A)(i), be reduced by 100 percent of the annuitant's assumed disability insurance benefit for such month; or

"(ii) if such month occurs other than during a period referred to in paragraph (1)(A)(i), be reduced by 60 percent of the annuitant's assumed disability insurance benefit for such month;

except that an annuity may not be reduced below zero by reason of this paragraph.

"(B)(i) For purposes of this paragraph, the assumed disability insurance benefit of an annuitant for any month shall be equal to—

"(I) the amount of the disability insurance benefit to which the annuitant would have been entitled under section 223 of the Social Security Act for the month in which the annuity under this subchapter commenced, or was restored, determined as if such annuitant had then satisfied all requirements for entitlement to a benefit under such section, adjusted by

"(II) all adjustments made under section 8462(b) between the date on which the annuity commenced, or was restored, and the start of the month involved (without regard to whether the annuitant's annuity was affected by any of those adjustments).

For purposes of computing the assumed disability insurance benefit, the month in which the annuitant's disability began (as determined under section 216(i)(2)(C) of the Social Security Act) shall be the month in which the annuity commenced or, if earlier (and if a determination was actually made) the month determined under such section.

"(ii) For purposes of applying section 224 of the Social Security Act to the assumed disability insurance benefit used to compute the reduction under this paragraph, the amount of the annuity under this subchapter which is considered shall be the amount of the annuity as determined before the application of this paragraph.

"(b)(1) Except as provided in subsection (d), if an annuitant is entitled to an annuity under this subchapter as of the day before the date of the sixty-second anniversary of the annuitant's birth (hereinafter in this section referred to as the annuitant's 'redetermination date'), such annuity shall be redetermined under paragraph (3) or (4), as applicable. Effective as of the annuitant's redetermination date, the annuity (as so redetermined) shall be in lieu of any annuity to which such annuitant would otherwise be entitled under this subchapter.

"(2)(A) In order to carry out paragraphs (3) and (4), the Office shall compute an annuity for the annuitant under section 8415.

"(B) In performing a computation under this paragraph—

"(i) creditable service of the annuitant shall be increased by including the period (or periods), if any, before the annuitant's redetermination date during which the annuitant was entitled to an annuity under this subchapter; and

"(ii) the average pay which would otherwise be used shall be adjusted to reflect all adjustments made under section 8462(b) with respect to any period (or periods) referred to in clause (i) (without regard to whether the annuitant's annuity was affected by any of those adjustments).

"(3) If, as of the day before the annuitant's redetermination date, the annuitant's annuity is subject to reduction under subsection (a)(2), the annuitant's redetermined annuity shall be the lesser of—

"(A) the amount determined with respect to such annuitant under paragraph (2); or

"(B) subject to the following sentence, the amount (converted so as to be expressed as an annual amount) which would otherwise be payable under this subchapter for the month in which occurs the day before the annuitant's redetermination date, as com-

puted under subsection (a) (based on the assumption that the annuitant was entitled to an annuity under this subchapter, and to a disability insurance benefit under section 223 of the Social Security Act, for the entirety of such month).

If the annuitant's redetermination date occurs during the period described in subsection (a)(1)(A), the amount used under subparagraph (B) may not exceed the amount (converted so as to be expressed as an annual amount) which would otherwise be payable under this subchapter for the first month after such period, as computed under subsection (a) based on the assumption that the annuitant was entitled to an annuity under this subchapter, and to a disability insurance benefit under section 223 of the Social Security Act, for the entirety of such month.

"(4) If, as of the day before the annuitant's redetermination date, the annuitant's annuity is not subject to reduction under subsection (a)(2), the annuitant's redetermined annuity shall be the lesser of—

"(A) the amount determined with respect to such annuitant under paragraph (2); or

"(B) the amount which would be used for such annuitant under subparagraph (B) of paragraph (3) (as determined subject to the second sentence of such paragraph), if such paragraph applied to such annuitant.

"(c) Except as provided in subsection (d), the annuity of an annuitant under this subchapter shall be computed under section 8415 if—

"(1) such annuity commences, or is restored, beginning on or after the redetermination date of the annuitant; or

"(2) as of the day on which such annuity commences, or is restored, the annuitant satisfies the age and service requirements for entitlement to an annuity under section 8412 (other than subsection (g) of such section).

"(d) The annuity to which an annuitant is entitled under this section shall not be less than the amount of an annuity computed under section 8415 (excluding subsection (f) of such section).

"§ 8453. Application

"A claim may be allowed under this subchapter only if application is filed with the Office before the employee or Member is separated from the service or within 1 year thereafter. This time limitation may be waived by the Office for an employee or Member who, at the date of separation from service or within 1 year thereafter, is mentally incompetent if the application is filed with the Office within 1 year from the date of restoration of the employee or Member to competency or the appointment of a fiduciary, whichever is earlier.

"§ 8454. Medical examination

"An annuitant receiving a disability retirement annuity from the Fund shall be examined under the direction of the Office—

"(1) at the end of 1 year from the date of the disability retirement; and

"(2) annually thereafter until becoming 60 years of age;

unless the disability is permanent in character. If the annuitant fails to submit to examination as required by this section, payment of the annuity shall be suspended until continuance of the disability is satisfactorily established.

"§ 8455. Recovery; restoration of earning capacity

"(a)(1) If an annuitant receiving a disability retirement annuity from the Fund recovers from the disability before becoming 60 years of age, payment of the annuity terminates on reemployment by the Government or 1 year after the date on which the Office determines that the annuitant has recovered, whichever is earlier.

"(2) If an annuitant receiving a disability annuity from the Fund, before becoming 60 years of age, is restored to an earning capacity fairly comparable to the current rate of pay of the position occupied at the time of retirement, payment of the annuity terminates 180 days after the end of the calendar year in which earning capacity is so restored. Earning capacity is deemed restored if in any calendar year the income of the annuitant from wages or self-employment or both equals at least 80 percent of the current rate of pay of the position occupied immediately before retirement.

"(b)(1) If an annuitant whose annuity is terminated under subsection (a) is not reemployed in a position in which that individual is subject to this chapter, such individual is deemed, except for service credit, to have been involuntarily separated from the service for the purpose of subchapter II of this chapter as of the date of termination of the disability annuity, and after that termination is entitled to annuity under the applicable provisions of such subchapter.

"(2) If an annuitant whose annuity is terminated under subsection (a)(2)—

"(A) is not reemployed in a position subject to this chapter; and

"(B) has not recovered from the disability for which that individual was retired;

the annuity of such individual shall be restored at the applicable rate under section 8452 effective the first of the year following any calendar year in which such individual's income from wages or self-employment or both is less than 80 percent of the current rate of pay of the position occupied immediately before retirement.

"(3) If an annuitant whose annuity is terminated because of a medical finding that the individual has recovered from disability is not reemployed in a position in which such individual is subject to this chapter, the annuity of such individual shall be restored at the applicable rate under section 8452 effective from the date on which the Office determines that there has been a recurrence of the disability.

"(4) Paragraphs (2) and (3) shall not apply in the case of an annuitant receiving an annuity from the Fund under subchapter II of this chapter.

"§ 8456. Relationship to workers' compensation

"(a)(1) An individual is not entitled to receive an annuity under this subchapter and compensation for injury to or disability of the individual under subchapter I of chapter 81 covering the same period of time.

"(2) Paragraph (1) does not bar the right of a claimant to the greater benefit conferred by either subchapter referred to in such paragraph for any part of the period referred to in such paragraph.

"(3) Paragraph (1) and the provisions of subchapter I of chapter 81 do not deny an individual an annuity which the individual is entitled to receive under this chapter on account of service performed by the individual and do not deny any concurrent benefit to the individual under subchapter I of chapter 81 on account of the death of another individual.

"(b)(1) Subject to paragraph (2), an individual's receipt of a lump-sum payment for compensation under section 8135 shall not affect the individual's entitlement to an annuity under this subchapter.

"(2) If an annuity is payable under this subchapter by reason of the same disability for which a lump-sum payment of compensation referred to in paragraph (1) has been made, so much of the compensation as has been paid for a period extended beyond the date payment of the annuity commences, as determined by the Department of Labor, shall be refunded to that Department for credit to the Employees' Compensation Fund. Before the individual may receive the disability annuity, the individual shall—

"(A) refund to the Department of Labor the amount representing the commuted compensation payments for the extended period; or

"(B) authorize the deduction of the amount from the annuity.

Deductions from the annuity may be made from accrued or accruing payments. The amounts deducted and withheld from the annuity shall be transmitted to the Department of Labor for reimbursement to the Employees' Compensation Fund. When the Department of Labor finds that the financial circumstances of an individual entitled to an annuity under this subchapter warrant deferred refunding under this paragraph, deductions from the annuity may be prorated against and paid from accruing payments in such manner as the Department determines appropriate.

"§ 8457. Military reserve technicians

"(a)(1) Except as provided in paragraph (2) or (3), an individual shall be retired under this subchapter if the individual—

"(A) is separated from employment as a military reserve technician by reason of a disability that disqualifies the individual from membership in a reserve component of the Armed Forces specified in section 261(a) of title 10 or from holding the military grade required for such employment;

"(B) is not considered to be disabled under section 8451(a)(1)(B);

"(C) is not appointed to a position in the Government (whether under subsection (c) or otherwise); and

"(D) has not declined an offer of an appointment to a position in the Government under subsection (c).

"(2) Payment of any annuity for an individual pursuant to this section terminates—

"(A) on the date the individual is appointed to a position in the Government (whether pursuant to subsection (c) or otherwise);

"(B) on the date the individual declines an offer of appointment to a position in the Government under subsection (c); or

"(C) as provided under section 8455(a).

"(3) An individual eligible to retire under section 8414(c) shall not be eligible to retire under this section.

"(b) Any individual applying for or receiving any annuity pursuant to this section shall, in accordance with regulations prescribed by the Office, be considered by any agency of the Government before any vacant position in the agency is filled if—

"(1) the position is located within the commuting area of the individual's former position;

"(2) the individual is qualified to serve in such position, as determined by the head of the agency; and

"(3) the position is at the same grade or equivalent level as the position from which the individual was separated.

"SUBCHAPTER VI—GENERAL AND ADMINISTRATIVE PROVISIONS

"§ 8461. Authority of the Office of Personnel Management

"(a) The Office shall pay all benefits that are payable under subchapter II, IV, V, or VI of this chapter from the Fund.

"(b) The Office shall administer all provisions of this chapter not specifically required to be administered by the Board, the Executive Director, the Secretary of Labor, or any other officer or agency.

"(c) The Office shall adjudicate all claims under the provisions of this chapter administered by the Office.

"(d) The Office shall determine questions of disability and dependency arising under the provisions of this chapter administered by the Office. Except to the extent provided under subsection (e), the decisions of the Office concerning these matters are final and conclusive and are not subject to review. The Office may direct at any time such medical or other examinations as it considers necessary to determine the facts concerning disability or dependency of an individual receiving or applying for annuity under the provisions of this chapter administered by the Office. The Office may suspend or deny annuity for failure to submit to examination.

"(e)(1) Subject to paragraph (2), an administrative action or order affecting the rights or interests of an individual or of the United States under the provisions of this chapter administered by the Office may be appealed to the Merit Systems Protection Board under procedures prescribed by the Board.

"(2) In the case of any individual found by the Office to be disabled in whole or in part on the basis of the individual's mental condition, and that finding was made pursuant to an application by an agency for purposes of disability retirement under section 8451, the procedures under section 7701 shall apply and the decision of the Board shall be subject to judicial review under section 7703.

"(f) The Office shall fix the fees for examinations made under subchapter V of this chapter by physicians or surgeons who are not medical officers of the United States. The fees and reasonable traveling and other expenses incurred in connection with the examinations are paid from appropriations for the cost of administering the provisions of this chapter administered by the Office.

"(g) The Office may prescribe regulations to carry out the provisions of this chapter administered by the Office.

"(h)(1) Each Government agency shall furnish the Director with such information as the Director determines necessary in order to administer this chapter.

"(2) The Director, in consultation with the officials from whom such information is requested, shall establish (by regulation or otherwise) such safeguards as are necessary to ensure that information made available under this subsection is used only for the purpose authorized.

"(i) In making a determination of 'actuarial equivalence' under this chapter, the economic assumptions used shall be the same as the economic assumptions most recently used by the Office (before the determination of actuarial equivalence involved) in determining the normal-cost percentage of the System.

"(j)(1) Notwithstanding any other provision of this chapter, the Director of Central Intelligence shall, in a manner consistent with the administration of this chapter by the Office, and to the extent considered appropriate by the Director of Central Intelligence—

"(A) determine entitlement to benefits under this chapter based on the service of employees of the Central Intelligence Agency;

"(B) maintain records relating to the service of such employees;

"(C) compute benefits under this chapter based on the service of such employees;

"(D) collect deposits to the Fund made by such employees, their spouses, their former spouses, and their survivors;

"(E) authorize and direct disbursements from the Fund to the extent based on service of such employees; and

"(F) perform such other functions under this chapter (other than under subchapters III and VII of this chapter) with respect to employees of the Central Intelligence Agency as the Director of Central Intelligence, in consultation with the Director of the Office of Personnel Management, determines to be appropriate.

"(2) The Director of the Office of Personnel Management shall furnish such information and, on a reimbursable basis, such services to the Director of Central Intelligence as the Director of Central Intelligence requests to carry out paragraph (1).

"(k)(1) The Director of Central Intelligence, in consultation with the Executive Director of the Federal Retirement Thrift Investment Board, may—

"(A) maintain exclusive records relating to elections, contributions, and accounts under the Thrift Savings Plan provided in subchapter III of this chapter in the case of employees of the Central Intelligence Agency;

"(B) provide that contributions by, or on behalf of, such employees to the Thrift Savings Plan be accounted for by such Executive Director in aggregate amounts;

"(C) make the necessary disbursements from, and the necessary allocations of earnings, losses, and charges to, individual accounts of such employees under the Thrift Savings Plan; and

"(D) perform such other functions under subchapters III and VII of this chapter (but not including investing sums in the Thrift Savings Fund) with respect to employees of the Central Intelligence Agency as the Director of Central Intelligence, in consultation with the Executive Director of the Federal Retirement Thrift Investment Board, determines to be appropriate.

"(2) The Executive Director of the Federal Retirement Thrift Investment Board may not exercise authority under this chapter in the case of employees of the Central Intelligence Agency to the extent that the Director of Central Intelligence exercises authority provided in paragraph (1).

"(3) The Executive Director of the Federal Retirement Thrift Investment Board shall furnish such information and, on a reimbursable basis, such services to the Director of Central Intelligence as the Director of Central Intelligence determines necessary to carry out this subsection.

"(l) Subsection (h)(1), and sections 8439(b) and 8474(c)(4), shall be applied with respect to information relating to employees of the Central Intelligence Agency in a manner that protects intelligence sources, methods, and activities.

"(m)(1) The Director of Central Intelligence, in consultation with the Director of the Office of Personnel Management and the Executive Director of the Federal Retirement Thrift Investment Board, shall by regulation prescribe appropriate procedures to carry out subsections (j), (k), and (l).

"(2) The regulations shall provide procedures for the Director of the Office of Personnel Management to inspect and audit disbursements from the Fund, and from the Thrift Savings Fund, under this chapter.

"(3) The Director of Central Intelligence shall submit the regulations prescribed under paragraph (1) to the Select Committee on Intelligence of the Senate and the Permanent Select Committee on Intelligence of the House of Representatives before the regulations take effect.".

"§ 8462. Cost-of-living adjustments

"(a) For the purpose of this section—

"(1) the term 'base quarter', as used with respect to a year, means the calendar quarter ending on September 30 of such year;

"(2) the price index for a base quarter is the arithmetical mean of such index for the 3 months comprising such quarter; and

"(3) the term 'percent change in the price index', as used with respect to a year, means the percentage derived by—

"(A) reducing—

"(i) the price index for the base quarter of such year, by

"(ii) the price index for the base quarter of the preceding year in which an adjustment under this subsection was made;

"(B) dividing the difference under subparagraph (A) by the price index referred to in subparagraph (A)(ii); and

"(C) multiplying the quotient under subparagraph (B) by 100.

"(b)(1) Except as provided in subsection (c), effective December 1 of any year in which an adjustment under this subsection is to be made, as determined under paragraph (2), each annuity payable from the Fund under this chapter (other than an annuity under section 8443) having a commencing date not later than such December 1 shall be adjusted as follows:

"(A) If the percent change in the price index for the year does not exceed 3 percent, each annuity subject to adjustment under this subsection shall be increased by the lesser of—

"(i) the percent change in the price index (rounded to the nearest one-tenth of 1 percent); or

"(ii) 2 percent.

"(B) If the percent change in the price index for the year exceeds 3 percent, each annuity subject to adjustment under this subsection shall be increased by the excess of—

"(i) the percent change in the price index (rounded to the nearest one-tenth of 1 percent), over

"(ii) 1 percent.

"(2) An adjustment under this subsection shall be made in a year only if the price index for the base quarter of such year exceeds the price index for the base quarter of the preceding year in which an adjustment under this subsection was made.

"(3) An annuity under this chapter shall not be subject to adjustment under section 8340.

"(c) Eligibility for an annuity increase under this section is governed by the commencing date of each annuity payable from the Fund as of the effective date of an increase, except as follows:

"(1) The first increase (if any) made under subsection (b) to an annuity which is payable from the Fund to an annuitant or survivor (other than a child under section 8443) whose annuity has not been increased under this subsection or subsection (b) shall

be equal to the product (adjusted to the nearest one-tenth of 1 percent) of—

"(A) one-twelfth of the applicable percent change computed under subsection (b), multiplied by

"(B) the number of months (not to exceed 12 months, counting any portion of a month as a month)—

"(i) for which the annuity was payable from the Fund before the effective date of the increase; or

"(ii) in the case of a survivor of a deceased annuitant whose annuity has not been so increased, since the annuity was first payable to the deceased annuitant.

"(2) Effective from its commencing date, an annuity payable from the Fund to an annuitant's survivor (other than a widow or widower whose annuity is computed under section 8442(g) or a child under section 8443) shall be increased by the total percentage by which the deceased annuitant's annuity had been increased under this section during the period beginning on the date the deceased annuitant's annuity commenced and ending on the date of the deceased annuitant's death.

"(3)(A) An adjustment under subsection (b) for any year shall not be effective with respect to the annuity of an annuitant who is under 62 years of age as of the date on which such adjustment would otherwise first take effect.

"(B)(i) Except as provided in clause (ii), this paragraph applies only with respect to an annuitant under section 8412, 8413, or 8414.

"(ii) This paragraph does not apply with respect to an annuitant under subsection (d) or (e) of section 8412 or (in the case of an annuitant separated from service as a military reserve technician as a result of disability) under section 8414(c).

"(4) The first increase (if any) made under subsection (b) to an annuity which is payable from the Fund to a widow or widower whose annuity is computed under section 8442(g) shall be equal to the product (adjusted to the nearest one-tenth of 1 percent) of—

"(A) one-twelfth of the applicable percent change computed under subsection (b), multiplied by

"(B) the number of months (not to exceed 12 months, counting any portion of a month as a month) since—

"(i) the effective date of the adjustment last made under this section in the annuity of the annuitant on whose service on the widow's or widower's annuity is based; or

"(ii) if the annuity of the annuitant (referred to in clause (i)) has not been increased under this section, the commencement date of such annuitant's annuity (determined subject to section 8452(a)(1)(B)).

"(d) The monthly installment of an annuity after adjustment under this section shall be rounded to the next lowest dollar. However, the monthly installment shall, after adjustment, reflect an increase of at least $1.

"(e) The $15,000 amount referred to in section 8442(b)(1)(A)(ii) shall be increased at the same time that, and by the same percent as the percentage by which, annuities under subchapter III of chapter 83 are increased.

"§ 8463. Rate of benefits

"Each annuity payable from the Fund is stated as an annual amount, one-twelfth of which, rounded to the next lower dollar, constitutes the monthly rate payable on the first business day of the first month beginning after the month for which it has accrued.

"§ 8464. Commencement and termination of annuities of employees and Members

"(a)(1) Except as otherwise provided in this chapter—

"(A) an annuity payable from the Fund commences on the first day of the month after—

"(i) separation from the service, in the case of an employee or Member retiring under section 8412, or subsection (a) or (b)(1)(B) of section 8414; or

"(ii) pay ceases, and the applicable age and service requirements are met, in the case of an employee or Member retiring under section 8413;

"(B) an annuity payable from the Fund commences on the day after separation from the service in the case of an employee retiring under subsection (b)(1)(A) or (c) of section 8414; and

"(C) an annuity payable from the Fund commences on the day after separation from the service or the day after pay ceases and the requirements for title to an annuity are met in the case of an employee or Member retiring under section 8451.

"(2) Notwithstanding paragraph (1)(A)(i), an annuity payable from the Fund commences on the day after separation from the service in the case of an employee or Member—

"(A) who retires under section 8412; and

"(B) whose separation occurs upon the expiration of a term (or other period) for which the individual was appointed or elected.

"(b) Except as otherwise provided in this chapter, the annuity of an annuitant under subchapter II or V of this chapter terminates on the date death or other terminating event occurs.

"§ 8465. Waiver, allotment, and assignment of benefits

"(a) An individual entitled to an annuity payable from the Fund may decline to accept all or any part of the amount of the annuity by a waiver signed and filed with the Office. The waiver may be revoked in writing at any time. Payment of the annuity waived may not be made for the period during which the waiver is in effect.

"(b) An individual entitled to an annuity payable from the Fund may make allotments or assignments of amounts from the annuity for such purposes as the Office considers appropriate.

"§ 8466. Application for benefits

"(a) No payment of benefits based on the service of an employee or Member shall be made from the Fund unless an application for payment of the benefits is received by the Office before the one hundred and fifteenth anniversary of the birth of the employee or Member.

"(b) Notwithstanding subsection (a), after the death of an employee, Member, or annuitant, or former employee or Member, a benefit based on the service of such employee, Member, or annuitant, or former employee or Member, shall not be paid under subchapter II or IV of this chapter unless an application therefor is received by the Office within 30 years after the death or other event which establishes the entitlement to the benefit.

"(c) Payment due a minor, or an individual mentally incompetent or under other legal disability, may be made to the person who is constituted guardian or other fiduciary by the law of the State of residence of the claimant or is otherwise legally vested with the care of the claimant or his estate. If a guardian or other fiduciary of the individual under legal disability has not been appointed under the law of the State of residence of the claimant, payment may be made to any person who, in the judgment of the Office, is responsible for the care of the claimant, and the payment bars recovery by any other person.

"§ 8467. Court orders

"(a) Payments under this chapter which would otherwise be made to an employee, Member, or annuitant (including an employee, Member, or annuitant as defined under section 8331) based on the service of that individual shall be paid (in whole or in part) by the Office or the Executive Director (as the case may be), to another person if and to the extent that the terms of any court decree of divorce, annulment, or legal separation, or the terms of any court order or court-approved property settlement agreement incident to any court decree of divorce, annulment, or legal separation expressly provide. Any payment under this subsection to a person bars recovery by any other person.

"(b) Subsection (a) shall apply only to payments made by the Office or the Executive Director under this chapter after the date on which the Office or the Executive Director (as the case may be) receives written notice of such decree, order, or agreement, and such additional information and documentation as the Office or the Executive Director may require.

"§ 8468. Annuities and pay on reemployment

"(a) If an annuitant becomes employed in an appointive or elective position in the Government, payment of any annuity under subchapter II or V of this chapter to the annuitant terminates effective on the date of the employment. The annuitant's service on and after the date the annuitant becomes so employed is covered by this chapter unless such service is performed as a justice or judge of the United States (as defined by section 451 of title 28) or as an employee subject to another retirement system for Government employees. Upon termination of the employment, the rights of the annuitant under subchapter II or V of this chapter (as the case may be) shall be redetermined. If the annuitant dies while still so employed, a survivor annuity payable with respect to the deceased annuitant shall be redetermined as if the employment had otherwise terminated on the date of death.

"(b) The amount of an annuity resulting from a redetermination of rights under this chapter pursuant to subsection (a) shall not be less than the amount of the terminated annuity plus any increases which (but for the reemployment) would have been payable under section 8462 after the termination of the annuity and before the commencement of the redetermined annuity.

"(c) The redetermined annuity commences on the first day of the month after termination of employment.

"§ 8469. Withholding of State income taxes

"(a) The Office shall, in accordance with this section, enter into an agreement with any State within 120 days of a request for agreement from the proper State official. The agreement shall provide that the Office shall withhold State income tax in the case of the monthly annuity of any annuitant who voluntarily requests, in writing, such withholding. The amounts withheld during any calendar quarter shall be held in the Fund and disbursed to the States during the month following that calendar quarter.

"(b) An annuitant may have in effect at any time only one request for withholding under this section, and an annuitant may not have more than two such requests in effect during any one calendar year.

"(c) Subject to subsection (b), an annuitant may change the State designated by that annuitant for purposes of having withholdings made, and may request that the withholdings be remitted in accordance with such change. An annuitant also may revoke any request of that annuitant for withholding. Any change in the State designated or revocation is effective on the first day of the month after the month in which the request or the revocation is processed by the Office, but in no event later than on the first day of the second month beginning after the day on which such request or revocation is received by the Office.

"(d) This section does not give the consent of the United States to the application of a statute which imposes more burdensome requirements on the United States than on employers generally, or which subjects the United States or any annuitant to a penalty or liability because of this section. The Office may not accept pay from a State for services performed in withholding State income taxes from annuities. Any amount erroneously withheld from an annuity and paid to a State by the Office shall be repaid by the State in accordance with regulations issued by the Office.

"(e) For the purpose of this section—

"(1) the term 'State' means a State, the District of Columbia, or any territory or possession of the United States; and

"(2) the term 'annuitant' includes a survivor who is receiving an annuity from the Fund.

"§ 8470. Exemption from legal process; recovery of payments

"(a) An amount payable under subchapter II, IV, or V of this chapter is not assignable, either in law or equity, except under the provisions of section 8465 or 8467, or subject to execution, levy, attachment, garnishment or other legal process, except as otherwise may be provided by Federal laws.

"(b) Recovery of payments under subchapter II, IV, or V of this chapter may not be made from an individual when, in the judgment of the Office, the individual is without fault and recovery would be against equity and good conscience. Withholding or recovery of money paid under subchapter II, IV, or V of this chapter on account of a certification or payment made by a former employee of the United States in the discharge of his official duties may be made only if the head of the agency on behalf of which the certification or payment was made certifies to the Office that the certification or payment involved fraud on the part of the former employee.

"SUBCHAPTER VII—FEDERAL RETIREMENT THRIFT INVESTMENT MANAGEMENT SYSTEM

"§ 8471. Definitions

"For the purposes of this subchapter—

"(1) the term 'beneficiary' means an individual (other than a participant) entitled to payment from the Thrift Savings Fund under subchapter III of this chapter;

"(2) the term 'Council' means the Employee Thrift Advisory Council established under section 8473 of this title;

"(3) the term 'participant' means an individual for whom an account has been established under section 8439 of this title;

"(4) the term 'person' means an individual, partnership, joint venture, corporation, mutual company, joint-stock company, trust, estate, unincorporated organization, association, or labor organization; and

"(5) the term 'Thrift Savings Fund' means the Thrift Savings Fund established under section 8437 of this title.

"§ 8472. Federal Retirement Thrift Investment Board

"(a) There is established in the Executive branch of the Government a Federal Retirement Thrift Investment Board.

"(b) The Board shall be composed of—

"(1) 3 members appointed by the President, of whom 1 shall be designated by the President as Chairman; and

"(2) 2 members appointed by the President, of whom—

"(A) 1 shall be appointed by the President after taking into consideration the recommendation made by the Speaker of the House of Representatives in consultation with the minority leader of the House of Representatives; and

"(B) 1 shall be appointed by the President after taking into consideration the recommendation made by the majority leader of the Senate in consultation with the minority leader of the Senate.

"(c) Except as provided in section 311 of the Federal Employees' Retirement System Act of 1986, appointments under subsection (a) shall be made by and with the advice and consent of the Senate.

"(d) Members of the Board shall have substantial experience, training, and expertise in the management of financial investments and pension benefit plans.

"(e)(1) Except as provided in section 311 of the Federal Employees' Retirement System Act of 1986, a member of the Board shall be appointed for a term of 4 years, except that of the members first appointed (other than the members appointed under such section)—

"(A) the Chairman shall be appointed for a term of 4 years;

"(B) the members appointed under subsection (b)(2) shall be appointed for terms of 3 years; and

"(C) the remaining members shall be appointed for terms of 2 years.

"(2)(A) A vacancy on the Board shall be filled in the manner in which the original appointment was made and shall be subject to any conditions which applied with respect to the original appointment.

"(B) An individual chosen to fill a vacancy shall be appointed for the unexpired term of the member replaced.

"(3) The term of any member shall not expire before the date on which the member's successor takes office.

"(f) The Board shall—

"(1) establish policies for—

"(A) the investment and management of the Thrift Savings Fund; and

"(B) the administration of subchapter III of this chapter;

"(2) review the performance of investments made for the Thrift Savings Fund; and

"(3) review and approve the budget of the Board.

"(g)(1) The Board may—

"(A) adopt, alter, and use a seal;

"(B) except as provided in paragraph (2), direct the Executive Director to take such action as the Board considers appropriate to carry out the provisions of this subchapter and subchapter III of this chapter and the policies of the Board;

"(C) upon the concurring votes of four members, remove the Executive Director from office for good cause shown; and

"(D) take such other actions as may be necessary to carry out the functions of the Board.

"(2) Except in the case of investments required by section 8438 of this title to be invested in securities of the Government, the Board may not direct the Executive Director to invest or to cause to be invested any sums in the Thrift Savings Fund in a specific asset or to dispose of or cause to be disposed of any specific asset of such Fund.

"(h) The members of the Board shall discharge their responsibilities solely in the interest of participants and beneficiaries under this subchapter and subchapter III of this chapter.

"§ 8473. Employee Thrift Advisory Council

"(a) The Board shall establish an Employee Thrift Advisory Council. The Council shall be composed of 14 members appointed by the Chairman of the Board in accordance with subsection (b).

"(b) The Chairman shall appoint 14 members of the Council, of whom—

"(1) 4 shall be appointed to represent the respective labor organizations representing (as exclusive representatives) the first, second, third, and fourth largest numbers of individuals subject to chapter 71 of this title;

"(2) 2 shall be appointed to represent the respective labor organizations which have been accorded exclusive recognition under section 1203(a) of title 39 representing the largest and second largest numbers of individuals employed by the United States Postal Service;

"(3) 1 shall be appointed to represent the labor organization which has been accorded exclusive recognition under section 1203(a) of title 39 representing the largest number of individuals employed by the United States Postal Service as rural letter carriers;

"(4) 2 shall be appointed to represent the respective managerial organizations (other than an organization described in paragraph (5)) which consult with the United States Postal Service under section 1004(b) of title 39 and which represent the largest and second largest numbers of individuals employed by the United States Postal Service as managerial personnel;

"(5) 1 shall be appointed to represent the supervisors' organization as defined in section 1004(h) of title 39;

"(6) 1 shall be appointed to represent employee organizations having as a purpose promoting the interests of women in Government service;

"(7) 1 shall be appointed to represent the organization representing the largest number of individuals receiving annuities under this chapter or chapter 83 of this title;

"(8) 1 shall be appointed to represent the organization representing the largest number of individuals subject to the Performance Management and Recognition System under chapter 54 of this title; and

"(9) 1 shall be appointed to represent the organization representing the largest number of members of the Senior Executive Service.

"(c)(1) The Chairman of the Board shall designate 1 member of the Council to serve as head of the Council.

"(2) A member of the Council shall be appointed for a term of 4 years.

"(3)(A) A vacancy in the Council shall be filled in the manner in which the original appointment was made and shall be subject to any conditions which applied with respect to the original appointment.

"(B) An individual chosen to fill a vacancy shall be appointed for the unexpired term of the member replaced.

"(C) The term of any member shall not expire before the date on which the member's successor takes office.

"(d) The Council shall act by resolution of a majority of the members.

"(e) The Council shall—

"(1) advise the Board and the Executive Director on matters relating to—

"(A) investment policies for the Thrift Savings Fund; and

"(B) the administration of this subchapter and subchapter III of this chapter; and

"(2) perform such other duties as the Board may direct with respect to investment funds established in accordance with subchapter III of this chapter.

"(f) Section 14(a)(2) of the Federal Advisory Committee Act shall not apply to the Council.

"§ 8474. Executive Director

"(a)(1) The Board shall appoint, without regard to the provisions of law governing appointments in the competitive service, an Executive Director by action agreed to by a majority of the members of the Board.

"(2) The Executive Director shall have substantial experience, training, and expertise in the management of financial investments and pension benefit plans.

"(b) The Executive Director shall—

"(1) carry out the policies established by the Board;

"(2) invest and manage the Thrift Savings Fund in accordance with the investment policies and other policies established by the Board;

"(3) purchase annuity contracts and provide for the payment of other benefits under subchapter III of this chapter;

"(4) administer the provisions of this subchapter and subchapter III of this chapter;

"(5) prescribe such regulations (other than regulations relating to fiduciary responsibilities) as may be necessary for the administration of this subchapter and subchapter III of this chapter; and

"(6) meet from time to time with the Council upon request of the Council.

"(c) The Executive Director may—

"(1) prescribe such regulations as may be necessary to carry out the responsibilities of the Executive Director under this section, other than regulations relating to fiduciary responsibilities;

"(2) appoint such personnel as may be necessary to carry out the provisions of this subchapter and subchapter III of this chapter;

"(3) subject to approval by the Board, procure the services of experts and consultants under section 3109 of this title;

"(4) secure directly from an Executive agency, the United States Postal Service, or the Postal Rate Commission any information necessary to carry out the provisions of this subchapter or subchapter III of this chapter and policies of the Board;

"(5) make such payments out of sums in the Thrift Savings Fund as the Executive Director determines are necessary to carry out the provisions of this subchapter and subchapter III of this chapter and the policies of the Board;

"(6) pay the compensation, per diem, and travel expenses of individuals appointed under paragraphs (2), (3), and (7) of this subsection from the Thrift Savings Fund;

"(7) accept and use the services of individuals employed intermittently in the Government service and reimburse such individuals for travel expenses, as authorized by section 5703 of this title, including per diem as authorized by section 5702 of this title;

"(8) except as otherwise expressly prohibited by law or the policies of the Board, delegate any of the Executive Director's functions to such employees under the Board as the Executive Director may designate and authorize such successive redelegations of such functions to such employees under the Board as the Executive Director may consider to be necessary or appropriate; and

"(9) take such other actions as are appropriate to carry out the functions of the Executive Director.

"§ 8475. Investment policies

"The Board shall develop investment policies under section 8472(f)(1) of this title which provide for—

"(1) prudent investments suitable for accumulating funds for payment of retirement income; and

"(2) low administrative costs.

"§ 8476. Administrative provisions

"(a) The Board shall meet—

"(1) not less than once during each month; and

"(2) at additional times at the call of the Chairman.

"(b)(1) Except as provided in sections 8472(g)(1)(C) and 8474(a)(1) of this title, the Board shall perform the functions and exercise the powers of the Board on a majority vote of a quorum of the Board.

"(2) A vacancy on the Board shall not impair the authority of a quorum of the Board to perform the functions and exercise the powers of the Board.

"(c) Three members of the Board shall constitute a quorum for the transaction of business.

"(d)(1) Each member of the Board who is not an officer or employee of the Federal Government shall be compensated at the daily rate of basic pay for grade GS-18 of the General Schedule for each day during which such member is engaged in performing a function of the Board.

"(2) A member of the Board shall be paid travel, per diem, and other necessary expenses under subchapter I of chapter 57 of this title while traveling away from such member's home or regular place of business in the performance of the duties of the Board.

"(3) Payments authorized under this subsection shall be paid from the Thrift Savings Fund.

"(e) The accrued annual leave of any employee who is a member of the Board or the Council shall not be charged for any time used in performing services for the Board or the Council.

"§ 8477. Fiduciary responsibilities; liability and penalties

"(a) For the purposes of this section—

"(1) the term 'account' is not limited by the definition provided in section 8401(1);

"(2) the term 'adequate consideration' means—

"(A) in the case of a security for which there is a generally recognized market—

"(i) the price of the security prevailing on a national securities exchange which is registered under section 6 of the Securities Exchange Act of 1934; or

"(ii) if the security is not traded on such a national securities exchange, a price not less favorable to the Thrift Savings Fund than the offering price for the security as established by the current bid and asked prices quoted by persons independent of the issuer and of any party in interest; and

"(B) in the case of an asset other than a security for which there is a generally recognized market, the fair market value of the asset as determined in good faith by a fiduciary or fiduciaries in accordance with regulations prescribed by the Secretary of Labor;

"(3) the term 'fiduciary' means—

"(A) a member of the Board;

"(B) the Executive Director;

"(C) any person who has or exercises discretionary authority or discretionary control over the management or disposition of the assets of the Thrift Savings Fund; and

"(D) any person who, with respect to the Thrift Savings Fund, is described in section 3(21)(A) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1002(21)(A)); and

"(4) the term 'party in interest' includes—

"(A) any fiduciary;

"(B) any counsel to a person who is a fiduciary, with respect to the actions of such person as a fiduciary;

"(C) any participant;

"(D) any person providing services to the Board and, with respect to the actions of the Executive Director as a fiduciary any person providing services to the Executive Director;

"(E) a labor organization, the members of which are participants;

"(F) a spouse, sibling, ancestor, lineal descendant, or spouse of a lineal descendant of a person described in subparagraph (A), (B), or (D);

"(G) a corporation, partnership, or trust or estate of which, or in which, at least 50 percent of—

"(i) the combined voting power of all classes of stock entitled to vote or the total value of shares of all classes of stock of such corporation;

"(ii) the capital interest or profits interest of such partnership; or

"(iii) the beneficial interest of such trust or estate,

is owned directly or indirectly, or held by a person described in subparagraph (A), (B), (D), or (E);

"(H) an official (including a director) of, or an individual employed by, a person described in subparagraph (A), (B), (D), (E), or (G), or an individual having powers or responsibilities similar to those of such an official;

"(I) a holder (directly or indirectly) of at least 10 percent of the shares in a person described in any subparagraph referred to in subparagraph (H); and

"(J) a person who, directly or indirectly, is at least a 10 percent partner or joint venturer (measured in capital or profits) in a person described in any subparagraph referred to in subparagraph (H).

"(b)(1) To the extent not inconsistent with the provisions of this chapter and the policies prescribed by the Board, a fiduciary shall discharge his responsibilities with respect to the Thrift Savings Fund or applicable portion thereof solely in the interest of the participants and beneficiaries and—

"(A) for the exclusive purpose of—

"(i) providing benefits to participants and their beneficiaries; and

"(ii) defraying reasonable expenses of administering the Thrift Savings Fund or applicable portions thereof;

"(B) with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent individual acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like objectives; and

"(C) to the extent permitted by section 8438 of this title, by diversifying the investments of the Thrift Savings Fund or applicable portions thereof so as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so.

"(2) No fiduciary may maintain the indicia of ownership of any assets of the Thrift Savings Fund outside the jurisdiction of the district courts of the United States.

"(c)(1) A fiduciary shall not permit the Thrift Savings Fund to engage in any of the following transactions, except in exchange for adequate consideration:

"(A) A transfer of any assets of the Thrift Savings Fund to any person the fiduciary knows or should know to be a party in interest or the use of such assets by any such person.

"(B) An acquisition of any property from or sale of any property to the Thrift Savings Fund by any person the fiduciary knows or should know to be a party in interest.

"(C) A transfer or exchange of services between the Thrift Savings Fund and any person the fiduciary knows or should know to be a party in interest.

"(2) Notwithstanding paragraph (1), a fiduciary with respect to the Thrift Savings Fund shall not—

"(A) deal with any assets of the Thrift Savings Fund in his own interest or for his own account;

"(B) act, in an individual capacity or any other capacity, in any transaction involving the Thrift Savings Fund on behalf of a party, or representing a party, whose interests are adverse to the interests of the Thrift Savings Fund or the interests of its participants or beneficiaries; or

"(C) receive any consideration for his own personal account from any party dealing with sums credited to the Thrift Savings Fund in connection with a transaction involving assets of the Thrift Savings Fund.

"(3)(A) The Secretary of Labor may, in accordance with procedures which the Secretary shall by regulation prescribe, grant a conditional or unconditional exemption of any fiduciary or transaction, or class of fiduciaries or transactions, from all or part of the restrictions imposed by paragraph (2).

"(B) An exemption granted under this paragraph shall not relieve a fiduciary from any other applicable provision of this chapter.

"(C) The Secretary of Labor may not grant an exemption under this paragraph unless he finds that such exemption is—

"(i) administratively feasible;

"(ii) in the interests of the Thrift Savings Fund and of its participants and beneficiaries; and

"(iii) protective of the rights of participants and beneficiaries of such Fund.

"(D) An exemption under this paragraph may not be granted unless—

"(i) notice of the proposed exemption is published in the Federal Register;

"(ii) interested persons are given an opportunity to present views; and

"(iii) the Secretary of Labor affords an opportunity for a hearing and makes a determination on the record with respect to the respective requirements of clauses (i), (ii), and (iii) of subparagraph (C).

"(d) This section does not prohibit any fiduciary from—

"(1) receiving any benefit which the fiduciary is entitled to receive under this subchapter or subchapter III of this chapter as a participant or beneficiary;

"(2) receiving any reasonable compensation authorized by this subchapter for services rendered, or for reimbursement of expenses properly and actually incurred, in the performance of the fiduciary's duties under this chapter; or

"(3) serving as a fiduciary in addition to being an officer, employee, agent, or other representative of a party in interest.

"(e)(1)(A) Any fiduciary that breaches the responsibilities, duties, and obligations set out in subsection (b) or violates subsection (c) shall be personally liable to the Thrift Savings Fund for any losses to such Fund resulting from each such breach or violation and to restore to such Fund any profits made by the fiduciary through use of assets of such Fund by the fiduciary, and shall be subject to such other equitable or remedial relief as a court considers appropriate. A fiduciary may be removed for a breach referred to in the preceding sentence.

"(B) The Secretary of Labor may assess a civil penalty against a party in interest with respect to each transaction which is engaged in by the party in interest and is prohibited by subsection (c). The amount of such penalty shall be equal to 5 percent of the amount involved in each such transaction (as defined in section 4975(f)(4) of the Internal Revenue Code of 1954) for each year or part thereof during which the prohibited transaction continues, except that, if the transaction is not corrected (in such manner as the Secretary of Labor shall prescribe by regulation consistent with section 4975(f)(5) of such Code) within 90 days after the date the Secretary of Labor transmits notice to the party in interest (or such longer period as the Secretary of Labor may permit), such penalty may be in an amount not more than 100 percent of the amount involved.

"(C) A fiduciary shall not be liable under subparagraph (A) with respect to a breach of fiduciary duty under subsection (b) committed before becoming a fiduciary or after ceasing to be a fiduciary.

"(D) A fiduciary shall be jointly and severally liable under subparagraph (A) for a breach of fiduciary duty under subsection (b) by another fiduciary if—

"(i) the fiduciary participates knowingly in, or knowingly undertakes to conceal, an act or omission of such other fiduciary, knowing such act or omission is such a breach;

"(ii) by the fiduciary's failure to comply with subsection (b) in the administration of the fiduciary's specific responsibilities which give rise to the fiduciary status, the fiduciary has enabled such other fiduciary to commit such a breach; or

"(iii) the fiduciary has knowledge of a breach by such other fiduciary, unless the fiduciary makes reasonable efforts under the circumstances to remedy the breach.

"(E) The Secretary of Labor shall prescribe, in regulations, procedures for allocating fiduciary responsibilities among fiduciaries, including investment managers. Any fiduciary who, pursuant to such procedures, allocates to a person or persons any fiduciary responsibility shall not be liable for an act or omission of such person or persons unless—

"(i) such fiduciary violated subsection (b) with respect to the allocation, with respect to the implementation of the procedures prescribed by the Board, or in continuing such allocation; or

"(ii) such fiduciary would otherwise be liable in accordance with subparagraph (D).

"(2) A civil action may be brought in the district courts of the United States—

"(A) by the Secretary of Labor—

"(i) to determine and enforce a liability under paragraph (1)(A);

"(ii) to collect any civil penalty under paragraph (1)(B); or

"(iii) to enjoin any act or practice which violates subsection (g)(2) or (h) of section 8472 of this title;

"(B) by the Secretary of Labor, any participant, beneficiary, or fiduciary—

"(i) to enjoin any act or practice which violates any provision of subsection (b) or (c); or

"(ii) to obtain any other appropriate equitable relief to redress a violation of any such provision; or

"(C) by any participant or beneficiary to recover benefits due to him or her under the provisions of subchapter III of this chapter, to enforce his or her rights under such provisions, or to clarify his or her rights to future benefits under such provisions.

"(3) An action may not be commenced under paragraph (2) with respect to a fiduciary's breach of any responsibility, duty, or obligation under subsection (b) or a violation of subsection (c) after the earlier of—

"(A) 6 years after (i) the date of the last action which constituted a part of the breach or violation, or (ii) in the case of an omission, the latest date on which the fiduciary could have cured the breach or violation; or

"(B) 3 years after the earliest date on which the plaintiff had actual knowledge of the breach or violation, except that, in the case of fraud or concealment, such action may be commenced not later than 6 years after the date of discovery of such breach or violation.

"(4)(A) The district courts of the United States shall have exclusive jurisdiction of civil actions under this subsection.

"(B) An action under this subsection may be brought in the District Court of the United States for the District of Columbia or a district court of the United States in the district where the breach alleged in the complaint or petition filed in the action took place or in the district where a defendant resides or may be found. Process may be served in any other district where a defendant resides or may be found.

"(5)(A) A copy of the complaint or petition filed in any action brought under this subsection (other than by the Secretary of Labor) shall be served on the Executive Director, the Secretary of Labor, and the Secretary of the Treasury by certified mail.

"(B) Any officer referred to in subparagraph (A) of this paragraph shall have the right in his discretion to intervene in any action. If the Secretary of Labor brings an action under paragraph (2) of this subsection on behalf of a participant or beneficiary, he shall notify the Executive Director and the Secretary of the Treasury.

"(f) The Secretary of Labor may prescribe regulations to carry out this section.

"(g)(1) The Secretary of Labor shall establish a program to carry out audits to determine the level of compliance with the requirements of this section relating to fiduciary responsibilities and prohibited activities of fiduciaries.

"(2) An audit under this subsection may be conducted by the Secretary of Labor, by contract with a qualified non-governmental organization, or in cooperation with the Comptroller General of the United States, as the Secretary considers appropriate.

"§ 8478. Bonding

"(a)(1) Except as provided in paragraph (2), each fiduciary (other than a member of

the Employee Thrift Advisory Council with respect to his duties as a member) and each person who handles funds or property of the Thrift Savings Fund shall be bonded as provided in this section.

"(2)(A) Bond shall not be required of a fiduciary (or of any officer or employee of such fiduciary) if such fiduciary—

"(i) is a corporation organized and doing business under the laws of the United States or of any State;

"(ii) is authorized under such laws to exercise trust powers or to conduct an insurance business;

"(iii) is subject to supervision or examination by Federal or State authority; and

"(iv) has at all times a combined capital and surplus in excess of such minimum amount (not less than $1,000,000) as the Secretary of Labor prescribes in regulations.

"(B) If—

"(i) a bank or other financial institution would, but for this subparagraph, not be required to be bonded under this section by reason of the application of the exception provided in subparagraph (A),

"(ii) the bank or financial institution is authorized to exercise trust powers, and

"(iii) the deposits of the bank or financial institution are not insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation,

such exception shall apply to such bank or financial institution only if the bank or institution meets bonding requirements under State law which the Secretary of Labor determines are at least equivalent to those imposed on banks by Federal law.

"(b)(1) The Secretary of Labor shall prescribe the amount of a bond under this section at the beginning of each fiscal year. Except as otherwise provided in this paragraph, such amount shall not be less than 10 percent of the amount of funds handled. In no case shall such bond be less than $1,000 nor more than $500,000, except that the Secretary of Labor, after due notice and opportunity for hearing to all interested parties, and other consideration of the record, may prescribe an amount in excess of $500,000.

"(2) For the purpose of prescribing the amount of a bond under paragraph (1), the amount of funds handled shall be determined by reference to the amount of the funds handled by the person, group, or class to be covered by such bond or by their predecessor or predecessors, if any, during the preceding fiscal year, or to the amount of funds to be handled during the current fiscal year by such person, group, or class, estimated as provided in regulations prescribed by the Secretary of Labor.

"(c) A bond required by subsection (a)—

"(1) shall include such terms and conditions as the Secretary of Labor considers necessary to protect the Thrift Savings Fund against loss by reason of acts of fraud or dishonesty on the part of the bonded person directly or through connivance with others;

"(2) shall have as surety thereon a corporate surety company which is an acceptable surety on Federal bonds under authority granted by the Secretary of the Treasury pursuant to sections 6 through 13 of title 6; and

"(3) shall be in a form or of a type approved by the Secretary of Labor, including individual bonds or schedule or blanket forms of bonds which cover a group or class.

"(d)(1) It shall be unlawful for any person to whom subsection (a) applies, to receive, handle, disburse, or otherwise exercise custody or control of any of the funds or other property of the Thrift Savings Fund without being bonded as required by this section.

"(2) It shall be unlawful for any fiduciary, or any other person having authority to direct the performance of functions described in paragraph (1), to permit any such function to be performed by any person to whom subsection (a) applies unless such person has met the requirements of such subsection.

"(e) Notwithstanding any other provision of law, any person who is required to be bonded as provided in subsection (a) shall be exempt from any other provision of law which would, but for this subsection, require such person to be bonded for the handling of the funds or other property of the Thrift Savings Fund.

"(f) The Secretary of Labor shall prescribe such regulations as may be necessary to carry out the provisions of this section, including exempting a person or class of persons from the requirements of this section.

"§ 8479. Exculpatory provisions; insurance

"(a) Any provision in an agreement or instrument which purports to relieve a fiduciary from responsibility or liability for any responsibility, obligation, or duty under this subchapter shall be void.

"(b)(1) The Executive Director may require employing agencies to contribute an amount not to exceed 1 percent of the amount such agencies are required to contribute in accordance with section 8432(c) of this title to the Thrift Savings Fund.

"(2) The sums credited to the Thrift Savings Fund under paragraph (1) shall be available and may be used at the discretion of the Executive Director to purchase insurance to cover potential liability of persons who serve in a fiduciary capacity with respect to the Thrift Savings Fund, without regard to whether a policy of insurance permits recourse by the insurer against the fiduciary in the case of a breach of a fiduciary obligation.".

(b) CONFORMING AMENDMENT.—The table of chapters at the beginning of part III of title 5, United States Code, is amended by inserting after the item relating to chapter 83 the following new item:

"84. Federal Employees' Retirement System ..... 8401.".

TITLE II—OTHER AMENDMENTS TO TITLE 5 OF THE UNITED STATES CODE

SEC. 201. TREATMENT UNDER CIVIL SERVICE RETIREMENT SYSTEM OF CERTAIN INDIVIDUALS EXCLUDED FROM FEDERAL EMPLOYEES' RETIREMENT SYSTEM.

(a) DEDUCTIONS, CONTRIBUTIONS, AND DEPOSITS.—(1) Section 8334 of title 5, United States Code, is amended by adding at the end thereof the following:

"(k)(1) Effective with respect to pay periods beginning after December 31, 1986, in administering this section in the case of an individual described in section 8402(b)(2) of this title—

"(A) the amount to be deducted and withheld by the employing agency shall be determined in accordance with paragraph (2) of this subsection instead of the first sentence of subsection (a)(1) of this section; and

"(B) the amount of the contribution under the second sentence of subsection (a)(1) of this section shall be the amount which would have been contributed under such sentence if this subsection had not been enacted.

"(2)(A) With respect to Federal wages of an employee or Member (or that portion thereof) not exceeding the contribution and benefit base during the calendar year involved, the appropriate amount to be deducted and withheld under this subsection is the amount by which—

"(i) the total deduction for those wages (or for that portion) exceeds;

"(ii) the OASDI contribution with respect to those wages (or that portion).

"(B) With respect to any portion of Federal wages of an employee or Member which exceed the contribution and benefit base during the calendar year involved, the appropriate amount to be deducted and withheld under this subsection is an amount equal to the total deduction for that portion.

"(C) For purposes of this paragraph—

"(i) the term 'Federal wages' means basic pay for service as an employee or Member, as the case may be;

"(ii) the term 'contribution and benefit base' means the contribution and benefit base in effect with respect to the period involved, as determined under section 230 of the Social Security Act;

"(iii) the term 'total deduction', as used with respect to any Federal wages (or portion thereof), means an amount equal to the amount of those wages (or of that portion), multiplied by the percentage which (but for this subsection) would apply under the first sentence of subsection (a)(1) with respect to the individual involved; and

"(iv) the term 'OASDI contribution', with respect to any income, means the amount of tax which may be imposed under section 3101(a) of the Internal Revenue Code of 1954 with respect to such income (determined without regard to any income which is not a part of Federal wages).

"(3) The amount of a deposit under subsection (c) of this section for any service with respect to which paragraph (1) of this subsection applies shall be equal to an amount determined based on the preceding provisions of this subsection, and shall include interest.".

(2) Such section 8334 is further amended—

(A) in paragraphs (1) and (2) of subsection (e), by striking out "or (j)" and inserting in lieu thereof "(j), or (k)";

(B) in subsection (f), by inserting "or (k)" after "subsection (a)"; and

(C) in subsection (h), by striking out "and (j)" and inserting in lieu thereof "(j), and (k)".

(b) OFFSET IN BENEFITS.—(1) Subchapter III of chapter 83 of title 5, United States Code, is amended by adding at the end thereof the following:

"§ 8349. Offset relating to certain benefits under the Social Security Act

"(a)(1) Notwithstanding any other provision of this subchapter, if an individual under section 8402(b)(2) is entitled, or would on proper application be entitled, to old-age insurance benefits under title II of the Social Security Act, the annuity otherwise payable to such individual shall be reduced under this subsection.

"(2) A reduction under this subsection commences beginning with the first month for which the individual both—

"(A) is entitled to an annuity under this subchapter; and

"(B) is entitled, or would on proper application be entitled, to old-age insurance benefits under title II of the Social Security Act.

"(3)(A)(i) Subject to clause (ii) and subparagraphs (B) and (C), the amount of a reduction under this subsection shall be equal to the difference between—

"(I) the old-age insurance benefit which would be payable to the individual for the month referred to in paragraph (2); and

"(II) the old-age insurance benefit which would be so payable, excluding all wages derived from Federal service of the individual, and assuming the individual were fully insured (as defined by section 214(a) of the Social Security Act).

"(ii) For purposes of this subsection, the amount of a benefit referred to in subclause (I) or (II) of clause (i) shall be determined without regard to subsections (b) through (l) of section 203 of the Social Security Act, and without regard to the requirement that an application for such benefit be filed.

"(B) A reduction under this subsection—

"(i) may not exceed an amount equal to the product of—

"(I) the old-age insurance benefit to which the individual is entitled (or would on proper application be entitled) for the month referred to in paragraph (2), determined without regard to subsections (b) through (l) of section 203 of the Social Security Act; and

"(II) a fraction, as determined under section 8421(b)(3) with respect to the individual, except that the reference to 'service' in subparagraph (A) of such section shall be considered to mean Federal service; and

"(ii) may not cause the annuity payment for an individual to be reduced below zero.

"(C) An amount computed under subclause (I) or (II) of subparagraph (A)(i), or under subparagraph (B)(i)(I), for purposes of determining the amount of a reduction under this subsection shall be adjusted under section 8340 of this title.

"(4) A reduction under this subsection applies with respect to the annuity otherwise payable to such individual under this subchapter (other than under section 8337) for the month involved—

"(A) based on service of such individual; and

"(B) without regard to section 8345(j), if otherwise applicable.

"(5) The operation of the preceding paragraphs of this subsection shall not be considered for purposes of applying the provisions of the second sentence of section 215(a)(7)(B)(i) or the provisions of section 215(d)(5)(ii) of the Social Security Act in determining any amount under subclause (I) or (II) of paragraph (3)(A)(i) or paragraph (3)(B)(i)(I) for purposes of this subsection.

"(b)(1) Notwithstanding any other provision of this subchapter—

"(A) a disability annuity to which an individual described in section 8402(b)(2) is entitled under this subchapter, and

"(B) a survivor annuity to which a person is entitled under this subchapter based on the service of an individual described in section 8402(b)(2),

shall be subject to reduction under this subsection if that individual or person is also entitled (or would on proper application also be entitled) to any similar benefits under title II of the Social Security Act based on the wages and self-employment income of such individual described in section 8402(b)(2).

"(2)(A) Subject to subparagraph (B), reductions under this subsection shall be made in a manner consistent with the manner in which reductions under subsection (a) are computed and otherwise made.

"(B) Reductions under this subsection shall be discontinued if, or for so long as, entitlement to the similar benefits under title II of the Social Security Act (as referred to in paragraph (1)) is terminated (or, in the case of an individual who has not made proper application therefor, would be terminated).

"(3) For the purpose of applying section 224 of the Social Security Act to the disability insurance benefit used to compute the reduction under this subsection, the amount of the CSRS annuity considered shall be the amount of the CSRS annuity before application of this section.

"(4) The Office shall prescribe regulations to carry out this subsection.

"(c) For the purpose of this section, the term 'Federal service' means service which is employment for the purposes of title II of the Social Security Act and chapter 21 of the Internal Revenue Code of 1954 by reason of the amendments made by section 101 of the Social Security Amendments of 1983.".

(2) The analysis for chapter 83 of title 5, United States Code, is amended by adding at the end thereof the following new item:

"8349. Offset relating to certain benefits under the Social Security Act.".

(c) CREDITABILITY OF INTERIM SERVICE.—Section 8334(c) of title 5, United States Code, is amended by adding at the end thereof the following: "Notwithstanding the preceding provisions of this subsection and any provision of section 206(b)(3) of the Federal Employees' Retirement Contribution Temporary Adjustment Act of 1983, the percentage of basic pay required under this subsection in the case of an individual described in section 8402(b)(2) shall, with respect to any covered service (as defined by section 203(a)(3) of such Act) performed by such individual after December 31, 1983, and before January 1, 1987, be equal to 1.3 percent.".

SEC. 202. NON-APPLICABILITY OF CIVIL SERVICE RETIREMENT SYSTEM TO INDIVIDUALS UNDER FEDERAL EMPLOYEES' RETIREMENT SYSTEM.

(a) EMPLOYEES.—Section 8331(1) of title 5, United States Code, is amended—

(1) by amending clause (ii) to read as follows:

"(ii) an employee subject to another retirement system for Government employees (other than an employee described in clause (x);";

(2) by striking "or" at the end of clause (viii);

(3) by striking the period at the end of clause (ix) and inserting in lieu thereof "; or"; and

(4) by adding after clause (ix) the following:

"(x) an employee subject to the Federal Employees' Retirement System.".

(b) MEMBERS OF CONGRESS.—Section 8331(2) of title 5, United States Code, is amended by striking the semicolon and inserting in lieu thereof ", but does not include any such Member of Congress who is subject to the Federal Employees' Retirement System or who makes an election under section 8401(20) of this title not to be subject to such System;".

SEC. 203. PAY FOR THE EXECUTIVE DIRECTOR OF THE FEDERAL RETIREMENT THRIFT INVESTMENT BOARD.

Section 5314 of title 5, United States Code, is amended by adding at the end thereof the following:

"Executive Director, Federal Retirement Thrift Investment Board.".

SEC. 204. ALTERNATIVE FORMS OF ANNUITIES.

(a) IN GENERAL.—Title 5, United States Code, is amended by inserting after section 8343 the following:

"§ 8343a. Alternative forms of annuities

"(a) The Office of Personnel Management shall prescribe regulations under which an employee or Member may, at the time of retiring under this subchapter (other than under section 8337 of this title), elect annuity benefits under this section instead of any other benefits under this subchapter (including any benefits under section 8341 of this title) based on the service of the employee or Member.

"(b) Subject to subsection (c), the Office shall by regulation provide for such alternative forms of annuities as the Office considers appropriate, except that among the alternatives offered shall be—

"(1) an alternative which provides for—

"(A) payment of the lump-sum credit to the employee or Member; and

"(B) payment of an annuity to the employee or Member for life; and

"(2) in the case of an employee or Member who is married at the time of retirement, an alternative which provides for—

"(A) payment of the lump-sum credit to the employee or Member; and

"(B) payment of an annuity to the employee or Member for life, with a survivor annuity payable for the life of a surviving spouse.

"(c) Each alternative provided for under subsection (b) shall, to the extent practicable, be designed such that the present value of the benefits provided under such alternative (including any lump-sum credit) is actuarially equivalent to the present value of the annuity which would otherwise be provided the employee or Member under this subchapter, as computed under subsections (a)-(i) and (n) of section 8339 of this title.

"(d) An employee or Member who, at the time of retiring under this subchapter—

"(1) is married, shall be ineligible to make an election under this section unless a waiver is made under section 8339(j)(1) of this title; or

"(2) has a former spouse, shall be ineligible to make an election under this section if the former spouse is entitled to benefits under section 8341(h) or 8345(j) of this title (based on the service of the employee or Member) under the terms of a decree of divorce or annulment, or a court order or court-approved property settlement incident to any such decree, with respect to which the Office has been duly notified.

"(e) An employee or Member who is married at the time of retiring under this subchapter and who makes an election under this section may, during the 18-month period beginning on the date of retirement, make the election provided for under section 8339(o) of this title, subject to the deposit requirement thereunder.".

(b) CONFORMING AMENDMENTS.—(1) The analysis for chapter 83 of title 5, United States Code, is amended by inserting after the item relating to section 8343 the following:

"8343a. Alternative forms of annuities.".

(2) The second sentence of section 8342(a) of title 5, United States Code, is amended by striking "The" and inserting in lieu thereof "Except as provided in section 8343a of this title, the".

SEC. 205. RETIREMENT COUNSELING.

(a) IN GENERAL.—Subchapter III of chapter 83 of title 5, United States Code, as amended by section 201(b), is further amended by adding at the end thereof the following:

"§ 8350. Retirement counseling

"(a) For the purposes of this section, the term 'retirement counselor', when used with respect to an agency, means an employee of the agency who is designated by the head of the agency to furnish information on benefits under this subchapter and chapter 84 of this title and counseling services relating to

such benefits to other employees of the agency.

"(b) The Director of the Office of Personnel Management shall establish a training program for all retirement counselors of agencies of the Federal Government.

"(c)(1) The training program established under subsection (b)(1) of this section shall provide for comprehensive training in the provisions and administration of this subchapter and chapter 84 of this title, shall be designed to promote fully informed retirement decisions by employees and Members under this subchapter and individuals subject to chapter 84 of this title, and shall be revised as necessary to assure that the information furnished to retirement counselors of agencies under the program is current.

"(2) The Director shall conduct a training session under the training program at least once every 3 months.

"(3) Once each year, each retirement counselor of an agency shall successfully complete a training session conducted under the training program.".

(b) CHAPTER ANALYSIS.—The chapter analysis at the beginning of such chapter is amended by inserting after the item relating to section 8349 the following:

"8350. Retirement counseling.".

SEC. 206. PARTICIPATION BY CERTAIN EMPLOYEES AND MEMBERS ONLY IN THE THRIFT SAVINGS PLAN.

(a)(1) Subchapter III of chapter 83 of title 5, United States Code (as amended by sections 201(b) and 205(a) of this Act), is amended by adding at the end thereof the following new section:

"§ 8351. Participation in the Thrift Savings Plan

"(a)(1) An employee or Member may elect to contribute to the Thrift Savings Fund established by section 8437 of this title.

"(2) An election may be made under paragraph (1) only during a period provided under section 8432(b) for individuals who are subject to chapter 84 of this title.

"(b)(1) Except as otherwise provided in this subsection, the provisions of subchapters III and VII of chapter 84 of this title shall apply with respect to employees and Members making contributions to the Thrift Savings Fund under subsection (a) of this section.

"(2) An employee or Member may contribute to the Thrift Savings Fund in any pay period any amount not exceeding 5 percent of the amount of the employee's or Member's basic pay for such period.

"(3) No contributions may be made by an employing agency for the benefit of an employee or Member under section 8432(c) of this title.

"(4) Section 8433(b) of this title applies to any employee or Member who elects to make contributions to the Thrift Savings Fund under subsection (a) of this section and separates from Government employment entitled to an immediate annuity under this subchapter (including a disability retirement annuity under section 8337 of this title) or separates from Government employment entitled to benefits under subchapter I of chapter 81 of this title.

"(5) Section 8433(c) of this title applies to any employee or Member who elects to make contributions to the Thrift Savings Fund under subsection (a) of this section and separates entitled to a deferred annuity under this subchapter.

"(6) Section 8433(d) of this title applies to any employee or Member who elects to make contributions to the Thrift Savings Fund under subsection (a) of this section and separates from the service before becoming entitled to an immediate or deferred annuity under this subchapter.

"(7)(A) The provisions of section 8435 of this title that require a waiver or consent by the spouse of an employee or Member (or former employee or Member) shall not apply with respect to sums in the Thrift Savings Fund contributed by the employee or Member (or former employee or Member) and earnings in the fund attributable to such sums.

"(B) An election, change of election, or modification (relating to the commencement date of a deferred annuity) authorized by subchapter III of chapter 84 of this title shall be effective in the case of a married employee or Member, and a loan may be approved under section 8433(i) of this title in such case, only after the Executive Director notifies the employee's or Member's spouse that the election, change of election, or modification has been made or that the Executive Director has received an application for such loan, as the case may be.

"(C) Subparagraph (B) may be waived with respect to a spouse or former spouse if the employee or Member establishes to the satisfaction of the Executive Director of the Federal Retirement Thrift Investment Board that the whereabouts of such spouse or former spouse cannot be determined.

"(8) Sums contributed under this section and earnings attributable to such sums may be invested and reinvested only in the Government Securities Investment Fund established under section 8438(b)(1)(A) of this title.

"(c) The Executive Director of the Federal Retirement Thrift Investment Board may prescribe regulations to carry out this section.".

(2) The analysis for chapter 83 of such title is amended by adding at the end thereof the following:

"8351. Participation in the Thrift Savings Plan.".

(b) An election may first be made by an employee of the Federal Government or a Member of Congress under section 8351 of title 5, United States Code (as added by subsection (a)(1)), during the first period referred to in subsection (a)(2) of such section which commences on or after July 1, 1987.

SEC. 207. MISCELLANEOUS AMENDMENTS.

(a) AMENDMENT TO SECTION 2105.—Section 2105(c)(2) of title 5, United States Code, is amended by striking out "chapter 81" and inserting in lieu thereof "chapter 81, chapter 84,".

(b) AMENDMENT TO SECTION 2109.—Section 2109(1) of title 5, United States Code, is amended to read as follows:

"(1) 'air traffic controller' or 'controller' means a civilian employee of the Department of Transportation or the Department of Defense who, in an air traffic control facility or flight service station facility—

"(A) is actively engaged—

"(i) in the separation and control of air traffic; or

"(ii) in providing preflight, inflight, or airport advisory service to aircraft operators; or

"(B) is the immediate supervisor of any employee described in subparagraph (A); and".

(c) AMENDMENT TO SECTION 6301.—Section 6301(2)(B) of title 5, United States Code, is amended to read as follows:

"(B) an individual first employed by the government of the District of Columbia before October 1, 1987;".

(d) AMENDMENT TO SECTION 6303.—The second sentence of section 6303(a) of title 5, United States Code, is amended by striking out "title." and inserting in lieu thereof "title and all service creditable under section 8411 of this title for the purpose of chapter 84 of this title.".

(e) AMENDMENT TO SECTION 8116.—Section 8116 of title 5, United States Code, is amended by adding at the end thereof the following:

"(d) Notwithstanding the other provisions of this section, an individual receiving benefits for disability or death under this subchapter who is also receiving benefits under subchapter III of chapter 84 of this title or benefits under title II of the Social Security Act shall be entitled to all such benefits, except that—

"(1) benefits received under section 223 of the Social Security Act (on account of disability) shall be subject to reduction on account of benefits paid under this subchapter pursuant to the provisions of section 224 of the Social Security Act; and

"(2) in the case of benefits received on account of age or death under title II of the Social Security Act, compensation payable under this subchapter based on the Federal service of an employee shall be reduced by the amount of any such social security benefits payable that are attributable to Federal service of that employee covered by chapter 84 of this title. However, eligibility for or receipt of benefits under chapter 84 of this title, or benefits under title II of the Social Security Act by virtue of service covered by chapter 84 of this title, does not affect the right of the employee to compensation for scheduled disabilities specified by section 8107(c) of this title.".

(f) AMENDMENTS TO SECTION 8331.—Section 8331(1) of title 5, United States Code, as amended by section 202(a), is further amended—

(1) by amending subparagraph (G) to read as follows:

"(G) an individual first employed by the government of the District of Columbia before October 1, 1987;"; and

(2) by striking out "or" at the end of clause (ix), by striking out the period at the end of clause (x) and inserting in lieu thereof "; or", and by adding after clause (x) the following:

"(xi) an employee under the Botanic Garden excluded by the Director or Acting Director of the Botanic Garden under section 8347(l) of this title.".

(g) AMENDMENTS TO SECTION 8332.—(1) Section 8332(b) of title 5, United States Code, is amended—

(A) by striking "and" at the end of paragraph (12), striking the period at the end of the first paragraph (13) and inserting a semicolon, redesignating the second paragraph (13) as paragraph (14), and striking the period at the end of such paragraph (14) (as so redesignated) and inserting "; and";

(B) by inserting after paragraph (14) (as so redesignated by subparagraph (A)) the following:

"(15) subject to section 8334(c) and 8339(i) of this title, service performed on or after January 3, 1969, and before January 4, 1973, as the Washington Representative for Guam or the Washington Representative for the Virgin Islands, only if the individual serves as a Member for a period of at least five years after January 2, 1973.";

(C) in the second sentence after paragraph (15) (as added by subparagraph (B)), by striking "(13)" and inserting "(14)"; and

(D) by adding at the end thereof the following: "For the purpose of this subchapter, service of the type described in paragraph

(15) of this subsection shall be considered Member service.".

(2) The last sentence of section 8332(f) of title 5, United States Code, is amended by striking "(13)" and inserting "(14)".

(3) The last sentence of section 8332(k)(1) of title 5, United States Code, is amended by striking "second" and inserting "third".

(h) AMENDMENTS TO SECTION 8342.—Section 8342(a) of title 5, United States Code, is amended—

(1) in paragraphs (1)(B) and (3), by inserting ", or chapter 84 of this title," after "subchapter"; and

(2) by adding at the end the following: "In applying this subsection with respect to an employee or Member who becomes subject to chapter 84 of this title, entitlement to payment of the lump-sum credit shall be determined without regard to paragraph (1) or (3) if, and to the extent that, such lump-sum credit relates to service of a type described in clauses (i) through (iii) of section 302(a)(1)(C) of the Federal Employees' Retirement System Act of 1986.".

(i) AMENDMENT TO SECTION 8347.—Section 8347 of title 5, United States Code, is amended by adding at the end thereof the following:

"(n)(1) Notwithstanding any other provision of this subchapter, the Director of Central Intelligence shall, in a manner consistent with the administration of this subchapter by the Office, and to the extent considered appropriate by the Director of Central Intelligence—

"(A) determine entitlement to benefits under this subchapter based on the service of employees of the Central Intelligence Agency;

"(B) maintain records relating to the service of such employees;

"(C) compute benefits under this subchapter based on the service of such employees;

"(D) collect deposits to the Fund made by such employees, their spouses, and their former spouses;

"(E) authorize and direct disbursements from the Fund to the extent based on service of such employees; and

"(F) perform such other functions under this subchapter as the Director of Central Intelligence, in consultation with the Director of the Office of Personnel Management, determines to be appropriate.

"(2) The Director of the Office of Personnel Management shall furnish such information and, on a reimbursable basis, such services to the Director of Central Intelligence as the Director of Central Intelligence requests to carry out paragraph (1) of this subsection.

"(3)(A) The Director of Central Intelligence, in consultation with the Director of the Office of Personnel Management, shall by regulation prescribe appropriate procedures to carry out this subsection.

"(B) The regulations shall provide procedures for the Director of the Office of Personnel Management to inspect and audit disbursements from the Civil Service Retirement and Disability Fund under this subchapter.

"(C) The Director of Central Intelligence shall submit the regulations prescribed under subparagraph (A) to the Select Committee on Intelligence of the Senate and the Permanent Select Committee on Intelligence of the House of Representatives before the regulations take effect.

"(4)(A) Section 201(c) of the Central Intelligence Agency Retirement Act of 1964 for Certain Employees shall apply in the administration of this subchapter to the extent that the provisions of this subchapter are administered under this subsection.

"(B) Notwithstanding subparagraph (A) of this paragraph, section 8347(d) of this title shall apply with respect to employees of the Central Intelligence Agency who are subject to the Civil Service Retirement System.".

(j) AMENDMENTS TO SECTION 8348.—Section 8348(a) of title 5, United States Code, is amended—

(1) in paragraph (1)(A), by striking out "subchapter;" and inserting in lieu thereof "subchapter or by the provisions of chapter 84 of this title which relate to benefits payable out of the Fund;";

(2) in paragraph (1)(B)—

(A) by inserting "or 8462" after "8340"; and

(B) by striking out "title, and" and inserting in lieu thereof "title or subchapters II and IV of chapter 84 of this title, and"; and

(3) in paragraph (2), by striking out "chapter" and inserting in lieu thereof "chapter, chapter 84 of this title,".

(k) AMENDMENTS TO CHAPTER 87.—Chapter 87 of title 5, United States Code, is amended—

(1) by amending section 8701(a)(6) to read as follows:

"(6) an individual first employed by the government of the District of Columbia before October 1, 1987;";

(2) in section 8706, by striking out subsection (c) and redesignating subsections (d), (e), and (f) as subsections (c), (d), and (e), respectively;

(3) by striking out subsection (c)(1) of section 8714a and inserting in lieu thereof the following:

"(c)(1) Except as otherwise provided in this subsection, the optional insurance on an employee stops on his separation from service or 12 months after discontinuance of his pay, whichever is earlier, subject to a provision for temporary extension of life insurance coverage and for conversion to an individual policy of life insurance under conditions approved by the Office.";

(4) by striking out the first sentence of section 8714b(c)(1) and inserting in lieu thereof the following: "Except as otherwise provided in this subsection, the additional optional insurance elected by an employee pursuant to this section shall stop on separation from service or 12 months after discontinuance of his pay, whichever is earlier, subject to a provision for temporary extension of life insurance coverage and for conversion to an individual policy of life insurance under conditions approved by the Office."; and

(5) by striking out subsection (c)(1) of section 8714c and inserting in lieu thereof the following:

"(c)(1) Except as otherwise provided in this subsection, the optional life insurance on family members shall stop at the earlier of the employee's death, the employee's separation from the service, or 12 months after discontinuance of pay, subject to a provision for temporary extension of life insurance coverage and for conversion to individual policies of life insurance under conditions approved by the Office.".

(l) AMENDMENTS TO SECTION 8901.—Section 8901 of title 5, United States Code, is amended—

(1) by amending paragraph (1)(E) to read as follows:

"(E) an individual first employed by the government of the District of Columbia before October 1, 1987;";

(2) by amending paragraph (3)(A) to read as follows:

"(A) an employee who retires—

"(i) on an immediate annuity under subchapter III of chapter 83 of this title, or another retirement system for employees of the Government, after 5 or more years of service;

"(ii) under section 8412 or 8414 of this title; or

"(iii) for disability under subchapter III of chapter 83 of this title, chapter 84 of this title, or another retirement system for employees of the Government;";

(3) in paragraph (4), by inserting "or chapter 84" after "83";

(4) in paragraph (10)(C)(i), by inserting "or 8467" after "8345(j)", by inserting "or 8445" after "8341(h)", and by striking out "System)," and inserting in lieu thereof "System or the Federal Employees' Retirement System),"; and

(5) in paragraph (10)(C)(ii)—

(A) by striking out "or 8345(j)" and inserting in lieu thereof "8345(j), 8445, or 8467" and by striking out "System)" and inserting in lieu thereof "System or the Federal Employees' Retirement System)"; and

(B) by inserting "or 8417(b)" after "8339(j)(3)".

(m) AMENDMENTS TO SECTION 8905.—Section 8905(c)(1) of title 5, United States Code, is amended—

(1) in subparagraph (B), by inserting "or 8417(b)" after "8339(j)(3)"; and

(2) in the second sentence, by striking out "or 8345(j)" and inserting in lieu thereof "8345(j), 8445, or 8467".

(n) AMENDMENT TO SECTION 5102.—Section 5102(c)(14) of title 5, United States Code, is amended by inserting "(other than employees of the Federal Retirement Thrift Investment Management System appointed under section 8474(c)(2) of this title)" after "United States".

TITLE III—OTHER PROVISIONS RELATING TO THE FEDERAL EMPLOYEES' RETIREMENT SYSTEM AND THE CIVIL SERVICE RETIREMENT SYSTEM

SEC. 301. ELECTIONS.

(a) ELECTIONS FOR INDIVIDUALS SUBJECT TO THE CIVIL SERVICE RETIREMENT SYSTEM.—(1)(A) Any individual (other than an individual under subsection (b)) who, as of June 30, 1987, is employed by the Federal Government, and who is then subject to subchapter III of chapter 83 of title 5, United States Code, may elect to become subject to chapter 84 of such title.

(B) An election under this paragraph may not be made before July 1, 1987, or after December 31, 1987.

(2)(A) Any individual who, after June 30, 1987, becomes reemployed by the Federal Government, and who is then subject to subchapter III of chapter 83 of title 5, United States Code, may elect to become subject to chapter 84 of such title.

(B) An election under this paragraph shall not be effective unless it is made during the six-month period beginning on the date on which reemployment commences.

(b) ELECTIONS FOR CERTAIN INDIVIDUALS SERVING CONTINUOUSLY SINCE DECEMBER 31, 1983.—The following rules shall apply in the case of any individual described in section 8402(b)(1) of title 5, United States Code:

(1) If, as of December 31, 1986, the individual is subject to subchapter III of chapter 83 of title 5, United States Code, but is not subject to section 204 of the Federal Employees' Retirement Contribution Temporary Adjustment Act of 1983, the individual shall remain so subject to such subchapter unless the individual elects, after June 30, 1987, and before January 1, 1988—

(A) to become subject to such subchapter under the same terms and conditions as apply in the case of an individual described in section 8402(b)(2) of such title who is subject to such subchapter; or

(B) to become subject to chapter 84 of such title.

An individual eligible to make an election under this paragraph may make the election described in subparagraph (A) or (B), but not both.

(2) If, as of December 31, 1986, the individual is subject to subchapter III of chapter 83 of title 5, United States Code, and is also subject to section 204 of the Federal Employees' Retirement Contribution Temporary Adjustment Act of 1983, the individual—

(A) shall, as of January 1, 1987, become subject to such subchapter under the same terms and conditions as apply in the case of an individual described in section 8402(b)(2) of such title who is subject to such subchapter; and

(B) may (during the six-month period described in subsection (a)(1)(B)) elect to become subject to chapter 84 of such title.

(3)(A)(i) If, as of December 31, 1986, the individual is not subject to subchapter III of chapter 83 of title 5, United States Code, the individual may, during the six-month period described in subsection (a)(1)(B), and if such individual has not since become subject to such subchapter pursuant to notification under section 8331(2) of such title, elect to become subject to chapter 84 of such title.

(ii) An individual who makes an election under this subparagraph ceases to be eligible to become subject to subchapter III of chapter 83 of title 5, United States Code, pursuant to notification under section 8331(2) of such title.

(B) Except as provided in subparagraph (A)(ii), nothing in this paragraph shall preclude an individual from becoming subject to subchapter III of chapter 83 of title 5, United States Code, pursuant to notification under section 8331(2) of such title. However, an individual who becomes subject to such subchapter pursuant to notification under such section 8331(2) after December 31, 1986, shall become subject to such subchapter under the same terms and conditions as apply in the case of an individual described in section 8402(b)(2) of such title who is subject to such subchapter.

(c) EFFECTIVE DATE; IRREVOCABILITY.—An election made under this section—

(1) shall take effect beginning with the first pay period beginning after the date of the election; and

(2) shall be irrevocable.

(d) CONDITION FOR MAKING AN ELECTION; EXTENSION TO SATISFY CONDITION.—(1) An election under this section to become subject to chapter 84 of title 5, United States Code, shall not be considered effective in the case of an individual having one or more former spouses, unless the election is made with the written consent of such former spouse (or each such former spouse, if there is more than one).

(2)(A) This subsection applies with respect to a former spouse who (based on the service of the individual involved) is entitled to benefits under section 8341(h) or 8345(j) of title 5, United States Code, under the terms of a decree of divorce or annulment, or a court order or court-approved property settlement incident to any such decree, with respect to which the Office of Personnel Management has been duly notified.

(B) This subsection does not apply with respect to a former spouse who has ceased to be so entitled as a result of remarrying before age 55.

(3) The requirement under paragraph (1) shall be considered satisfied with respect to a former spouse if the individual seeking to make the election establishes to the satisfaction of the Office (in accordance with regulations prescribed by the Office)—

(A) that the former spouse's whereabouts cannot be determined; or

(B) that, due to exceptional circumstances, requiring the individual to seek the former spouse's consent would otherwise be inappropriate.

(4)(A) The Office shall, upon application of an individual, grant an extension for such individual to make an election referred to in paragraph (1) if such individual—

(i) files application for extension before the end of the period during which such individual would otherwise be eligible to make such election; and

(ii) demonstrates to the satisfaction of the Office that the extension is needed to secure the modification of a decree of divorce or annulment (or a court order or court-approved property settlement incident to any such decree) in order to satisfy the consent requirement under paragraph (1).

(B) An extension under this paragraph shall be for 6 months or for such longer period as the Office considers appropriate.

(e) EXCLUSIONS.—This section does not apply to an individual under section 8331(1)(G) of title 5, United States Code.

SEC. 302. EFFECT OF AN ELECTION UNDER SECTION 301 TO BECOME SUBJECT TO THE FEDERAL EMPLOYEES' RETIREMENT SYSTEM.

(a) GENERAL AND SPECIAL RULES.—All provisions of chapter 84 of title 5, United States Code (including those relating to disability benefits, survivor benefits, and any reductions to provide for survivor benefits) shall apply with respect to any individual who becomes subject to such chapter pursuant to an election under section 301, except if, or to the extent that, such provisions are inconsistent with the following:

(1)(A) Any civilian service which is performed before the effective date of the election under section 301 shall not be creditable under chapter 84 of title 5, United States Code, except as otherwise provided in this subsection.

(B) Any service described in subparagraph (A) which is covered service within the meaning of section 203(a)(3) of the Federal Employees' Retirement Contribution Temporary Adjustment Act of 1983 (97 Stat. 1107; 5 U.S.C. 8331 note) (hereinafter in this section referred to as "covered service") shall be creditable under chapter 84 of title 5, United States Code, if—

(i) with respect to any such service performed before January 1, 1987, 1.3 percent of basic pay for such service was withheld in accordance with such Act or, if either such withholding was not made or was made, but the amount so withheld was subsequently refunded, 1.3 percent of basic pay for such period is deposited to the credit of the Civil Service Retirement and Disability Fund (hereinafter in this section referred to as the "Fund"), with interest (computed under section 8334(e) of such title); and

(ii) with respect to any such service performed after December 31, 1986, and before the effective date of the election, an amount equal to the percentage of basic pay for such service which would be required to be withheld under section 8422(a) of title 5, United States Code, has been contributed to the Fund by the individual involved, whether by withholdings from pay or, if either no withholding was made or was made, but the amount withheld was subsequently refunded, the aforementioned percentage of basic pay for such period is deposited to the credit of the Fund, with interest (computed under section 8334(e) of such title).

(C) Any service described in subparagraph (A)—

(i) which is not covered service;

(ii) which constitutes service of a type described in section 8411(b)(3) of title 5, United States Code (determined without regard to whether such service was performed before, on, or after January 1, 1989, and without regard to the provisions of section 8411(f) of such title); and

(iii) which, in the aggregate, is equal to less than 5 years;

shall be creditable under chapter 84 of such title, subject to section 8411(f) of such title.

(D) Any service described in subparagraph (A)—

(i) which is not covered service;

(ii) which constitutes service of a type described in section 8411(b)(3) of title 5, United States Code (determined without regard to whether such service was performed before, on, or after January 1, 1989, and without regard to the provisions of section 8411(f) of such title); and

(iii) which, in the aggregate, is equal to 5 years or more;

shall be creditable for purposes of—

(I) section 8410 of such title, relating to the minimum period of civilian service required to be eligible for an annuity;

(II) any provision of section 8412 (other than subsection (d) or (e) thereof), 8413, 8414, 8442(b)(1)(B), or 8451 of such title which relates to a minimum period of service for entitlement to an annuity;

(III) the provisions of paragraphs (4) and (6);

(IV) any provision of section 8412(d) of such title which relates to a minimum period of service for entitlement to an annuity, but only if and to the extent that the service described in subparagraph (A) was as a law enforcement officer or firefighter; and

(V) any provision of section 8412(e) of such title which relates to a minimum period of service for entitlement to an annuity, but only if and to the extent that the service described in subparagraph (A) was as an air traffic controller.

(2)(A) Except as provided in subparagraph (B), the creditability under chapter 84 of title 5, United States Code, of any military service which is performed before the effective date of the election under section 301 shall be determined in accordance with applicable provisions of such chapter.

(B) If the electing individual has performed service described in clauses (i) through (iii) of paragraph (1)(D), service described in subparagraph (A) which, but for the provisions of subsection (b), would be creditable under subchapter III of chapter 83 of title 5, United States Code, as in effect on December 31, 1986, shall be creditable for purposes of—

(i) any provision of section 8412 (other than subsection (d) or (e) thereof), 8413, or 8414 of such title which relates to a minimum period of service for entitlement to an annuity; and

(ii) the provisions of paragraph (4).

(3)(A)(i) If the electing individual becomes entitled to an annuity under subchapter II of chapter 84 of title 5, United States Code, or dies leaving a survivor or survivors entitled to benefits under subchapter IV of such

chapter, the annuity for such individual shall be equal to the sum of the individual's accrued benefits under the Civil Service Retirement System (as determined under paragraph (4)) and the individual's accrued benefits under the Federal Employees' Retirement System (as determined under paragraph (5)).

(ii) An annuity computed under this subparagraph shall be deemed to be the individual's annuity computed under section 8415 of title 5, United States Code.

(B) If the electing individual becomes entitled to an annuity under subchapter V of chapter 84 of title 5, United States Code, and if it becomes necessary to compute an annuity under section 8415 of such title with respect to such individual as a result of such individual's having become so entitled, the methodology set forth in subparagraph (A) shall be used in computing any such annuity under section 8415.

(4) Except as provided in paragraph (12)(B), accrued benefits under this paragraph shall be computed in accordance with applicable provisions of subchapter III of chapter 83 of title 5, United States Code (but without regard to subsection (j) or (k), or the second sentence of subsection (e), of section 8339 of such title) using only any civilian service under paragraph (1)(D), and any military service under paragraph (2)(B), which would be creditable for purposes of computing an annuity under such subchapter.

(5) Accrued benefits under this paragraph shall be computed under section 8415 of title 5, United States Code, using—

(A) total service creditable under chapter 84 of such title which is performed on or after the effective date of the election under section 301; and

(B) with respect to service performed before such effective date—

(i) creditable civilian service (as determined under applicable provisions of this subsection) other than any service described in paragraph (1)(D); and

(ii) creditable military service (as determined under applicable provisions of this subsection) other than any service described in paragraph (2)(B).

(6)(A) For purposes of any computation under paragraph (4) or (5), the average pay to be used shall be the largest annual rate resulting from averaging the individual's rates of basic pay in effect over any 3 consecutive years of creditable service or, in the case of an annuity based on service of less than 3 years, over the total period of service so creditable, with each rate weighted by the period it was in effect.

(B) For purposes of subparagraph (A), service shall be considered creditable if it would be considered creditable for purposes of determining average pay under chapter 83 or 84 of title 5, United States Code.

(7) The cost-of-living adjustments for the annuity of the electing individual shall be made as follows:

(A) The portion of the annuity attributable to paragraph (4) shall be adjusted at the time and in the amount provided for under section 8340 of title 5, United States Code.

(B) The portion of the annuity attributable to paragraph (5) shall be adjusted at the time and in the amount provided for under section 8462 of title 5, United States Code.

(8) For purposes of any computation under paragraph (4) in the case of an individual who retires under section 8412 or 8414 of title 5, United States Code, or who dies leaving a survivor or survivors entitled to benefits under subchapter IV of such chapter, sick leave creditable under section 8339(m) of such title shall be equal to the number of days of unused sick leave to the individual's credit as of the date of retirement or as of the effective date of the individual's election under section 301, whichever is less.

(9) In computing the annuity under paragraph (3) for an individual retiring under section 8412(g) or 8413(b) of title 5, United States Code, the reduction under section 8415(f) of such title shall apply with respect to the sum computed under such paragraph.

(10) An annuity supplement under section 8421 of title 5, United States Code, shall be computed using the same service as is used for the computation under paragraph (5).

(11) Effective from its commencing date, an annuity payable to an annuitant's survivor (other than a child under section 8443 of title 5, United States Code) shall be increased by the total percent by which the deceased annuitant's annuity was increased under paragraph (7).

(12)(A) If the electing individual is subject to section 8344 of title 5, United States Code, at the time of making the election, payment of annuity benefits otherwise payable to such individual under subchapter III of chapter 83 of such title (and any related deductions from pay) shall terminate as of the effective date of the election.

(B) Accrued benefits under paragraph (4) for an individual described in subparagraph (A) shall be computed—

(i) in accordance with applicable provisions of subchapter III of chapter 83 of title 5, United States Code (but without regard to subsection (j) or (k), or the second sentence of subsection (e), of section 8339 of such title) using only any civilian service under paragraph (1)(D), and any military service under paragraph (2)(B), which would be creditable for purposes of computing an annuity under such subchapter; and

(ii) as if the individual's reemployment terminated on the effective date of the election.

(b) CHAPTER 83 GENERALLY INAPPLICABLE.—(1) Except as provided in subsection (a) or paragraph (2), subchapter III of chapter 83 of title 5, United States Code, shall not apply with respect to any individual who becomes subject to chapter 84 of title 5, United States Code, pursuant to an election under section 301.

(2) Nothing in paragraph (1), or in subchapter III of chapter 83 of title 5, United States Code, shall preclude—

(A) the making of a deposit under such subchapter with respect to any civilian service under subsection (a)(1)(D) or military service under subsection (a)(2)(B) either by the electing individual or, for purposes of survivor annuities, by a survivor of such individual.

(B) Nothing in paragraph (1) shall preclude the payment of any lump-sum credit in accordance with section 8342 of title 5, United States Code.

(c) REFUNDS RELATING TO CERTAIN CIVILIAN SERVICE.—(1) Any individual who makes an election under section 301 to become subject to chapter 84 and who, with respect to any period before the effective date of the election, has made a contribution to the Civil Service Retirement System (whether by deductions from pay or by a deposit or redeposit) and has not taken a refund of the contribution (as so made), shall be entitled to a refund equal to—

(A) for a period of service under clause (i) of subsection (a)(1)(B), the amount by which—

(i) the amount contributed with respect to such period, exceeds

(ii) the amount required under such clause (i) with respect to such period;

(B) for a period of service under clause (ii) of subsection (a)(1)(B), the amount by which—

(i) the amount so contributed with respect to such period, exceeds

(ii) the amount required under such clause (ii) with respect to such period; and

(C) for a period of service under subparagraph (C) of subsection (a)(1), the amount by which—

(i) the amount so contributed with respect to such period, exceeds

(ii) the amount required under such subparagraph with respect to such period.

(2) A refund under this subsection—

(A) shall be payable with interest, computed at the rate applicable for the period involved under section 8331(8)(C) of title 5, United States Code, but only if such interest would be payable pursuant to an application for a lump-sum credit appropriately filed under subchapter III of chapter 83 of such title; and

(B) shall be payable upon written application therefor filed with the Office of Personnel Management.

SEC. 303. PROVISIONS RELATING TO AN ELECTION TO BECOME SUBJECT TO CHAPTER 83 SUBJECT TO CERTAIN OFFSETS RELATING TO SOCIAL SECURITY.

(a) REFUND.—Any individual who makes an election under section 301(b)(1)(A) shall, upon written application to the Office of Personnel Management, be entitled to a refund equal to—

(1) for the period beginning on January 1, 1984, and ending on December 31, 1986, the amount by which—

(A) the total amount deducted from such individual's basic pay under such section 8334(a)(1) for such period, exceeds

(B) the total amount which would have been deducted if such individual's basic pay had instead been subject to section 8334(k) of such title during such period.

(b) DEPOSIT REQUIREMENTS.—(1) In the case of an individual who becomes subject to subchapter III of chapter 83 of title 5, United States Code, pursuant to notification as described in the second sentence of section 301(b)(3)(B), service performed by such individual before the effective date of the notification shall not be considered creditable under such subchapter unless—

(A) for any service during the period beginning on January 1, 1987, and ending on the day before such effective date, there is deposited to the credit of the Fund a percentage of basic pay for such period equal to the percentage which would have applied under section 8334(k) of such title if such individual's pay had been subject to such section during such period;

(B) for any period of service beginning on January 1, 1984, and ending on December 31, 1986, there is deposited to the credit of the Fund an amount equal to 1.3 percent of basic pay for such period; and

(C) for any period of service before January 1, 1984, there is deposited to the credit of the Fund any amount required with respect to such period under such subchapter.

(2) A deposit under this subsection may be made by the individual or, for purposes of survivor annuities, a survivor of such individual.

SEC. 304. AMENDMENTS RELATING TO SOCIAL SECURITY.

(a) AMENDMENTS TO SOCIAL SECURITY ACT.—Section 210(a)(5) of the Social Security Act is amended—

(1) by striking out "or" at the end of subparagraph (F);

(2) by striking out the semicolon at the end of subparagraph (G) and inserting in lieu thereof ", or"; and

(3) by adding at the end thereof the following:

"(H) service performed by an individual on or after the effective date of an election by such individual under section 301(a) of the Federal Employees' Retirement System Act of 1986, or under regulations issued under section 860 of the Foreign Service Act of 1980 or section 307 of the Central Intelligence Agency Retirement Act of 1964 for Certain Employees, to become subject to chapter 84 of title 5, United States Code;".

(b) AMENDMENTS TO THE INTERNAL REVENUE CODE OF 1954.—Section 3121(b)(5) of the Internal Revenue Code of 1954 is amended—

(1) by striking out "or" at the end of subparagraph (F);

(2) by striking out the semicolon at the end of subparagraph (G) and inserting in lieu thereof ", or"; and

(3) by adding at the end thereof the following:

"(H) service performed by an individual on or after the effective date of an election by such individual under section 301(a) of the Federal Employees' Retirement System Act of 1986, or under regulations issued under section 860 of the Foreign Service Act of 1980 or section 307 of the Central Intelligence Agency Retirement Act of 1964 for Certain Employees, to become subject to chapter 84 of title 5, United States Code;".

SEC. 305. EXTENSION OF FEDERAL EMPLOYEES' RETIREMENT CONTRIBUTION TEMPORARY ADJUSTMENT ACT OF 1983; REFUND OF EXCESS CONTRIBUTIONS.

(a) EXTENSION.—The Federal Employees' Retirement Contribution Temporary Adjustment Act of 1983 (97 Stat. 1106; 5 U.S.C. 8331 note) is amended—

(1) in sections 202(6), 203(a)(4)(A), 203(a)(4)(B), 204(a), and 206(b)(2)(A)(i) by striking "May 1, 1986" each place it appears and inserting "January 1, 1987", and in sections 202(1) and 206(c)(3) by striking "January 1, 1986" and inserting "January 1, 1987"; and

(2) in subsections (b) and (c) of section 205, by striking out "and 1986" and inserting in lieu thereof "1986, and 1987".

(b) REFUNDS.—(1) The amendments made by subsection (a) shall be effective as of May 1, 1986.

(2) Any refund payable to an individual as a result of paragraph (1) shall be paid out of funds of the appropriate retirement system.

(3) For purposes of this subsection, the term "retirement system" means a covered retirement system as defined by section 203(a)(2) of the Federal Employees' Retirement Contribution Temporary Adjustment Act of 1983 (97 Stat. 1107; 5 U.S.C. 8331 note).

SEC. 306. APPLICABILITY TO THE UNITED STATES POSTAL SERVICE.

Section 1005(d) of title 39, United States Code, is amended to read as follows:

"(d) Officers and employees of the Postal Service (other than the Governors) shall be covered by chapters 83 and 84 of title 5. The Postal Service shall withhold from pay and shall pay into the Civil Service Retirement and Disability Fund the amounts specified in or determined under such chapter 83 and subchapter II of such chapter 84, respectively. The Postal Service shall pay into the Federal Retirement Thrift Savings Fund the amounts specified in or determined under subchapters III and VII of such chapter 84.".

SEC. 307. USE OF "NORMAL-COST PERCENTAGE".

Notwithstanding any other provision of law, the normal-cost percentage (as defined by section 8401(23) of title 5, United States Code, as added by this Act) of the Federal Employees' Retirement System shall be used to value the cost of the System for all purposes in which the cost of the System is required to be determined by the Federal Government, including any comparisons between the cost of performing commercial activities under contract with commercial sources and the cost of performing those activities using Government facilities and personnel.

SEC. 308. RETIREMENT STUDY.

(a) STUDY AND PLAN.—The Secretary of Defense and Secretary of Transportation shall conduct a study of the retirement systems provided for employees of nonappropriated fund instrumentalities of the United States under their respective jurisdictions and shall develop a feasible plan or plans to provide portability of vested retirement benefits among such retirement systems and other Federal Government retirement systems.

(b) REPORT.—Not later than 90 days after the date of enactment of this Act, the Secretary of Defense and Secretary of Transportation shall transmit a report to the Congress describing the plan or plans developed pursuant to subsection (a) and the anticipated schedule for the implementation of such plan or plans.

SEC. 309. REPEAL OF AUTOMATIC TRANSFER PROVISION.

Section 207 of the Federal Employees' Retirement Contribution Temporary Adjustment Act of 1983 (97 Stat. 1111; 5 U.S.C. 8331 note) is repealed.

SEC. 310. DISCLOSURE OF RETURN INFORMATION.

(a) IN GENERAL.—Subsection (l) of section 6103 of the Internal Revenue Code of 1954 (relating to disclosure of returns and return information for purposes other than tax administration) is amended by adding at the end thereof the following new paragraph:

"(12) DISCLOSURE OF RETURN INFORMATION TO CARRY OUT FEDERAL EMPLOYEES' RETIREMENT SYSTEM.—

"(A) IN GENERAL.—The Commissioner of Social Security shall, on written request, disclose to the Office of Personnel Management return information from returns with respect to net earnings from self-employment (as defined in section 1402), wages (as defined in section 3121(a) or 3401(a)), and payments of retirement income, which have been disclosed to the Social Security Administration as provided by paragraph (1) or (5).

"(B) RESTRICTION ON DISCLOSURE.—The Commissioner of Social Security shall disclose return information under subparagraph (A) only for purposes of, and to the extent necessary in, the administration of chapters 83 and 84 of title 5, United States Code."

(b) CONFORMING AMENDMENTS.—

(1) Subparagraph (A) of section 6103(p)(3) of such Code is amended by striking out "(10), or (11)" and inserting in lieu thereof "(10), (11), or (12)".

(2) Paragraph (4) of section 6103(p) of such Code is amended—

(A) by striking out "(10), or (11)" in the material preceding subparagraph (A) and inserting in lieu thereof "(10), (11), or (12)", and

(B) by striking out "(10), or (11)" in subparagraph (F)(ii) and inserting in lieu thereof "(10), (11), or (12)".

(c) REIMBURSEMENT.—The Office of Personnel Management shall reimburse the costs (as determined by the Secretary of Health and Human Services) of supplying—

(1) information under section 6103(l)(12) of the Internal Revenue Code of 1954; and

(2) such other information agreed upon by the Director of the Office of Personnel Management and the Secretary of Health and Human Services, which is required in the administration of chapters 83 and 84 of title 5, United States Code.

Section 1106 (b) and (c) of the Social Security Act shall apply to any reimbursement under this subsection.

SEC. 311. INITIAL APPOINTMENTS TO THE FEDERAL RETIREMENT THRIFT INVESTMENT BOARD.

(a) INITIAL APPOINTMENT OF MEMBERS.—Section 8472(c) of title 5, United States Code (as added by section 101(a) of this Act) shall not apply to the members of the Federal Retirement Thrift Investment Board first appointed to such Board.

(b) TERMS OF SERVICE.—Notwithstanding subsection (e)(1) of section 8472 of title 5, United States Code (as added by section 101(a) of this Act), the term of service of each member of the Federal Retirement Thrift Investment Board appointed pursuant to subsection (a) shall be 1 year, except that such member shall continue to serve until his successor is appointed under subsection (b) of such section 8472 and confirmed under subsection (c) of such section.

SEC. 312. PLAN FOR DELAYED CONTRIBUTIONS TO THE THRIFT SAVINGS FUND.

Not later than January 1, 1988, the Executive Director of the Federal Retirement Thrift Investment Board shall transmit to Congress a plan to afford employees of the Federal Government and Members of Congress who make less than the maximum amount of authorized contributions to the Thrift Savings Fund in any period an opportunity to contribute to such Fund, in a later period, the excess of such amount over the amount contributed during such period. The plan shall include such recommendations for legislation as the Executive Director considers appropriate.

TITLE IV—FOREIGN SERVICE RETIREMENT

SEC. 401. SHORT TITLE; REFERENCES TO FOREIGN SERVICE ACT OF 1980.

(a) SHORT TITLE.—This title may be cited as the "Foreign Service Pension System Act of 1986".

(b) AMENDMENTS TO FOREIGN SERVICE ACT OF 1980.—Whenever in this title a section or other provision is amended, such amendment shall be considered to be made to that section or other provision of the Foreign Service Act of 1980 (22 U.S.C. 3901 et seq.).

SEC. 402. REDESIGNATION OF CERTAIN PROVISIONS OF THE FOREIGN SERVICE ACT OF 1980.

(a) CONFORMING CHAPTER AMENDMENTS.—Chapter 8 of title I (22 U.S.C. 4041 et seq.) is amended—

(1) by striking out the caption of such chapter and inserting in lieu thereof the following:

"CHAPTER 8—FOREIGN SERVICE RETIREMENT AND DISABILITY

"SUBCHAPTER I—FOREIGN SERVICE RETIREMENT AND DISABILITY SYSTEM"

(2) by striking out "this chapter" each place it appears and inserting in lieu thereof "this subchapter"; and

(3) by inserting "under this subchapter" after "payable from the Fund" each place it appears.

(b) CONFORMING AMENDMENTS RELATING TO RETIREMENT FOR DISABILITY OR INCAPACITY.—(1) Section 808(d) (22 U.S.C. 4048(d)) is amended—

(A) by striking out "such subchapter" each place it appears in the second and third sentences and inserting in lieu thereof "subchapter I of such chapter 8"; and

(B) by striking out "Act" each place it appears and inserting in lieu thereof "subchapter".

(2) Section 808(e) (22 U.S.C. 4048(e)) is amended by striking out "Act" each place it appears and inserting in lieu thereof "subchapter".

(c) CONFORMING AMENDMENTS RELATING TO DEATH IN SERVICE.—Section 809(a) (22 U.S.C. 4049(a)) is amended by striking out "Act" and inserting in lieu thereof "subchapter".

SEC. 403. DEFINITION OF COURT.

Section 804(3) (22 U.S.C. 4044(3)) is amended by striking out "or of the District of Columbia" and inserting in lieu thereof the following: ", the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Northern Mariana Islands, or the Virgin Islands, and any Indian court as defined by section 201(3) of the Act entitled 'An Act to prescribe penalties for certain acts of violence or intimidation, and for other purposes', approved April 11, 1968 (25 U.S.C. 1301(3); 82 Stat. 77)".

SEC. 404. CREDITABLE SERVICE FOR PURPOSES OF SUBCHAPTERS I AND II.

(a) PRO RATA SHARE.—Section 804(10) (22 U.S.C. 4044(10)) is amended by inserting "(creditable under subchapter I or II) after "creditable service" each place it appears.

(b) FORMER SPOUSES.—(1) Section 814(a)(1) (22 U.S.C. 4054(a)(1)) is amended by adding at the end thereof the following: "For the purposes of this paragraph, the term 'creditable service' means service which is creditable under subchapter I or II.".

(2) Section 814(b)(1) (22 U.S.C. 4054(b)(1)) is amended by adding at the end thereof the following: "For the purposes of this paragraph, the term 'creditable service' means service which is creditable under subchapter I or II.".

(c) LUMP-SUM PAYMENTS.—Section 815(i) (22 U.S.C. 4055(i)) is amended by adding at the end thereof the following: "For the purposes of this subsection, the term 'creditable service' means service which is creditable under subchapter I or II.".

SEC. 405. CONTRIBUTIONS TO THE FOREIGN SERVICE RETIREMENT AND DISABILITY SYSTEM.

(a) CONTRIBUTIONS AFTER DECEMBER 31, 1986.—Section 805 (22 U.S.C. 4045) is amended—

(1) by inserting "Except as provided in subsection (h)," before "7 percent" in the first sentence of subsection (a); and

(2) by adding at the end thereof the following new subsection (h):

"(h) Effective with respect to pay periods beginning after December 31, 1986, in administering this section with respect to a participant described in section 853(c) whose service is employment for the purposes of title II of the Social Security Act and chapter 21 of the Internal Revenue Code of 1954, contributions to the fund and interest thereon shall be computed as if section 8334(k) of title 5, United States Code, were applicable.".

(b) CREDITABILITY OF INTERIM SERVICE.—Subsection (d) of section 805 (22 U.S.C. 4045(d)) is amended by adding at the end thereof the following:

"(4) Notwithstanding the preceding provisions of this subsection and any provision of section 206(b)(3) of the Federal Employees' Retirement Contribution Temporary Adjustment Act of 1983, the percentage of basic pay required under this subsection in the case of a participant described in section 853(c) shall, with respect to any covered service (as defined by section 203(a)(3) of such Act) performed by such individual after December 31, 1983, and before January 1, 1987, be equal to 1.3 percent.".

SEC. 406. OFFSET OF ANNUITY BY THE AMOUNT OF SOCIAL SECURITY BENEFITS.

Section 806 (22 U.S.C. 4046) is amended by adding at the end thereof the following new subsection:

"(m) The annuity or survivor annuity payable to any individual subject to section 805(h) beginning with the first month for which such individual both—

"(1) attains the minimum age for old age benefits under title II of the Social Security Act, and

"(2) first becomes entitled, or would upon proper application become entitled, for disability or survivor benefits under title II of the Social Security Act based on the service of any individual under this subchapter,

shall be computed as if section 8349 of title 5, United States Code, were applicable.".

SEC. 407. 18-MONTH PERIOD TO ELECT SURVIVOR ANNUITY.

Section 806 (22 U.S.C. 4046) is further amended by adding at the end thereof the following:

"(n)(1)(A) A participant—

"(i) who, at the time of retirement, is married; and

"(ii) who elects at such time (in accordance with subsection (b)) to waive a survivor annuity,

may, during the 18-month period beginning on the date of the retirement of such participant, elect to have a reduction under subsection (b) made in the annuity of the participant (or in such portion thereof as the participant may designate) in order to provide a survivor annuity for the spouse of such participant.

"(B) A participant—

"(i) who, at the time of retirement, is married, and

"(ii) who at such time designates (in accordance with subsection (b)) that a limited portion of the annuity of such participant is to be used as the base for a survivor annuity,

may, during the 18-month period beginning on the date of the retirement of such participant, elect to have a greater portion of the annuity of such participant so used.

"(2)(A) An election under subparagraph (A) or (B) of paragraph (1) of this subsection shall not be considered effective unless the amount specified in subparagraph (B) of this paragraph is deposited into the Fund before the expiration of the applicable 18-month period under paragraph (1).

"(B) The amount to be deposited with respect to an election under this subsection is an amount equal to the sum of—

"(i) the additional cost to the System which is associated with providing a survivor annuity under subsection (b) of this section and results from such election taking into account (I) the difference (for the period between the date on which the annuity of the former participant commences and the date of the election) between the amount paid to such former participant under this subchapter and the amount which would have been paid if such election had been made at the time the participant or former participant applied for the annuity, and (II) the costs associated with providing the later election; and

"(ii) interest on the additional cost determined under clause (i)(I) of this subparagraph computed using the interest rate specified or determined under section 805(d)(3) for the calendar year in which the amount to be deposited is determined.

"(3) An election by a participant under this subsection voids prospectively any election previously made in the case of such participant under subsection (b).

"(4) An annuity which is reduced in connection with an election under this subsection shall be reduced by the same percentage reductions as were in effect at the time of the retirement of the participant whose annuity is so reduced.

"(5) Rights and obligations resulting from the election of a reduced annuity under this subsection shall be the same as the rights and obligations which would have resulted had the participant involved elected such annuity at the time of retiring.".

SEC. 408. ALTERNATE FORMS OF ANNUITIES.

Section 807 (22 U.S.C. 4047) is amended by adding at the end thereof the following:

"(e)(1) The Secretary of State shall prescribe regulations under which a participant may, at the time of retiring under this subchapter (other than under section 808), elect annuity benefits under this section instead of any other benefits under this subchapter (including survivor benefits) based on the service of the participant.

"(2) Subject to paragraph (3), the Secretary of State shall by regulation provide for such alternative forms of annuities as the Secretary considers appropriate, except that among the alternatives offered shall be—

"(A) an alternative which provides for—

"(i) payment of the lump-sum credit (excluding interest) to the participant; and

"(ii) payment of an annuity to the participant for life; and

"(B) in the case of a participant who is married at the time of retirement, an alternative which provides for—

"(i) payment of the lump-sum credit (excluding interest) to the participant; and

"(ii) payment of an annuity to the participant for life, with a survivor annuity payable for the life of a surviving spouse.

"(3) Each alternative provided for under paragraph (2) shall, to the extent practicable, be designed such that the total value of the benefits provided under such alternative (including any lump-sum credit) is actuarially equivalent to the value of the annuity which would otherwise be provided the participant under this subchapter, as computed under section 806(a).

"(4) A participant who, at the time of retiring under this subchapter—

"(A) is married, shall be ineligible to make an election under this section unless a waiver is made under section 806(b)(1)(B); or

"(B) has a former spouse, shall be ineligible to make an election under this section if the former spouse is entitled to benefits under this subchapter (based on the service of the participant) unless a waiver has been made under section 806(b)(1)(C).

"(5) A participant who is married at the time of retiring under this subchapter and who makes an election under this section may, during the 18-month period beginning on the date of retirement, make the election provided for under section 806(n), subject to the deposit requirement thereunder.

"(6) Notwithstanding any other provision of law, any lump-sum credit provided pursuant to an election under this subsection shall not preclude an individual from receiving any other benefits under this subsection.".

SEC. 409. TREATMENT OF CERTAIN RECALL SERVICE.

Section 823 (22 U.S.C. 4063) is amended by adding at the end thereof the following:

"(c) If an annuitant becomes subject to subchapter II of this chapter by reason of recall service—

"(1) subsections (a) and (b) shall not apply to such annuitant; and

"(2) section 824 shall apply to the recall service as if such service were reemployment.".

SEC. 410. REEMPLOYMENT.

Section 824 (22 U.S.C. 4064) is amended to read as follows:

"SEC. 824. REEMPLOYMENT.—(a)(1)(A) Except in the case of an annuitant who makes an election under subsection (b), if any former participant, who has retired and is receiving an annuity under this subchapter or subchapter II of this chapter, becomes employed in an appointive or elective position in the Government, payment of any annuity under either subchapter to the annuitant shall terminate effective on the date of the employment and the reemployment service shall be covered service under the rules of the system under which the appointment is made.

"(B) If the annuity of an individual is terminated under subparagraph (A) and that individual becomes covered under the same retirement system from which that annuity is terminated, that individual shall be entitled to a redetermination of rights under that system upon termination of the employment.

"(C) If the annuity is terminated and the individual becomes covered under another contributory retirement system for Government employees pursuant to paragraph (A), the individual shall be entitled to benefits under the rules of that system. In addition, the individual shall be entitled to a resumption of any annuity terminated by reason of the employment.

"(b)(1) A participant who is entitled to an annuity under this subchapter or subchapter II of this chapter and becomes employed in an appointive or elective position in the Government on a part-time, intermittent, or temporary basis may elect to continue to receive either or both annuities as provided in this subsection.

"(2) The total annuity payable under this chapter to an annuitant making an election under paragraph (1) shall be reduced during the part-time, intermittent, or temporary employment referred to in paragraph (1) as necessary to meet the requirements of paragraph (3).

"(3) The sum of—

"(A) the total annuity payable under this chapter to an annuitant making an election under paragraph (1), and

"(B) the annual rate of pay payable to the annuitant during the part-time, intermittent, or temporary employment referred to in paragraph (1),

may not exceed, in any calendar year, the highest annual rate of pay which is payable during such year for full-time employment in the position in which the annuitant is employed.

"(4) Upon termination of the part-time, intermittent, or temporary employment referred to in paragraph (1), payment of the full annuity of an annuitant who has made an election under paragraph (1) of this subsection shall resume.

"(c) The amount of annuity which has been terminated or reduced under this section by reason of the reemployment of the annuitant and is resumed under this section shall be the amount of the annuity which would have been payable if the annuitant had not accepted the reemployment. The amount of an annuity resulting from a redetermination of rights pursuant to subsection (a) shall not be less than the amount of an annuity resumed under the previous sentence.

"(d) The annuity rights of any participant who is reemployed in the Government shall be determined under this section instead of section 8468 of title 5, United States Code.

"(e) When any such retired participant is reemployed, the employer shall send a notice of such reemployment to the Secretary of State, together with all pertinent information relating to such employment, and shall pay directly to such participant the salary of the position in which he or she is serving.

"(f) In the event of any overpayment under this section, such overpayment shall be recovered by withholding the amount involved from the salary payable to such reemployed participant or from any other moneys, including annuity payments, payable under this chapter.".

SEC. 411. COMPARABILITY BETWEEN THE FEDERAL EMPLOYEES' RETIREMENT SYSTEM AND THE FOREIGN SERVICE PENSION SYSTEM.

Section 827 (22 U.S.C. 4067) is amended by adding at the end thereof the following:

"(c) The President shall maintain, under the same conditions and in the same manner as provided in subsections (a) and (b) existing conformity between the Federal Employees' Retirement System provided in chapter 84 of title 5, United States Code, and the Foreign Service Pension System provided in subchapter II of this chapter.".

SEC. 412. MODERATION OF REMARRIAGE PENALTY.

Chapter 8 of title I (22 U.S.C. 4041 et seq.) is further amended by adding after section 827 the following:

"SEC. 828. REMARRIAGE.—Notwithstanding any other provision of this subchapter, any benefit payable under this subchapter to a surviving spouse, former spouse, or surviving former spouse that would otherwise terminate or be lost if the individual remarried before 60 years of age, shall not terminate or be lost if the remarriage occurred on or after November 8, 1984, and the individual was 55 years of age or over on the date of the remarriage.".

SEC. 413. LUMP-SUM PAYMENTS.

Subsection (a) of section 815 is amended by adding at the end thereof the following: "A participant who becomes subject to subchapter II shall be entitled to payment of the lump-sum credit if, and to the extent that, such lump-sum credit relates to service of a type described in clauses (i) through (iii) of section 302(a)(1)(C) of the Federal Employees' Retirement System Act of 1986.".

SEC. 414. EXCLUSION OF PARTICIPANTS IN FOREIGN SERVICE PENSION SYSTEM FROM FOREIGN SERVICE RETIREMENT AND DISABILITY SYSTEM.

Section 803 is amended—

(1) in subsection (a), by striking out "The" and inserting in lieu thereof "Except as provided in subsection (d), the"; and

(2) by adding at the end thereof the following:

"(d) An individual subject to the Foreign Service Pension System (described in subchapter II) is not a participant in this System.".

SEC. 415. FOREIGN SERVICE PENSION SYSTEM.

Chapter 8 of title I (22 U.S.C. 4041 et seq.) is further amended by adding at the end thereof the following:

"SUBCHAPTER II—FOREIGN SERVICE PENSION SYSTEM

"SEC. 851. ESTABLISHMENT.—(a) There is hereby established a Foreign Service Pension System.

"(b) Except as otherwise specifically provided in this subchapter or any other provision of law, the provisions of chapter 84 of title 5, United States Code, shall apply to all participants in the Foreign Service Pension System and such participants shall be treated in all respects similar to persons whose participation in the Federal Employees' Retirement System provided in that chapter is required.

"SEC. 852. DEFINITIONS.—As used in this subchapter, unless otherwise specified—

"(1) the term 'court order' has the same meaning given in section 804(4);

"(2) the term 'Fund' means the Foreign Service Retirement and Disability Fund maintained by the Secretary of the Treasury pursuant to section 802;

"(3) the term 'normal cost' means the entry-age normal cost of the provisions of the System which relate to the Fund, computed by the Secretary of State in accordance with generally accepted actuarial practice and standards (using dynamic assumptions) and expressed as a level percentage of aggregate basic pay;

"(4) the term 'participant' means a person who participates in the Foreign Service Pension System;

"(5) the term 'pro rata share' in the case of any former spouse of any participant or former participant means the percentage which is equal to the percentage that (A) the number of years during which the former spouse was married to the participant during the service of the participant which is creditable under this chapter is of (B) the total number of years of such service, disregarding extra credit under section 817;";

"(6) the term 'supplemental liability' means the estimated excess of—

"(A) the actuarial present value of all future benefits payable from the Fund under this subchapter based on the service of participants or former participants, over

"(B) the sum of—

"(i) the actuarial present value of (I) deductions to be withheld from the future basic pay of participants pursuant to section 856 and (II) contributions for past civilian and military service;

"(ii) the actuarial present value of future contributions to be made pursuant to section 857;

"(iii) the Fund balance as of the date the supplemental liability is determined, to the extent that such balance is attributable—

"(I) to the System, or

"(II) to the contributions made under the Federal Employees' Retirement Contribution Temporary Adjustment Act of 1983 (5 U.S.C. 8331 note); and

"(iv) any other appropriate amount, as determined by the Secretary of State in accordance with generally accepted actuarial practices and principles; and

"(7) the term 'System' means the Foreign Service Pension System.

"SEC. 853. PARTICIPANTS.—(a) Except for persons excluded by subsection (b), (c), or (d), all members of the Foreign Service, any of whose service after December 31, 1983, is employment for the purpose of title II of the Social Security Act and chapter 21 of the In-

ternal Revenue Code of 1954, who would, but for this section, be participants in the Foreign Service Retirement and Disability System pursuant to section 803 shall instead be participants in the Foreign Service Pension System.

"(b) Members of the Service who were participants in the Foreign Service Retirement and Disability System on or before December 31, 1983, and who have not had a break in service in excess of one year since that date, are not made participants in the System by this section, without regard to whether they are subject to title II of the Social Security Act.

"(c) Individuals who become members of the Service after having completed at least 5 years of civilian service creditable under subchapter I, subchapter III of chapter 83 of title 5, United States Code (the Civil Service Retirement System), or title II of the Central Intelligence Agency Retirement Act of 1964 for Certain Employees (determined without regard to any deposit or redeposit requirement under any such subchapter or title, any requirement that the individual become subject to such subchapter or title after performing the service involved, or any requirement that the individual give notice in writing to the official by whom such individual is paid of such individual's desire to become subject to such subchapter or title) are not participants in the System, except to the extent provided for under title III of the Federal Employees' Retirement System Act of 1986 pursuant to an election under such title to become subject to this subchapter (under regulations issued by the Secretary of State pursuant to section 860).

"(d) The Secretary may exclude from the operation of this subchapter any member of the Foreign Service, or group of members, whose employment is temporary or intermittent, except a member whose employment is part-time career appointment or career candidate appointment under section 306.

"SEC. 854. CREDITABLE SERVICE.—(a) For purposes of this subchapter, creditable service of a participant includes—

"(1) service as a participant after December 31, 1986;

"(2) service with respect to which deductions and withholdings under section 204(a)(2) of the Federal Employees' Retirement Contribution Temporary Adjustment Act of 1983 have been made; and

"(3) except as provided in subsection (b), any civilian service performed before January 1, 1989 (other than service under paragraph (1) or (2)), which, but for the amendment made by section 414 of the Federal Employees' Retirement System Act of 1986, would be creditable under subchapter I (determined without regard to any deposit or redeposit requirement under such subchapter, subchapter III of chapter 83 of title 5, United States Code (the Civil Service Retirement System), or title II of the Central Intelligence Agency Retirement Act of 1964 for Certain Employees, any requirement that the individual become subject to such subchapter or title after performing the service involved, or any requirement that the individual give notice in writing to the official by whom such individual is paid of such individual's desire to become subject to such subchapter or title).

"(b)(1) A participant who has received a refund of retirement deductions under subchapter I with respect to any service described in subsection (a)(3) may not be allowed credit for such service under this subchapter unless such participant deposits into the Fund an amount equal to 1.3 percent of basic pay for such service, with interest.

"(2) A participant may not be allowed credit under this subchapter for any service described in subsection (a)(3) for which retirement deductions under subchapter I have not been made, unless such participant deposits into the Fund an amount equal to 1.3 percent of basic pay for such service, with interest.

"(3) Interest under paragraph (1) or (2) shall be computed in accordance with section 805(d) and regulations issued by the Secretary of State.

"(c) Credit shall be given under this System to a participant for a period of prior satisfactory service as—

"(1) a volunteer or volunteer leader under the Peace Corps Act (22 U.S.C. 2501 et seq.),

"(2) a volunteer under part A of title VIII of the Economic Opportunity Act of 1964, or

"(3) a full-time volunteer for a period of service of at least one year's duration under part A, B, or C of title I of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4951 et seq.),

if the participant makes a payment to the Fund equal to 3 percent of pay received for the volunteer service (as determined in accordance with regulations of the Secretary of State consistent with regulations for making corresponding determinations under chapter 83, title 5, United States Code) together with interest determined under regulations issued by the Secretary of State.

"(d) Credit shall be given under this System to a participant for a period of prior service under the Federal Employees' Retirement System (described in chapter 84 of title 5, United States Code) or under title III of the Central Intelligence Agency Retirement Act of 1964 for Certain Employees if the participant waives credit under the other retirement system and makes a payment to the Fund equal to the amount which would have been deducted from pay under section 856(a) had the individual been a participant during the prior creditable service under the other retirement system together with interest on such amount computed in accordance with regulations issued by the Secretary of State.

"SEC. 855. ENTITLEMENT TO ANNUITY.—(a)(1) Any participant may be retired under the conditions specified in section 811 and shall be retired under the conditions specified in sections 812 and 813 and receive benefits under this subchapter.

"(2) For the purposes of this subsection—

"(A) the term 'participant', as used in the sections referred to in paragraph (1), means a participant in the Foreign Service Pension System; and

"(B) the term 'System', as used in those sections, means the Foreign Service Pension System.

"(b)(1) Any participant who retires voluntarily or mandatorily under section 607, 608, 811, 812, or 813 under conditions authorizing an immediate annuity for participants in the Foreign Service Retirement and Disability System and who has completed at least 5 years of service subject to this chapter shall be entitled to an immediate annuity computed under paragraph (2).

"(2) An annuity under paragraph (1) shall be computed—

"(A) for all service earned while a participant in this System, at the rate stated in section 8415(d) of title 5, United States Code; and

"(B) for all service earned while a participant in another retirement system creditable under section 854(d), at the rate which would have been applicable to the individual had that individual remained a participant in the other system; and

"(C) for all volunteer service creditable under section 854(c), at the rate stated in section 8415(a) of title 5, United States Code.

"(c) A participant who is entitled to an immediate annuity under subsection (b) shall be entitled to receive an annuity supplement while the annuitant is under 62 years of age. The annuity supplement shall be based on the total creditable service of the annuitant and shall be computed in accordance with sections 8421(b) and 8421a of title 5, United States Code, as if the participant were a law enforcement officer retired under section 8412(d) of such title.

"(d) Any participant who is separated for cause under section 610 shall not be entitled to an annuity under this System when the Secretary determines that the separation was based in whole or in part on disloyalty to the United States.

"SEC. 856. DEDUCTIONS AND WITHHOLDINGS FROM PAY.—(a) The employing agency shall deduct and withhold from basic pay of each participant a percentage of basic pay equal to 7½ percent minus the percentage then in effect under section 3101(a) of the Internal Revenue Code of 1954 (relating to the rate of tax for old age, survivors and disability insurance).

"(b) Each participant is deemed to consent and agree to the deductions under subsection (a). Notwithstanding any law or regulation affecting the pay of a participant, payment less such deductions is a full and complete discharge and acquittance of all claims and demands for regular services during the period covered by the payment, except the right to any benefits under this subchapter based on the service of the participant.

"(c) Amounts deducted and withheld under this section shall be deposited in the Treasury of the United States to the credit of the Fund under such procedures as the Comptroller General of the United States may prescribe.

"(d) Under such regulations as the Secretary of State may issue, amounts deducted under subsection (a) shall be entered on individual retirement records.

"SEC. 857. GOVERNMENT CONTRIBUTIONS.—(a) Each agency employing any participant shall contribute to the Fund the amount computed in a manner similar to that used under section 8423(a) of title 5, United States Code, pursuant to determinations of the normal cost percentage for the Foreign Service Pension System by the Secretary of State.

"(b)(1) The Secretary of State shall compute the amount of the supplemental liability of the Fund as of the close of each fiscal year beginning after September 30, 1987. The amount of any such supplemental liability shall be amortized in 30 equal annual installments with interest computed at the rate used in the most recent valuation of the System.

"(2) At the end of each fiscal year, the Secretary of State shall notify the Secretary of the Treasury of the amount of the installment computed under this subsection for such year.

"(3) Before closing the accounts for a fiscal year, the Secretary of the Treasury shall credit to the Fund, as a Government contribution, out of any money in the Treasury of the United States not otherwise ap-

propriated, the amount under paragraph (2) of this subsection for such year.

"SEC. 858. COST-OF-LIVING ADJUSTMENTS.—Cost-of-living adjustments for annuitants under this System shall be granted under procedures in section 8462 of title 5, United States Code, in the same manner as such adjustments are made for annuitants referred to in subsection (c)(3)(B)(ii) of such section.

"SEC. 859. GENERAL AND ADMINISTRATIVE PROVISIONS.—(a) The Secretary of State shall administer the Foreign Service Pension System except for matters relating to the Thrift Savings Plan provided in subchapters III and VII of chapter 84 of title 5, United States Code. The Secretary of State shall, with respect to the Foreign Service Pension System, perform the functions and exercise the authority vested in the Office of Personnel Management or the Director of such Office by such chapter 84 and may issue regulations for such purposes.

"(b) Determinations of the Secretary of State under the Foreign Service Pension System which, if made by the Office of Personnel Management under chapter 84 of title 5, United States Code, or the Director of such Office, would be appealable to the Merit Systems Protection Board shall, instead, be appealable to the Foreign Service Grievance Board, except that determinations of disability for participants shall be based upon the standards in section 808 (other than the exclusion for vicious habits, intemperance, or willful misconduct) and subject to review in the same manner as under that section.

"(c) At least every 5 years, the Secretary of the Treasury shall prepare periodic valuations of the Foreign Service Pension System and shall advise the Secretary of State of (1) the normal cost of the System, (2) the supplemental liability of the System, and (3) the amounts necessary to finance the costs of the System.

"SEC. 860. TRANSITION PROVISIONS.—The Secretary of State shall issue regulations providing for the transition from the Foreign Service Retirement and Disability System to the Foreign Service Pension System in a manner comparable to the transition of employees subject to subchapter III of chapter 83 of title 5, United States Code (the Civil Service Retirement System), to the Federal Employees' Retirement System. For this and related purposes, references made to participation in subchapter III of chapter 83 of title 5, United States Code (the Civil Service Retirement System), the Social Security Act, and the Internal Revenue Code of 1954 shall be deemed to refer to participation in the Foreign Service Pension System or the Foreign Service Retirement and Disability System, as appropriate.

"SEC. 861. FORMER SPOUSES.—(a)(1)(A) Unless otherwise expressly provided by any spousal agreement or court order governing disposition of benefits under this subchapter, a former spouse of a participant or former participant is entitled, during the period described in subparagraph (B), to a share (determined under paragraph (2)) of all benefits otherwise payable to such participant under this subchapter if such former spouse was married to the participant for at least 10 years during service of the participant which is creditable under this chapter with at least 5 of such years occurring while the participant was a member of the Foreign Service.

"(B) The period referred to in subparagraph (A) is the period which begins on the first day of the month following the month in which the divorce or annulment becomes final and ends on the last day of the month before the former spouse dies or remarries before 55 years of age.

"(2) The share referred to in paragraph (a) equals—

"(A) 50 percent, if such former spouse was married to the participant throughout the actual years of service of the participant which are creditable under this chapter; or

"(B) a pro rata share of 50 percent, if such former spouse was not married to the participant throughout such creditable service.

"(3) A former spouse shall not be qualified for any benefit under this subsection if, before the commencement of any benefit, the former spouse remarries before becoming 55 years of age.

"(4)(A) For purposes of the Internal Revenue Code of 1954, payments to a former spouse under this section shall be treated as income to the former spouse and not to the participant.

"(B) Any reduction in payments to a participant or former participant as a result of payments to a former spouse under this subsection shall be disregarded in calculating—

"(i) the survivor annuity for any spouse, former spouse, or other survivor under this subchapter, and

"(ii) any reduction in the annuity of the participant to provide survivor benefits under this subchapter.

"(5) Notwithstanding subsection (a)(1), in the case of any former spouse of a disability annuitant—

"(A) the annuity of the former spouse shall commence on the date the participant would qualify, on the basis of his or her creditable service, for an annuity under this chapter (other than a disability annuity) or the date the disability annuity begins, whichever is later, and

"(B) the amount of the annuity of the former spouse shall be calculated on the basis of the annuity for which the participant would otherwise so qualify.

"(6)(A) Except as provided in subparagraph (B), any former spouse who becomes entitled to receive any benefit under this subchapter which would otherwise be payable to a participant or former participant shall be entitled to make any election regarding method of payment to such former spouse that such participant would have otherwise been entitled to elect, and the participant may elect an alternate method for the remaining share of such benefits. Such elections shall not increase the actuarial present value of benefits expected to be paid under this subchapter.

"(B) A former spouse may not elect a method of payment under subchapter II, chapter 84, of title 5, United States Code, providing for payment of a survivor annuity to any survivor of the former spouse.

"(7) The maximum amount payable to any former spouse pursuant to this subsection shall be the difference, if any, between 50 percent of the total benefits authorized to be paid to a former participant by this subchapter, disregarding any apportionment of these benefits to others, and the aggregate payable to all others at any one time.

"(b)(1) Unless otherwise expressly provided for by any spousal agreement or court order governing survivorship benefits under this subchapter to a former spouse married to a participant or former participant for the periods specified in subsection (a)(1)(A), such former spouse is entitled to a share, determined under subsection (b)(2), of all survivor benefits that would otherwise be payable under this subchapter to an eligible surviving spouse of the participant.

"(2) The share referred to in subsection (b)(1) equals—

"(A) 100 percent if such former spouse was married to the participant throughout the entire period of service of the participant which is creditable under this chapter; or

"(B) a pro rata share of 100 percent if such former spouse was not married to the participant throughout such creditable service.

"(c) A participant or former participant may not make any election or modification of election under section 8417, 8418, or 8433 of title 5, United States Code, or other section relating to the participant's account in the Thrift Plan or annuity under the basic plan that would diminish the entitlement of a former spouse to any benefit granted to the former spouse by this section or in a current spousal agreement.

"(d) If a member becomes a participant under this subchapter after qualifying for benefits under subchapter I and, at the time of transfer, has a former spouse entitled to benefits under subchapter I which are determined under section 814 or 815 (as determined by the Secretary of State) and are similar in amount to a pro rata share division under section 814 or 815 and the service of the member as a participant under this subchapter is not recognized in determining that pro rata share, then subsections (a) and (b) of this section shall not apply to such former spouse. Otherwise, subsections (a) and (b) of this section shall apply.

"(e) If a participant dies after completing at least 18 months of service or a former participant dies entitled to a deferred annuity, but before becoming eligible to receive the annuity, and such participant or former participant has left with the Secretary of State a spousal agreement promising a share of a survivor annuity under subchapter IV, chapter 84, title 5, United States Code, to a former spouse, such survivor annuity shall be paid under the terms of this subchapter as if the survivor annuity had been ordered by a court.

"SEC. 862. SPOUSAL AGREEMENTS.—A spousal agreement is any written agreement (properly authenticated as determined by the Secretary of State) between a participant or former participant and his or her spouse or former spouse on file with the Secretary of State. A spousal agreement shall be consistent with the terms of this Act and applicable regulations and, if executed at the time a participant or former participant is currently married, shall be approved by such current spouse. It may be used to fix the level of benefits payable under this subchapter to a spouse or former spouse.".

SEC. 416. TABLE OF CONTENTS.

The table of contents in section 2 of such Act is amended—

(1) by striking out the item relating to chapter 8 and inserting in lieu thereof the following:

"CHAPTER 8—FOREIGN SERVICE RETIREMENT AND DISABILITY

"SUBCHAPTER I—FOREIGN SERVICE RETIREMENT AND DISABILITY SYSTEM

(2) by inserting after the item relating to section 827 the following:

"Sec. 828. Remarriage.

"SUBCHAPTER II—FOREIGN SERVICE PENSION SYSTEM

"Sec. 851. Establishment.
"Sec. 852. Definitions.
"Sec. 853. Participants.
"Sec. 854. Creditable service.
"Sec. 855. Entitlement to annuity.
"Sec. 856. Reduction and withholdings from

pay.
"Sec. 857. Government contributions.
"Sec. 858. Cost-of-living adjustments.
"Sec. 859. General and administrative provisions.
"Sec. 860. Transition provisions.
"Sec. 861. Former spouses.
"Sec. 862. Spousal agreements.".

SEC. 417. EFFECTIVE DATE.

(a) REGULATIONS.—Notwithstanding section 702 of this Act, the authority of the Secretary of State to issue regulations under subchapter II of title 8 of the Foreign Service Act of 1980 shall take effect on the date of enactment of this Act.

(b) 18-MONTH PERIOD TO ELECT SURVIVOR ANNUITY.—(1) Notwithstanding section 702 of this Act, the amendment made by section 407 shall take effect 3 months after the date of enactment of this Act.

(2)(A) Subject to subparagraph (B), the amendment made by section 407 shall apply with respect to participants and former participants who retire before, on, or after such amendment first takes effect.

(B) For the purpose of applying the provisions of paragraph (1) of section 806(n) of the Foreign Service Act of 1980 (as added by section 407) to former participants who retire before the date on which the amendment first takes effect—

(i) the period referred to in subparagraph (A) or (B) of such paragraph (as the case may be) shall be considered to begin on the date on which such amendment first becomes effective; and

(ii) the amount referred to in paragraph (2) of such section 806(n) shall be computed without regard to the provisions of subparagraph (B)(ii) of such paragraph (relating to interest).

(3) For purposes of this subsection, the term "participant" has the meaning given that term in section 803 of the Foreign Service Act of 1980 (22 U.S.C. 4043).

TITLE V—CENTRAL INTELLIGENCE AGENCY RETIREMENT AND RELATED MATTERS

SEC. 501. REFERENCES.

The Central Intelligence Agency Retirement Act of 1964 for Certain Employees (78 Stat. 1043; 50 U.S.C. 403 note) is amended—

(1) in section 201(c), by inserting "(except section 305(d) of this Act)" after "or any other provisions of law";

(2) by striking out "this Act" each place it appears in title II except in sections 201 and 264, and inserting in lieu thereof "this title"; and

(3) by inserting "under this title" after "payable from the fund" each place it appears in title II.

SEC. 502. CONTRIBUTIONS TO THE CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY SYSTEM.

Section 211 of the Central Intelligence Agency Retirement Act of 1964 for Certain Employees is amended—

(1) by striking out "Seven" in the first sentence of subsection (a) and inserting in lieu thereof "Except as provided in subsection (d), seven"; and

(2) by adding at the end thereof the following new subsection (d):

"(d)(1) In the case of a participant who was a participant subject to this title before January 1, 1984, and whose service—

"(A) is employment for the purposes of title II of the Social Security Act and chapter 21 of the Internal Revenue Code of 1954, and

"(B) is not creditable service for any purpose under title III of this Act or chapter 84 of title 5, United States Code,

there shall be deducted and withheld from the basic pay of the participant under this subsection during any pay period only the amount computed pursuant to paragraph (2).

"(2) The amount deducted and withheld from the basic pay of a participant during any pay period pursuant to paragraph (1) shall be the excess of—

"(A) the amount determined by multiplying the percent applicable to the participant under subsection (a) by the basic pay payable to the participant for such pay period, over

"(B) the amount of the taxes deducted and withheld from such basic pay under section 3101(a) of the Internal Revenue Code of 1954 (relating to old-age, survivors, and disability insurance) for such pay period.".

SEC. 503. OFFSET OF ANNUITY BY THE AMOUNT OF SOCIAL SECURITY BENEFITS.

Section 221 of the Central Intelligence Agency Retirement Act of 1964 for Certain Employees is amended by adding at the end thereof the following new subsection:

"(p)(1) Notwithstanding any other provision of this title, except as provided in paragraph (2), an annuity (including a disability annuity) payable under this title to an individual described in section 301(c)(1) and any survivor annuity payable under this title on the basis of the service of such individual shall be reduced in a manner consistent with section 8349 of title 5, United States Code, under conditions consistent with the conditions prescribed in such section.

"(2) This section shall not apply with respect to any annuity, or survivor annuity, which is based on the service of an individual described in section 301(c)(2).".

SEC. 504. THRIFT SAVINGS FUND PARTICIPATION BY PARTICIPANTS IN THE CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY SYSTEM.

Part K of title II of the Central Intelligence Agency Retirement Act of 1964 for Certain Employees is amended by adding at the end thereof the following new section:

"THRIFT SAVINGS FUND PARTICIPATION BY PARTICIPANTS IN THE CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY SYSTEM

"SEC. 293. (a) Participants in the Central Intelligence Agency Retirement and Disability System shall be deemed to be employees for the purposes of section 8351 of title 5, United States Code.

"(b) Subsections (k) and (m) of section 8461 of title 5, United States Code, shall apply with respect to contributions made by officers and employees of the Agency to the Thrift Savings Fund under section 8351 of such title, and to earnings attributable to the investment of such contributions.".

SEC. 505. ALTERNATIVE FORMS OF ANNUITIES.

Part K of title II of the Central Intelligence Agency Retirement Act of 1964 for Certain Employees (as amended by section 504 of this Act) is further amended by adding at the end thereof the following new section:

"ALTERNATIVE FORMS OF ANNUITIES

"SEC. 294. (a) The Director shall prescribe regulations under which an officer or employee of the Agency may, at the time of retiring under this title (other than under section 231), elect annuity benefits under this section instead of any other benefits under this title (including any survivor benefits under this title) based on the service of the officer or employee creditable under this title. The regulations and alternatives shall, to the maximum extent practicable, meet the requirements prescribed in section 8343a of title 5, United States Code.

"(b) Notwithstanding any other provision of law, any lump-sum credit provided pursuant to an election under subsection (a) shall not preclude an individual from receiving other benefits provided under such subsection.

"(c) The Director shall submit the regulations prescribed under subsection (a) to the Select Committee on Intelligence of the Senate and the Permanent Select Committee on Intelligence of the House of Representatives before the regulations take effect.".

SEC. 506. PARTICIPATION IN THE FEDERAL EMPLOYEES' RETIREMENT SYSTEM.

The Central Intelligence Agency Retirement Act of 1964 for Certain Employees is amended by adding at the end thereof the following:

"TITLE III—PARTICIPATION IN THE FEDERAL EMPLOYEES' RETIREMENT SYSTEM

"APPLICATION OF FEDERAL EMPLOYEES' RETIREMENT SYSTEM TO AGENCY EMPLOYEES

"SEC. 301. (a) Except as provided in subsections (b) and (c), all officers and employees of the Agency, any of whose service after December 31, 1983, is employment for the purpose of title II of the Social Security Act and chapter 21 of the Internal Revenue Code of 1954, shall be subject to chapter 84 of title 5, United States Code.

"(b) Participants in the Central Intelligence Agency Retirement and Disability System who were participants in such system on or before December 31, 1983, and who have not had a break in service in excess of 1 year since that date, are not subject to chapter 84 of title 5, United States Code, without regard to whether they are subject to title II of the Social Security Act.

"(c)(1) The provisions of chapter 84 of title 5, United States Code, shall not apply with respect to—

"(A) any individual who separates, or who has separated, from Federal Government service after having been an officer or employee of the Agency subject to title II of this Act; and

"(B) any officer or employee of the Agency having at least 5 years of civilian service which was performed before January 1, 1987, and is creditable under title II of this Act (determined without regard to any deposit or redeposit requirement under subchapter III of chapter 83 of title 5, United States Code, or under title II of this Act, or any requirement that the individual become subject to such subchapter or to title II of this Act after performing the service involved).

"(2) Paragraph (1) shall not apply with respect to an individual who has elected under regulations prescribed under section 307 of this Act to become subject to chapter 84 of title 5, United States Code, to the extent provided in such regulations.

"(3) An individual described in paragraph (1) shall be deemed to be an individual excluded under section 8402(b)(2) of title 5, United States Code.

"(d) The application of the provisions of chapter 84 of title 5, United States Code, to officers and employees referred to in subsection (a) shall be subject to the exceptions and special rules provided in this title. Any provision of such chapter which is inconsistent with a special rule provided in this title shall not apply to such officers and employees.

"SPECIAL RULES RELATING TO SECTION 203 CRITERIA EMPLOYEES

"SEC. 302. (a) Except as otherwise provided in this section, in the application of

chapter 84 of title 5, United States Code, to an officer or employee of the Agency who is subject to such chapter and is designated by the Director under the criteria prescribed in section 203, such officer or employee shall be treated for purposes of determining such officer's or employee's retirement benefits and obligations under such chapter as if the officer or employee were a law enforcement officer (as defined in section 8401(17) of title 5, United States Code).

"(b) The provisions of sections 233 and 235 of this Act shall apply to officers and employees referred to in subsection (a), except that the retirement benefits shall be determined under the provisions of chapter 84 of title 5, United States Code.

"(c)(1) Except as provided in paragraph (2), section 271 of this Act shall apply to an officer or employee referred to in subsection (a).

"(2) Contributions during recall service shall be made as provided in section 8422 of title 5, United States Code.

"(3) When an officer or employee recalled under this subsection reverts to a retired status, the annuity of such officer or employee shall be redetermined under the provisions of chapter 84 of title 5, United States Code.

"SPECIAL RULES FOR OTHER EMPLOYEES FOR SERVICE ABROAD

"SEC. 303. (a) Notwithstanding any provision of chapter 84 of title 5, United States Code, the annuity under subchapter II of such chapter of a retired officer or employee of the Agency who is not designated under section 302(a) of this Act and has served abroad as an officer or employee of the Agency shall be computed as provided in subsection (b).

"(b)(1) The portion of the annuity relating to service abroad performed on or after the effective date of the Federal Employees' Retirement System Act of 1986 shall be computed as provided in section 8415(d) of title 5, United States Code.

"(2) The portions of the annuity relating to other service in the Agency shall be computed as provided in the provision of section 8415 of such title that is applicable to such service under the conditions prescribed in chapter 84 of such title.

"SPECIAL RULES FOR FORMER SPOUSES

"SEC. 304. (a) Section 8445 of title 5, United States Code, and subsections (d) and (e) of section 8435 of such title shall not apply in the case of an officer or employee of the Agency who is subject to chapter 84 of title 5, United States Code, and who has a former spouse (as defined in section 204(b)(4) of this Act). Any reference in such chapter to a survivor annuity for a former spouse, as applied to such officer or employee, shall be deemed to refer to a survivor annuity for a former spouse of such officer or employee provided under subsection (c) of this section.

"(b) Section 221(b)(1)(C) of this Act shall apply to a survivor annuity under subsection (c)(2) of this section.

"(c) Except as otherwise provided in this section, the following provisions of title II of this Act shall apply in the case of an officer or employee of the Agency who is entitled to receive an annuity under subchapter II, III, or V of chapter 84 of title 5, United States Code, in the same manner as such provisions apply in the case of an officer or employee of the Agency under title II:

"(1) Section 222, except that subsections (b) and (c) of such section shall be subject to a waiver under subsection (b) of this section.

"(2) Subsections (a), (b)(1), and (b)(3) of section 223 and the first sentence of subsection (c) of such section.

"(3) Subsections (c) and (d) of section 234 (in the case of any lump-sum payment under section 8424(a) of title 5, United States Code, and any payment under subsection (b)(3), (b)(4), (c)(3), (c)(4), or (d) of section 8433 of such title).

"(4) Section 263(b).

"(d) In the application of section 222(a) under subsection (c)(1)—

"(1) the reference in paragraph (4)(B) of such section to section 271, 272, or 273 of this Act shall be deemed to refer to any similar provision of law applicable to such officer or employee for purposes of chapter 84 of title 5, United States Code;

"(2) the amount of the reduction in the salary of a recalled or reinstated officer or employee under such paragraph (4)(B) shall be only the amount by which the annuity under subchapter II or V of chapter 84 of title 5, United States Code, would have been reduced; and

"(3) amounts to be deposited in the Treasury of the United States pursuant to such paragraph (4)(B) shall be credited to the Civil Service Retirement and Disability Fund.

"(e) In the application of subsections (b) and (c) of section 222 under subsection (c)(2)—

"(1) the percentage prescribed in subsections (b)(1)(A), (b)(1)(B), (b)(4)(A), and (c)(2) of such section shall be deemed to be 50 percent;

"(2) for the purpose of computing the amount of the former spouse's annuity under subsection (b)(1) of such section and the maximum amount of survivor annuities under subsection (b)(4) or (c)(2) of such section, the full amount of the deceased officer's or employee's annuity—

"(A) in the case of an annuity under subchapter II or V of chapter 84 of title 5, United States Code, is the amount of such annuity computed without regard to the reduction for survivor annuities; and

"(B) in the case of an annuity under subchapter III of such chapter, is the amount of such annuity computed on an actuarial basis as provided in such subchapter taking into account the application of section 222(b)(1) in the case of such annuity;

"(3) an election under subsection (b)(5)(B) of such section shall apply with respect to a survivor annuity for a spouse under section 8442 of title 5, United States Code;

"(4) the reference in subsection (c)(2) of such section to a survivor annuity for a spouse shall be deemed to refer—

"(A) in the case of an annuity under subchapter II or V of chapter 84 of title 5, United States Code, to the survivor annuity provided in section 8442 of title 5, United States Code; and

"(B) in the case of an annuity under subchapter III of such chapter, to the survivor annuity described in section 8435(c) of such title; and

"(5) the fund referred to in subsections (c)(3)(A) and (c)(3)(B) of such section shall be deemed to refer—

"(A) in the case of an annuity under subchapter II or V of chapter 84 of title 5, United States Code, to the Civil Service Retirement and Disability Fund; and

"(B) in the case of an annuity under subchapter III of such chapter, the Thrift Savings Fund established by section 8437 of such title.

"(f) A reduction in the annuity of an officer or employee of the Agency to provide a survivor annuity or survivor annuities under this section shall be computed as provided in section 8419(a) of title 5, United States Code.

"(g) The entitlement of a former spouse to a portion of an annuity of a retired officer or employee of the Agency under this section shall extend to any supplementary annuity payment that such officer or employee is entitled to receive under section 8421 of title 5, United States Code.

"ADMINISTRATIVE PROVISIONS

"SEC. 305. (a) Section 201(c) of this Act shall apply in the administration of chapter 84 of title 5, United States Code, with respect to officers and employees of the Agency.

"(b) Notwithstanding subsection (a), section 8461(e) of title 5, United States Code, shall apply with respect to officers and employees of the Agency who are not participants in the Central Intelligence Agency Retirement and Disability System and are not designated under section 302(a) of this Act.

"REGULATIONS

"SEC. 306. (a) The Director, in consultation with the Director of the Office of Personnel Management and the Executive Director of the Federal Retirement Thrift Investment Board, shall prescribe in regulations appropriate procedures to carry out this title.

"(b) The Director shall submit the regulations prescribed under subsection (a) to the Select Committee on Intelligence of the Senate and the Permanent Select Committee of the House of Representatives before the regulations take effect.

"TRANSITION PROVISIONS

"SEC. 307. (a) The Director shall issue regulations providing for the transition from the Central Intelligence Agency Retirement and Disability System to the Federal Employees' Retirement System provided in chapter 84 of title 5, United States Code, in a manner consistent with sections 301 through 304 of the Federal Employees' Retirement System Act of 1986.

"(b) The Director shall submit the regulations prescribed under subsection (a) to the Select Committee on Intelligence of the Senate and the Permanent Select Committee on Intelligence of the House of Representatives before the regulations take effect.".

SEC. 507. SPECIAL RETIREMENT ACCRUAL FOR OTHER INTELLIGENCE PERSONNEL.

(a) CERTAIN NATIONAL SECURITY AGENCY PERSONNEL.—Section 9(b)(1)(B) of the National Security Agency Act of 1959 (50 U.S.C. 402 note) is amended by inserting before the semicolon the following: "(including special retirement accrual in the same manner provided in section 303 of the Central Intelligence Agency Retirement Act of 1964 for Certain Employees (50 U.S.C. 403 note))".

(b) CERTAIN DEFENSE INTELLIGENCE AGENCY PERSONNEL.—Section 1605(a) of title 10, United States Code, is amended by adding at the end thereof the following: "The Secretary may also provide to any such civilian personnel who are subject to chapter 84 of title 5, special retirement accrual benefits in the same manner provided for certain officers and employees of the Central Intelligence Agency in section 303 of the Central Intelligence Agency Retirement Act of 1964 for Certain Employees (50 U.S.C. 403 note).".

TITLE VI—MISCELLANEOUS PROVISIONS

SEC. 601. ANNUITIES FOR SURVIVORS OF DISTRICT OF COLUMBIA JUDGES.

(a) AMENDMENTS TO DISTRICT OF COLUMBIA CODE.—(1) Subsections (a) and (b) of section

11-1567 of title 11 of the District of Columbia Code are each amended by striking out "3 per centum" each place it appears and inserting in lieu thereof "3.5 percent".

(2)(A) Subsection (a) of section 11-1568 of title 11 of the District of Columbia Code is amended by striking out "computing a survivor annuity" and inserting in lieu thereof "any provision of this subchapter which refers to this subsection".

(B) Subsection (c) of section 11-1568 of title 11 of the District of Columbia Code is amended—

(i) in paragraph (2)(B), by striking out "the lesser of (i) $2,700 per year divided by the number of such children or (ii) $900" and inserting in lieu thereof "the lesser of (i) $8,424 per year divided by the number of such children or (ii) $2,808";

(ii) in paragraph (3), by striking out "the lesser of (A) $3,240 per year divided by the number of children or (B) $1,080" and inserting in lieu thereof "the lesser of (A) $10,110 per year divided by the number of such children or (B) $3,370";

(iii) by inserting before the first sentence of the matter following paragraph (3) the following:

"For the purpose of computing, under this subsection, the annuity of a child that commences on or after January 1, 1987, the figures $8,424, $2,808, $10,110, and $3,370 (provided in paragraphs (2) and (3)) shall be increased by the total percentage of the increases allowed and in force with respect to retirement salaries of judges under section 11-1571(a) of this title on or after such date."; and

(iv) in the first sentence of the matter following paragraph (3) by striking out "remarriage" and inserting in lieu thereof "upon remarriage prior to the attainment of fifty-five years of age".

(C) Subsection (e) of section 11-1568 of title 11 of the District of Columbia Code is amended to read as follows:

"(e) The annuity of a widow or widower of a judge or retired judge who elected a survivor annuity shall be equal to—

"(1) in the case of a judge who dies while in active regular service as a judge, the greater of—

"(A) 55 percent of the retirement salary the judge would have been entitled to receive (as computed under section 11-1564) if the judge had retired on the day before the date of death (without regard to the age requirements prescribed in section 11-1562(b)), or

"(B) 55 percent of the retirement salary the judge would have been entitled to receive (as computed under section 11-1564) if the judge had retired on the day before the date of death with 15 years of service for the purposes of this subchapter (without regard to the age requirements prescribed in section 11-1562(b)); and

"(2) in the case of a retired judge, 55 percent of the retirement salary payable to such judge on the day before the date of the judge's death.".

(b) APPLICATION OF AMENDMENTS.—The benefits conferred by section 11-1568 of title 11 of the District of Columbia Code, by reason of the amendments made by subsection (a) shall apply to individuals eligible for annuities under such sections on or after the date of the enactment of this Act, except that—

(1) such annuities shall be computed in accordance with the provisions of such section, as amended by subsection (a), notwithstanding contributions or deposits made in accordance with applicable law at lower rates; and

(2) no additional liability shall be created with respect to deposits made in accordance with applicable law before the date of the enactment of this Act, or after such date pursuant to an installment payment election made under section 11-1567(b) of title 11 of the District of Columbia Code, before such date.

(c) OPPORTUNITY TO REVOKE A PREVIOUS SURVIVOR ANNUITY ELECTION.—(1)(A) Any individual who, before the date of the enactment of this Act, made an election under section 11-1566 of title 11 of the District of Columbia Code, to come within the purview of the survivor annuity provisions of subchapter III of chapter 15 of such title may revoke that election. Such a revocation shall constitute a complete withdrawal from the survivor annuity program provided for in such subchapter.

(B) A revocation under subparagraph (A) shall be submitted in writing to the Mayor of the District of Columbia.

(2) A revocation under paragraph (1) shall be effective on the day it is received by the official referred to in subparagraph (B) of such paragraph.

(3)(A) On the effective date of a revocation under paragraph (1), any right to survivor benefits (to which the revocation relates) for the survivors of the individual who makes the revocation shall terminate, and all amounts credited to the account of such individual under section 11-1570(c) of title 11 of the District of Columbia Code, together with interest computed as provided in subparagraph (B), shall be returned to that individual in a lump-sum payment.

(B) For the purpose of subparagraph (A), interest shall be computed in accordance with section 11-1561(10)(C) of title 11 of the District of Columbia Code.

(4)(A) Any individual who makes a revocation under paragraph (1) and who thereafter becomes eligible to make an election under section 11-1556 of title 11 of the District of Columbia Code, may make such election only if such individual redeposits, to the credit of the District of Columbia Judge's Retirement Fund referred to in section 11-1561(4) of such title, the full amount of the lump-sum payment made to such individual under paragraph (4), together with interest.

(B) For the purpose of subparagraph (A), interest shall be computed at 3 percent per annum, compounded on December 31 of each year from the date of the lump-sum payment referred to in such subparagraph until the date on which the amount referred to in such subparagraph is redeposited under such subparagraph.

(d) ADDITIONAL OPPORTUNITY TO MAKE A SURVIVOR ANNUITY ELECTION.—(1) Any individual who, on or before the date of the enactment of this Act, has not made an election under section 11-1566(a) of title 11 of the District of Columbia Code, to come within the purview of the survivor annuity provisions of subchapter III of chapter 15 of such title and is no longer entitled to make such an election may make such an election. Any such election shall be submitted in writing to the Mayor of the District of Columbia.

(2) An election under paragraph (1) shall be effective on the day it is received by the official referred to in such paragraph.

(e) PERIOD FOR EXERCISE OF RIGHT TO REVOKE OR ELECT.—The right to revoke an election under subsection (d) or to make an election under subsection (e) is irrevocably waived if not exercised within 180 days after the date of the enactment of this Act.

TITLE VII—AUTHORIZATION OF APPROPRIATIONS; EFFECTIVE DATES

SEC. 701. AUTHORIZATION OF APPROPRIATIONS FOR CERTAIN EXPENSES OF THE FEDERAL RETIREMENT THRIFT INVESTMENT MANAGEMENT SYSTEM.

(a) TEMPORARY ALTERNATIVE FUNDING.—Notwithstanding section 8434(c)(3) of title 5, United States Code (as added by section 101 of this Act), the expenses incurred in the administration of the Federal Retirement Thrift Investment Management System under subchapter VII of chapter 84 of such title (as so added) during fiscal years 1986 and 1987 shall be paid from sums appropriated pursuant to subsection (b).

(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Federal Retirement Thrift Investment Board, for fiscal years 1986 and 1987, such sums as may be necessary to pay the expenses incurred in the administration of the Federal Retirement Thrift Investment Management System during such fiscal years.

SEC. 702. EFFECTIVE DATES.

(a) IN GENERAL.—Except as provided in subsection (b), this Act and the amendments made by this Act shall take effect on January 1, 1987.

(b) EXCEPTIONS.—(1) Subchapter VII of chapter 84 of title 5, United States Code, as added by section 101 of this Act, shall take effect on the date of the enactment of this Act.

(2) Except as provided in section 305 of this Act, title III of this Act, and the amendments made by such title, shall take effect on the date of the enactment of this Act.

(3) The amendments made by sections 204 and 205 of this Act shall take effect on the date of the enactment of this Act.

(4) Section 401 of this Act shall take effect on the date of the enactment of this Act.

(5) Sections 505 and 601 of this Act and the amendments made by such section 601 shall take effect on the date of the enactment of this Act.

(c) FIRST COST-OF-LIVING ADJUSTMENT.—(1) For purposes of the first adjustment under subsection (b) of section 8462 of title 5, United States Code (as added by section 101 of this Act), the base quarter ending on September 30, 1986, shall be considered to have been the base quarter for a year in which an adjustment under such subsection was made.

(2) As used in paragraph (1), the term "base quarter" has the meaning provided by section 8462(a)(1) of title 5, United States Code (as added by section 101 of this Act).

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate to the title of the bill, and agree to the same.

From the Committee on Post Office and Civil Service:

For consideration of the Senate amendments Nos. 1, 2, and 3 and modifications committed to conference:

WILLIAM D. FORD,
WILLIAM CLAY,
MARY ROSE OAKAR,
GENE TAYLOR,
JOHN T. MYERS,

As additional conferees on Senate Amendment No. 3:

From the Permanent Select Committee on Intelligence:

For consideration of title IV of the Senate amendment and modifications committed to conference:

LEE H. HAMILTON,
LOUIS STOKES,

ANTHONY C. BEILENSON,
BOB STUMP,
ANDY IRELAND,

As additional conferees on Senate Amendment No. 3:

From the Committee on Foreign Affairs:

For consideration of title V of the Senate amendment and modifications committed to conference:

DANIEL A. MICA,
PETER H. KOSTMAYER,
OLYMPIA SNOWE,

As additional conferees on Senate Amendment No. 3:

From the Committee on Ways and Means:

For consideration of provisions in section 101 of the Senate amendment establishing a new subchapter III of chapter 84—Thrift Savings Plan; establishing a new section 8475 in subchapter VII—transition provisions; of title II of the Senate amendment; and of section 305 of the Senate amendment and modifications committed to conference:

BILL ARCHER,
WM. THOMAS,
Managers on the Part of the House.

W.V. ROTH, Jr.,
TED STEVENS,
CHARLES McC. MATHIAS, Jr.,
TOM EAGLETON,
ALBERT GORE, Jr.,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 2672) to redesignate the New York International and Bulk Mail Center in Jersey City, New Jersey, as the "New Jersey International and Bulk Mail Center", and to honor the memory of a former postal employee by dedicating a portion of a street at the New York International and Bulk Mail Center in Jersey City, New Jersey, as "Michael McDermott Place", submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

H.R. 2672, as passed by the House, redesignated a bulk mail center and honors a former postal employee by dedicating a portion of a street in memory of such employee. The Senate adopted three amendments to the House bill. The first two made technical changes to these provisions relating to the bulk mail center. The third amendment embodied S. 1527, a bill establishing a new retirement system for certain Federal employees. The House disagreed with the Senate amendments and requested a conference.

Because the bill, as passed by the House, does not include provisions relating to the establishment of a new retirement system, the scope of the conference relating to the retirement provisions was limited to the Senate provisions and current law. However, a bill establishing a new retirement system was introduced in the House and ordered reported from the Committee on Post Office and Civil Service (H.R. 3660). Thus, while the House committee's reported bill was not in conference, the managers of both Houses were cognizant of its provisions and incorporated many of them in the conference agreement. The conferees acknowledge that H.R. 2672, as passed by the House, has no provisions comparable to the Senate's retirement provisions, but, for the sake of clarity, this statement of managers references the provisions of the bill (H.R. 3660) reported from the House committee.

Senate Amendment No. 1

The House recedes to the Senate.

Senate Amendment No. 2

The House recedes to the Senate.

Senate Amendment No. 3

The House concurs in the Senate amendment with an amendment which is explained below.

FEDERAL EMPLOYEES' RETIREMENT SYSTEM

TITLE

The Senate amendment entitles the new retirement system the Federal Retirement System.

The House bill has no comparable provision.

The House committee bill entitles the system, the Civil Service Supplemental Retirement System.

The conference agreement entitles the system, the Federal Employees' Retirement System (FERS).

BASIC PLAN

Coverage

The Senate amendment covers all Federal employees (including congressional staff and employees of Gallaudet College) hired, or rehired after a break in service for more than one year, after December 31, 1983. Additionally, all Members of Congress elected or appointed after December 31, 1983, are similarly covered. United States Park Police and the United States Secret Service hired, or rehired after the requisite break in service, after the above date are covered. Nonappropriated fund employees of the Department of Defense hired, or rehired after the requisite break in service, after the above date are covered. Members of the Foreign Service and certain employees of the Central Intelligence Agency (CIA) are covered under special provisions. A special arrangement is provided for those employees and Members of Congress who are covered by both the Civil Service Retirement System (CSRS) and the Social Security Act.

Under the Senate amendment all employees and Members of Congress covered by the CSRS or other related Government retirement programs may transfer into this system during a one-year window period. Employes of the District of Columbia are not covered and are prospectively excluded from CSRS beginning January 1, 1987.

The House bill has no comparable provision.

The House committee bill covers Civil Service employees, including congressional staff and employees of Gallaudet College, hired after December 31, 1983. Coverage is also extended to those employees rehired after the above date with a break in service of more than one year if those employees served less than five years under CSRS. Members of Congress, the Park Police and the Secret Service are also covered. A special arrangement similar to the Senate provision is provided for those employees and Members covered by CSRS and the Social Security act. Employees covered by CSRS may not transfer into the new system. Employees of the District of Columbia are not covered and are prospectively excluded from CSRS beginning October 1, 1987.

The conference agreement adopts the Senate provisions with modifications. Similar to the House committee bill, rehired employees with 5 years or more prior service subject to CSRS retain coverage under a revised CSRS. District of Columbia employees hired after October 1, 1987 are excluded from CSRS. Nonappropriated fund employees are not covered. Employees under the current retirement system will have six months beginning July 1, 1987, to elect into the new system.

Creditable service

The Senate amendment provides that creditable service includes service in a covered position in the new retirement system, service covered by the Federal Employees' Retirement Contribution Temporary Adjustment Act of 1983, military service, service creditable under CSRS (only for purposes under transition provisions), leaves of absences creditable under CSRS, and unused sick leave.

The House bill has no comparable provision.

The House committee bill provides that creditable service for most individuals includes civilian service subject to social security, military service, service covered by the Federal Employees' Retirement Contribution Temporary Adjustment Act of 1983, leaves of absence without pay while serving in the military or receiving worker's compensation, other leaves of absence of 6 months or less, and certain leaves of absence without pay for full-time service in an employee organization if the cost of such service is fully paid by the employee.

The conference agreement generally adopts the approach of the House committee bill except that a period of post-1956 military service is creditable only if the employee makes a contribution to the retirement fund equal to 3 percent of the employee's military base pay for such period. The conferees decided that the cost of retirement credit for military service should be absorbed, in part, by the employer as is the case under the CSRS. The ratio of the employee contribution for military service (3 percent) to the cost of the defined benefit plan under FERS is comparable to that under CSRS.

The conferees note that under FERS sick leave is not creditable service except for such leave carried into the system by an employee who transfers from CSRS. The conferees urge the Office of Personnel Management to examine the sick leave usage by employees under FERS. The conferees are concerned that without an incentive to save sick leave, the use of sick leave may substantially increase.

One plan

The Senate amendment provides two retirement options. Upon employment employees have 90 days in which to irrevocably choose between the two.

The House bill has no comparable provision, but the House committee bill provides for only one retirement plan.

The conference agreement adopts the House committee approach. The managers agree that, for personnel management and administrative reasons, one plan is preferable. Under FERS employees will have significant flexibility and choice with respect to participation and investment options in the thrift plan.

Vesting

The Senate amendment provides that benefits will vest after five years of civilian service.

The House bill has no comparable provision. The House committee bill also provides

that benefits vest after five years of civilian service.

The conference agreement adopts the House committee bill approach, with the qualification that service for which a refund of contributions has been made is irrevocably forfeited as creditable service.

Salary base

The Senate amendment provides a salary base of the average of an employee's five highest consecutive years of salary to determine the retirement benefit.

The House bill has no comparable provision.

The House committee bill provides a salary base of the average of an employee's three highest consecutive years of salary to determine the retirement benefit.

The conference agreement adopts the House committee approach.

Accrual rate

The Senate amendment provides an accrual rate equal to .9 percent for each year of service for the first 15 years and 1.1 percent for each year over 15 years.

The House bill has no comparable provision.

The House Committee bill provides an accrual rate equal to 1 percent for each year of service.

The conference agreement adopts the approach of the House committee bill, except that the accrual rate is 1.1 percent for each year of service if the employee is at least age 62 at the time of retirement and has completed at least 20 years of service.

Employee contributions

The Senate amendment (Option A) does not require employee contributions. Option B requires employees to contribute to the retirement fund an amount based on the difference between the Old Age, Survivor and Disability Insurance (OASDI) tax and the amount the employees would have been required to contribute to CSRS had they been covered under CSRS.

The House bill has no comparable provision.

The House Committee bill requires employees to contribute to the retirement fund an amount based on the difference between the OASDI tax rate and the CSRS contribution rate.

The conference agreement adopts the House committee approach. The conferees wrestled with the question of whether the basic plan should be contributory. Each dollar required as a contribution to the basic plan leaves one dollar less available for investment in the thrift plan. The conferees resolved the dilemma by mandating an employee contribution to the basic plan while at the same time requiring an employer thrift plan contribution which approximates the required employee contribution.

The required employee contributions to the basic plan will be 1.3 percent of basic pay in 1987, 0.94 percent from 1988 to 1990, and 0.8 percent in 1990 and thereafter. This is in addition to the mandatory OASDI tax.

Eligibility for unreduced benefits

The Senate amendment (Option A) provides unreduced benefits at age 62 with at least five years of service. Option B provides benefits at age 55 with 30 or more years of services or at age 62 with 5 or more years of service.

The House bill has no comparable provision, but the House committee bill provides unreduced benefits at age 55 with 30 or more years of service, at age 60 with 20 or more years of service, or at 62 with 5 or more years of service.

The conference agreement provides unreduced benefits at age 60 with 20 or more years of service and at age 62 with five or more years of service. In addition, it establishes a gradually increasing "minimum retirement age" for employees with 30 or more years of service. Until the year 2003, an employee with 30 years of service may retire at age 55. Beginning in the years 2003 the minimum retirement age increases by two months every year until year 2009. Thus, at year 2009 the employee must be age 56 to retire with 30 or more years of service. Age 56 is the minimum retirement age until the year 2020. Beginning in the year 2021 the minimum retirement age again increases by two-month increments until the year 2027. Thus, in the year 2027 the minimum retirement age to retire with 30 or more years of service is 57. Thereafter, age 57 is the permanent age for eligibility to retire with 30 or more years of services.

The conferees believe that 30 years of service with the Federal Government should be rewarded by an unreduced retirement benefit. The graduated minimum retirement age (which is analagous to future normal retirement age increases under the Social Security Act) takes into account changing demographics and increases in employee longevity.

Eligibility for reduced benefits

The Senate amendment (Option A) provides for two forms of reduced retirement benefits at age 55 depending upon whether the individual had 30 or more years of service or 10-30 years of service. An employee retiring after age 55 with 30 or more years of service would experience a 2 percent per year reduction for each year the employee was under the age of 62. An employee could also retire after age 55 with 10 or more years of service with a 5 percent per year reduction for each year the employee was under the age of 62.

Under Option B, an employee retiring after age 55 with 30 or more years of service would experience no reduction. An employee retiring after age 55 with 10-30 years of service would experience the same reduction as under Option A.

Neither the House bill nor the House committee bill has a comparable provision.

The conference agreement essentially adopts the provisions of the Senate amendment Option B, with one modification. The minimum retirement age for the reduced benefit increases gradually from 55 to 57. Ten years of service are required. For an employee retiring with less than 30 years of service a reduction of 5 percent per year for each year under age 62 is imposed, permitting flexibility for employee retirement planning at no additional cost to the Government.

Deferred benefits

The Senate amendment entitles former employees who have sufficient service and who attain the applicable minimum age for immediate retirement to deferred benefits. Under Option A, a former employee is entitled to an unreduced deferred benefit at age 62 with five or more years of service and reduced deferred benefits at age 55 with 10 or more years of service. Option B provides the same benefits and, also, provides unreduced deferred benefits to former employees who attain age 55 with 30 or more years of service.

The House bill has no comparable provision.

The House committee bill provides a deferred benefit to a former employee who attains age 62 with 5 or more years of service.

The conference agreement adopts the Senate approach which entitles a former employee with sufficient service to benefits when he or she attains the requisite minimum age to be eligible for immediate retirement. The agreement provides entitlement to *unreduced* benefits to former employees who attain age 62 with five or more years of service, age 60 with 20 or more years of service and age 55-57 with 30 or more years of service depending upon the year in which the employee retires. *Reduced* benefits are available to a former employee who attains age 55-57 with 10 or more years of service depending upon the year in which the employee retires. Providing deferred benefits to former employees under the same conditions as immediate benefits to current employees is consistent with the requirements of the Employee Retirement Income Security Act (ERISA) as applied to private pension plans. Additionally, this provision increases career flexibility for Federal employees who leave Government prior to becoming eligible for an immediate retirement benefit.

Involuntary retirement

The Senate amendment provides for involuntary retirement under the same conditions as the CSRS, i.e., if an employee is age 50 with at least 20 years of service or at any age with at least 25 years of service. The employee's benefit is reduced 2 percent for each year the employee is under age 62.

The House bill has no comparable provisions.

The House committee bill provides for involuntary retirement under the same conditions and eligibility requirements as the Senate amendment. However, those eligible for benefits would not face a reduction in their annuities based on age at time of retirement.

The conference agreements adopts the House committee approach. An employee removed from Government involuntarily is eligible to receive an immediate and unreduced benefit if the employee is age 50 with at least 20 years of service or any age with at least 25 years of service.

Annuity supplement

The Senate amendment does not include a supplement to the basic pension for those employees retiring before age 62 except with respect to special class employees, e.g., firefighters, law enforcement officers, and air traffic controllers.

The House bill has no air traffic controllers.

The House committee bill does include such a supplement for those retiring at age 55 with 30 years of service or age 60 with 20 years of service, as well as for special class employees.

The conference agreement adopts modified version of the House committee provision. The supplement will be paid to those employees who retire at the minimum retirement age (55-57) with at least 30 years of service, those who retire at age 60 with at least 20 years of service, and those involuntarily separated beginning when they attain the minimum retirement age. The supplement is designed to replicate the Social Security benefit (based on Federal civilian service) available at age 62 for those employees retiring earlier. The supplement terminates once the employee attains age eligibility to receive Social Security benefits, i.e., age 62. The provision in the conference agreement differs from the one in the House committee bill in three respects. First, the formula was redesigned to assume

that no Social Security benefits were earned in post-Federal employment. Second, the supplement is not adjusted for inflation. Third, the amount of the supplement actually payable is reduced by earnings in excess of a minimum amount, just as the amount of Social Security benefits payable at age 62 are reduced by earnings in excess of that amount. Earnings in excess of the exempt amount in the Social Security Act (the 1986 amount is $5,760.00 which is wage indexed) will reduce the supplement by one dollar for every two dollars earned. The conferees note that in order to assure continuity of a benefit stream throughout retirement, the supplement is subjected to the same conditions as payment of the Social Security benefit.

Cost-of-living adjustments

The Senate amendment provided for different cost-of-living adjustments (COLAs) for the various benefits depending on the retirement plan option selected. Under Option A, annuitants would receive no COLAs until age 62. For annuitants aged 62 through 66 and for those receiving disability or survivor benefits, the COLA would equal the percentage increase in the Consumer Price Index (CPI) minus two percentage points. At age 67, all COLAs would equal the actual percentage increase in the CPI.

Under Option B of the Senate amendment, annuitants up to age 62 would receive a COLA equal to the percentage increase in the CPI minus 2 percentage points. For annuitants at age 62 and above and for survivors and those disabled at any age the COLA would be the full CPI increase.

The House bill has no comparable provision.

The House committee bill provides for full COLAs for retirees, survivors, and disability annuitants.

Except in the case of special classes of employees, discussed below, the conference agreement provides for no COLA for retirees under age 62. For retirees age 62 and over, and for those receiving disability or survivor benefits regardless of age, the COLA is generally equal to the percentage increase in the CPI minus one percentage point. In those years for which the percentage increase in the CPI does not exceed 3 percent, the COLA will be the lesser of the increase in the price index or 2 percent.

Special classes

The Senate amendment provides earlier retirement with a supplement to certain classes of employees. The special classes include firefighters, law enforcement personnel, and air traffic controllers. Members of the Foreign Service and certain employees of the Central Intelligence Agency receive similar benefits although they are covered under amendments to their respective systems.

All of these employees may retire with an unreduced benefit at age 50 with at least 20 years of service or at any age with at least 25 years of service. In addition, a supplement is payable from retirement to age 62. Definitions of firefighters and law enforcement officers are more restrictive than under CSRS. Finally, military reserve technicians may retire at age 55 with 30 years of service with an unreduced benefit but without a supplement.

The House bill has no comparable provision.

The House committee bill provides higher accrual rates for law enforcement personnel, firefighters, air traffic controllers, Members of Congress, and congressional staff. The accrual rates are 1.7 percent per year of service for the first 20 years and 1.5 percent for service thereafter. The bill also requires employees in these classes to contribute an additional ½ of one percent of salary to the basic plan. Law enforcement personnel and firefighters (current law definitions) may retire at age 50 with 20 years of service with a supplement. Air traffic controllers may retire at age 50 with 20 years of service or 25 years of service at any age with a supplement. Members of Congress may retire with a supplement after completing 25 years of service or after becoming age 50 and completing 20 years of service or having served in 9 Congresses. In addition, a Member may retire with a supplement at age 60 with 10 years of service.

The conference agreement includes provisions of both the Senate amendment and the House committee bill. The Senate definition of "firefighters" is adopted as well as the definition of "law enforcement officer" (except as it applies to employees of Bureau of Prisons and related agencies). Law enforcement officers, firefighters, air traffic controllers, and Members of Congress may retire at age 50 with 20 years of service or at any age after completing 25 years of service. Law enforcement officers, firefighters, and air traffic controllers receive a supplement beginning at retirement. Members receive such a supplement beginning at the applicable minimum retirement age (55-57). The earnings test described earlier applies to the supplement at the minimum retirement age. These individuals, and congressional employees, contribute an additional ½ of one percent to the basic plan and receive an accrual rate equal to 1.7 percent of average pay for each of their first 20 years of service and 1 percent of average pay for each year thereafter. Members of the Foreign Service and certain employees of the CIA receive similar treatment but are covered under amendments to their respective retirement systems.

The mandatory retirement ages applicable under CSRS for law enforcement officers, firefighters, and air traffic controllers are included in the conference agreement. Because of the mandatory retirement requirements, the benefits for these groups will be adjusted for changes in cost of living, generally, at a rate of CPI minus 1 percent beginning at retirement, rather than at age 62.

To determine a reasonable accrual rate, the conferees used the average age and service at retirement of law enforcement officers in the CSRS and tried to replicate the CSRS replacement rates for such individuals in the retirement provisions of this plan.

Finally, the conference agreement provides that military reserve technicians separated from the civil service because of losing military status through no fault of their own may retire at age 50 with 25 years of service. In such cases the normal accrual rate of 1 percent of average salary per year of service applies and a supplement is paid. Those technicians who lose military status due to physical disability will receive cost-of-living adjustments from the time of retirement equivalent to that discussed above.

THRIFT SAVINGS PLAN

Contributions

The Senate amendment allows an employee to contribute each year up to 10 percent of the employee's rate of basic pay to the Thrift Savings Fund. It allows for "make-up" contributions in a year following a year in which an employee did not make the maximum contribution. In any year total contributions (including "make-up" contributions) could not exceed 15 percent of the employee's annual rate of pay for that year. The Senate amendment also permits employees to modify the amounts contributed to the Thrift Savings Fund at least once per year.

The Senate amendment provides for matching employer contributions. Under the Senate plan (Option A), the Government would match contributions dollar for dollar up to 5 percent of the employee's pay. Under Option B, the Government matches the first one percent of pay dollar for dollar, the second and third percent at fifty cents per dollar, and the fourth through sixth percent of pay at twenty five cents per dollar. The Senate amendment provides for the employee and employer contributions to the Thrift Fund to be tax deferred. The Senate amendment provides to employees who are receiving disability benefits the option of participating in the Thrift Plan.

The House bill has no comparable provision.

The House committee bill allows employees to contribute up to 10 percent of basic pay. It provides for the employer to match the contribution at fifty cents per dollar up to 6 percent of the employee's basic pay. The House committee bill requires an "open season" at least once every 6 months during which an employee may elect to contribute, elect to cease contributing, or change the rate of contribution. An employee may not begin contributing until the second open season following employment. Under the House committee bill, employees covered by CSRS could also contribute up to 10 percent of pay. Such contributions, however, would not be matched by the Government.

The conference agreement adopts provisions of both the Senate amendment and the House committee bill. Newly-hired employees must wait until the second "open season" to join, a period ranging from 6-12 months. Employees must be permitted to elect to participate, to elect to cease participating, or to modify the amount of their contributions to the Fund at least once every 6 months. The Executive Director is required to design a plan for make-up contributions and submit it to Congress.

With respect to Government contributions, the conference agreement represents a compromise between the Senate amendment and the House committee bill. The conference agreement provides for the employer to contribute an amount equal to one percent of basic pay for each employee regardless of whether the employee has elected to make contributions. This substantially offsets the mandatory employee contribution to the basic plan. An employee may elect to contribute up to 10 percent of pay with the employer matching up to 5 percent as follows: for the first 3 percent the match is 100 percent and for the fourth and fifth percent of pay the match is 50 percent.

Like the Senate amendment, the conference agreement provides that the employee and employer contributions to the Thrift Savings Fund will be tax-deferred. The House had no provision for tax deferral. Employees under CSRS may contribute a maximum of 5 percent to the Thrift Savings Plan but with no Government matching contribution.

The conferees believe the Thrift Savings Plan is a key element of the new retirement system. It encourages Federal employees to participate actively in their own retirement planning. The automatic 1 percent Government contribution for each employee cou-

pled with the attractive agency matching contribution provides a strong incentive for employees to participate. The tax-deferred features of the plan also make the Thrift Savings Plan economically attractive to employees. These popular tax-deferred savings plans should be as available to Federal employees as they are to private sector employees.

To encourage all Federal employees to participate in retirement planning, the conference agreement follows the House committee bill and allows current CSRS employees to participate in the Thrift Savings Plan. However, the conference agreement does not adopt the Senate amendment provision which permits disabled employees to participate in the Thrift Plan.

Vesting

The Senate amendment provides for immediate vesting of an employee's contributions to the Thrift Savings Plan and earnings attributed to those contributions. It provides for gradual vesting of the Government's contributions (and attributable earnings) over a 5-year period.

The House bill has no comparable provision.

The House committee bill provides for full and immediate vesting of both employee and employer contributions and the attributable earnings.

The conference agreement adopts the House provisions for full and immediate vesting for matching contributions. The automatic one percent contribution discussed above vests after 3 years of service for career employees, and 2 years for political appointees. The conferees note, however, there is a waiting period before an employee may join the plan.

Payouts

The Senate amendment provides several options under which participants may receive benefits from the Thrift Savings Plan upon leaving Government employment. The options available depend on the participant's retirement status. Those entitled to an immediate basic plan annuity, to workers' compensation benefits, or disability benefits would have four options: (1) an immediate annuity; (2) a deferred annuity; (3) withdrawal of funds in one or more payments; or (4) a rollover to an Individual Retirement Account (IRA) or any qualified pension plan. Those entitled to a deferred annuity would have the same four options, but the first three would be available only after the deferred annuity commences. Those not entitled to an annuity have two options: (1) withdrawal of funds at age 62; or (2) rollover to an IRA or any qualified pension plan.

The House bill has no comparable provision.

The House committee bill provides that an employee, upon separation from employment, may withdraw his account, receive an annuity or receive a deferred annuity.

The conference agreement adopts the Senate amendment provisions with modifications. If eligible to retire from the basic plan, an employee may withdraw the account, receive an annuity, defer an annuity, or transfer the account into an IRA or any qualified pension plan. If the employee separates with title to a deferred annuity under the basic plan, the employee may elect any of the above options except that withdrawals may not be made until the employee is eligible to receive the deferred annuity under the basic plan. If the employee is not vested in the basic plan, the account is required to be transferred into an IRA or any qualified pension plan.

Loans

The Senate amendment authorizes a loan program beginning in January 1, 1988, limited to the employee's contributions and attributable earnings.

The House bill has no comparable provision.

The House committee bill authorizes loans or hardship withdrawals of employee contributions for the following purposes: (1) purchase of a primary residence; (2) educational expenses; (3) medical expenses; or (4) financial hardship.

The conference agreement adopts the House committee provisions on loans except that loans will not be permitted prior to January 1, 1988. Withdrawals during employment are not permitted.

Investment of thrift savings fund

The Senate amendment provides for a minimum of three funds for investment: A Government Securities Investment Fund, a Fixed Income Investment Fund, and a Common Stock Index Investment Fund. It provides for a 5-member board to establish additional funds as appropriate. The Senate amendment includes certain requirements for the index fund and requires the board to define the stock index.

The Senate amendment provides for employees to have the opportunity at least once each year to elect the funds for investment or reinvestment. It includes a requirement that all monies contributed by employees to the Thrift Savings Plan during 1987 would be invested in the Government Securities Investment Fund with a 20 percent reduction of this amount each year through 1991. With respect to amounts contributed by the Government, 100 percent would remain in the Government Securities Investment Fund for the 6-year period, 1987-1992. In 1993, 20 percent would be available for investment in other funds increasing by 20 percent each year through 1996.

The House bill has no comparable provisions.

The House committee bill provides for a total of 6 funds for investment. In addition to the 3 included in the Senate plan, the House also provides for an indexed bond fund, an actively managed stock fund, and an actively managed bond fund. It provides for employee elections for allocating investments among funds at the same time as elections to participate in the Thrift Savings Plan (at least once every six months). The House committee bill provides for all government contributions prior to 1992 to be invested in the Government Securities Investment Fund.

The conference agreement adopts the Senate provisions establishing three funds and gives the Board the responsibility to select the index for the Common Stock Index Investment Fund. The conferees chose to limit the number of funds to three for several reasons. Because this is a new undertaking in the Federal Government, a smaller number of funds will be more manageable. The three funds selected offer employees distinct and reasonable alternatives for investment. Should additional investment vehicles become desirable, the Congress can authorize them.

Most importantly, the three funds authorized in the legislation are passively managed funds, not subject to political manipulation. A great deal of concern was raised about the possibility of political manipulation of large pools of thrift plan money. This legislation was designed to preclude that possibility.

Concerns over the specter of political involvement in the thrift plan management seem to focus on two distinct issues. One, the Board, composed of Presidential appointees, could be susceptible to pressure from an Administration. Two, the Congress might be tempted to use the large pool of thrift money for political purposes. Neither case would be likely to occur given present legal and constitutional restraints.

The Board members and employees are subject to strict fiduciary rules. They must invest the money and manage the funds solely for the benefit of the participants. A breach of these responsibilities would make the fiduciaries civilly and criminally liable.

The structure of the funds themselves prevents political manipulation. The Government Securities Investment Fund is invested in nonmarketable special issues of the Treasury pegged to a certain average interest rate. The Fixed Income Investment Fund is composed of guaranteed investment contracts, certificates of deposits or other fixed instruments in which the Board contracts with insurance companies, banks and the like to provide it with a fixed rate of return over a specified period of time. The Board would have no knowledge of the specific investments.

Finally, the stock index fund is one in which a common stock index such as Standard & Poor's 500 or Wilshire's 5000 is used as the mechanism to allocate investments from the fund to various stocks. A common stock index is a composite of stocks which moves up and down in value as prices of the stocks change. An index fund then allocates its investments to the stocks in the index in the same or similar ratio that the value of a given stock has to the total value of all of the stocks in the index. Thus, the actual decision to buy or sell a given stock is determined by the market place, i.e., the ratio of values of stock within the index. As the relative values change, the investments from the fund change. Hence no individual or group of individuals are capable of manipulating investments. The legislation bars Board members, the Executive Director and employees from voting proxies owned by the stock index fund.

The investment approach chosen by the conferees is patterned after corporate, state and local government, and the few existing Federal pension funds. Political manipulation is unlikely and would be unlawful.

As to the issue of Congress tampering with the thrift funds, the inherent nature of a thrift plan precludes that possibility. Unlike a defined benefit plan where an employer essentially promises a certain benefit, a thrift plan is an employee savings plan. In other words, the employees own the money. The money, in essence, is held in trust for the employee and managed and invested on the employee's behalf until the employee is eligible to receive it. This arrangement confers upon the employee property and other legal rights to the contributions and their earnings. Whether the money is invested in Government or private securities is immaterial with respect to employee ownership. The employee owns it, and it cannot be tampered with by any entity including Congress.

Drawing parallels between corporate reversions from overfunded pension plans and state legislative initiatives to use state pension monies for certain political purposes is irrelevant in this case. These examples are of funded defined benefit plans where the

monies do not belong to the employees but, rather, are arrangements to fund a statutory or contractual benefit. In this case, the vested moneys of the thrift plan belong to the employees.

Because of the many concerns raised, the conferees spent more time on this issue than any other. Proposals were made to decentralize the investment management and to give employees more choice by permitting them to choose their own financial institution in which to invest. While the conferees applaud the use of IRAs, they find such an approach for an employer-sponsored retirement program inappropriate. In fact, the conferees received advice from the Department of the Treasury that such a plan would not even qualify as an employer-sponsored plan, thus losing its favorable tax treatment.

The conferees concur with the resolution of this issue as discussed in the Senate report (99-166) on this legislation:

As an alternative the committee considered permitting any qualified institution to offer to employee specific investment vehicles. However, the committee rejected that approach for a number of reasons. First, there are literally thousands of qualified institutions who would bombard employees with promotions for their services. The committee concluded that employees would not favor such an approach. Second, few, if any, private employers offer such an arrangement. Third, even qualified institutions go bankrupt occasionally and a substantial portion of an employee's retirement benefit could be wiped out. This is in contrast to the diversified fund approach which could easily survive a few bankrupticies. Fourth, it would be difficult to administer. Fifth, this "retail" or "voucher" approach would give up the economic advantage of this group's wholesale purchasing power derived from its large size, so that employees acting individually would get less for their money.

The conference agreement adopts the Senate amendment provision for phasing employee and employer contributions into the private sector investment options with one change. At the end of the first five-year period employees could invest all of their contributions in any fund. After the 10-year period employees may invest all of the Government contributions in any fund. The conference agreement provides for employees to elect investment vehicles twice each year, simultaneous with the option to change contribution rates. Contributions by individuals under CSRS must be held in the Government Securities Investment Fund.

Federal retirement thrift investment management system

The Senate amendment establishes an off-budget agency called the Federal Retirement Thrift Investment Board to handle the investment and administraiton of the thrift plan. The Board's operations are funded by forfeitures of Government contributions and the invesment income from its investments. Board members are the Chairman of the Federal Reserve Board, the Director of the Office of Personnel Management, the Secretary of the Treasury, and two Presidentially-appointed employee representatives, one from labor and one from a manager organization. The Board sets overall policy, which is administered by an executive director and a support staff. An advisory committee of private sector experts advises the Board on investments and administration while a specially elected employee advisory committee advises in investment decisions and votes the fund's shares in relevant corporate matters. The Secretary of Labor is responsible for enforcing fiduciary responsibilities similiar to those required by ERISA.

The House bill has no comparable provision.

The House committee bill establishes an off-budget agency called the Federal Retirement Investment Board to handle the investment and administration of the thrift plan, which is funded by investment income from its investments. The Board is composed of five members, appointed by the President of four year terms, one of whom is designated as Chairman. One appointment is on recommendation of the Speaker of the House, one on recommendation of the Senate Majority Leader, and the final one upon recommendation of the other four. The Board sets overall policy, which is administered by an executive director and a support staff. The Chairman appoints a 14 member Employee Thrift Advisory Council representing labor, management, women, and retiree organizations. One member is designated by the Chairman as head of the Council and appointments are for four years. The Council advises the Board on investment and administration of the Thrift Savings Fund. The Secretary of Labor is responsible for enforcing fiduciary responsibilities similar to those required by ERISA.

The conference agreement generally adopts the House committee provisions. Board appointees must be confirmed by the Senate with the exception of those appointed for the first term. Unlike most of the rest of the retirement plan, the Thrift Management System is effective upon date of enactment to ensure that the system will be operable when thrift plan participation begins on January 1, 1987. As a result the conference agreement empowers the President to appoint the first panel of Board members for a one year term without Senate confirmation. Subsequent appointments are subject to Senate confirmation. In addition, while the Senate and House will each make a recommendation for appointment, the President need only take such a recommendation into consideration for such an appointment. With regard to advisory groups, the conferees decided that the requirement for Board members and the Executive Director to have substantial expertise in managing financial investments and pension benefit programs would obviate the need for advice from a committee of private sector experts.

SURVIVOR BENEFITS

Preretirement death

The Senate amendment (Option A) provides a preretirement death benefit to a survivor equal to 50 percent of the accrued retirement benefit of the employee subject to applicable early retirement reductions. Option B provides a benefit equal to 50 percent of the unreduced retirement benefits. A minimum benefit is provided under both options, based on 10 years of service. Option B also provides enhanced life insurance until retirement. Benefits are payable to survivors of vested employees who separated prior to death. Benefits vest after 18 months of service.

The House bill has no comparable provision.

The House committee bill provides a benefit equal to 50 percent of the accrued annuity of the employee where Social Security is payable. If Social Security is not payable, the benefit is the lesser of (a) the current CSRS benefit or (b) 50 percent of the accrued annuity, plus a Social Security supplement. Benefits vest after 18 months of service.

The conference agreement provides a surviving spouse a lump sum payment of $15,000 (indexed to CPI) plus one-half of the employee's annual rate of pay or high-3 average pay if higher. The spouse may elect the lump sum to be paid as an annuity or to be paid out over a shorter period. In addition, the surviving spouse receives an annuity equal to 50 percent of the employee's accrued unreduced annuity if the deceased employee had 10 years of service. Benefits vest after 18 months of service. Benefits are payable to survivors of vested employees who separated prior to death.

To the extent practical, the conference agreement reflects survivor benefit practice. Private industry uses a mixture of life insurance and survivor annuities. These coupled with Social Security survivor benefits generally provide adequate benefits. The conferees considered using a combination of insurance and annuities but found this approach would require significant changes in the Federal Employees Group Life Insurance (FEGLI) program. The conferees were not prepared to address significant changes in FEGLI at this time. Instead, the conference agreement approximates private sector insurance practice by providing an option of a lump sum payment. This should improve the ability of survivors to meet the financial demands resulting from the loss of a spouse. As a result of these survivor provisions, basic life insurance coverage may be redundant in some circumstances. The conferees urge the Office of Personnel Management to immediately study the impact of these provisions on FEGLI and recommend appropriate changes to the basic life insurance program.

Postretirement death

Both options under the Senate amendment require a 10 percent "survivor" reduction in the basic annuity to provide post retirement survivor benefits. A joint waiver is required for alternate annuity forms. Under Option A the survivor is entitled to 50 percent of the retiree's annuity, including any early retirement reductions. If the survivor predeceases the annuitant, the survivor reduction is not restored. Under Option B the survivor is entitled to 50 percent of the accrued annuity without early retirement reductions. If the survivor predeceases the annuitant, the survivor reduction is restored.

The House bill has no comparable provision.

The House committee bill requires a survivor reduction equivalent to that required under CSRS. This reduction is made unless the retiree and spouse jointly waive the survivor option. If Social Security is payable, the benefit is equal to 50 percent of the retiree's unreduced annuity. If Social Security is not payable, the benefit is the lesser of (1) the current CSRS benefit or (2) 50 percent of the retiree's unreduced annuity plus a Social Security supplement payable until Social Security eligibility. If the survivor predeceases the annuitant, the survivor reduction is eliminated.

The conference agreement requires a survivor reduction of 10 percent (absent a joint waiver). The remainder of the provisions are adopted from the House committee bill.

Children's benefits

The Senate amendment has no provision.

The House bill has no provision.

The House committee bill provides children's benefits equivalent to those under

the current CSRS offset by any Social Security benefits payable.

The conference agreement adopts the House committee approach.

DISABILITY BENEFITS

The Senate amendment establishes a separate long-term disability (LTD) insurance plan which pays benefits to a disabled employee with at least 18 months of service after the employee has used all sick leave. A totally disabled employee receives 60 percent of average salary offset by 100 percent of the Social Security benefit if any. For an individual who does not meet the Social Security disability definition, but who is disabled for his or her occupation, the benefit decreases to 40 percent of average salary after the first year. The benefit continues until the individual recovers or is converted to the regular retirement rolls. Occupationally disabled individuals are converted at age 55 and the totally disabled at age 62.

Time spent on the disability rolls is credited as service for purposes of the basic retirement benefit formula. In addition, the employee's salary at onset of disability is adjusted upward to the time of conversion. While receiving benefits, individuals are subject to medical examinations and to reviews of earnings. The portion of the disability benefit cost which comes from the LTD plan is paid by agencies to a newly established Federal Employee's Disability Insurance Fund. Benefit payments are made by a third party administrator.

The House bill has no comparable provision.

Under the House committee bill an employee who completes at least 5 years of creditable civilian service and is found by OPM to be unable to perform the duties of such employee's position will be eligible for disability retirement and an annuity. The disability annuity will be equal to the employee's accrued retirement benefit but will be no less than the smaller of (1) 20 percent of the employee's average pay, or (2) an annuity computed under the regular annuity formula after projecting the employee's service to age 60. Disabled employees who are unable to perform the duties of their positions but who do not qualify for benefits under the stricter Social Security definition of disability will be entitled to receive an annuity supplement to make up for the lack of Social Security benefits.

The conference agreement includes provisions from both the Senate amendment and the House Committee bill. Like the House committee bill, the disability benefit will be paid as an annuity from the retirement fund. The conference agreement adopted the Senate provision regarding eligibility for benefits after 18 months of service. The amount of the benefit during the first year is 60 percent of average pay minus 100 percent of any Social Security benefit payable. After the first year, the benefit for the occupationally disabled is 40 percent of average pay. For the totally disabled a 40 percent of average pay disability benefit is offset by 60 percent of the Social Security benefit payable. Total income flowing from both the disability benefit and Social Security will range from approximately 58 percent of average pay for the low income down to 46 percent for the higher income.

At age 62 the annuity is recomputed and the annuitant will receive the lesser of the total disability benefit (regardless of the extent of the disability) or a recomputed retirement benefit. For the retirement recomputation, years spent on disability are counted as years of service and average pay is increased by the cost of living adjustments applicable to disability annuities during the period of disability.

The disability benefit is particularly complex due to the need to coordinate with Social Security benefit computation formulas and disability criteria. The Social Security definition of disability is a very strict definition. Both bills provide and the conferees concur that payment of benefits is warranted where an employee is disabled for his position (occupationally disabled) but does not qualify for Social Security benefits. As a consequence, two categories of disabled employees receive benefits. In both cases a reasonable benefit is necessary, but the benefit payable to the Social Security disabled must take into account the amount of the Social Security benefit to avoid being overly compensated. Thus, one recipient receives a benefit only from the plan while the other receives it from the plan and Social Security.

The tilt to lower-income employees in total disability cases results from the tilt to lower-income employees in the Social Security benefit formula. The offset formula utilized for the totally disabled flattens the tilt somewhat.

Conversion to retirement benefits, if lower, at age 62 is necessary to assure that the disabled person does not receive greater benefits in his retired years than the one who voluntarily retired from active employment. Finally, at the time of conversion, the occupationally disabled individual is deemed to receive the total disability amount for conversion purposes to prevent the occupationally disabled from receiving more in total income than the totally disabled, once old age benefits commerce from Social Security.

TRANSFERS FROM CSRS TO THE FERS

The Senate amendment permits individuals covered by the CSRS, including those covered by both Social Security and CSRS, to elect to join the new plan within one year after the effective date, which is January 1, 1987. Rules which apply in the case of a transfer include:

(1) Service both before and after the transfer counts for eligibility to retire.

(2) Increases in average salary after the transfer apply to benefit computations under both plans.

(3) Survivors benefits come from both plans.

(4) Disability coverage under CSRS stops and the employee gets credit for service before the transfer toward the 18 months needed to become eligible for long term disability benefits under the new plan.

(5) Service before the transfer counts for vesting in the Government's share of contributions to the thrift plan.

(6) Employees who transfer and remain in the new plan for five years are no longer subject to the windfall benefit reduction or the public pension offset rule applying to spouses under the Social Security Act.

The House bill and the House Committee bill have no comparable provision.

The conference agreement adopts the Senate amendment approach, (with the exception of item six above) and permits employees under CSRS to transfer into the new system. Generally, an election to transfer may not be made prior to July 1, 1987, nor after December 31, 1987.

Individuals covered by CSRS only may transfer to the new plan. Those individuals covered by CSRS on December 31, 1983, but who were subsequently covered by Social Security may transfer into the new plan. Those individuals who performed 5 years of civilian service creditable under CSRS, who separated and who later were rehired subject to Social Security may transfer into the new plan during the later of the six-month period following reemployment or the six-month election period described above. Reemployed annuitants retired under CSRS may transfer into the new plan.

Rules applicable to transfer regarding creditability of service, vesting, average pay, and disability benefits are essentially the same as under the Senate amendment. New rules include:

(1) Military service performed before the effective date of the transfer generally is not creditable under FERS except in determining eligibility for benefits.

(2) Cost-of-living adjustments for the portion of the annuity earned before the transfer will be under the CSRS formula; the portion earned after the transfer will be under the FERS formula. COLAs for children's benefits will be under the FERS formula.

(3) Sick leave credited as service for benefit computation purposes under CSRS will be the number of days credited at the time of transfer or the date if retirement, whichever is less.

(4) A supplement for retirees with 30 years of service who are between age 55 and 62 is computed on service after the date of the transfer.

(5) A transfer election is effective with the first pay period beginning after the date of election and is irrevocable.

(6) An individual who elects to transfer and who has a former spouse entitled to CSRS benefits based on a court order or court-approved property settlement must have the written consent of the former spouse before the election can be effective.

(7) Service in CSRS is counted for purposes of survivor benefits under FERS. Survivor benefits are paid only under FERS.

The conferees agreed that individuals with at least 5 years creditable service in CSRS who return after more than a one year break in service should retain entitlement to CSRS benefits unless they elect to be covered by FERS benefits.

Finally, the conference agreement provides that anyone who transfers into the new plan will be covered by Social Security prospectively.

INTERIM EMPLOYEES

The Senate amendment provides that individuals hired or rehired after 1983 and who were covered by the Federal Employees' Retirement Contribution Temporary Adjustment Act of 1983 receive service credit in the new plan beginning on the date of such hiring or rehiring. CSRS retirement contributions made by these individuals, together with a Government contribution and interest on both, are used to establish a thrift savings account for the individual.

The House bill has no comparable provision.

The House committee bill provides that (1) individuals covered by both CSRS and Social Security, and (2) individuals reemployed after more than a one year break in service who have at least five years of civilian service covered by CSRS are credited under the CSRS with covered interim service without additional deposit requirements. These individuals remain under revised CSRS benefit and contribution formulas.

Employees hired during the interim period or rehired with less than 5 years service are given service credit in the new plan for all service under CSRS or the inter-

im system, without regard to deposit requirements.

The conference agreement essentially adopts the provisions of the House committee bill relating to individuals covered by both CSRS and Social Security and those individuals vested in CSRS and rehired during the interim period. They remain under CSRS under revised benefit and contribution formulas. Those employees hired during the interim period or rehired with less than 5 years civilian service are given service credit in the new plan but an appropriate deposit is required if that service is not covered by contributions. In addition, the Government will deposit in the Thrift Savings Fund on behalf of those employees 1 percent of basic pay paid during periods of employment under the interim system (with interest).

TREATMENT OF CERTAIN INDIVIDUALS COVERED UNDER CSRS AND SOCIAL SECURITY

The Senate amendment provides that individuals employed continuously since December 31, 1983, who were covered by Social Security, retain coverage under CSRS under a revised formula. These employees include Members of Congress and political appointees at the Senior Executive Service level and above.

The House committee bill provided similar treatment for those employees covered by the Senate amendment as well as employees rehired subject to Social Security who were vested in CSRS.

The conference agreement adopts the House provisions. The affected employees will be covered under both CSRS and Social Security. They will pay the full OASDI tax and a reduced contribution to the Civil Service Retirement Fund. The reduced contribution will be an amount equal to the difference between the full CSRS contribution applicable to the covered employee and OASDI tax.

These employees will be entitled to full Social Security benefits and a reduced Civil Service annuity. The Civil Service annuity will be reduced by the amount of the Social Security benefit attributable to Federal service.

Service during the interim period is creditable in the same manner. Employees who contributed the full CSRS amount during the interim period will be refunded the difference between the amount they contributed and the offset amount. Those employees who were permitted to make full contributions to both plans may continue to do so, thereby avoiding the offset provisions.

EXTENSION OF FEDERAL EMPLOYEES' RETIREMENT CONTRIBUTION TEMPORARY ADJUSTMENT ACT OF 1983

The Senate amendment extends the provisions of the Act until January 1, 1987, thereby extending the interim retirement system until that date.

Neither the House bill nor the House committee bill has a comparable provision.

The Federal Employees' Retirement Contribution Temporary Adjustment Act of 1983, as enacted, was to expire on December 31, 1985. Its life was extended until April 30, 1986, by section 147 of Public Law 99-190. The Act did expire on April 30 thereby requiring increased retirement contributions by those Federal employees subject to Social Security.

The conference agreement retroactively extends the Act from April 30, 1986, until December 31, 1986, at which time the new Federal Employees' Retirement System takes effect. It further authorizes refunds of excess retirement contributions required between April 30, 1986, and the date of the enactment of the conference agreement.

AUTHORIZATION, APPLICATION, AND EFFECTIVE DATES

The Senate amendment provides for payment of the fiscal year 1986 and 1987 expenses of the Federal Retirement Thrift Investment Board for appropriations, authorizes a $1 million appropriation for OPM to perform required informational activities, and makes the FERS effective Janaury 1, 1987, except for the thrift management system, which is effective on date of enactment, and the thrift loan program, which must be established by January 1, 1988.

The House bill has no comparable provision.

The House committee bill has provisions comparable to the Senate amendment regarding payment of thrift fund administrative start up costs and effective dates. It does not authorize an appropriation for informational activities. It provides that for purposes of the first cost-of-living adjustment under the new retirement system, the base quarter ending on September 30, 1986, shall be considered to have been the base quarter for a year in which a cost-of-living adjustment under such system was made.

The conference agreement adopts the House committee bill provisions.

DISCLOSURE OF RETURN INFORMATION

Under current law, section 6103 of the Internal Revenue Code provides that income tax returns and return information shall be confidential except for certain limited cases specifically set forth in that section.

The Senate amendment provides that the Office of Personnel Management shall have access to any information in the possession of any government agency that is necessary for administration of the retirement system.

The conference agreement provides that the Commissioner of Social Security will disclose to the Office of Personnel Management return information concerning net earnings from self-employment, wages, and payments of retirement income that have been disclosed to the Social Security Administration (SSA) under IRC section 6103. Only that information which is strictly necessary for the administration of the retirement system as provided in chapters 83 and 84 of title 5, United States Code may be disclosed under this section, and only according to written agreement between SSA and OPM, with such consultation with the Department of the Treasury as may be necessary.

The conference agreement also provides for reimbursement to the Social Security Administration (through the Department of Health and Human Services) for the costs of providing return information, as well as for the costs of providing any other information, such as hypothetical benefit computations, that may be required under agreements between Social Security Administration and the Office of Personnel Management.

FOREIGN SERVICE RETIREMENT

Title IV of the bill establishes a Foreign Service Pension System (FSPS) to provide retirement benefits for members of the Foreign Service appointed after 1983. FSPS parallels the Federal Employees' Retirement System (FERS) established by Title I of the bill for newly appointed Civil Service employees.

Members of the Foreign Service who are or who become participants in FSPS are made subject to all the provisions in chapter 84 of title 5, United States Code. Code (FERS) unless specifically provided otherwise in title IV of the bill. Different treatment for the Foreign Service is provided to permit continued operation of its special personnel system with its up-or-out and rank-in person rather than rank-in-position features and continued administration of the system by the Secretary of State. The special features incorpated in the FSPS are comparable to the special features in the FERS for personnel also eligible for age 50 retirement such as law enforcement, firefighter and air traffic controller personnel.

SENATE AMENDMENT

The Senate amendment established a Foreign Service Pension System (FSPS). The new System would provide retirement benefits for members appointed after 1983, and is very similar to the Federal Employees' Retirement System (FERS) established by the bill for new appointees in the Civil Service after 1983. All Foreign Service members who become participants in the FSPS would be subject to all provisions of the comparable FERS unless specifically provided otherwise by law. All the exceptions are stated in the Senate amendment.

The Foreign Service (FS) has always had its own retirement system separate from the Civil Service Retirement System. The basic reason for this is that the FS needs special provisions for early retirement to permit operation of its up-or-out personnel system. A number of FS members are mandatorily retired every year to permit advancement of the more competitive and most able personnel. This system was endorsed and expanded by the Foreign Service Act of 1980. The special provisions are also necessary to permit the early retirement of members who, for various reasons, are no longer able to serve abroad after completing a career in dangerous and difficult environments.

The FSPS proposed in the Senate amendment would preserve the early retirement and other special features needed by the FS. It would permit members to retire voluntarily at age 50 with 20 or more years of service with the same benefit as provided for special category personnel such as law enforcement, firefighter, and air traffic controller personnel. The system would permit FS members who are retired mandatorily at an early age to receive the "mid-tier" benefit based on high-5 salary without penalty for early retirement. The third basic special provision would provide an annuity supplement equivalent to a Social Security benefit from the date of retirement to age 62 when the annuitant would be eligible for the actual Social Security benefit. This annuity supplement would be based on all creditable service.

A detailed analysis of the Senate amendment follows:

Title V of the Senate amendment consisted of 7 sections:

Section 501 amends chapter 8 of the FSA of 1980 which contains the authority for the existing Foreign Service Retirement and Disability System (FSRDS), to designate the existing portion as "Subchapter I" and to make conforming amendments to change the word "chapter" wherever it appears in chapter 8 to "subchapter", and "act" to "subchapter" in certain cases.

Section 502 amends section 805 of the Foreign Service Act of 1908, relating to deductions from a participant's pay for Foreign Service Retirement and Disability System (FSRDS) coverage. An employee who was

covered by the FSRDS on December 31, 1983, and who was subsequently covered by Social Security will continue in the FSRDS at a reduced contribution. The contribution to FSRDS will be equal to the excess of the employee's normal FSRDS contribution over the OASDI portion of the Social Security tax.

Section 503 amends section 806 to require that annuities of retirees and survivors under the current FSRDS who are entitled to Social Security benefits for Federal service have their annuities reduced at age 62 in a manner comparable to the amendment to 5 U.S.C. 8339(o) made by the Senate amendment.

Section 504 amends existing section 823 which deals with retirement benefits of retired FS members who are recalled to active duty. The amendment provides that members who are recalled in the future and whose recall service comes under the new FS Pension System will receive the same benefits as reemployed annuitants.

Section 505 restates existing section 834 which concerns reemployed annuitants. The FS has long had a distinctive rule on reemployed annuitants to permit use of retired members who are uniquely qualified to perform certain essential tasks. This amendment recognizes that some reemployed annuitants will have an annuity under both the new and old systems. It also recognizes that it would be difficult or inappropriate to recompute a FS annuity following employment under the new Federal Employees' Retirement System. Accordingly, the amendment proposes, in such situations, to provide an additional annuity computed under Subchapter B, based on salary and service during reemployment in lieu of recomputation. Section 506 amends section 827 to extend the existing "Executive Order" procedure for maintaining conformity between the CS and FS retirement systems to the new FERS and FSPS.

Section 507 is the major substantive amendment. It establishes as subchapter II of chapter 8 of the Foreign Service Act of 1980, the FSPS. Section 851 of the new subchapter provides that participants in the new FSPS shall be subject to all provisions in chapter 84 of title 5, United States Code governing FERS except where otherwise specifically provided by law.

Section 852 provides definitions of the following terms: Annuity, dynamic assumption, Fund, normal cost, participant, supplemental liability, and System.

Section 853 provides that all members of the FS whose service after 1983 brings them under Social Security and who would, save for this section, be participants in the FSRDS, shall be participants in the FSPS.

Section 854 provides special rules governing entitlement to annuity under FSPS. Any entitlement or requirement not mentioned here would automatically, pursuant to section 851, be governed by chapter 84 of title 5, United States Code.

Subsection 854(a) provides that members retiring voluntarily or mandatorily under the conditions of existing sections 607, 608, 811 or 813 receive an annuity computed under proposed new section 8413 applicable to "special category" personnel in the Civil Service.

Subsection 854(b) provides that those retired under subsection (a) above, will be entitled to an annuity supplement from the effective date of retirement to age 62 based on total creditable service of the member and computed under section 8413(b) of title 5.

Subsection 854(c) makes participants in the new system subject to existing provisions for voluntary and mandatory retirement of existing sections 811, 812 and 813.

Subsection 854(d) carries forward to the new system the provision denying pension benefits to a member separated on grounds of disloyalty to the United States.

Section 855 along with the definition of "Fund" in section 852 provide that all monies to finance the System shall be paid into the exsiting Foreign Service Retirement Fund and benefits paid out of that fund. Financing arrangements would exactly parallel those for the FERS, except that the Department of Treasury would provide actuarial services for the FSPS, as at present with respect to the FSRDS.

Section 856 provides that the Secretary of State in consultation with the Medical Director of the Foreign Service, rather than an administrator of benefits under chapter 84, of title 5, United States Code, shall make determinations of disability as affected by fitness for overseas service for purposes of subchapter V of such chapter 84.

Section 857 provides that the Secretary of State shall administer the FSPS exclusive of matters pertaining to Disability and the Thrift Savings Plan. These would be administered in accordance with subchapters II, V and VIII, chapter 84 of title 5, United States Code, except as provided in section 856, as explained above.

Section 858 provides for transition from the old system to the new. The transition provisions are comparable to those applicable to CSRS employees.

Section 859 provides that references in certain paragraphs of the Senate amendment to participation in the Federal Employees' Retirement System shall be deemed to include participation in the Foreign Service Pension system.

CONFERENCE AGREEMENT

Title IV of the conference agreement follows the Senate amendment with minor or conforming changes except that provisions under title I relating to law enforcement officers are generally applicable and except as noted below:

Definition of court

Section 403 of the conference agreement revises the definition of "court" in the Foreign Service Act to make it comparable to the definition added to chapter 83 of title 5 by P.L. 98-615. The revised definition permits the recognition of orders by territorial and Indian courts affecting the payment of retirement and survivor benefits to former spouses.

18-month period to elect survivor annuity

Section 407 of the conference agreement amends the Foreign Service Act to grant annuitants under the existing Foreign Service Retirement and Disability System an 18-month grace period to elect or increase a survivor benefit for a spouse to whom married at retirement. This amendment is comparable to an amendment of chapter 83 of title 5 by P.L. 99-251.

Alternate forms of annuities

Section 408 of the conference agreement amends the Foreign Service Act to provide participants in the existing Foreign Service Retirement and Disability System alternate forms of annuities actuarially equivalent to whole life annuities now provided. This amendment is comparable to the amendment to chapter 83 of title 5 made by section 204 of the conference agreement.

Moderation of remarriage penalty

Section 412 of the conference agreement amends the Foreign Service Act retroactively to November 8, 1984 to moderate the remarriage penalty affecting former spouses, surviving spouses and former spouses of members of the Foreign Service. The amendment permits continuation of benefits or retention of entitlement to benefits if a remarriage occurs on or after age 55 rather than age 60 as at present. The amendment is comparable to the amendment made to chapter 83 of title 5 by P.L. 98-615 effective November 8, 1984.

Former spouses

Sections 861 and 862 being added to the Foreign Service Act by section 415 of the conference agreement as a part of the new Foreign Service Pension System conform that System with existing provisions on former spouses added to the Foreign Service Retirement and Disabilities System by the landmark Foreign Service Act of 1980. These sections do two basic things: first, with respect to certain former spouses, section 861 mandates a pro-rata share division of retirement and survivor benefits when a different distribution has not been ordered or approved by a court or agreed to by the parties. Secondly, section 862 authorizes a participant in the new System to "contract" with his or her spouse or former spouse on a mutually agreed upon distribution of benefits under the System. The purpose of section 862 is to allow the parties to arrange for a mutually agreed upon distribution of retirement benefits without going to court.

Section 861 would apply only to a former spouse married to a participant during 10 years of creditable service with at least 5 of those years occurring while the participant was an active member of the Foreign Service. This is comparable to the 10-year marriage requirement now in chapter 8 of the Foreign Service Act. Distributions under the Foreign Service Pension System to former spouses other than pro-rata share distributions under section 861 will be governed by provisions in chapter 84 of title 5 applicable to former spouses of employees under the Federal Employees' Retirement System. Those benefits will be available to former spouses as defined in that chapter: married 9 months to an individual with 18 months of civilian service credit.

Subsection 861(d) covers the situation where a member becomes entitled to benefits under both the Foreign Service Retirement and Disability System and the Foreign Service Pension System and has a former spouse at the time of transfer to the latter System. In the common situation where benefits are apportioned pursuant to a court order or spousal agreement, the intent may be to provide a pro-rata share distribution but the language of the instrument may base the share on length of the marriage during service creditable only under the Retirement System, and not under the Pension System. This will provide an especially large share of the Retirement System benefits. If such an order or spousal agreement is not amended, it would not be fair to provide, under this section, an additional pro-rata share of pension system benefits to the former spouse. The purpose of subsection (d) is to prohibit this possibility.

Similarly, in the case where a former spouse is entitled to a pro-rata share of Retirement System benefits based on years married during the entire Government career, it would be unfair not to provide the former spouse the same share of Pension System benefits. Subsection (d) serves this purpose. A related amendment is made to existing sections of the Act by section 404 of

the conference agreement. The purpose is to assure that two former spouses married for the same period to members who have identical careers, one of whom transfers to the new Pension System and the other remains under the old Retirement System, will each receive the same share of benefits under this chapter, if payments are based on pro rata share distributions.

CENTRAL INTELLIGENCE AGENCY RETIREMENT

Title V of the conference agreeement addresses federal employee retirement benefits for officers and employees of the Central Intelligence Agency (CIA). One section of Title V also addresses a related matter involving very limited numbers of National Security Agency (NSA) employees and Defense Intelligence Agency (DIA) employees.

After enactment of the Federal Employees' Retirement System Act of 1986, employees of the Central Intelligence Agency will generally fall into four basic categories, each with differing retirement benefits and obligations:

(1) *CSRS participants.*—Most Central Intelligence Agency employees whose federal service began before December 31, 1983 participate in the Civil Service Retirement System maintained under subchapter III of chapter 83 of title 5, United States Code. These CIA employees enjoy the same benefits as federal employees in other agencies who participate in the Civil Service Retirement System.

(2) *CIARDS participants.*—In 1964, Congress enacted the Central Intelligence Agency Retirement Act of 1964 for Certain Employees (50 U.S.C. 403 note) to establish a CIA Retirement and Disability System (CIARDS) for CIA employees whose duties are "(i) in support of Agency activities abroad hazardous to life or health or (ii) so specialized because of security requirements as to be clearly distinguishable from normal government employment" (Sec. 203 CIA, Retirement Act). The CIA employees participating in the CIARDS receive retirement benefits superior to those provided generally by the CSRS, benefitting in particular from a higher annual pension accrual rate and an option for early retirement. The group of CIARDS participants will consist of CIA employees whose federal service began prior to December 31, 1983 who are, or who will become eligible (whether before, on or after December 31, 1983), to participate in CIARDS in accordance with the CIA Retirement Act and implementing regulations.

(3) *FERS regular participants.*—Central Intelligence Agency employees whose federal service began after December 31, 1983 will participate in the Federal Employees' Retirement System (FERS) established under the new chapter 84 of title 5, United States Code. Unless they fall within the special category of CIA employees who qualify for FERS treatment equivalent to that accorded law enforcement officers, the CIA employees covered by the FERS will incur the same obligations and receive the same benefits as do most federal employees covered by the FERS.

(4) *FERS section 203 criteria participants.*—The CIA employees whose federal service began after December 31, 1983 (and who therefore participate in the FERS) and who meet the criteria prescribed under section 203 of the CIA Retirement Act, namely that their CIA duties are "(i) in support of Agency activities abroad hazardous to life or health or (ii) so specialized because of security requirements as to be clearly distinguishable from normal government employment," will incur the same obligations and receive the same benefits as do federal employees covered by the FERS who are law enforcement officers. The FERS accords preferential benefits to law enforcement officers in comparison to most other types of federal employees, and thus CIA's FERS section 203 criteria participants will receive preferential benefits in comparison to CIA FERS regular participants.

The conferees agreed that, to improve the security of intelligence sources, methods and activities, the CIA should administer all federal retirement systems as they apply to CIA officers and employees. The conference agreement provides for such CIA administration. Providing for CIA administration of retirement systems as they apply to CIA employees reduces unnecessary dissemination within the government of intelligence personnel information, improving security. The administration of the retirement systems by CIA as to CIA employees will not differ substantively from OPM administration of such systems with respect to other federal employees. The benefits and obligations of CIA employees and non-CIA employees within a retirement system will not differ; only the agencies administering the sytem as to those employees will differ. As a result of provisions of the conference agreement providing for CIA administration of the CSRS and the FERS with respect to CIA employees, all aspects of retirement system administration with regard to CIA employees will remain completely within the CIA, except for Merit Systems Protection Board and federal court review of certain adverse retirement decisions made by the DCI with respect to CIA CSRS and regular FERS employees. The conferees expect the MSPB and the federal courts to conduct such proceedings in a manner consistent with the protection of intelligence sources, methods and activities. The conferees also expect close cooperation among OPM, the Executive Director of the Thrift Investment Board, and the DCI to ensure both uniform administration of federal retirement systems and the protection of intelligence sources, method and activities, particularly as the conference agreement provides for OPM and Executive Director, Thrift Investment Board inspection and audit of CIA-related disbursements from the Civil Service Retirement and Disability Fund and the Thrift Savings Plan.

The DCI must submit all retirement regulations he issues to the intelligence committees of the Congress before the regulations take effect.

SECTION-BY-SECTION EXPLANATION

Title V of the conference agreement addresses Central Intelligence Agency retirement and related matters. Title V consists of sections 501 through 506 amending the Central Intelligence Agency Retirement Act of 1964 for Certain Employees and title 5 of the United States Code and section 507 making related changes.

Section 501: References

Section 501 of the conference agreement amends the CIA Retirement Act of 1964.

Section 501(1) amends section 201(c) of the CIA Retirement Act to make clear that the provisions of section 201(c), which provide for the finality and unreviewability of DCI administration of the CIA Retirement Act, do not override the provision of section 305(d) of the CIA Retirement Act (added by section 506 of the conference agreement) which permits CIA regular FERS employees to appeal certain adverse retirement determinations made by the DCI to the Merit Systems Protection Board and the federal courts in accordance with section 8461(e) of title 5 (as added by section 101 of the conference agreement).

Section 501(2) replaces the phrase "this Act" each place it appears in Title II of the CIA Retirement Act with the phrase "this title" (except in two specified sections), which is necessitated by the addition of a new Title III to the CIA Retirement Act by section 506 of the conference agreement.

Section 501(3) inserts the phrase "under this title" in Title II of the CIA Retirement Act after the phrase "payable from the fund" (meaning the CIA Retirement and Disability Fund) each place it appears in the title, which is necessitated by the addition of a new Title III to the CIA Retirement Act by section 506 of the conference agreement.

Section 502: Contributions to the CIA retirement and disability system

Section 502 of the conference agreement amends section 211 of the CIA Retirement Act of 1964.

Section 502(1) amends section 211 of the CIA Retirement Act to provide for an exception from the CIARDS contribution requirement of seven percent of basic salary contained in section 211(a) for participants described in new section 211(d) of the CIA Retirement Act as added by section 502(2) of the conference agreement.

Section 502(2) adds to section 211 of the CIA Retirement Act a new subsection (d) providing for contributions to the CIA Retirement and Disability Fund by CIARDS participants subject to title II of the CIA Retirement Act before January 1, 1984, whose service is employment for purposes of Title II of the Social Security Act and the social security tax provisions of the Internal Revenue Code but whose service is not creditable service under the new Federal Employee Retirement System. Such individuals would be CIARDS annuitants (who were participants before January 1, 1984) who are recalled to service after a one year break in service, political appointees, or individuals described in section 301(c)(1) of the CIA Retirement Act. The conferees intend that this provision not apply to any individuals other than individuals who fall within one of these categories. The contribution due to the CIA Retirement and Disability Fund from such an individual is equal to seven percent of basic pay, less the amount of social security taxes deducted and withheld from basic pay.

Section 503: Offset of annuity by amount of social security benefits

Section 503 of the conference agreement amends section 221 of the CIA Retirement Act of 1964 by adding a new section 221(p). Section 221(p) provides that the annuity payable under CIARDS to an individual described in section 301(c)(1) of the CIA Retirement Act (as added by section 506 of the conference agreement) shall be offset by the amount of the individual's Social Security benefits, in the manner provided by section 8349 of title 5, United States Code (as added by section 201(b) of the conference agreement). An individual described in section 301(c)(1) of the CIA Retirement Act is one who separates, or has separated, from federal service after having been a CIA employee subject to CIARDS and having completed at least 5 years of civilian service creditable under CIARDS. The social securi-

ty offset under subsection 221(p) does not apply to the annuity of an individual described in section 301(c)(1) who has elected to participate in the new FERS.

Section 504: Thrift Savings Fund participation by participants in the CIARDS

Section 504 of the conference agreement adds a new section 293 to the CIA Retirement Act of 1964. Section 293 permits CIARDS participants to remain in CIARDS and to elect to participate in the Thrift Savings Plan on the same basis as CSRS participants may remain in the CSRS and elect to participate in the Thrift Savings Plan under section 8351 of title 5, United States Code (as added by the conference agreement). Sections 8461 (k) and (m) of title 5, United States Code (as added by the conference agreement) apply with respect to contributions to the Thrift Savings Plan, and resultant earnings, by CIA employees who have elected, while remaining in the CIARDS or the CSRS, to participate in the Thrift Savings Plan. This ensures that the DCI will handle all administration with respect to CIARDS and CSRS participants who have elected to participate in the Thrift Savings Plan.

Section 505: Alternative forms of annuities

Section 505 of the conference agreement add a new section 294 to the CIA Retirement Act of 1964 to authorize the DCI to provide by regulation for alternative forms of annuities for CIARDS participants to elect upon retirement. To the maximum extent practicable, the regulations and the alternative forms of annuities must beat the requirements prescribed in section 8343a of title 5, United States Code (as added by the conference agreement). The DCI must submit the regulations to the intelligence committees of the Congress before they take effect.

Section 506: Participation in the Federal Employees' Retirement System

Section 506 of the conference agreement enacts a new Title III of the CIA Retirement Act of 1964 for Certain Employees, consisting of sections 301–307.

Section 301 of the CIA Retirement Act provides for application to certain CIA employees of the Federal Employee Retirement System established under chapter 84 of title 5, United States Code (as added by section 101 of the conference agreement).

Section 301(a) provides that the FERS applies to all Agency personnel any of whose service after December 31, 1983 is employment for purposes of Title II of the Social Security Act and the social security tax provisions of the Internal Revenue Code, except as provided in subsections 301 (b) and (c).

Section 301(b) provides that CIARDS participants who were CIARDS participants on or before December 31, 1983, and who have not had a one year break in service then, are not subject to the FERS, without regard to whether they are subject to Title II of the Social Security Act.

Section 301(c) provides that the FERS does not apply to an individual who separates, or has separated, from federal service after having been a CIA employee subject to CIARDS and having completed at least 5 years of civilian service creditable under CIARDS, unless the individual elects to become subject to the FERS.

Section 301(d) provides that the provisions of chapter 84 of title 5 (as added by section 101 of the conference agreement), which establishes the FERS, apply to CIA employees covered by the FERS, subject to any exceptions and special rules provided in Title III of the CIA Retirement Act with respect to such CIA employees.

Section 302 of the CIA Retirement Act provides special rules for CIA FERS section 203 criteria employees.

Section 302(a) provides that CIA employees subject to the FERS who are designated by the DCI under the criteria prescribed in section 203 of the CIA Retirement Act shall be treated for purposes of their retirement benefits and obligations under the FERS as if they were law enforcement officers as defined in section 8401(17) of title 5, United States Code (as added by section 101 of the conference agreement). The conferees emphasize that CIA personnel are not law enforcement officers, and indeed, are prohibited by section 102(d)(3) of the National Security Act from exercising law enforcement powers (except for CIA Security Protection Service personnel who have law enforcement powers under section 15 of the CIA Act of 1949 within CIA installations). The CIA FERS section 203 criteria employees are merely to be treated as if they were law enforcement officers for purposes of determining their FERS retirement benefits and obligations. The criteria of section 203 of the CIA Retirement Act to which the section refers permit designation of CIA FERS employees for retirement treatment equivalent to law enforcement officers if the CIA employees' duties are "(i) in support of Agency activities abroad hazardous to life or health or (ii) so specialized because of security requirements as to be clearly distinguishable from normal government employment."

Section 302(b) provides that the voluntary retirement provisions applicable to CIARDS participants under section 233 of the CIA Retirement Act also apply to CIA FERS section 203 criteria employees and that the mandatory retirement provisions applicable to CIARDS participants under section 235 of the CIA Retirement Act also apply to CIA FERS section 203 criteria employees, except that the applicable retirement benefits are those specified for such special category employees under the FERS in chapter 84 of title 5, United States Code. Section 233 of the CIA Retirement Act permits voluntary retirement by an employee who is at least 50 years of age and has rendered 20 years of service provided the employee has not less than ten years of Agency service, of which at least five years shall have been service after designation, or shall have been service prior to designation consisting of duties meeting the criteria prescribed in section 203 of the CIA Retirement Act. Section 235 of the CIA Retirement Act permits mandatory retirement of a designated employee who has completed at least 25 years of service, or who has completed 20 years of service and is at least 50 years of age, provided such employee has not less than ten years of Agency service, of which at least five years shall have been service after designation, or shall have been service prior to designation consisting of duties meeting the criteria prescribed in section 203 of the CIA Retirement Act. Section 235 also provides for automatic separation from the Agency at age 60 of a section 203-designated Agency employee receiving compensation at less than the GS-18 level and for automatic separation of such an employee at age 65 if such employee is receiving compensation at the GS-18 level or above, subject to extensions by up to a total of five years by the DCI when it is in the public interest. A section 203-designated Agency employee who is automatically separated at age 60 or 65 receives retirement benefits under the applicable retirement system if the employee has completed five years of Agency service.

Section 302(c) provides that the recall provisions applicable to CIARDS participants under section 271 of the CIA Retirement Act also apply to CIA FERS section 203 criteria employees, except that a CIA FERS section 203 criteria employee make contributions during recall service as provided in section 8422 of title 5, United States Code (as added by section 101 of the conference agreement). When a CIA FERS section 203 criteria employee recalled to service subsequently reverts to a retired status, his FERS annuity is redetermined.

Section 303 provides a special rule for use in determining the FERS annuity of a retiring CIA employee who is not a FERS section 203 criteria employee and who has served outside the United States during his Agency service. The portion of such annuity relating to service abroad performed by such employee after the effective date of the Federal Employees' Retirement System Act of 1986 is based on the higher accrual rate set forth in section 8415(d) of title 5, United States Code (as added by section 101 of the conference agreement), while the portion of the annuity of such employee relating to other service is based on the normal FERS accrual rate applicable to that employee's other service. The conferees provided the accrual rate increase for periods of service abroad for regular CIA FERS employees because such employees, during their service abroad, perform work substantially similar to that of FERS section 203 criterial employees, and should thus enjoy equivalent pension accrual rights during that period as a matter of equity.

Section 304 provides special rules relating to certain former spouses of certain CIA personnel. The conferees' intention is to perserve the existing regime of benefits for former spouses of CIA personnel, subject to necessary technical changes. The term "former spouse" as defined in the CIA Retirement Act (section 204(b)(4)) incorporates the requirement, applicable throughout the new Title III of the CIA Retirement Act that, to be considered a "former spouse," the former wife or husband of a CIA employee must have been married to the CIA employee for not less than 10 years of Agency service, at least 5 years of which were spent outside the United States by both the employee and the spouse (the "10/5 requirement"). As a result of section 304, CIA FERS employees' former spouses, who meet the 10/5 requirement, receive former spouses benefits analogous to those received by CIA CIARDS and CSRS employees' former spouses who met the 10/5 requirement. Throughout the discussion below of this section, unless the context indicates otherwise, the term "former spouse" when used in reference to a CIA employee's former spouse, means only a former wife or husband who satisfies the 10/5 requirement.

Section 304(a) provides that the former spouse provisions in chapter 84 of title 5, United States Code (as added by section 101 of the conference agreement) do not apply to a CIA FERS employee who has a former spouse meeting the 10/5 requirement. Instead, the special rules provided in section 304 apply to such an employee and former spouse. For a CIA FERS employee whose former spouse did not meet the 10/5 requirement, the normal former spouses provisions of chapter 84 of title 5 (as added by

section 101 of the conference agreement) would apply.

Section 304(b) provides that the provision in section 221(b)(1)(C) of the CIA Retirement Act for a joint employee/former spouse waiver of a survivor annuity by spousal agreement applies with respect to the survivor annuity for a CIA FERS employee's former spouse under section 304(c)(2).

Section 304(c) provides that certain specified provisions of the CIA Retirement Act of 1964 relating to CIA CIARDS employees apply equally to CIA FERS employees with respect to former spouses. The specified provisions made applicable deal with computation of annuities for former spouses, election of survivor benefits for former spouses, sharing of discontinued service (i.e., lump sum) benefits with former spouses, and the effect of payments under spousal agreements or court orders.

Section 304(d) provides technical special rules with respect to computation of annuities for CIA FERS employees' spouses in accordance with section 222(a) of the CIA Retirement Act as made applicable by subsection 304(c). The special rules are necessary to take account of the recall and reemployment situations of CIA FERS employees and to take account that CIA FERS employees' contributions belong in the Civil Service Retirement and Disability Fund rather than the CIA Retirement and Disability fund to which CIA CIARDS participants contribute.

Section 304(e) provides special rules relating to the survivor annuities of CIA FERS employees' former spouses under subsections (b) and (c) of section 222 of the CIA Retirement Act as made applicable by section 304(c). The special rules adjust the application of the CIA Retirement Act provisions made applicable to CIA FERS former spouses provisions in light of the former spouses provisions of chapter 84 of title 5, United States Code (as added by section 101 of the conference agreement) with respect to percentage of employee annuity used in calculating former spouse survivor benefits, the employee annuity base used in such calculation, survivor annuity election, aggregation of multiple survivor annuities, and employee contributions to fund elected survivor annuities.

Section 304(f) provides for computation of the reduction of a CIA FERS employee's annuity to provide survivor annuities in the manner provided by section 8419(a) of title 5, United States Code (as added by section 101 of the conference agreement).

Section 304(g) provides that the entitlement of a retired CIA FERS employee's former spouse to a portion of the employee's annuity extends to any annuity supplement the employee receives under section 8421 of title 5, United States Code (as added by section 101 of the conference agreement).

Section 305 provides that section 201(c) of the CIA Retirement Act, which provides for the finality and unreviewability of DCI administration of the CIA Retirement Act, applies to administration of FERS by the CIA with respect to CIA employees, except that regular CIA FERS employees may appeal certain adverse retirement decisions made by the DCI to the Merit Systems Protection Board and the federal courts as provided in section 8461(e) of title 5, United States Code (as added by section 101 of the conference agreement). Subsection 8347(n) of title 5, United States Code (as amended by the conference agreement) contains a provision similar with respect to finality and unreviewability of DCI administration of the CSRS with respect to CIA employees and similar with respect to appeals of certain DCI decisions by CIA CSRS employees.

Section 306 authorizes the DCI to prescribe in regulations (in consultation with the Director, OPM and the Executive Director of the Thrift Investment Board) appropriate procedures to carry out Title III of the CIA Retirement Act. The DCI must submit the regulations to the intelligence committees of the Congress before the regulations takes effect.

Section 307 authorizes the DCI to provide by regulation for the transition from CIARDS to FERS for CIARDS participants electing to participate in the FERS. Section 307 gives CIA CIARDS employees the same opportunity to elect to participate in the FERS as CIA CSRS employees enjoy under title III of the Federal Employee's Retirement System Act of 1986. The DCI must submit the regulations implementing section 307 to the intelligence committees of the Congress before the regulations take effect.

Section 507: Special retirement accrual for other intelligence personnel

Section 507 extends, to a limited number of civilian employees of the National Security Agency and the Defense Intelligence Agency covered by the CSRS and the FERS, the special retirement accrual benefit provided to CIA regular FERS employee for periods of overseas service by section 303 of the CIA Retirement Act (as added by section 506 of the conference agreement). The conferees concluded that NAS and DIA civilian employees within the groups covered by section 9(b)(1)(B) of the NSA Act of 1959 and section 1605(a) of Title 10, United States Code merit treatment equivalent to that afforded CIA regular FERS employees for periods of service abroad because of the nature of their intelligence duties.

ADMINISTRATION OF CSRS AND FERS FOR EMPLOYEES OF THE CIA

Section 206(i) of the conference agreement amends section 8347 of title 5, United States Code, to add a new subsection 8347(n) to provide for CIA administration of the Civil Service Retirement System as it applies to CIA employees. Section 8347(n) provides for CIA administration of the CSRS as it applies to CIA employees in the same way as section 8461 of title 5, United States Code (as amended by the conference agreement) provides for CIA administration of the FERS as it applies to CIA employees. The conferees concluded that CIA administration with respect to CIA employees of all retirement systems applicable to CIA employees forms an essential part of efforts to improve the protection afforded to intelligence sources, methods and activities.

These provisions (sections 8347 and 8461) provide that the Director of Central Intelligence may, consistent with the administration of CSRS and FERS by the Office of Personnel Management and the Executive Director of the Federal Retirement Thrift Investment Board and to the extent the DCI considers appropriate, administer CSRS and FERS retirement provisions as they apply to CIA personnel. In addition the DCI may, to the extent he considers appropriate, perform with respect to CIA personnel the functions and duties (including with respect to disbursements from the Civil Service Retirement Fund or the Thrift Savings Plan, but not including Thrift Savings Plan investment decisions) of the Director, OPM or the Executive Director, Thrift Investment Board under subchapter III of chapter 83 or under chapter 84, which those officers would otherwise perform. To the extent that the DCI does not exercise his authority to assume the functions and duties of OPM or the Executive Director with respect to CIA CSRS and FERS employees, OPM and the Executive Director would continue to perform such functions and duties with respect to CIA CSRS and FERS employees. Allowing the DCI to assume such functions and duties to the extent he considers appropriate will permit a phased, orderly assumption of retirement administration functions and duties by the CIA.

These provisions also provide that sections 8439(b), 8461(h)(1), and 8474(c)(4) of title 5, United States Code (as added by section 101 of the conference agreement) shall be applied with respect to information relating to CIA personnel in a manner that protect intelligence sources, methods and activities. Section 8439(b) relates to auditing of the Thrift Savings Plan by a qualified public accountant and a report to the General Accounting Office. Section 8461(h)(1) relates to OPM access to information held by other agencies. Section 8474(c)(4) relates to Executive Director, Thrift Investment Board access to information held by other agencies. Although nothing in the Federal Employees' Retirement System Act of 1986, or the amendments made by the Act, impairs or affects statutes (such as section 102(d)(3) of the National Security Act of 1947 and sections 6 and 8 of the CIA Act of 1949) and Executive Orders (such as Executive Orders 12333 governing intelligence activities and 12356 governing national security information) regarding protection of intelligence sources, methods and activities, the conferees believed it appropriate to emphasize the requirement for such protection because certain provisions of chapter 84 refer specifically and address the issue of access by one agency to information held by another agency. Security practices, including clearance requirements, normally applicable to intelligence information will apply in the administration of sections 8439(b), 8461(h)(1) and 8474(c)(4) of title 5 as they are applied with respect to CIA.

From the Committee on Post Office and Civil Service:

For consideration of the Senate amendments Nos. 1, 2, and 3 and modifications committed to conference:

WILLIAM D. FORD,
WILLIAM CLAY,
MARY ROSE OAKAR,
GENE TAYLOR,
JOHN T. MYERS,

As additional conferees on Senate Amendment No. 3:

From the Permanent Select Committee on Intelligence:

For consideration of title IV of the Senate amendment and modifications committed to conference:

LEE H. HAMILTON,
LOUIS STOKES,
ANTHONY C. BEILENSON,
BOB STUMP,
ANDY IRELAND,

As additional conferees on Senate Amendment No. 3:

From the Committee on Foreign Affairs:

For consideration of title V of the Senate amendment and modifications committed to conference:

DANIEL A. MICA,

PETER H. KOSTMAYER,
OLYMPIA SNOWE,

As additional conferees on Senate Amendment No. 3:

From the Committee on Ways and Means:

For consideration of provisions in section 101 of the Senate amendment establishing a new subchapter III of chapter 84—Thrift Savings Plan; establishing a new section 8475 in subchapter VII—transition provisions; of title II of the Senate amendment; and of section 305 of the Senate amendment and modifications committed to conference:

BILL ARCHER,
WM. THOMAS,
Managers on the Part of the House.

W.V. ROTH, Jr.,
TED STEVENS,
CHARLES McC. MATHIAS, Jr.,
TOM EAGLETON,
ALBERT GORE, Jr.,
Managers on the Part of the Senate.

SECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. ROTH) to revise and extend their remarks and include extraneous material:)

Mr. GINGRICH, for 60 minutes, today.

Mr. CRANE, for 60 minutes, on May 20.

(The following Member (at the request of Mr. RICHARDSON) to revise and extend his remarks and include extraneous material:)

Mr. ANNUNZIO, for 5 minutes, today.

(The following Member (at the request of Mr. REGULA) to revise and extend his remarks and include extraneous material:)

Mr. PEASE, for 60 minutes, on May 20.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. ROTH) and to include extraneous matter:)

Mr. CONTE in two instances.

Mr. WYLIE.

Mr. LAGOMARSINO.

Mr. COURTER.

Mr. BEREUTER in three instances.

(The following Members (at the request of Mr. RICHARDSON) and to include extraneous matter:)

Mr. MANTON.

Mr. SKELTON.

Mr. HUTTO.

Mr. LEHMAN of Florida in two instances.

Mr. O'NEILL.

Mr. ROE.

Mr. HOYER.

Mr. MONTGOMERY.

Mrs. BURTON of California.

Mr. ANDERSON in 10 instances.

Mr. GONZALEZ in 10 instances.

Mr. BROWN of California in 10 instances.

Mr. ANNUNZIO in six instances.

Mr. JONES of Tennessee in 10 instances.

Mr. BONER of Tennessee in five instances.

SENATE JOINT RESOLUTION REFERRED

A joint resolution of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S.J. Res. 342. Joint resolution to designate May 25, 1986, as "Missing Children Day"; to the Committee on Post Office and Civil Service.

ENROLLED BILL AND JOINT RESOLUTIONS SIGNED

Mr. ANNUNZIO, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill and joint resolutions of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 4382. An act to require the Architect of the Capitol to place a plaque at the original site of Providence Hospital;

H.J. Res. 234. Joint resolution designating the week of May 18, 1986, through May 24, 1986, as "National Food Bank Week";

H.J. Res. 427. Joint resolution designating the week beginning on May 11, 1986, as "National Asthma and Allergy Awareness Week";

H.J. Res. 492. Joint resolution to designate the week of June 1, 1986, as "National Neighborhood Housing Services Week"; and

H.J. Res. 613. Joint resolution allowing qualified persons representing all the States to be naturalized on Ellis Island on July 3 or 4, 1986.

SENATE ENROLLED JOINT RESOLUTIONS

The SPEAKER announced his signature to enrolled joint resolutions of the Senate of the following titles:

S.J. Res. 246. Joint resolution to designate May 25, 1986, as "Hands Across America Day," for the purpose of helping people to help themselves, and commending United Support of Artists for Africa and all participants for their efforts toward combating domestic hunger with a 4,000 mile human chain from coast to coast;

S.J. Res. 266. Joint resolution to authorize and request the President to designate the month of June 1986 as "Youth Suicide Prevention Month";

S.J. Res. 271. Joint resolution designating "Baltic Freedom Day"; and

S.J. Res. 337. Joint resolution designating May 18-24, 1986, as "Just Say No to Drugs Week."

BILL PRESENTED TO THE PRESIDENT

Mr. ANNUNZIO, from the Committee on House Administration, reported that that committee did on the following day present to the President, for his approval, a bill of the House of the following title:

On May 15, 1986:

H.R. 1349. An act to reduce the costs of operating Presidential Libraries, and for other purposes.

ADJOURNMENT

Mr. REGULA. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 12 minutes p.m.) the House adjourned until tomorrow, Tuesday, May 20, 1986, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3521. A letter from the Comptroller General of the United States, transmitting his review of proposed rescissions and deferrals of budget authority submitted by the President in his third and fifth special messages, pursuant to 2 U.S.C. 685 (H. Doc. No. 99-222); to the Committee on Appropriations and ordered to be printed.

3522. A letter from the Acting Director, Defense Security Assistance Agency, transmitting the price and availability report for the quarter ending March 31, 1986, pursuant to 22 U.S.C. 2768; to the Committee on Foreign Affairs.

3523. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b(a); to the Committee on Foreign Affairs.

3524. A letter from the Director, Office of Legislative Affairs, Agency for International Development, transmitting notification of a contract awarded in the Eighth District of Massachusetts in April 1986 and copies or reports summarizing contracting activities for fiscal year 1985; to the Committee on Foreign Affairs.

3525. A letter from the Chairman, Council on Environmental Quality, transmitting a report on the Council's compliance with the laws relating to open meetings of agencies of the Government (Government in the Sunshine Act) during calendar year 1985, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

3526. A letter from the Director, National Legislative Commission, the American Legion, transmitting statements describing the financial condition of the American Legion as of December 31, 1985, pursuant to Public Law 88-504, section 3 (36 U.S.C. 1103); to the Committee on the Judiciary.

3527. A letter from the Administrator, National Oceanic and Atmospheric Administration, Department of Commerce, transmitting notification that he has designated a national marine sanctuary in certain waters in American Samoa, pursuant to 16 U.S.C. 1434(b); to the Committee on Merchant Marine and Fisheries.

3528. A letter from the Director, Office of Congressional Affairs, Department of Energy, transmitting notification of the selection of phase I projects for the Small

Business Innovation Research [SBIR] Program; to the Committee on Small Business.

3529. A letter from the Administrator of Veterans' Affairs, Veterans' Administration, transmitting a draft of proposed legislation to amend title 38, United States Code, to repeal provisions relating to setting the interest rate on guaranteed or insured housing loans to veterans and inspecting manufactured homes purchased by veterans, to increase the VA loan fee, to authorize direct appropriations to the loan guaranty revolving fund, and for other purposes; to the Committee on Veterans' Affairs.

3530. A letter from the Chairwoman, U.S. International Trade Commission, transmitting a draft of proposed legislation to provide authorization of appropriations for the U.S. Internationl Trade Commission for fiscal year 1988; to the Committee on Ways and Means.

3531. A letter from the Assistant Secretary of the Army (Installations and Logistics), transmitting notification of the proposed decision to convert to contractor performance the dining facilities functions at Fort Dix, NJ, pursuant to 10 U.S.C. 2304 nt. and Public Law 99-190, section 8089; jointly, to the Committees on Armed Services and Appropriations.

3532. A letter from the Assistant Secretary of the Army (Installations and Logistics), transmitting notification of the proposed decision to convert to contractor performance the laundry and dry cleaning service at Fort Jackson, SC, pursuant to 10 U.S.C. 2304 nt. and Public Law 99-190, section 8089; jointly, to the Committees on Armed Services and Appropriations.

3533. A letter from the Assistant Secretary of the Army (Installations and Logistics), transmitting notification of the proposed decision to convert to contractor performance the transportation motor pool functions at Fort Polk, LA, pursuant to 10 U.S.C. 2304 nt. and Public Law 99-190, section 8089; jointly, to the Committee on Armed Services and Appropriations.

3534. A letter from the Assistant Secretary of the Army (Installations and Logistics), transmitting notification of the proposed decision to convert to contractor performance the commissary shelf stocking function at Fort Leavenworth, KS, pursuant to 10 U.S.C. 2304 nt. and Public Law 99-190, section 8089; jointly, to the Committee on Armed Services and Appropriations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

[Pursuant to the order of the House on Mar. 15, 1986, the following conference report was filed on May 16, 1986]

Mr. FORD of Michigan: Committee of conference. Conference report on H.R. 2672 (Rept. 99-606). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

[Submitted May 19, 1986]

By BONER of Tennessee:

H.R. 4845. A bill to amend chapter 35 of title 44, United States Code, to reduce the paperwork burden on citizens by requiring Federal agency correspondence to include the name, official title, telephone number, and address of individuals to whom responses and inquiries may be made; to the Committee on Government Operations.

By Mr. FAUNTROY (for himself and Mr. DELLUMS):

H.R. 4846. A bill to recognize the organization known as the Montford Point Marine Association, Inc.; to the Committee on the Judiciary.

By Mr. LEVINE of California (for himself, Ms. SNOWE, Mr. SOLARZ, Mr. LAGOMARSINO, Mr. GEJDENSON, Mr. BEREUTER, Mr. BERMAN, Mr. SOLOMON, Mr. FEIGHAN, Mr. SILJANDER, Mr. BARNES, Mr. GARCIA, Mr. DYMALLY, Mr. REID, Mr. SMITH of Florida, Mr. UDALL, Mr. TORRICELLI, Mr. MACKAY, Mr. TAUKE, Mr. LEHMAN of Florida, Mr. COURTER, Mr. FORD of Michigan, Mr. EDWARDS of California, Mr. MORRISON of Connecticut, Mr. BATES, Mrs. BOXER, Mr. FROST, Mr. LEVIN of Michigan, Mr. MONSON, Mr. EVANS of Illinois, Mr. LUNDINE, Mr. KLECZKA, Mr. BLAZ, Mr. MINETA, Mr. OBERSTAR, Mr. ECKART of Ohio, Mr. FAUNTROY, Mr. FAZIO, Mr. DIXON, Mr. STAGGERS, and Mr. WEISS):

H.R. 4847. A bill to require that U.S. companies cease their participation in the production, marketing, or distribution of Libyan oil; to the Committee on Foreign Affairs.

By Mr. WYDEN (for himself and Mr. MILLER of Washington):

H.R. 4848. A bill to require the Secretary of Energy to ensure the compliance of certain operations of the Department of Energy with Federal environmental standards, and for other purposes; to the Committee on Energy and Commerce.

By Mr. SOLARZ:

H.J. Res. 639. Joint resolution designating "National Epidermolysis Bullosa Awareness Week"; to the Committee on Post Office and Civil Service.

MEMORIALS

Under clause 4 of rule XXII,

379. The SPEAKER presented a memorial of the Senate of the Commonwealth of Pennsylvania, relative to U.N. Resolution No. 3379; to the Committee on Foreign Affairs.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

[Omitted from the Record of May 15, 1986]

H.R. 4775: Mr. EDWARDS of California, Mr. WYLIE, Mr. MICA, Mr. HILLIS, MR. DOWDY of Mississippi, Mr. SOLOMON, Mr. EVANS OF Illinois, Mr. MCEWEN, Ms. KAPTUR, Mr. MOLINARI, Mr. PENNY, Mr. RIDGE, Mr. ROWLAND of Georgia, Mr. HENDON, Mr. GRAY of Illinois, Mr. KANJORSKI, Mr. ROBINSON, Mr. MCCLOSKEY, and Mr. BURTON of Indiana.

[Submitted May 19, 1986]

H.R. 2952: Mr. FISH, Mr. DWYER of New Jersey, Mr. PETRI, Mr. CARPER, Ms. MIKULSKI, and Mr. MAVROULES.

H.R. 3042: Mr. TRAFICANT and Mr. SMITH of Florida.

H.R. 3854: Ms. KAPTUR, Mr. YATRON, Ms. OAKAR, Mr. BROWN of California, Mr. KILDEE, Mr. MINETA, Mr. BERMAN, Mr. TALLON, Mr. LEVINE of California, Mr. HAWKINS, Mr. WOLPE, Mr. APPLEGATE, Mr. DERRICK, Mr. TORRICELLI, Mr. MCCLOSKEY, Mr. WEAVER, and Mr. MARKEY.

H.R. 3894: Mr. BOUCHER and Mr. PACKARD.

H.R. 4025: Mr. PERKINS, Mr. HEFNER, Mr. WEISS, Mr. FLORIO, Mr. BUSTAMANTE, and Mr. ANDERSON.

H.R. 4057: Mr. ANDERSON, Mr. RALPH M. HALL, Mr. ROTH, Mr. OWENS, Mr. FAUNTROY, Mr. WHITEHURST, Mr. GAYDOS, Mr. MCCAIN, Mr. ERDREICH, Mr. MITCHELL, Mr. GEKAS, and Mr. COUGHLIN.

H.R. 4126: Mr. SKELTON and Mr. HOPKINS.

H.R. 4194: Mr. PURSELL and Mr. SAVAGE.

H.R. 4529: Mr. ROTH.

H.R. 4567: Mr. WEAVER.

H.R. 4696: Mr. WILSON, Mr. EDWARDS of California, Mr. STAGGERS, Mr. ROSE, Mr. EDGAR, and Mr. DONNELLY.

H.J. Res. 422: Mr. STRATTON.

H.J. Res. 524: Mr. RINALDO.

H.J. Res. 531: Mr. FASCELL, Mr. SABO, Mr. WHEAT, and Mr. TAUZIN.

H.J. Res. 577: Mr. FAZIO, Mr. VALENTINE, Mr. STOKES, Mr. MARTIN of New York, Mr. CROCKETT, Mr. BUSTAMANTE, Mr. SHUMWAY, and Mr. DANIEL.

H.J. Res. 594: Mr. BORSKI, Mr. HAYES, Mr. MCDADE, Mr. ENGLISH, Mr. BEDELL, Mr. CROCKETT, Mr. FAUNTROY, Mr. JACOBS, Mrs. LLOYD, Mr. FEIGHAN, Mr. COOPER, Mr. GORDON, and Mr. WEAVER.

H. Con. Res. 325: Mr. SPRATT.

H. Con. Res. 326: Mr. FROST and Mr. WEISS.

H. Res. 408: Mrs. BURTON of California.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.R. 2031: Mr. WORTLEY.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 1

By Mr. GARCIA:

(Amendment to the amendment in the nature of a substitute (text of H.R. 4746)).

—Page 13, after line 19, insert the following new sections (and redesignate the subsequent sections, and conform the table of contents, accordingly):

SEC. 123. REFINANCING MORTGAGE INSURANCE FOR HOSPITALS, NURSING HOMES, INTERMEDIATE CARE FACILITIES, AND BOARD AND CARE HOMES.

(a) STATE CERTIFICATION REQUIREMENT.—Section 223(f)(4)(D) of the National Housing Act is amended to read as follows:

"(D) such existing hospital has received such certification from the State in which the hospital is located as is comparable to the certification required for hospitals under section 242.".

(b) REFINANCING INSURANCE FOR NURSING HOMES, INTERMEDIATE CARE FACILITIES, AND BOARD AND CARE HOMES.—Section 223(f) of the National Housing Act (as amended by

subsection (a) of this section) is further amended—

(1) in paragraph (1), by inserting after "existing hospital" the following: ", existing nursing home, existing intermediate care facility, or existing board and care home"; and

(2) in paragraph (4)—

(A) by inserting after "existing hospital" each place it appears the following: ", existing nursing home, existing intermediate care facility, or existing board and care home";

(B) by inserting after "the hospital" the following: ", nursing home, intermediate care facility, or board and care home"; and

(C) by inserting after "section 242" the following: "or for nursing homes, intermediate care facilities, or board and care homes insured under section 232, as the case may be".

(c) REGULATIONS.—The Secretary of Housing and Urban Development shall issue such regulations as may be necessary to carry out the amendments made by this section by not later than the expiration of the 90-day period following the date of the enactment of this Act.

SEC. 124. MORTGAGE INSURANCE FOR NURSING HOMES, INTERMEDIATE CARE FACILITIES, AND BOARD AND CARE HOMES.

(a) INSURANCE FOR PUBLIC NURSING HOMES.—Section 232(b)(1) of the National Housing Act is ameded by inserting "public facililty," before "proprietary".

(b) REQUIREMENT OF STATE APPROVAL.—Section 232(d)(4)(A) of the National Housing Act is amended by adding at the end the following new sentence: "If the State agency is not empowered to provide a certification that there is a need for the home or facility or combined home and facility, the Secretary shall accept in lieu of such certification a feasibility study that (i) is prepared for the home or facility or combined home and facility in accordance with the principles established for feasibility studies by the American Institute of Certified Public Accountants; (ii) assesses on a marketwide basis the impact of the home or facility or combined home and facility on (and its relationship to) other health care facilities and services, the percentage of excess beds, demographic projections, alternative health care delivery systems, and the reimbursement structure of the home or facility or combined home and facility; and (iii) demonstrates the need for and financial feasibility of the home or facility or combined home and facility.".

(c) REGULATIONS.—The Secretary of Housing and Urban Development shall issue such regulations as may be necessary to carry out the amendments made by this section by not later than the expiration of the 90-day period following the date of the enactment of this Act.

SEC. 125. REQUIREMENT OF STATE APPROVAL FOR MORTGAGE

INSURANCE FOR HOSPITALS

(a) IN GENERAL.—Section 242(d)(4) of the National Housing Act is amended by adding at the end the following new sentence: "If the State agency is not empowered to provide a certification that there is a need for the hospital, the Secretary shall accept in lieu of such certification a feasibility study that (A) is prepared for the hospital in accordance with the principles established for feasibility studies by the American Institute of Certified Public Accountants; (B) assesses on a marketwide basis the impact of the hospital on (and its relationship to) other health care facilities and services, the percentage of excess beds, demographic projections, alternative health care delivery systems, and the reimbursement structure of the hospital; and (C) demonstrates the need for and financial feasibility of the hospital.".

(b) REGULATIONS.—The Secretary of Housing and Urban Development shall issue such regulations as may be necessary to carry out the amendment made by this section by not later than the expiration of the 90-day period following the date of the enactment of this Act.

—Page 123, after line 17, add the following new title (and conform the table of contents accordingly):

TITLE VI—ENTERPRISE ZONE DEVELOPMENT

SEC. 601. DESIGNATION OF ENTERPRISE ZONES.

(a) DESIGNATION OF ZONES.—

(1) DEFINITION.—For purposes of this section, the term "enterprise zone" means any area that—

(A) is nominated by 1 or more local governments and the State or States in which it is located for designation as an enterprise zone (in this section referred to as a "nominated area"); and

(B) the Secretary of Housing and Urban Development designates as an enterprise zone, after consultation with—

(i) the Secretaries of Agriculture, Commerce, Labor, and the Treasury, the Director of the Office of Management and Budget, and the Administrator of the Small Business Administration; and

(ii) is the case of an area on an Indian reservation, the Secretary of the Interior.

(2) NUMBER OF DESIGNATIONS.—

(A) IN GENERAL.—The Secretary of Housing and Urban Development may designate not more than 100 nominated areas as enterprise zones.

(B) MINIMUM DESIGNATION IN RURAL AREAS.—Of the areas designated under clause (i), not less than 25 percent shall be areas that—

(i) are within a local government jurisdiction or jurisdictions with a population of less than 50,000 (as determined under the most recent census data available);

(ii) are outside of a metropolitan statistical area (as designated by the Director of the Office of Management and Budget); or

(iii) that are determined by the Secretary, after consultation with the Secretary of Commerce, to be rural areas.

(3) AREAS DESIGNATED BASED SOLELY ON DEGREE OF POVERTY.—

(A) IN GENERAL.—Except as provided in subparagraph (B), the Secretary shall designate the nominated areas with the highest average ranking with respect to the criteria described in subparagraphs (C), (D), (E), and (F) of subsection (c)(3). For purposes of the preceding sentence, an area shall be ranked within each such criterion on the basis of the amount by which the area exceeds such criterion, with the area that exceeds such criterion by the greatest amount given the highest ranking.

(B) EXCEPTION WHERE INADEQUATE COURSE OF ACTION, ETC.—An area shall not be designated under subparagraph (A) if the Secretary determines that the course of action with respect to such area is inadequate.

(C) SEPARATE APPLICATION TO RURAL AND OTHER AREAS.—Subparagraph (A) shall be applied separately with respect to areas described in paragraph (2)(B) and to other areas.

(4) LIMITATION ON DESIGNATIONS.—

(A) PUBLICATION OF REGULATIONS.—Before designating any area as an enterprise zone, the Secretary shall prescribe by regulation not later than 4 months following the date of the enactment of this Act, after consultation with the officials described in paragraph (1)(B)—

(i) the procedures for nominating an area under paragraph (1)(A);

(ii) the parameters relating to the size and population characteristics of an enterprise zone; and

(iii) the manner in which nominated areas will be evaluated based on the criteria specified in subsection (d).

(B) TIME LIMITATIONS.—The Secretary shall designate nominated areas as enterprise zones only during the 24-month period beginning on the later of—

(i) the 1st day of the 1st month following the month in which the effective date of the regulations described in subparagraph (A) occurs; or

(ii) July 1, 1987.

(C) PROCEDURAL RULES.—The Secretary shall not make any designation under paragraph (1) unless—

(i) the local governments and the State in which the nominated area is located have the authority—

(I) to nominate such area for designation as an enterprise zone;

(II) to make the State and local commitments under subsection (d); and

(III) to provide assurance satisfactory to the Secretary that such commitments will be fulfilled;

(ii) a nomination therefore is submitted in such a manner and in such form, and contains such information, as the Secretary shall by regulation prescribe;

(iii) the Secretary determines that any information furnished is reasonably accurate; and

(iv) the State and local governments certify that no portion of the area nominated is already included in an enterprise zone or in an area otherwise nominated to be an enterprise zone.

(5) NOMINATION PROCESS FOR INDIAN RESERVATIONS.—In the case of a nominated area on an Indian reservation, the reservation governing body (as determined by the Secretary of the Interior) shall be deemed to be both the State and local governments with respect to such area.

(b) PERIOD FOR WHICH DESIGNATION IS IN EFFECT.—

(1) IN GENERAL.—Any designation of an area as an enterprise zone shall remain in effect during the period beginning on the date of the designation and ending on the earliest of—

(A) December 31 of the 24th calendar year following the calendar year in which such date occurs;

(B) the termination date designated by the State and local governments as provided for in their nomination pursuant to subsection (a)(4)(C)(ii); or

(C) the date the Secretary revokes such designation under paragraph (2).

(2) REVOCATION OF DESGINATION.—The Secretary, after consultation with the officials described in subsection (a)(1)(B) and a hearing on the record involving officials of the State or local government involved, may revoke the designation of an area if the Secretary determines that the local government or the State in which it is located is not complying substantially with the State and local commitments pursuant to subsection (d).

(c) AREA AND ELIGIBILITY REQUIREMENTS.—

(1) IN GENERAL.—The Secretary may make a designation of any nominated area under

subsection (a)(1) only if it meets the requirements of paragraphs (2) and (3).

(2) AREA REQUIREMENTS.—A nominated area meets the requirements of this paragraph if—

(A) the area is within the jurisdiction of the local government;

(B) the boundary of the area is continuous; and

(C) the area—

(i) has a population, as determined by the most recent census data available, of not less than—

(I) 4,000 if any portion of such area (other than a rural area described in subsection (a)(2)(B)(i)) is located within a metropolitan statistical area (as designated by the Director of the Office of Management and Budget) with a population of 50,000 or more; or

(II) 1,000 in any other case; or

(ii) is entirely within an Indian reservation (as determined by the Secretary of the Interior).

(3) ELIGIBILITY REQUIREMENTS.—For purposes of paragraph (1), a nominated area meets the requirements of this paragraph if the State and local governments in which it is located certify and the Secretary, after such review of supporting data as he deems appropriate, accepts such certification, that—

(A) the area is one of pervasive poverty, unemployment, and general distress;

(B) the area is located wholly within the jurisdiction of a local government that is eligible for Federal assistance under section 119 of the Housing and Community Development Act of 1974, as in effect on the date of the enactment of this Act;

(C) the unemployment rate, as determined by the appropriate available data, was not less than 1.5 times the national unemployment rate for that period;

(D) the poverty rate (as determined by the most recent census data available) for each populous census tract (or where not tracted, the equivalent country division as defined by the Bureau of the Census for the purpose of defining poverty areas) within the area was not less than 20 percent for the period to which such data relate;

(E) not less than 70 percent of the households living in the area have incomes below 80 percent of the median income of households of the local government (determined in the same manner as under section 119(b)(2) of the Housing and Community Development Act of 1974); and

(F) the population of the area decreased by 20 percent or more between 1970 and 1980 (as determined from the most recent census available).

(d) REQUIRED STATE AND LOCAL COMMITMENTS.—

(1) IN GENERAL.—No nominated area shall be designated as an enterprise zone unless the local government and the State in which it is located agree in writing that, during any period during which the area is an enterprise zone, such governments will follow a specified course of action designated to reduce the various burdens borne by employers or employees in such area. A course of action shall not be treated as meeting the requirements of this paragraph unless the course of action include provisions described in not less than 4 of the subparagraphs of paragraph (2).

(2) COURSE OF ACTION.—The course of action under paragraph (1) may be implemented by both such governments and private nongovernmental entities, may be funded from proceeds of any program administered by the Secretary of Housing and Urban Development or of any program administered by the Secretary of Agriculture under title V of the Housing Act of 1949, and may include, but is not limited to—

(A) a reduction of tax rates or fees applying within the enterprise zone;

(B) an increase in the level of public services, or in the efficiency of the delivery of public services, within the enterprise zone;

(C) actions to reduce, remove, simplify, or streamline paperwork requirements within the enterprise zone;

(D) involvement in the program by public authorities or private entities, organizations, neighborhood associations, and community groups, particularly those within the nominated area, including a written commitment to provide jobs and job training for, and technical, financial, or other assistance to, employers, employees, and residents of the nominated area;

(E) the giving of special preference to contractors owned and operated by members of any minority; and

(F) the gift (or sale at below fair market value of surplus land in the enterprise zone to neighborhood organizations agreeing to operate a business on the land.

(3) RECOGNITION OF PAST EFFORTS.—In evaluating courses of action agreed to by any State or local government, the Secretary shall take into account the past efforts of such State or local government in reducing the various burdens borne by employers and employees in the area involved.

(4) PROHIBITION OF ASSISTANCE FOR BUSINESS RELOCATIONS.—

(A) IN GENERAL.—The course of action implemented under paragraph (1) may not include any action to assist—

(i) any establishment relocating from 1 area to another area; or

(ii) any subcontractor whose purpose is to divest, or whose economic success is dependent upon divesting, any other contractor or subcontractor of any contract customarily performed by such other contractor or subcontractor.

(B) EXCEPTION.—The limitations established in subparagraph (A) shall not be construed to prohibit assistance for the expansion of an existing business entity through the establishment of a new branch, affiliate, or subsidiary if the Secretary—

(i) finds that the establishment of the new branch, affiliate, or subsidiary will not result in an increase in unemployment in the area of original location or in any other area where the existing business entity conducts business operations; and

(ii) has no reason to believe that the new branch, affiliate, or subsidiary is being established with the intention of closing down the operations of the existing business entity in the area of its original location or in any other area where the existing business entity conducts business operations.

(e) DEFINITIONS.—For purposes of this section:

(1) GOVERNMENT.—If more than 1 government seeks to nominate an area as an enterprise zone, any reference to, or requirement of, this section shall apply to all such governments.

(2) LOCAL GOVERNMENT.—The term "local government" means—

(A) any county, city, town, township, parish, village, or other general purpose political subdivision of a State;

(B) any combination of political subdivisions described in subparagraph (A) recognized by the Secretary; and

(C) the District of Columbia.

(3) SECRETARY.—The term "Secretary" means the Secretary of Housing and Urban Development.

(4) STATE.—The term "State" includes Puerto Rico, the Virgin Islands, Guam, American Samoa, the Northern Mariana Islands, and any other possession of the United States.

SEC. 602. EVALUATION AND REPORTING REQUIREMENTS.

Not later than the close of the 4th calendar year after the year in which the Secretary of Housing and Urban Development first designates areas as enterprise zones, and at the close of each 4th calendar year thereafter, the Secretary shall prepare and submit to the Congress a report on the effects of such designation in accomplishing the purposes of this title.

SEC. 603. INTERACTION WITH OTHER FEDERAL PROGRAMS.

(a) COORDINATION WITH RELOCATION ASSISTANCE.—The designation of an enterprise zone under section 601 shall not—

(1) constitute approval of a Federal or federally assisted program or project (within the meaning of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. 4601 et seq.)); or

(2) entitle any person displaced from real property located in such zone to any rights or any benefits under such Act.

(b) ENTERPRISE ZONES TREATED AS LABOR SURPLUS AREAS.—Any area that is designated as an enterprise zone under section 601 shall be treated for all purposes under Federal law as a labor surplus area.

SEC. 604. WAIVER OR MODIFICATION OF HOUSING AND COMMUNITY DEVELOPMENT RULES IN ENTERPRISE ZONES.

(a) IN GENERAL.—Upon the written request of the governments that designated and approved an area that has been designated as an enterprise zone under section 601, the Secretary of Housing and Urban Development (or, with respect to any rule issued under title V of the Housing Act of 1949, the Secretary of Agriculture) may, in order to further the job creation, community development, or economic revitalization objectives of the zone, waive or modify all or part of any rule that the Secretary has authority to promulgate, as such rule pertains to the carrying out of projects, activities, or undertakings within the zone.

(b) LIMITATION.—No provision of this section may be construed to authorize the Secretary to waive or modify any rule adopted to carry out a statute or Executive order that prohibits, or the purpose of which is to protect persons against, discrimination on the basis of race, color, religion, sex, marital status, national origin, age, or handicap.

(c) SUBMISSION OF REQUESTS.—A request under subsection (a) shall specify the rule or rules to be waived or modified and the change proposed, and shall briefly describe why the change would promote the achievement of the job creation, community development, or economic revitalization objectives of the enterprise zone. If a request is made to the Secretary of Agriculture, the requesting governments shall send a copy of the request to the Secretary of Housing and Urban Development at the time the request is made.

(d) CONSIDERATION OF REQUESTS. In considering a request, the Secretary shall weigh the extent to which the proposed change is likely to further job creation, community development, or economic revitalization within the enterprise zone against the effect the change is likely to have on the underly-

ing purposes of applicable statutes in the geographic area that would be affected by the change. The Secretary shall approve the request whenever the Secretary finds, in the discretion of the Secretary, that the public interest that the proposed change would serve in furthering such job creation, community development or economic revitalization outweighs the public interest that continuation of the rule unchanged would serve in furthering such underlying purposes. The Secretary shall not approve any request to waive or modify a rule if that waiver or modification would—

(1) directly violate a statutory requirement; or

(2) be likely to present a significant risk to the public health, including environmental health or safety.

(e) NOTICE OF DISAPPROVAL.—If a request is disapproved, the Secretary shall inform the requesting governments in writing of the reasons therefor and shall, to the maximum extent possible, work with such governments to develop an alternative, consistent with the standards contained in subsection (d).

(f) PERIOD FOR DETERMINATION.—The Secretary shall discharge the responsibilities of the Secretary under this section in an expeditious manner, and shall make a determination on requests not later than 90 days after their receipt.

(g) APPLICABLE PROCEDURES.—A waiver or modification of a rule under subsection (a) shall not be considered to be a rule, rulemaking, or regulation under chapter 5 of title 5, United States Code. To facilitate reaching a decision on any requested waiver or modification, the Secretary may seek the views of interested parties and, if the views are to be sought, determine how they should be obtained and to what exent, if any, they should be taken into account in considering the request. The Secretary shall publish a notice in the Federal Register stating any waiver or modification of a rule under this section.

(h) EFFECT OF SUBSEQUENT AMENDMENT OF RULES.—In the event that the Secretary proposes to amend a rule for which a waiver or modification under this section is in effect, the Secretary shall not change the waiver or modification to impose additional requirements unless the Secretary determines, consistent with standards contained in subsection (d), that such action is necessary.

(i) EXPIRATION OF WAIVERS AND MODIFICATION.—No waiver or modification of a rule under this section shall remain in effect for a longer period than the period for which the enterprise zone designation remains in effect for the area in which the waiver or modification applies.

(j) DEFINITIONS.—For purposes of this section:

(1) RULE.—The term "rule" means—

(A) any rule as defined in section 551(4) of title 5, United States Code; or

(B) any rulemaking conducted on the record after opportunity for an agency hearing pursuant to sections 556 and 557 of such title 5.

(2) SECRETARY.—The term "Secretary" means the Secretary of Housing and Urban Development or, with respect to any rule issued under title V of the Housing Act of 1949, the Secretary of Agriculture.

SEC. 605. COORDINATION OF HOUSING AND URBAN DEVELOPMENT PROGRAMS IN ENTERPRISE ZONES.

Section 3 of the Department of Housing and Urban Development Act is amended by adding at the end the following new subsection:

"(d) The Secretary shall—

"(1) promote the coordination of all programs under the jurisdiction of the Secretary that are carried on within an enterprise zone designated pursuant to section 601 of the Housing Act of 1986;

"(2) expedite, to the greatest extent possible, the consideration of applications for programs referred to in paragraph (1) through the consolidation of forms or otherwise; and

"(3) provide, whenever possible, for the consolidation of periodic reports required under programs referred to in paragraph (1) into 1 summary report submitted at such intervals as may be designated by the Secretary.".

SENATE—*Monday, May 19, 1986*

The Senate met at 12 noon and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray.

God be merciful unto us, and bless us; and cause his face to shine upon us; that thy way may be known upon earth, thy saving health among all nations. Let the people praise thee, O God; let all the people praise thee. O let the nations be glad and sing for joy; for thou shall judge the people righteously and govern the nations upon earth.—Psalms 67:1-4.

God of mercy, so easily we become spiritually disoriented. We drift without an anchor. Losing our magnetic north we wander without direction and purpose. Help us return to Thee O God that we may connect with our spiritual and moral roots. For the sake of our stewardship as national leaders and for Your glory. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The able majority leader, Senator DOLE, is recognized.

SCHEDULE

Mr. DOLE. Mr. President, under the standing order, the leaders will have 10 minutes each, followed by special orders in favor of Senators HAWKINS, MATTINGLY, and PROXMIRE—the distinguished Senator from South Carolina, Senator THURMOND, is scheduled to deliver the Hawkins special order—and routine morning business not to extend beyond the hour of 1 p.m., with Senators permitted to speak therein for not more than 5 minutes each.

Following routine morning business, the Senate will resume consideration of S. 2180, the Federal Fire Prevention and Control Act. No votes will occur prior to the hour of 3 p.m., and no votes will occur after the hour of 6 p.m. today.

There will be a number of votes, I would assume, on Tuesday and Wednesday. We hope to begin consideration of H.R. 4515, the supplemental appropriations bill later today or early tomorrow. There will be votes on that throughout Tuesday and we could be asked to remain in late on Tuesday or Wednesday to complete action on the supplemental.

As previously agreed to some time ago, we will be in adjournment for the Memorial Day recess until Monday, June 2. That will start effective the close of business Wednesday, May 21. On June 2, we will convene at 2 p.m. rather than 12 noon. We will do that by consent.

It is still our intention to call up the tax reform bill very early upon our return. I met with the Budget Committee chairman hoping we could expedite consideration of a 303 wavier request so we would be prepared to start on the tax bill, if not on Monday, June 2, on Tuesday, June 3, or no later than Wednesday, June 4.

There will also probably be pending at that time the President's veto of the resolution of disapproval of the Saudi arms sale. I am not certain when that veto will occur, but that will be pending, I assume, when we return, unless disposed of before we leave.

I would suggest to my colleagues that June 2 is also the first day of public televising of Senate proceedings. We will, as I said, begin on that day at 2 o'clock.

YELENA BONNER'S CALL FOR PEACE

Mr. DOLE. Mr. President, yesterday the Washington Post's Outlook section ran an article written by Yelena Bonner, Soviet dissident and wife of Andrei Sakharov. Her message was simple and straightforward: Americans want peace. They want the freedom to live in their own homes, raise their families, pursue their careers. They do not want war. They want peace.

Yelena Bonner, who has been in the West for the past 5 months being treated for medical problems, recognized two overriding American characteristics—the desire for privacy and independence. These are traits the Soviet system does not accommodate.

As she points out, at the age of 63, she has never had a house, and probably never will:

> My dream, my own house, is unattainable for me and my family—that is for my husband and myself, as unattainable as Heaven on Earth.

Why so unattainable? Because she and her husband had the audacity to challenge the Soviet Government, to speak out against its abuses, and to dare to ask to leave. But even if they hadn't, the opportunity for something as basic as owning your own home in the Soviet Union is as rare as a 5-percent mortgage rate in the United States. But then, so are other basics, like the freedom of speech, the freedom of movement, the freedom of religion.

Mrs. Bonner is getting ready to leave the United States, to return to her husband and their life in internal exile. Mrs. Bonner has whiffed the winds of freedom, she has exulted in the homely pleasures of family life in American suburbia; she has bathed in the warmth and beauty of a Caribbean beach; she has lived in an open and democratic society.

It is ironic, that just as she was preparing to return to a closed life in the closed city of Gorky, Anatoly Shcharansky, the recently freed Soviet dissident, was beginning his first trip to the United States. For those of us who had the pleasure and honor to meet with Mr. Shcharansky, his joy at being free was patently obvious, even after a grueling schedule.

But at the same time, he made it very clear that while enjoying his new life in Israel, he will relentlessly campaign for the right of the 400,000 Soviet Jews who wish to emigrate, and for the thousands of dissidents who remain in Soviet prison camps.

Mrs. Bonner, Mr. Shcharansky, and all Soviets held against their will, want something as basic as a house and as awesome as freedom and peace.

As Mrs. Bonner wrote:

> I want a house. I don't want war. Americans want a house, too. Americans don't want war.

Mr. President, I ask unanimous consent to include the text of Mrs. Bonner's remarks in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

AMERICANS DON'T WANT WAR—THEY WANT HOUSES, WITH YARDS, AND SO DO I

(By Yelena Bonner)

(Yelena Bonner plans to leave the United States Saturday to return to the Soviet Union and life in internal exile with her husband and fellow dissident, Andrei Sakharov.)

I am convinced that Americans want peace. I don't know about America—I'm not a specialist, like the schoolchildren who travel around the world on peace missions and can explain everything about rockets and so on. But while I am not as competent to judge, I maintain that Americans do not want war.

What Americans want is a house. No matter their place on the social ladder, their salary, capital, inheritance, winnings in the lottery or on the stock market (for me with my lack of education in these matters it is almost one and the same, even though I do know that people win more frequently—and lose more frequently!—playing the stock market than the lottery), they want a house of their own.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

They want a house and the ground it stands on, and a surrounding bit of land. That's all. Some own a tiny house, like a toy cottage, and the only soil is in their flower boxes; others have lots of bedrooms, baths, and extensive lawns. The desire to own a house is not a class ambition; it encompasses upper, middle, upper-middle, or lower-income groups, and is an expression of a national trait, a desire for privacy.

Even one of New York's homeless, huddling in a blanket over a grating, will be insulted if you invade his privacy. A house is the symbol of independence, not even a material one, but some sort of combined spiritual and physical independence. The American feeling about his house expresses the main traits of Americans—the desire for privacy and independence. But that attitude gives rise to a third trait, "my house is my pride and joy."

And from that comes "My city, my state, my country is my pride and joy." There is no aggression or parochialism in that attitude. It is open and kind and caring both toward the house and toward everything that it stands for, the soil in the flower boxes and the lovingly-tended lawn, even if it's only three yards square. And, I say, this shows that Americans care about land in general and about the whole world. Only the other day my son told me that according to a poll, 43 percent of all Americans prefer growing flowers to any other outdoor pastime.

Americans do not want war. They want a house. The first lady says that when the president retires, they will sell the house in which they lived before the presidency. The children are grown and the place is too big for them, so they will buy a smaller house. A wonderful plan! And it's wonderful that the whole country knows it. The president doesn't want war, he wants a new house.

I also want a house, in addition to my usual wants that everyone be together and healthy and that there be no war. With enough land around it, and no more, for me to plant flowers. For the sake of nostalgia I could grow an ordinary Russian cornflower and an ordinary Russian daisy and a single birch tree. But to tell the truth, I find nostalgia a form of play acting.

I don't need a lot of bedrooms, just one for us and one for mother, a guest room and one more so that I'm always ready for our grandchildren. And I'd like a room where I could at last spread out my books and where Andrei could make a mess. What nonsense I'm writing! I want a house! This is me, who should be counting the days, no, the hours of my freedom to do what I want, even to type this freely, to type all my unattainable nonsense, such as "I want a house."

But you know, I'm sixty-three, and I've never had a house; not only that, I've never had a corner I could call my own. I started out like everyone else: a normal childhood, but then came a strange orphanhood—father and mother arrested and no one knowing whether they were alive or not. I lived in a single room with my grandmother, brother and sister. On the other side of the wall (we could hear everything) lived a man named Fyodorov with his wife and four children. When he got drunk he beat them. If they managed to get away, they would spend the night with us, sitting on the old trunk. Fyodorov never broke into our room. He was afraid of grandmother—everyone was afraid of her except me. I had my own fears, of course, but ever since my parents' arrest, I have never allowed myself to show my dread of anything.

Then there was the army. I guess there was a time when my "house" was a compartment in the hospital train, where I was head nurse. The war ended, and many people shared my room with me, like girl friends in Leningrad after the evacuation was over. Later, we had a room in a communal apartment—my first husband, two children, my mother, and I; often we had friends staying the night. There were 48 people in one apartment, and one toilet.

Later in Moscow, we had two rooms in the apartment where my mother, the children and I lived, and then we were joined by my son-in-law, and then by Sakharov. I think that the first time I was mistress of my own place was—it's hard to believe—in Gorky, in exile.

I do not want that. I want a house. My daughter has a house in Newton, Mass. It make me so happy to think that she has a house. Her family is caught up in our affairs, in our Gorky horrors and suffering, and our cares. They have forgotten the pleasure of their house. I want them to go back to caring about it. It has done so much for them—my daughter and her husband and their two children have been living in the house since their arrival in 1977. My son came there, followed by his wife, and their daughter was born there. Two families shared the house in a most un-American way—it was almost a communal apartment and it had almost a third family: my mother arrived and the impossibility of going back to Russia has kept her there close to six years. Where else could she go—to live in exile in Gorky?

My dream, my own house, is unattainable for me and my family—that is, for my husband and myself, as unattainable as heaven on earth. But I want a house. If not for me, then for my son and his family. My son and I plan to buy one. And I am learning many new things. The house should be near good schools, my granddaughter is three and schooling is not far off in the future. It should be in the suburbs—vacations are short and a child should not have to grow up in a polluted city. It should be close to their work—both parents have jobs and there is only one car. It should have a full foundation and basement (I had never known such considerations to exist). It should have three bedrooms so that my mother can be with them, or at least visit. It should have a room and bath in the basement for guests. It should have a studio—Alyosha wants more than a house, he needs a workroom for his mathematics. But the cost is . . . oh! I want, I want, I want. More than the children, I want. But it's time for me to pack my bags. Not tomorrow, but very soon. The children live here. I live over there.

My time here has been a highlight of my entire life. For instance, I went to the Virgin Islands, I had never been in a climate like that, near palm trees—coconuts really do fall! My bare feet had never felt sand like this. The warm and quiet sea splashed just twenty steps away from me. I would call it paradise, but paradise is not simply a question of climate, or sand, or sea, or even apples (or pears—that historical argument from the Garden of Eden has yet to be solved). Paradise is being with people you love and treasure and not worrying about them. I wish Andrei were here. I wish my mother could sit in a rocker in the shade near those sweet, sleep-inducing oleanders, and I wish I could pick up the phone once a week and hear the calm voices of my children. Paradise, it turns out, is so simple and, it turns out, unattainable for me.

Long, hot hours on the white, hot sand; the sea—light blue, dark blue, turquoise. The bay is small—even with my ailing legs I managed to wander all the way to its left point one day, and to its right on another. I will always remember that arc, a smooth edge of sand, and the sea, which doesn't roar, but whispers, babbles. I'm afraid of lapsing into sentimentality (I think I already have, in fact), but I've never seen such a sea . . . it has such tranquility.

Perhaps I have grown more tranquil here. I am grateful that I was invited to that island and that it was so simple to give me five days to catch my breath, to work, and to have peace. Maybe those days let me regain my senses—to stop losing my temper with my family; to understand that I can change nothing or correct nothing; to stop tormenting my heart (the six bypasses may not be able to take it) and the hearts of others—hearts I love.

My husband told me just five months ago (God, I haven't seen him in five months and want to be with him so much!), "The world is further away from war than it has been in a long time." I believe him, and on that score, I live calmly. Especially since I have more than enough worries, cares, and misfortunes of my own.

What difference does it make if Gorbachev and Reagan meet in June or some other month? What difference does it make which of them is being cranky? First Gorbachev plays hard to get, like a girl invited for a date, pouting, considering: "I don't know, I have to think about it, probably not." Then Reagan sounds like a jealous girl, "It's her or me. Now or never." A recent newspaper article set me thinking along these lines. Actually, all three are alien to me—the newspaper and the two governments. I must be one of the world's least interested people in the problems that Reagan and Gorbachev are threatening to discuss or not discuss, when and if they meet or don't meet.

I want a house. I don't want war. Americans want a house, too. Americans don't want war.

So now with my surgically repaired organ of feelings and circulation I am writing in a hotel in New York, which is simultaneously a city and a country and a world. I am on the eighth floor in a corner room. One window opens on 61st Street, the other on Central Park. In two directions, unfolding from an angle, stretches a panorama that needs nothing added to it. Against the blue of the sky are the gray silhouettes of buildings that pierce it (light gray in the sun, darker in shadow), lines, lines, lines. How can anyone say that New York is not beautiful? For me it is the city of cities, ready for the future.

Today I say something amazing from the windows of this room.

I got up early, a bit after six. The haze of burgeoning buds barely showed over the trees, and the grass had not yet taken on a greenish hue. It was still yellow, the color of grass shoots. And now it's noon, and there is a delicate green smoke over the trees and the grass has turned green, a tender, tender green. So quickly, spring came in six hours. Lord, I want the whole world to feel this good. They say New York is at its best in springtime. And now I'm going downstairs into the city.

THE SPECIAL OLYMPICS AIRLIFT

Mr. DOLE. Mr. President, each year the National Aeronautic Association is presented to an individual or company for the greatest achievements in aeronautics and astronautics in America.

This past Friday evening the Collier Trophy for 1985 was presented to Cessna Aircraft Co. and its chairman, Russell Meyer, for the safety record in 1985 of the worldwide fleet of Cessna Citation business jet aircraft. In 1985, for the second successive year, no passenger fatalities were recorded during nearly 750,000 flight hours by the fleet of almost 1,400 Citations in more than 40 countries worldwide. Cessna is the first general aviation recipient of the Collier Trophy since its inception in 1911.

At the awards ceremonies Friday evening, Russ Meyer and Eunice Kennedy Shriver, chairman of Special Olympics International, made a surprise announcement of the "Citation Special Olympics Airlift," the details of which I would like to share with my colleagues. The airlift program provides that each U.S. athlete, coach, and official delegate to the 1987 International Summer Special Olympics games will be flown to South Bend, IN, in a giant airlift of Cessna Citation business jets organized and sponsored by Cessna Aircraft Co.

Cessna will ask more than 700 corporate owners of Cessna Citations in the United States to fly special olympians to the summer games in their Citations. This effort will require at least 500 Citations for a minimum of 2 days each—to transport athletes to the games and to take them home 10 days later. This program will save the Special Olympics more than $2 million in transportation costs. In his announcement Friday, Meyer indicated that of the hundred or so Citation owners he had contacted about this, the positive response was unanimous. I'm sure that when the rest of the Citation owners are contacted, the 500 planes necessary for a successful operation will have been procured.

This is a great example of corporate America doing its share to help great programs like the Special Olympics. The "Citation Special Olympics Airlift" is a program of staggering dimensions, and the only way to bring it into perspective is to compare it to the Berlin airlift. At its peak, we had 120 flights per day into Berlin. In July 1987, there will be more than 600 flights into South Bend, IN. There will be a Citation landing in South Bend every 80 to 90 seconds for a period of 14 to 15 hours.

Mr. President, I congratulate Russ Meyer, Cessna, and the Special Olympics on the announcement of this Special Olympics airlift. And special congratulations to Russ Meyer for being the 1985 recipient of the Collier Trophy.

AMERICA WILL MISS THEODORE H. WHITE

Mr. DOLE. Mr. President, last week America lost one of her most distinguished historians with the passing of Theodore H. White. He was a gifted writer and reporter, but above all, he was unique in his ability to convey history with an intimacy and relevance that made spellbinding reading to every kind of audience.

As a foreign correspondent, "Teddy" White blazed new trails for American writers with his pioneering coverage of the dramatic days of revolution in Red China during the 1930's. His book "Thunder Out of China" has become the foundation on which any serious study of that country must begin. But after extensive writings from foreign shores, the lure of politics brought Teddy to a new and highly visible role as the journalistic dean of American Presidential campaigns.

His popular series "The Making of the President" is a landmark in historical writing because it captures the coast-to-coast detail of the world's greatest democracy electing its leader: from the campaign trail, to the back rooms of the convention hall, to inaugural day itself, Teddy White has given us an eyewitness account that will stand forever as living American history. His brand of Presidential journalism is still the model for today's writers, which tells you plenty about this great American storyteller.

Mr. President, many of us in this Chamber knew Theodore White well and we will miss his special presence on Capitol Hill, or on the campaign trail, or wherever his nose for news took him. The Senator from Kansas extends the Senate's deepest sympathies to Mr. White's family. When the next election rolls around, we will look, by habit, for the bespectacled historian, and we will remember in sadness his passing.

RECOGNITION OF THE MINORITY LEADER

The PRESIDING OFFICER (Mr. HATCH). The Democratic leader is recognized.

DEFENSE BURDEN SHARING: SOME POSITIVE DEVELOPMENTS, BUT OUR ALLIES NEED TO DO MORE

Mr. BYRD. Mr. President, the Defense Department recently issued the unclassified version of its latest annual report on Allied Contributions to the Common Defense, also known as the burden-sharing report.

This document, perhaps the best summary comparison of how well or poorly our NATO allies and Japan are sharing the mutual security burden, is required by statutory language authored by our distinguished colleague from Michigan, Mr. LEVIN.

The latest unclassified version of the report, the 1986 edition, also contains expanded information focusing specifically on the adequacy, or lack thereof, of Japan's self-defense contributions. That information is required by an amendment I authored to last year's State Department authorization act.

There is both good news and bad news for the American taxpayer, and for U.S. national security, in this newest burden-sharing report.

The good news is that, mainly because of senatorial pressure on the executive branch, and on our allies, the NATO countries and Japan finally are taking some positive steps to increase their defense efforts and to carry a fairer share of the common security burden.

The bad news is that these steps still are clearly insufficient to relieve more of the unfair burden currently borne by U.S. taxpayers to pay for our mutual security, and that, in terms of overall average annual real growth in defense spending, the allied burden-sharing performance is getting worse instead of better.

This report refers to positive decisions by NATO to increase military construction funding, and by some of the European allies to increase their ammunition procurement. NATO also may be making progress to compensate for the impact of possible U.S. deployments to the Persian Gulf.

These developments would not have occurred without amendments by Senators SAM NUNN and CARL LEVIN to focus attention on extremely inadequate defense contributions by our NATO allies.

Unfortunately, this positive news is offset by the report's disclosure that average real growth in defense spending for all other NATO nations in 1986 is tentatively projected to be the lowest in 9 years. It is a pitifully small range, from somewhere between zero and three-tenths of 1 percent.

Furthermore, for 1985, the report states that only three to four of the European allies are expected to meet their longstanding commitment to increase their defense budgets by 3 percent each year after excluding inflation.

Regarding Japan, the good news in the report is that, unlike the first year of the two previous 5-year military improvement programs, the required first year share of the new, 1986-90 Japanese defense plan was approved and fully funds almost all major front-line equipment, combat readiness, training, and sustainability items for this initial program increment.

The bad news about Japan's defense contribution is that, once again, it ranks "last or close to last on most of the performance measures compared to ability to contribute surveyed, and thus, appears to be doing far less than its fair share."

A final verdict cannot be made yet about Japan's present and future defense performance. On the one hand, Japan seems finally to have heard the message embodied in the Byrd amendment and other congressional statements that it must increase its self-defense efforts.

On the other hand, several more years of sustained increases in annual Japanese defense budgets will be needed before that nation meets the bare minimum military capabilities to live up to its mutual security commitments, including defending its sea lanes out to 1,000 miles. Each year of the new 5-year program must be funded fully, for example.

The 1986 burden-sharing report promises that future reports required by my amendment "will monitor Japanese progress toward continuing on a realistic path to achieving its defense goals." This information should permit the American taxpayers and the Congress to assess better if Japan's actual burden-sharing performance is matching its promises. Armed with such information, Congress would be in a stronger position to legislate any actions possibly needed to encourage Japan to carry a much fairer share of the common defense burden.

Mr. BYRD. Mr. President, I ask unanimous consent that I may reserve the balance of my time under the order.

The PRESIDING OFFICER. Without objection, it is so ordered.

SENATOR HAWKINS' SPECIAL ORDER

The PRESIDING OFFICER. Under the previous order, the Senator from Florida [Mrs. HAWKINS] is recognized for not to exceed 5 minutes.

The distinguished Senator from South Carolina is recognized to read Senator HAWKINS' statement.

Mr. THURMOND. Mr. President, on behalf of Senator HAWKINS, I wish to present the following statement.

MEXICO COULD PROFIT FROM EXAMPLE SET BY ALCOHOLICS ANONYMOUS

Mrs. HAWKINS. Mr. President, one would have hoped for a different reaction from the government of Mexico to recent charges of graft and corruption in coping with the Mexican drug traffic. The government took umbrage at statements made by various high-ranking officials of the U.S. at a Senate Foreign Relations Subcommittee hearing last week. The statements contended that there is "massive corruption" at all levels of the Mexican government and until this corruption is weeded out little headway can be made in trying to combat narcotics trafficking.

Mexico's reaction was swift and sharp. The Foreign Ministry issued a statement saying Mexico "categorically rejects the accusations and calumnies" directed against it. That statement said the Mexican Ambassador to the United States had been instructed to deliver a note to the State Department protesting the "libelous and interventionist" comments by American officials at the hearing and "demanding an explanation" for them. A spokesman for the Mexican Embassy in Washington described the hearing as "biased and partial" and characterized it as "meddling in Mexican internal affairs." I think we can understand why the Mexican government would not be ecstatic about accusations they are lax in investigating and prosecuting drug traffickers. But their reaction could have been less irate, more temperate. For instance, they could ask themselves, "Is there any substance to the charges?" And finding that there is, they could also ask themselves, "Are we going to take the bull by the horns and do something to clean up our act?"

We in the United States admit that we are a major factor in the international drug problem—that we are at the top of the heap among the drug consuming nations. But there is some virtue in knowing that and accepting that and in trying to do something about it. That is in sharp contrast to Mexico, which adopts an ostrich head-in-the-sand attitude, refuses to acknowledge it has a major problem and is unwilling to take the necessary steps to solve the problem. Mexico is seduced by its own guile or intoxicated by its own arrogance. Is it possible by some strange trick of alchemy that the whole country is reeling from the psychotropic effect of its own drugs? Is Mexican society so permeated by the corrosive effect of narco-dollars that it has lost its sense of decency and justice? Has it fallen hopelessly under the spell of drug traffickers? How near is Mexico to the point spelled out by Assistant Secretary of State Elliott Abrams? He said the influence of drug traffickers on the government of Mexico may become so strong "it is hard or impossible to root it out." He solemnly warned, "It may get to be too late." We put the question to Mexico, "Is it already too late? Are you too far gone? Are you beyond help? Is there some way that we can aid you?"

Mexico could take a page from the handbook of Alcoholics Anonymous. The AA rehabilitation program begins at the point where an individual stands up and admits to the world, "I am an alcoholic." Once that admission is forthcoming, the person is on the road to recovery. Is it too much to expect of Mexico to admit that it is a major drug producing and narcotics transit country, that its police and judicial systems are riddled with corruption and traffickers engage in terror and violence on people opposed to their detestable trade. And they do so with impunity. They need not fear for consequences.

Let's face certain facts. Mexico is the top supplier of marijuana and heroin to the United States. It is a pipeline for one-third of the cocaine entering this country. We consume that hideous stuff, true. It's up to us to do something about it. But it is up to Mexico to do something about their damnable exports to us. We ship them economic and material aid, they ship us degradation and human misery. Mexican drug traffickers beat and murdered an American DEA agent. Some of those suspected of killing Enrique Camarena are in jail awaiting trial. Other suspects remain at large, although reports indicate Mexican authorities know their whereabouts. One suspect is believed to have been the guest of governors of two Mexican states. Fifteen months have passed since Camarena died at the hands of his torturers. The dastardly deed against him cries for justice. Is there any justice left in Mexico or has that perished beneath the boots of the drug traffickers, ground under by their arrogance for normal rules of conduct and civility?

Mr. THURMOND. Mr. President, I am very pleased to deliver this statement on behalf of the able and distinguished Senator from Florida, Senator HAWKINS.

RECOGNITION OF SENATOR MATTINGLY

The PRESIDING OFFICER. Under the previous order, the Senator from Georgia [Mr. MATTINGLY] is recognized for not to exceed 5 minutes.

Mr. MATTINGLY. Thank you, Mr. President.

STABILITY IN THE TAX CODE

Mr. MATTINGLY. Mr. President, today I am introducing legislation designed to ensure stability in the Tax Code for individual American taxpayers, and for everyone in the private sector. This sense-of-the-Senate resolution calls for no changes in the soon-to-be-introduced Tax Code for a minimum of 5 years after the tax reform bill is signed into law.

Tax reform legislation should foster economic growth, encourage investment, create new jobs, and promote savings. And it should encourage the free enterprise system in our country. One of the main barriers to this important stability has been the constant and often conflicting changes made in the tax laws by Congress.

During this coming long debate on tax reform, and also the long debate preceding it on whether or not to have tax reform in America, one of the most common complaints I heard from taxpayers is the "uncertainty" which has resulted from continuous congressional changes in the Tax Code. These constant changes literally halt important planning and investment decisions by individuals and businesses. These changes stifle capital formation by increasing the risk of a project. They place unnecessary financial burdens on people and businesses by requiring the utilization of funds to anticipate what may happen in the future due to modifications of the Tax Code. These frequent changes place great and unnecessary burdens on small businesses by adding to the already staggering paperwork load. And the lack of stability created by all these changes confuses even the most efficient entrepreneurs in our land.

When the American people are forced to make investment, consump-

tion, and savings decisions in a constantly changing tax environment, economic growth is severely hampered.

A reduction in tax rates, a broading of the tax base, the removal of millions of our poorest citizens from the tax rolls, and the closing of various loopholes are all necessary and important parts of tax reform. But in my view, Mr. President, just as important to tax reform, and just as integral a part of tax reform, is stability—providing an atmosphere in which economic decisions can be made without fear of change in the Tax Code.

□ 1220

In other words, the Congress should stop tinkering with the Tax Code. In my opinion, the only way to give tax reform legislation a chance to succeed in its goal of providing a tax system that is fair, simple, equitable, and growth-oriented is to allow its provisions to remain unaltered for at least 5 years.

Once this latest tax reform legislation is signed into law, the Tax Code should be left alone. Congress must get out of the tax tinkering business. The resolution that I am submitting today will pledge our resolve to achieve that goal. I urge all my colleagues to join me in this effort.

Mr. President, I ask unanimous consent that the resolution be printed in the RECORD at this point.

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

S. RES. 409

Whereas previous, constant, and conflicting policy changes in the tax code by the Congress make it difficult for individuals to properly plan for their future;

Whereas such constant and conflicting policy changes by the Congress retard capital formation by increasing risk;

Whereas such constant and conflicting policy changes by the Congress place undue burdens on individuals and businesses by requiring the otherwise unnecessary utilization of financial resources in anticipation of such changes and modifications;

Whereas the Internal Revenue Service is drained of limited resources in trying to adapt to such changes in the tax code, and the ensuing problems are in turn transferred to taxpayers;

Whereas one of the greatest burdens placed upon small businesses is the paperwork required to comply with the tax code, and constant changes by Congress unnecessarily compound this paperwork burden;

Whereas any tax reform legislation passed by the Congress should stimulate economic growth, encourage investment, promote capital formation, expand job opportunities, and encourage savings; and

Whereas the American taxpayer deserves certainty in the tax treatment of economic decisions: Now therefore, be it

Resolved, That it is the sense of the Senate that the tax reform legislation, when that bill is signed into law, remain unchanged for a minimum of five years, so as to provide stability for the American taxpayer and the private sector.

Mr. THURMOND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll. The assistant legislative clerk proceeded to call the roll.

□ 1230

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, is is so ordered.

RECOGNITION OF SENATOR PROXMIRE

The PRESIDING OFFICER. Under the previous order, the Senator from Wisconsin [Mr. PROXMIRE] is recognized for not to exceed 5 minutes.

Mr. PROXMIRE. I thank the Chair.

"CHALLENGER" AND CHERNOBYL TELL US STAR WARS IS DOOMED

Mr. PROXMIRE. Mr. President, in the last few months we have been reminded of how fragile, how subject to tragic error, is our modern space and nuclear technology. A couple of months ago, we suffered the heartbreaking shuttle disaster. Seven gallant astronauts perished. Since then NASA has endured a series of blowup, blowout failures with other space vehicles. Then, more recently, the Soviet nuclear plant near Kiev went through a meltdown with the expulsion of radioactive pollution that endangered the life and health of Russians and residents of other European countries. We live with the eerie realization that such a nuclear utility disaster could occur whenever nuclear energy is generated.

The space and nuclear disasters should warn us of how utterly unrealistic it would be for this country to rely on a nuclear-space defense such as the strategic defense initiative or star wars. Star wars would have not one or two or three components any one of which could easily fail. It would have literally thousands of interdependent components. It would be coordinated by a gigantic computer directed system. What are the odds that somewhere, sometime, somehow, such a system that required timing to the millisecond with literally millions of separate calculations would go wrong? Answer: They are overwhelming.

Mr. President, if any one scientist could give an answer to this question it would be David Parnas. Dr. Parnas was so highly considered by the Defense Department as an expert on star wars computer technology that SDI paid him $1,000 a day as a consultant on star wars. Dr. Parnas has had a long and successful record in working with the Defense Department. Since Dr. Parnas is one of the outstanding world experts on the capacity of computers, he was a natural in assisting the administration to develop the computer system necessary for coordinating and directing the Stars War Program.

What did this renowned expert, who was paid $1,000 a day by the strategic defense agency, conclude about SDI's future? After a few months, Dr. Parnas recognized the impossibility of developing any kind of computer operation that could conceivably succeed in bringing together the infinitely complex nuclear and space technology of the strategic defense initiative. So what did Dr. Parnas do? Here was an expert paid the remarkable sum of $1,000 per day for giving advice in a specialty where he was world-renowned. Dr. Parnas decided that this kind of computer system was an impossibility, that it could not work. So he spoke out in a language of surpassing eloquence. He quit. He turned down his $1,000 a day job.

Why did Dr. Parnas say nix to a job for which he was so brilliantly qualified? Why did he walk out on a job that paid him so extraordinarily well? Why did this top computer expert say he would not take the taxpayer's money? Answer: Dr. Parnas said the strategic defense initiative would never work.

Mr. President, one of the achievements that makes Americans proud of our country is the remarkable number of our scientists who have won Nobel Prizes as the most eminent experts in the world. I have a list of some of these Nobel Prize winners who have announced their opposition to star wars. A number of these world-celebrated scientists who strongly oppose SDI or star wars have special expertise with respect to both space and nuclear weapons. Keep in mind that each of these experts has won the Nobel Prize for excellence in their field. For example, Hans Bethe, who made the principal contribution to the development of the hydrogen bomb; Philip Anderson of the physics department at Princeton; James W. Cronin of the Enrico Fermi Institute at the University of Chicago; Donald Glazer, professor of physics at the University of California at Berkeley; Tsung-Dao Lee of the department of physics, Columbia University; E.M. Purcell, Lyman Laboratory of Physics at Harvard University; James Rainwater, professor of physics at Columbia University; Steve Weinberg, department of physics at the University of Texas; and Kenneth Wilson of the Laboratory of Nuclear Studies at Cornell University.

Mr. President, there is no Member of Congress who can begin to have the understanding of the technological problems involved in space-based defense against nuclear weapons of the kind these scientists have. Again and

again, these experts tell us that SDI cannot work. It will not protect the American people against nuclear attack. They contend that it will, in fact, increase the risk of nuclear war. They argue that it will stimulate a dangerous competition in offensive nuclear arms. They call for superpower negotiations to achieve arms control agreements as the far better alternative.

Finally, Mr. President, here we have the most complex technology that mankind has ever attempted to achieve. We have just been heartbreakingly reminded of the fallibility of far simpler nuclear and space technology. The *Challenger* disaster and the Chernobyl meltdown are still vivid in our minds. Some experts tell us that SDI will cost the taxpayers of this country a trillion dollars or more. We know we can never test it under anything approaching realistic conditions. Does anyone really believe that star wars can work and work perfectly the first time it is ever challenged? This is what it will have to do. Here is one Senator who will tell you the answer is: "No way."

Mr. President, I ask unanimous consent that a list of the Nobel Prize-winning American scientists who oppose the star wars operations be printed in the RECORD.

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

Philip W. Anderson, Physics Department, Princeton University; Nobel Laureate.

C.B. Anfinsen, Department of Biology, Johns Hopkins University; Nobel Laureate.

Kenneth J. Arrow, Joan Kenney Professor of Economics, Stanford University; Nobel Laureate.

Julius Axelrod, National Institute of Mental Health; Nobel Laureate.

Robert F. Bacher, Professor of Physics Emeritus, California Institute of Technology; formerly, Head, Experimental Physics Division, Los Alamos Laboratory.

Kenneth T. Bainbridge, G.V. Leverett Professor of Physics, Emeritus, Harvard University.

David Baltimore, Director, Whitehead Institute for Biomedical Research; Nobel Laureate.

John Bardeen, Department of Physics, University of Illinois; Nobel Laureate.

Gordon A. Baym, Department of Physics, University of Illinois.

Baruj Benacerraf, Department of Pathology, Harvard Medical School; Nobel Laureate.

Paul Berg, Wilson Professor of Biochemistry, Stanford University School of Medicine; Nobel Laureate.

Hans A. Bethe, Newman Laboratory for Nuclear Studies, Cornell University; Nobel Laureate.

Konad E. Bloch, Department of Chemistry, Harvard University; Nobel Laureate.

Norris Edwin Bradbury, formerly, Director, Los Alamos Science Laboratory; winner, Enrico Fermi Award.

E. Margaret Burbidge, Director, Center for Astrophysics and Space Sciences, University of California at San Diego.

Joseph W. Chamberlain, Department of Space Physics and Astronomy, Rice University.

Owen Chamberlain, Lawrence Berkeley Laboratory, University of California at Berkeley; Nobel Laureate.

Subrahmanyan Chandrasekhar, Laboratory for Astrophysics and Space Research; Nobel Laureate.

Mildred Cohn, Benjamin Rush Professor of Physiological Chemistry, University of Pennsylvania.

Peter S. Conti, Chairman and Professor, Astrophysics, Planetary & Atmospheric Sciences, University of Colorado.

A.M. Cormack, Department of Physics, Tufts University; Nobel Laureate.

Emest D. Courant, Senior Physicist, Brookhaven National Laboratory.

Andre Cournand, Columbia University College of Physicians; Nobel Laureate.

Albert V. Crewe, Physical Sciences Division, Enrico Fermi Institute, University of Chicago.

James W. Cronin, Enrico Fermi Institute, University of Chicago; Nobel Laureate.

Margaret B. Davis, Professor of Ecology, University of Minnesota.

Frank D. Drake, Dean of Natural Sciences, University of California at Santa Cruz.

Sidney D. Drell, Stanford Linear Accelerator Center, Stanford University.

Lee Alvin DuBridge, President Emeritus, California Institute of Technology; formerly, Presidential Science Advisor.

George A. Dulk, Professor, Astrophysical, Planetary, & Atmospheric Sciences, University of Colorado.

Walter M. Elsasser, Department of Earth and Planetary Sciences, Johns Hopkins University.

John F. Enders, University Professor of Bacteriology and Immunology Emeritus, Harvard Medical School; Nobel Laureate.

Katherine Esau, Professor of Botany Emeritus, University of California at Santa Barbara.

Bernard T. Feld, Professor of Physics, Massachusetts Institute of Technology.

Herman Feshbach, Department of Physics, Massachusetts Institute of Technology.

Val L. Fitch, Joseph Henry Laboratories, Princeton University; Nobel Laureate.

Marshall Fixman, Departments of Chemistry and Physics, Colorado State University.

Paul Flory, Professor of Chemistry, Stanford University; Nobel Laureate.

William A. Fowler, Institute Professor of Physics Emeritus, W.K. Kellogg Radiation Laboratory, California Institute of Technology; Nobel Laureate.

Hans Frauenfelder, Department of Physics, University of Illinois.

Jerome I. Friedman, Chairman and Professor, Department of Physics, Massachusetts Institute of Technology.

Charlotte Friend, Center for Experimental Cell Biology, City University of New York.

D. Carleton Gajdusek, National Institutes of Health; Nobel Laureate.

Richard L. Garwin, IBM Fellow and Science Advisor to Director of Research, T.J. Watson Research Center, IBM Corporation.

Donald A. Glaser, Professor of Physics and Molecular Biology, University of California at Berkeley; Nobel Laureate.

Sheldon Lee Glashow, Professor of Physics, Lyman Laboratory, Harvard University; Nobel Laureate.

Thomas Gold, Professor, Center for Radiophysics and Space Research, Cornell University.

Leo Goldberg, Kitt Peak National Observatory.

Gertrude S. Goldhaber, Department of Physics, Brookhaven National Laboratory.

Maurice Goldhaber, AUI Distinguished Scientist, Department of Physics, Brookhaven National Laboratory.

Leo A. Goodman, C.L. Hutchinson Distinguished Service Professor, Department of Statistics, University of Chicago.

George W. Greenlees, Professor of Physics, University of Minnesota.

George S. Hammond, Director, Laboratory for Energy and Chemical Process Research, Allied Chemical Corporation.

Bernhard Haurwitz, Department of Atmospheric Science, Colorado State University.

David S. Heeschen, National Radio Astronomy Observatory.

Victor E. Henrich, Professor of Applied Physics, Yale University.

Gerhard P. Hochschild, Professor, Department of Mathematics, University of California at Berkeley.

Wassily Hoeffding, Department of Statistics, University of North Carolina.

Ronald Hoffman, Department of Chemistry, Cornell University; Nobel Laureate.

Robert Hofstadter, Department of Physics, Varian Lab of Physics, Stanford University; Nobel Laureate.

Robert W. Holley, Salk Institute for Biological Studies; Nobel Laureate.

Dorothy M. Horstmann, Senior Research Scientist, Yale University School of Medicine.

M. King Hubbert, Professor of Geology and Geophysics Emeritus, Stanford University.

David H. Hubel, Department of Neurobiology, Harvard Medical School; Nobel Laureate.

Charles Huggins, Ben May Laboratory for Cancer Research, University of Chicago; Nobel Laureate.

John R. Huizenga, Tracy H. Harris, Professor of Chemistry and Physics, University of Rochester.

Donald M. Hunten, Professor of Planetary Sciences, Lunar and Planetary Laboratory, University of Arizona.

Robert T. Jones, Senior Research Associate, NASA Ames Research Center.

Leo P. Kadanoff, Professor of Physics, James Franck Institute and Enrico Fermi Institute, University of Chicago.

H. Gobind Khorana, Department of Biology and Chemistry, Massachusetts Institute of Technology; Nobel Laureate.

Walter Kohn, Former Director and Professor, Institute for Theoretical Physics, University of California at Santa Barbara.

Arthur Komberg, Department of Biochemistry, Stanford University Medical School; Nobel Laureate.

William L. Kraushaar, Department of Physics, University of Wisconsin.

Polykarp Kusch, Eugene McDermott Professor of Physics, University of Texas, Dallas; Nobel Laureate.

Tsung-Dao Lee, Department of Physics, Columbia University; Nobel Laureate.

Wassily Leontief, Institute for Economic Analysis, New York University; Nobel Laureate.

Luna B. Leopold, Department of Geology and Geophysics, University of California at Berkeley.

Fritz Lipmann, Professor of Biochemistry, Rockefeller University; Nobel Laureate.

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William N. Lipscomb, Department of Chemistry, Harvard University; Nobel Laureate.

Francis E. Low, Massachusetts Institute of Technology.

Salvador E. Luria, Institute Professor of Biology, Massachusetts Institute of Technology; Nobel Laureate.

Willem J. Luyten, Space Science Center, University of Minnesota.

J. Ross Macdonald, William Rand Kenan, Jr. Professor of Physics, Department of Physics and Astronomy, University of North Carolina.

Robert E. Marshak, University Distinguished Professor, Physics Department, Virginia Polytechnic Institute.

Barbara McClintock, Cold Spring Harbor Laboratory; Nobel Laureate.

Edwin M. McMillan, Lawrence Berkeley Laboratory, University of California at Berkeley; Nobel Laureate.

Dimitri M. Mihalas, Senior Scientist, High Altitude Observatory, National Center for Atmospheric Research.

Phillip Morrison, Institute Professor of Physics, Massachusetts Institute of Technology.

Norman F. Ness, Laboratory for Extraterrestrial Physics, NASA.

Elizabeth F. Neyfeld, Department of Biological Chemistry, University of California at Los Angeles School of Medicine.

Edward P. Ney, School of Physics and Astronomy, University of Minnesota.

Alfred O. C. Nier, School of Physics and Astronomy, University of Minnesota.

Severo Ochos, Distinguished Member, Roche Institute of Molecular Biology; Nobel Laureate.

George E. Palade, Section of Cell Biology, Yale University School of Medicine; Nobel Laureate.

Mary-Lou Pardue, Biology Department, Massachusetts Institute of Technology.

Linis Pauling formerly Chair, Division of Chemistry and Chemical Engineering, California Institute of Technology; Nobel Laureate for both Chemistry and Peace David Pines, Department of Physics, University of Illinois.

George W. Preston III, Mount Wilson and Las Campanas Observatories, Carnegie Institution of Washington.

E. M. Purcell, Lyman Laboratory of Physics, Harvard University; Nobel Laureate.

L. James Rainwater, Professor of Physics, Columbia University; Nobel Laureate.

Norman F. Ramsey, Higgins Professor of Physics, Harvard University; formerly, Head, Delivery Group, Los Alamos Laboratory, and first Science Advisor to NATO.

Helen M. Ranney, Chair, Department of Medicine, University of California at San Diego.

Sarah Ratner, Member Emeritus, Department of Biochemistry, Pubic Health Institute of the City of New York.

Richard J. Reed, Professor, Department of Atmospheric Sciences, University of Washington.

Roger Revelle, Professor of Science and Public Policy, Program in Science, Technology & Public Affairs, University of California at San Diego.

Julia Robinson, Professor of Mathematics, University of California at Berkeley.

Vera C. Rubin, Professor of Terrestrial Magnetism, Carnegie Institute.

Elizabeth S. Russell, Senior Staff Scientist, Jackson Laboratory.

Albert S. Sabin, Emeritus Distinguished Service Professor, University of Cinicinnati College of Medicine; developer of oral polio vaccine.

Robert G. Sachs, Professor of Physics, Enrico Fermi Institute and Department of Physics, University of Chicago.

Carl Sagan, Duncan Professor of Astronomy, Cornell University; author, "Cosmos".

Ruth Sager, Chief, Division of Cancer Genetics, Dana-Farber Cancer Institute.

Arthur L. Schawlow, J.G. Jackson & C.J. Wood Professor, Department of Physics, Stanford University, Nobel Laureate.

Glenn T. Seaborg, Lawrence Berkeley Laboratory, University of California at Berkeley; Nobel Laureate.

Emilio Segre, Department of Physics, University of California at Berkeley.

Herbert A. Simon, Professor of Computer Science and Psychology, Carnegie-Mellon University; Nobel Laureate.

Maxine F. Singer, Chief, Laboratory of Biochemistry, National Cancer Institute, National Institutes of Health.

B.F. Skinner, Professor of Psychology Emeritus, Harvard University; author, "Walden Two".

Cyril Stanley Smith, Institute Professor of Metallurgy Emeritus, Massachusetts Institute of Technology; formerly, Associate Division Leader for Metallurgy, Los Alamos Laboratory, Presidential Science Advisor.

Albert Szent-Gyorgyi, Director of Research, Woods Hole Marine Biological Laboratory; Nobel Laureate.

Henry Taube, Department of Chemistry, Stanford University; Nobel Laureate.

Lewis Thomas, President Emeritus, Memorial Sloan-Kettering Cancer Center; author, "Lives of the Cell," "Medusa and the Snail".

James Tobin, Department of Economics, Yale University; Nobel Laureate.

J.A. Van Allen, Professor of Physics, University of Iowa.

George Wald, Biological Laboratories, Harvard University; Nobel Laureate.

J.D. Watson, Director, Cold Spring Harbor Laboratory; Nobel Laureate.

Steven Weinberg, Department of Physics, University of Texas; Nobel Laureate.

Jerome B. Wiesner, formerly, President, Massachusetts Institute of Technology; Chairman, Technology Assessment Advisory Council of the U.S. Congress; Staff Director, U.S. Delegation to the Geneva Conference for the Prevention of Surprise Attack; Presidential Science Advisor.

Kenneth G. Wilson, Laboratory of Nuclear Studies, Cornell University; Nobel Laureate.

Robert R. Wilson, Newman Laboratory, Department of Physics, Cornell University.

Robert W. Wilson, Head, Radio Physics Research Department, Bell Laboratories; Nobel Laureate.

Evelyn M. Witkin, Barbara McClintock Professor of Genetics, Waksman Institute of Microbiology, Rutgers University.

This list includes few of the better-known signatories to the Appeal. The full list includes fifty-four Nobel Laureates, a majority of the National Academy of Sciences, and many other members of the scientific community.

MYTH OF THE DAY: THE NUMBER OF CHILDREN BORN TO TEENAGERS IS RISING

Mr. PROXMIRE. Mr. President, the myth of the day is that the number of children born to teenagers is growing by leaps and bounds.

While there is no question that teenage pregnancy is a serious problem and raises serious challenges for Federal, State, and local public policy—not to mention the serious risks it presents for the young mother—it is important to realize that births to teenagers represent a declining proportion of all births in this country.

That's right, a declining proportion. And that drop holds true even when you take into account the fact that there are fewer teenagers today than just a few years ago.

Here is a chart that shows that the percentage of babies born to teenagers dropped from 19 percent to 14 percent over the 7 years from 1975 to 1982. Meanwhile, the percentage born to mothers over 30 had increased from 17 percent up to 22 percent.

As you can see, Mr. President, all births to teenagers dropped consistently and dramatically since 1975. In that year, teenage mothers accounted for 19 percent in 1975. Today, teenagers account for fewer than 14 percent of all births.

By contrast, the percentage of births for women over 30 has risen just as consistently and significantly. In 1975, women over 30 accounted for fewer than 17 percent of all births. By 1978 the two curves—teenage mothers and mothers over 30—crossed and mothers over 30 now account for over 22 percent of all births in this country.

Mr. President, there is no question that teenage pregnancy remains an important issue for Federal, State, and local policymakers and I am not attempting to minimize it in the least. But we must keep the problem in its proper perspective and there has indeed been progress in reducing births to teenagers.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will be a period for the transaction of routine morning business not to extend beyond the hour of 1 p.m., with statements therein limited to 5 minutes each.

HEALTH RESEARCH FUNDS

Mr. ANDREWS. Mr. President, This past month, both the Senate and House of Representatives passed their own versions of the fiscal year 1987 budget resolution. Passage by both Chambers is only the first step in enacting a 1987 budget. As a member of both the Senate Appropriations and Budget Committees, I am involved in every step of this process.

It is through the Appropriations Committee, and in particular, my membership on the Labor, Health, Human Services, and Education Subcommittee, that I often learn of the numerous accomplishments continually occurring in biomedical research. I

have had the privilege of sitting on this subcommittee with its most distinguished chairman, the senior Senator from Connecticut, LOWELL P. WEICKER.

Senator WEICKER's tireless efforts as chairman of the subcommittee have enabled millions to pursue higher education and countless others to reap the benefits that emerge daily from countless laboratories and hospitals across our Nation.

Through the leadership of Senator WEICKER, the Senate passed a budget resolution that will allow the National Insititutes of Health, our major arm for biomedical research, to continue making further breakthroughs in such dreaded diseases as AIDS, cancer, heart disease, alzheimers, cystic fibrosis, and countless others.

Two weeks ago, Senator WEICKER spoke before a special academic convocation of the Albert Einstein College of Medicine. His remarks eloquently illustrate both the necessity and urgency for increasing health research funds. I strongly urge my colleagues to read both our distinguished colleague's address and to remember his remarks the next time our Nation's health care budget is debated on the Senate floor.

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

REMARKS OF SENATOR LOWELL WEICKER, JR., BEFORE A SPECIAL ACADEMIC CONVOCATION OF ALBERT EINSTEIN COLLEGE OF MEDICINE

First, let me congratulate Dr. Peter Davies and his colleagues for their recent research breakthrough relative to diagnosing Alzheimer's disease. As a layman, I've often wondered what it must be like that moment in the laboratory when a piece of the puzzle fits for a change. I wonder if you can hear in your mind's ear the expressions of hope that your work brings to the lips of millions of people—starting in this instance with the nearly two million Americans who suffer with Alzheimer's.

Believe me, they are out there and they and their families, their friends, indeed, the people of the world—cheer the reports of your work.

I wish I had those kinds of days at the office. By reputation, our two kinds of work are very different. For your profession, there is, for example, the words of Hippocrates, who said, "Wherever the art of medicine is loved, there also is love of humanity."

For my profession, there are unfortunately, too often words like those of Will Rogers, who said, "The country has come to feel the same when Congress is in session as when the baby gets hold of a hammer."

But in fact, in the United States, the worlds of politics and health have never existed apart. A nation that expected of its political leaders preeminence in defending the rights of man expected no less when it came to overcoming human illness with the fruits of science. The scourge of deadly disease in this nation did not so much afflict our people as stir a giant of purpose within them. It was this marriage of interests that built the greatest engine of scientific accomplishment the world has ever known, the United States, acting largely through the National Institutes of Health. And with this partnership of government and science, the nation faced polio, measles, rubella, diptheria, scarlet fever and more. Each in turn was silenced.

The historian Will Durant has said, "The health of nations is more important than the wealth of nations." He was saying no more than is said a hundred times a day in personal conversations. "If you've got your health, you've got everything." But what is said personnally is not being contemporaneously stated as national policy.

The statistics of medicine and budgets belie the importance each of us puts on health.

Each year, 855,000 Americans are diagnosed as having cancer and about half will die from the disease.

100,000 Americans will die this year as a result of allergic and infectious diseases.

Thousands of infants die each year in this country as a result of Respiratory Distress Syndrome.

300 million people worldwide are afflicted with Malaria and each year one million will die of the disease.

15 million Americans suffer from chronic lung disease.

60 million Americans suffer from heart disease.

3.5 million Americans are disabled by stroke or other injuries to the nervous system.

In the budget, the nation's domestic needs, led by health care, have lost badly in the past five years. A chart of federal spending includes the categories of defense, interest on the national debt, entitlement programs and non-defense discretionary programs. A 1980 version of that chart would show that this latter category received 25 percent of the budget. The 1985 share for that category was 17 percent.

Since one percent of the budget is approximately nine billion dollars, this eight percent decline means the federal share for these programs has dropped some 72 billion dollars below the distribution levels of 1980. More federal dollars are spent on the defense research and development budget in 15 months than the total spent on biomedical research since the establishment of the NIH in 1937.

Again this year as in every year, the Appropriations Subcommittee on Health and Human Services heard from dozens of health professionals and private citizens urging a renewed federal commitment to health research and medical services.

The dry statistics of disease and dollars came to us in the moving voices of those for whom a partnership with federal health research is not luxury, but life.

We learn of research into brittle bone disease from twelve-year-old Congie, whose bones can shatter without warning, without movement, at any time.

Dystrophic epidermolysis bullosa comes to us in the person of six-year-old Ray, who was born with no skin on his face and suffers with the pain of skin grafts and the constant fear of contracting an infection.

A doctor and father whose child suffers from Batten's disease tells us of this deadly neurological disorder which is probably the most common type of neurogenetic storage disease in children. It usually manifests itself in previously normal children between the ages of four and eight and may leave children totally disabled, perhaps dead in their late teens or twenties.

Those of us who sit there day after day sometimes feel the stories should be enough to spark a tireless search for cures. There is the individual agony of 1.8 million Alzheimer's victims, gradually robbed of their memory, their ability to function, and finally, their lives. There are the newborn who will never testify to anything other than being part of an inexcusable statistic that ranks this most prosperous of nations seventeenth in infant mortality worldwide.

Year after year in the appropriations process of the federal government, we fill the well of compassion with stories of hurting and dying. And we assume by the depth of this well that it can satisfy what surely must be a hardened political establishment that continually fails to properly fund health research efforts.

We sit in our living rooms night after night tuned into the separate profiles in courage of the diseased and their families. In the last month alone, the programs have included one about Father Damien, who worked with the lepers of Molokai, one about Alex Deford, who lost her battle with cystic fibrosis and a drama concerning a young man's battle with AIDS.

Each night before these programs aired as entertainment, the nightly news, brought us disaster of a different sort. A nuclear accident in the Soviet Union, actions and reactions to terrorism, the loss of a space shuttle.

And toward the end of each item of news, there follows a vow from political leaders and others involved that the tragedy will be treated with a renewed resolve, a redoubling of effort. The legacy of disaster in this nation is almost always a commitment to overcoming rather than walking away from the problem.

But disease is somehow successfully portrayed as nothing more than individual dramas of persistence. Mark Twain said we can easily learn to endure adversity as long as it is another man's. And if that other man, or woman, or child is faced with Cystic Fibrosis, Arthritis, Alzheimer's disease, Leukemia, AIDS or Juvenile Diabetes, the average American feels he can offer little more than sympathy.

I am here to suggest that the time for quiet sympathy in this partnership of medicine and government is over. The progress in scientific accomplishment that we have marveled at for 30 years in this nation must now be matched by progress in public policy. For so long, we have fueled the engine of scientific progress on compassion alone. And so when it came time to pay for the deficit, compassion was sacrificed to pay the bill. When it came time to pay for national defense, again we drew from this well of compassion to pick up the check.

Now the well is nearly dry. The fact that we hold a consensus to fund emergency research into AIDS, can't mask the fact that we are in danger of losing the political consensus upon which progress in health research depends. And this danger comes from the failure of the health and science community to understand the rough and tumble yet very telling world of dollars and cents, where the support of the American people is won by those who have the guts to make their case.

Approximately 38 billion dollars a year is spent on the direct care of Alzheimer's patients and the indirect costs to the family in lost workdays. Yet only 50 million dollars is spent on research into the disease. We know the incidence of Alzheimer's increases with age and so we know with certainty that the cost to society can only increase without adequate research. Thirty percent of people in their 80's have the disease. Between now

and the years 2000, the size of the population group aged 55 and older is expected to increase by 19 percent; those 65 and over will increase 27 percent; and the number 75 and older will increase by over 50 percent. It is projected that by the next century nine million people will be victims of Alzheimer's disease. In the face of this certainty, what is our response as a nation? A continued push to reduce support of the National Institute of Aging, the lack of any sort of support for training of health professionals in the field of geriatrics, and the elimination of clinical trials.

Forty thousand low-weight babies are born in the U.S. each year. Fifty percent of these cases could be prevented by additional research and proper prenatal care. This would cost us 26 million dollars a year. Without it, each year, we are spending 2.4 billion dollars. In fact, the key federal efforts designed to stop these deaths has actually declined by five percent since 1983.

Since 1982 vaccine prices have risen by a whopping 500 percent, but appropriations for the nation's childhood immunization program have not kept pace. As a result, the number of children to whom we can provide vaccines has dropped by two thirds. Currently less than half of all black preschool children are immunized against the scourages of our history books like diptheria, pertussis, tetanus and polio.

Under the president's budget, the National Institutes of Health budget stood 400 million dollars below the fiscal year 1986 level.

A cut of this magnitude meant 48 of 57 approved clinical trials would not be funded. These trials are the final test of the promising research investments made years ago. Now, there is a very real possibility the NIH will not be able to prove out new vaccines and new treatments for multiple sclerosis and Parkinson's disease, or glaucoma, for controlling epileptic seizures, for enhancing bone marrow transplants.

Bad enough we refuse to fund old knowledge that works as in the case of childhood immunization. But to close the door on imminent scientific discovery as in the case of clinical trials is know-nothing budgeteering at its worst.

There's no point in shaking a fist at someone else. The decline in public support is not the fault of the president or the far right or the Pentagon or any combination of other people. It's us. The budget is the most unerring, unemotional reflection of us as can be found in the entire democratic process.

Remember in the 1960s, during the struggle for civil rights in this nation how many of us in the Northeast said that civil rights legislation in Congress was being blocked by a few filibustering southern senators. Well, history has taught us it had very little to do with a few southern senators. The prejudice of the South was the prejudice of the East, West and North. And when the conscience of the nation was pricked by Dr. King, civil rights legislation rolled through the United States Senate and no combination of forces could stop it. When the nation wanted civil rights it got civil rights.

So it will be when the life of each American is as important as the death of a speculative enemy; when the enhancement of life joins survival in the definition of national security. Then, education and science will roll through the Congress.

Make no mistake. What we want, we will have to pay for. We can't fill that well of compassion with the leavings of high military spending and low taxes. What I'm talking about is a fight; a battle that appeals both to the common humanity of Americans and their common sense.

No group is as well equipped to lead this fight as the men and women of medical science. You have the vision and optimism that brought you to this place of learning in the first instance. You have a piece of paper that attests to your skills.

Now, when it comes to the priorities of this nation, what is needed is your anger not your academics, your activism not your antipathy. Better than any, you in this room know the coinage of suffering that will be required as substitute for the lack of dollars spent on medical research.

You owe as much of a no to that as to all the forms of death and disease you'll confront in a lifetime.

A moment ago, I spoke of the television drama concerning the life of Alex Deford. Frank Deford, the writer, spoke to my subcommittee about the dramatic breakthroughs in molecular genetics in developing treatment for Cystic Fibrosis. A systematic approach is now possible for the gene that causes CF, the most common fatal genetic disease in the United States.

The breakthrough came too late for Alexandra Deford, who died of the disease in her father's arms on a Saturday afternoon in January of 1980 at the age of eight. Frank Deford's message to us is a message we should repeat and repeat again to the American people.

"Our time is now," he said. "As much as I wanted to say those words when my child was alive, I honestly couldn't. Now I can. Our time is now."

Thank you.

Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

□ 1400

Mr. GORTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. STEVENS). Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If there is not further morning business, morning business is closed.

FEDERAL FIRE PREVENTION AND CONTROL ACT AUTHORIZATION

The PRESIDING OFFICER. The Senate will now resume consideration of S. 2180, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 2180) to authorize appropriations for activities under the Federal Fire Prevention and Control Act of 1974.

The Senate resumed consideration of the bill.

Mr. GORTON. Mr. President, at the time at which this bill was last under consideration on Thursday, there was a considerable colloquy involving myself and the distinguished Senator from Kentucky, among others, on the possibility of a second-degree amendment on the subject of scrambling of television signals as an amendment to one which I am about to propose extending the opening date of daylight saving time to the first Monday in April. There has been considerable discussion on that subject since that point. I am now prepared to offer the daylight saving time amendment and I wonder whether the Senator from Kentucky has any requests he would like to make before that amendment is offered.

Mr. FORD. Mr. President, the distinguished Senator from Washington is absolutely right. Last Thursday, when we adjourned, we were in a lengthy discussion as it related to an amendment in the second degree as it related to the scrambling of television signals. At that time, we were asking for a hearing, otherwise we were insistent on submitting our amendment in the second degree. There has been a great deal of work done by the distinguished Senator from Washington and others over the weekend.

It is now my understanding that the chairman of the Commerce, Science, and Transportation Committee, Senator DANFORTH, and Senator GORTON now are willing to offer a time certain as it relates to a hearing on this particular question and I am amenable to that. If the distinguished Senator from Washington will put into the RECORD the time or the week, I believe it is the week of July 14, in which a hearing on scrambling will be held, I would be perfectly willing then to withhold my amendment as it relates to the scrambling in the second degree to his daylight saving time amendment.

Mr. GORTON. Mr. President, the Senator from Kentucky is correct about those discussions and negotiations. I should add, however, that the chairman of the Subcommittee on Communications is the distinguished Senator from Arizona [Mr. GOLDWATER]. Senator GOLDWATER has graciously acceded to our request that the subcommittee hold a hearing on the subject of the scrambling of television signals on the 15th, 16th, or 17th of July and that this Senator from Washington, who is a member of that subcommittee, will in fact chair that meeting. Assuming that that undertaking, that such a hearing would be held on one of those three dates, is approved by the Senator from Kentucky, we will simply go forward and debate the subject of daylight saving time.

□ 1410

Mr. FORD. Mr. President, that it is perfectly agreeable with me that the

hearings be held either the 15th, 16th, or 17th of July.

Upon the assurance of the Senator from Washington, I have no further interest in introducing the amendment as it relates to scrambling.

AMENDMENT NO. 1967

(Purpose: To add provisions regarding daylight saving time)

Mr. GORTON. Mr. President, I have sent an amendment to the desk, and I ask it be considered immediately.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Washington [Mr. GORTON] proposes an amendment numbered 1967.

Mr. GORTON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill, add the following:

SEC. 2. (a) The Congress finds—

(1) that various studies of governmental and nongovernmental agencies indicate that daylight saving time over an expanded period would produce a significant energy savings in electrical power consumption;

(2) that daylight saving time may yield energy savings in other areas besides electrical power consumption;

(3) that daylight saving time over an expanded period could serve as an incentive for further energy conservation by individuals, companies, and the various governmental entities at all levels of government, and that such energy conservation efforts could lead to greatly expanded energy savings; and

(4) that the use of daylight saving time over an expanded period could have other beneficial effects on the public interest, including the reduction of crime, improved traffic safety, more daylight outdoor playtime for the children and youth of our Nation, greater utilization of parks and recreation areas, expanded economic opportunity through extension of daylight hours to peak shopping hours and through extension of domestic office hours to periods of greater overlap with the European Economic Community.

(b) Section 3(a) of the Uniform Time Act of 1966 (15 U.S.C. 260a(a)) is amended by striking "last Sunday of April" and inserting in lieu thereof "first Sunday of April".

(c) Any law in effect on the date of the enactment of this Act—

(1) adopted pursuant to section 3(a)(2) of the Uniform Time Act of 1966 by a State with parts thereof in more than one time zone, or

(2) adopted pursuant to section 3(a)(1) of such Act by a State that lies entirely within one time zone,

shall be held and considered to remain in effect as the exercise by that State of the exemption permitted by such Act unless that State, by law, provides that such exemption shall not apply.

(d)(1) Notwithstanding any other law or any regulation issued under any such law, the Federal Communications Commission shall, consistent with any existing treaty or other agreement, make such adjustment by general rules, or by interim action pending such general rules, with respect to hours of operation of daytime standard amplitude modulation broadcast stations, as may be consistent with the public interest, including the public's interest in receiving interference-free service.

(2) Such general rules, or interim action, may include variances with respect to operating power and other technical operating characteristics.

(3) Subsequent to the adoption of such general rules, they may be varied with respect to particular stations and areas because of the exigencies in each case.

(e) This section shall take effect 60 days after the date of enactment of this Act, except that if such effective date occurs in any calendar year after March 1, this section shall take effect on the first day of the following calendar year.

Mr. GORTON. Mr. President, the purpose of this amendment is to extend the annual observance of daylight savings time.

Under current law, daylight saving time begins each year on the last Sunday of April and ends on the last Sunday of October. My amendment would change the starting date to the first Sunday of April. This represents a 3-week extension, or 4 weeks in years when April has five Sundays.

The purpose of daylight saving time is to make the hours of daylight coincide with the hours of the day in which people are awake and active. Under daylight saving time, sunrise and sunset each occur an hour later than under standard time. I am proposing to begin daylight saving time in early April because, under current law, April has the earliest sunrises of the year, and I believe that most Americans would rather have an hour of daylight in the early evening than in the early morning.

Mr. President, sunrises in April under standard time in Washington, DC, ranged from 5:17 to 5:53 a.m.; most of us slept through the early hours of daylight. Sunsets under standard time in April ranged from 6:31 to 6:55 p.m.; many of us commuted home in darkness. If this amendment is adopted, daylight saving time would have begun on April 6 and the hours of daylight in April would have corresponded much more closely with our lifestyles than under standard time. Sunrises and sunsets in April under daylight saving time would be equivalent to those in early August through mid-September, and even the opponents of my amendment support daylight saving time during the period of the year.

We do not have to imagine the effects of extended daylight saving time, because the Congress did extend daylight saving time temporarily during the energy crisis of the 1970's. The Department of Transportation estimates that energy savings equivalent to 100,000 barrels of oil per day resulted from extended daylight saving time, and studies have shown that the transfer of an hour of daylight to the end of the day enhanced traffic safety and reduced violent crime. The Department supports a 2-month extension of daylight saving time.

Many industries also stand to benefit from extended daylight saving time, including nurserymen, convenience stores, the barbecue industry, the travel and tourism industry, and sporting goods manufacturers. Extended daylight saving time would increase revenues and employment in these industries, and would generate significant tax revenues at no cost to the Federal Government.

The House of Representatives has passed a bill, H.R. 2095, which would begin daylight saving time on the first Sunday of April, as my amendment proposes, and would also extend daylight saving time 1 week into November. I have not included the November extension in my amendment because I am sensitive to the concerns of the opponents of this amendment that daylight saving time in November would create sunrises sufficiently late to be detrimental to many Americans. I do not believe that these concerns apply to April, which, as I mentioned, has the earliest sunrises of the year under the present system.

Mr. President, I believe that this amendment balances the interests and concerns on both sides of this issue and I urge my colleagues to support the amendment.

I should also like to say, Mr. President, that the distinguished Senator from Maine, Mr. MITCHELL, is a cosponsor and has been a prime sponsor of the bills on this subject during all of the Congresses during which I have served, and is very strongly supportive of the amendment—support which I appreciate.

DAYLIGHT SAVING TIME

Mr. DANFORTH. Mr. President, I support the amendment proposed by the Senator from Washington [Senator GORTON], and my colleagues from Maine [Mr. MITCHELL and Mr. COHEN], California [Mr. WILSON and Mr. CRANSTON], Rhode Island [Mr. PELL and Mr. CHAFEE], Hawaii [Mr. MATSUNAGA], and Minnesota [Mr. BOSCHWITZ].

The Congress has a difficult task in trying to determine the optimal period for daylight saving time because many regions and individuals are affected differently by daylight saving time. Indeed, many people have urged us to adopt year-round daylight saving time while many others would prefer no daylight saving time at all.

The principal concern which underlies opposition to this amendment is that daylight saving causes sunrises to be an hour later than under standard time. Many Senators are concerned that these later sunrises will endanger rural schoolchildren on the roads in early morning darkness and will cause

farmers, who work by the Sun, to lose an hour of early morning daylight in which to perform chores.

I share these concerns for schoolchildren and farmers. I have not supported previous proposals to extend daylight saving time because late sunrises would be detrimental to the interests of Missouri. However, this amendment would not result in sunrises later than at many other times of the year. As Senator GORTON has pointed out, the amendment applies to a period in April which has the earliest sunrises of the year. I endorse this amendment as a compromise, which does not create sunrises as late as those in many months of both daylight and standard time, and which does provide the advantages of an extra hour of daylight in the April evenings.

Mr. President, I would like to discuss the origins of the objections to this amendment. Many of the objections stem from our experience with extended daylight saving time in the 1970's, when, in order to conserve energy, the Congress called for year-round observance of daylight saving time. This law created problems in the winter months, when the sunrises are already late under standard time. Many of us associate today's proposal with observance of daylight saving time in the winter. In reality, there is no comparison. In my hometown of St. Louis, sunrise under daylight saving time on January 15 would occur, and did in 1974, at 8:17 a.m. Clearly, this created problems for schoolchildren, farmers, and many Missourians. Sunrise on April 15 under this amendment, however, would occur at 6:25 a.m.

I hope that my colleagues will remember, when they hear arguments about the detriments of daylight saving time, that many of the criticisms are aimed at January, while the amendment is aimed at April.

Another common reason for opposing extended daylight saving time is the thought that we should not tamper with time. We hear objections to changing natural time, or "God's time", as it is often called. I am certain that my colleagues understand that the calculation of time itself is not natural but man-made, and that the Uniform Time Act of 1966, which created our current 6-month daylight saving time period, was certainly not an act of God. The natural elements are the sunrise and sunset, which I can assure my colleagues will not be changed by this amendment.

Mr. President, the potential benefits of and public support for this proposal are clear. Extended daylight saving time would save energy, enhance traffic safety, reduce violent crime, and create substantial business for many industries. The general public supports extended daylight saving time by a margin greater than 2 to 1, and the administration supports a 2-month extension of daylight saving time. I will not dwell upon these points because I do not believe that they are disputed by opponents of the amendment.

Instead, I would like to discuss the concerns of farmers. The American Farm Bureau Federation believes that daylight saving time should be observed only from Memorial Day to Labor Day—a period of just more than 3 months. I would like to point out that most sunrises in April under daylight saving time would be as early as sunrises during this 3-month period. Sunrise on April 26, which was this year's earliest sunrise, would be the same as sunrise on August 10 under daylight saving time. Therefore, this amendment will not adversely affect farmers.

I urge my colleagues who are skeptical about extending daylight saving time, as I was, to examine the effects of daylight saving time in April, as I have. I believe that you will find no reason to oppose this amendment, and every reason to support it.

Mr. MITCHELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Maine.

Mr. MITCHELL. Mr. President, I am pleased to join Senator GORTON in cosponsoring this amendment to extend daylight saving time in a manner that will offer numerous benefits to the Nation.

It represents a safe, straightforward, positive way of increased energy savings, decreased traffic fatalities, reduced violent crime, enhance the lives of persons who suffer from night blindness, and add to the hours that Americans can spend outdoors. Few proposals submitted to the Senate offer such clearcut gains and enjoy such broad support as this measure.

I want to emphasize what Senator GORTON has said—that this amendment represents a compromise. Other daylight saving time extension bills have sought to expand the Nation's observance of daylight saving time by as much as 8 weeks. On October 22 of last year, the House of Representatives passed H.R. 2095 to extend it by 4 weeks. I am an original cosponsor of S. 1433 which was identical to the House bill. However, in the interest of compromise this amendment proposes an extension of 3 weeks.

The original bill would have extended daylight saving time by 4 weeks beginning its observance the first Sunday in April rather than the last Sunday in April as it is under current law, and ending it on the first Sunday in November rather than the last Sunday in October, as is the case under current law.

This compromise amendment drops off the week-long extension from the last Sunday in October to the first Sunday in November. That fall extension was intended to promote child safety through an additional hour of daylight in the early evening on Halloween. However, October also is a month when sunrise comes later each morning, and we are willing to accommodate that concern by this compromise.

We have ensured that sunrise times under the extended system of daylight saving time will occur no later than sunrise times presently occurring in the fall under the current system.

Sunrises in April will occur no later than sunrises which we already experience in the fall each year under the existing system.

Daylight saving time was first used in World Wars I and II as a way to conserve energy. The Uniform Time Act of 1966 formally implemented national daylight saving time in its present 6-month period. As a response to the 1973 oil crisis, Congress enacted the Emergency Daylight Saving Time Energy Conservation Act extending it to 10 months in 1974, and 8 months in 1975.

Daylight saving time is intimately tied to the United States desire for energy conservation and energy independence. Indeed, it is an idea with roots in the era of America's Declaration of Independence.

One of the first proponents of daylight saving time was Benjamin Franklin, who awoke one morning in Paris in 1784 to a room filed with sunlight. He realized that many Parisians spent sunlit hours sleeping, and later burned candles while awake at night. Franklin later wrote:

> It is impossible that a wise people would have made use of unhealthy and expensive candlelight if they had known as I have just learned that they can have for nothing the beautiful and pure light of the sun.

Franklin proposed to encourage, although fortunately not seriously, the use of sunlight rather than candles through a tax on window shutters, the rationing of candles, and the firing of cannons in the streets at sunrise to awake citizens and make them open their eyes to their true interests. Nonetheless, the essence of Franklin's idea remains true today. Over 200 years later, it is no longer simply candlelight which is wasted.

In 1975 the Department of Transportation study on the impact of the 1974 daylight saving time extension estimated that the equivalent of 100,000 barrels of oil was saved each day. Under the compromise amendment, more than 2 million barrels of oil could be saved each year.

The U.S. energy situation has changed since 1975. Fuel prices are the primary factor in controlling fuel use, and the price of oil has dramatically fallen in recent months. But we live in an uncertain world. Iran and Iraq are

at war along the Persian Gulf. American bombs have fallen on Tripoli and Benghazi in Libya. Tensions and terrorism still flare in the Middle East, and lines of commerce are always fragile.

The need for energy conservation—and vigilance—is undiminished. DST is one small means of conservation, with large benefits, and at absolutely no financial cost to the Federal Government or the American consumer.

As Benjamin Franklin advised, we must open our eyes to our true interests.

The argument for an extension of daylight saving time becomes even more compelling when one considers benefits of increased traffic safety and violent crime reductions.

The 1975 Department of Transportation study showed a 0.7-percent reduction in traffic fatalities in March and April 1974, under extended daylight saving time, compared to comparable months that same year under standard time. This estimate was, I understand, a conservative calculation, and Department analysts believed the actual reduction to be more on the order of between 1.5 and 2 percent.

Second, according to the National Crime Survey of the Departments of Justice and Commerce, the most serious forms of crime occur in the evening or at night, rather than the early morning hours. Criminals prefer to operate under cover of darkness. Increased daylight in the critical hours when many Americans are coming home from work can act as an important deterrent to crime.

I am aware of fears that expanded daylight saving time would increase early-morning traffic accidents, especially involving school children, and inconvenience our Nation's farmers. Maine is a rural State, where many earn their living by agriculture, and the majority of school children are bused to school. I am therefore extremely sensitive to these concerns. However, after close study of these arguments, I believe they are without foundation.

There is little proof that a month's extension of daylight saving time adversely affects American agriculture. The 1975 Department of Transportation study stated flatly:

> DST does not affect agricultural activities or production. In general, agricultural activities are insensitive to "clock time," and farmers and ranchers (as well as most other groups in agriculture) are not vitally concerned with what type of time system is used. Farmer's activities are determined by seasonal factors and are principally geared to the hours of sunlight, and these patterns pertain irrespective of clock setting.

The safety of schoolchildren similarly is not adversely affected. The Department's 1975 study also concluded that for the January to April 1974 daylight saving time period:

> School-age children were not subject to greater involvement in fatal accidents than the general population at any period of the day.

A 1976 National Bureau of Standards study of school-age children fatalities also found no increase in morning fatalities during the March and April daylight saving time period.

A Department of Transportation analysis of daylight saving time between 1979 and 1981 additionally concluded that "there appears to be no basis for claims that DST transitions caused increases in schoolchildren morning fatalities."

I wish to reiterate to my Senate colleagues that this amendment also is a compromise. Daylight saving time would begin the first Sunday in April—rather than the last Sunday in April under the current system, or in March, as other bills have proposed.

Sunrise times in the spring would occur no later than the times presently occurring in the fall under the existing system. Farmers and schoolchildren would not be subjected to early morning conditions any different from those that they already live under.

Older school-age children coming home in the evening, particularly if they have participated in school sports or other extracurricular activities, stand to benefit from the extra hour of daylight.

In 1976, the Senate approved an extension of DST by a vote of 70 to 23, but the measure died in the House in the final hours of that Congress.

In 1981, the House of Representatives approved a DST extension, but no action occurred in the Senate.

During this current Congress, the House of Representatives has again passed a DST extension. The measure enjoys broad popular support, and the decision now rests with the Senate.

Americans are looking to us to finally write into law a proposal which is emminently practical and reasonable. Like the hands of time itself, Congress may sometimes move slowly. But I submit to you—with no pun intended—that the time finally has come in this Congress, to enact an extension of daylight saving time.

The PRESIDING OFFICER. Is there further debate on the amendment?

Mr. FORD addressed the Chair.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. FORD. Mr. President, would the Chair advise who controls the time?

The PRESIDING OFFICER. There is no controlled time.

Mr. FORD. Who are the floor managers?

The PRESIDING OFFICER. The floor manager of the majority is the Senator from Washington. The Chair is not advised as to the minority manager.

The Senator from Kentucky.

Mr. FORD. Mr. President, the proposal by the plaintiffs in this particular case, the Senator from Washington and the Senator from Maine, presented such a weak case for the extension of daylight saving time I doubt seriously that the defense should put on any witnesses but just leave the judgment to the jury. But in all fairness, I must represent my people and represent the hundreds and hundreds of people who have contacted my office in opposition to any extension of daylight saving time.

You always put your best foot forward in this type of situation. I was amused that the distinguished Senator from Maine, as he elaborated all the times the House had passed daylight saving time, failed to enumerate the number of times the House had defeated the extension of daylight saving time.

So, Mr. President, I rise in opposition to the amendment of the distinguished Senator from Washington and the distinguished Senator from Maine which would extend daylight saving time another 3 weeks.

In preparing for this debate, I ran across several quotes I would like to share with my colleagues.

Many people have questioned why I am so interested in not extending daylight saving time for another month or another 3 weeks, and why it is such an emotional issue in my State.

A State senator in the Kentucky General Assembly ranks daylight saving time as "one of the three most emotional issues of my service in the Kentucky General Assembly."

He also adds:

> Time is more important to people than the budget. They don't care how much we spend, apparently; they just want to know what time we are going to spend it on.

I recently heard from a Kentucky mother who found it just as hard to get a child to go to bed while it was daylight as it is to get a child to wake up while it is still dark.

Any Kentucky mother who has sent a first grader out to catch a bus on a dark, misty April morning takes a dim view about the importance of electricity that might be saved on the east and west coasts and the number of after-work tennis games that might be played here in Washington, DC.

Before the Commerce Committee hearings, I heard from a constituent in Louisville. I have all of these letters to back up my quotes, and if anyone wants to see them, I am delighted to let them have them, or might even submit them for the RECORD, if anyone thinks it is necessary.

I quote from this constituent. He says:

> I am tired of having to spend half of my day in the dark just so some soft executive can have a barbeque when he gets home in November.

□ 1430

Another recent letter from Louisville:

Don't tell me it saves lives and energy. I have lived in this world too long to swallow that.

Mr. President, throughout the consideration of this issue, I have always thought that only those individuals in the westernmost portion of a time zone opposed extending daylight saving time. I received a letter recently, however, from Sacramento, CA, which stated:

The pro-daylight-saving-time faction portrays the anti-daylight-saving-time crowd as either a special interest group such as farmers or religious extremists who don't want 'God's Time' tampered with. This is hardly the case. I have no desire to get up in the dark so candy manufacturers can make money off of Halloween sales.

I realize that the amendment of the Senator from Washington only extends daylight saving time during the month of April, but these letters were written before his amendment was published in the CONGRESSIONAL RECORD. I am very concerned that if this amendment passes the Senate—and this is a real concern of mine—the conferees will agree to the House-passed daylight saving time bill, which provides for 3 weeks in the spring and 1 week in the fall.

What we pass here, in the Senate, could well be the final package. On the other hand, it may not be, because the House has a different piece of legislation, the Senate has a different piece of legislation. That bill goes to conference and the conferees will then send back to the Senate what could be a very different piece of legislation.

Mr. President, the principle of daylight saving time is very simple: During part of the year, the sun rises before most people do. If a clock is advanced, sunrise by the clock will be later as sunset will be later. This clock shift does not increase the amount of daylight but it, so-called saves daylight. It reduces the number of daylight hours when people are asleep and adds the hours when they are awake in the evening. Kentucky's dilemma derives in part from its location. Half of the State is in the eastern time zone and on the western edge of the eastern time zone. Dawn comes in the home State of the distinguished Senator from Maine on the Atlantic coast, which is in the same time zone, a lot earlier than it does on the western edge of Ohio and the eastern part of Kentucky and in our major metropolitan area.

I was very interested in the findings in the proposed amendment. Let me tell my colleagues what this amendment says that Congress will find and what they approve if this amendment is passed. As I say, I think it is very interesting.

This amendment says: "The Congress finds: First, that various studies of governmental and nongovernmental agencies indicate that daylight saving time over an expanded period would produce a significant energy savings in electrical power consumption."

I shall debate that item just a little bit later and prove that it is not really true. A significant energy saving—I think whoever drafted this particular amendment was carried away with his verbiage.

Second, "that daylight saving time over an expanded period could serve as an incentive for further energy conservation by individuals, companies, and the various governmental entities at all levels of government, and that such energy conservation efforts could lead to greatly expanded energy savings."

When you go to work in the dark, you have to turn a light on and when it is cool in the morning, you have to have the heat up. I shall debate that a little bit later.

Third, this amendment says that Congress finds "that the use of daylight saving time over an expanded period"—what is an expanded period? Is it just 3 weeks this year or is it 3 weeks next year and next year and next year? Is that the expanded time this amendment is talking about?

It says, "the use of daylight saving time over an expanded period could have other beneficial effects on the public interest, including the reduction of crime, improved traffic safety, more daylight outdoor playtime for the children and youth of our Nation, greater utilization of parks and recreation areas, expanded economic opportunities through the extension of daylight hours to peak shopping hours and through extension of domestic office hours to periods of greater overlap with the European Economic Community."

That means they are saying that you can stay at work a lot longer; you do not have to go home. I suggest that the effects of the benefits of extended daylight saving time are exceedingly small and therefore hard to assess.

I want to make this one very important point: That the effect of daylight saving time is basically regional. It does not benefit the total country.

Mr. President, there is no hard evidence to convince Kentuckians or those citizens residing on western edges of a time zone that more daylight saving time will save energy, prevent traffic accidents, deter crime, or virtually any of the wondrous things that are claimed by the advocates of the extended daylight saving time.

There are particular hardships on areas in the westernmost fringe of a time zone. For example, the eastern half of Kentucky and much of the State of Ohio are in the westernmost part of the eastern time zone, so sunrises occur as much as an hour and 15 minutes later than in the cities on the Atlantic coast. So we are actually robbed. This affects every aspect of life—the way business is conducted, schools are run, personal families. All of these things are affected by the Sun rising an hour earlier on the Atlantic coast than on the western edge of the eastern time zone. You play that against each of the western edges of every time zone.

Let us look at the facts that have been presented in this particular amendment or what they propose. The National Bureau of Standards found no conclusive evidence of a daylight saving time affect on the saving of electrical energy. We have been hearing an awful lot about how much energy is going to be saved, but the National Bureau of Standards found no conclusive evidence that daylight saving time will have a great affect on the saving of electrical energy. In fact, it may cost more on the western edge of a time zone because the light has to go on an hour earlier and the heat will have to be turned on an hour earlier than normal in the dark.

The Department of Transportation report identified a seven-tenths of a percent reduction in traffic fatalities with extended daylight saving time. The Department of Transportation later expanded the benefits to a reduction in fatalities of 1 to 2 percent. The National Bureau of Standards criticized the Department of Transportation for using raw NHTSA data and found no conclusive evidence for a daylight saving time-related decrease in fatalities.

Mr. President, it just does not seem right to this Senator that you can stand up and beat your chest and say so many wondrous things are going to happen because you extend daylight saving time 3 weeks in April. We had so much snow this year in April, the schools were closed, ball games were called off. You could not go to the parks. In fact, you could not drive your car from home to work, the snow was so deep in many parts of this eastern time zone during the first 3 weeks of April.

The Department of Transportation did not take into account that at the time they were measuring traffic fatalities, the country was experiencing a gas shortage.

□ 1440

Think about that. That was not even factored in. You have not heard about that in this grand and glorious amendment to do all things for all people by extending daylight saving time 3 more weeks.

The President and Congress were recommending responses to the shortage. Think about that. Gas rationing was a way of life at the time these facts were taken. The price of gasoline

had doubled at the time these facts were taken. Citizens found other means of transportation since gasoline was so limited, and the Congress at that time enacted the 55-mile-an-hour speed limit.

Now, that is why lives were saved. That is why gasoline comsumption was reduced. That is why traffic accidents and fatalities were reduced.

If there was any reduction in traffic fatalities during the extended daylight saving time period, I am certain some of these factors were the cause and not daylight saving time.

The Department of Transportation, however, has admitted in testimony before the House of Representatives that they did not take any of these factors into account in determining that there would be reduced traffic fatalities under extended daylight saving time.

Now, let me repeat that. Let me repeat that because we are hearing a lot about this Department of Transportation study and how great it will be if we extend daylight saving time 3 more weeks.

The Department of Transportation has admitted in testimony before the House of Representatives that they did not take any of these factors, being gasoline shortage, doubling of prices, looking for other means of transportation, and reducing the speed limit to 55 miles an hour, into account in determining that there would be reduced traffic fatalities under daylight saving time.

Now, I think those factors play a greater part than trying to extend daylight saving time by 3 weeks or a month or whatever.

There is one special interest group in this argument I would like to mention and that is the group of children. We have spent a lot of time lately in this Congress and especially in the media on improving education, the plight of missing children, and the need to protect children from all kinds of behavior. Children have a stake in this extended daylight saving time argument. Although the issue of the coalition to extend daylight saving time is purely economic, as I read in Fortune magazine several months ago, the children's issue is purely emotional, purely emotional. The coalition's position is purely economic, and they dismiss the plight of our children as purely emotional.

Well, Mr. President, parents in Kentucky do not believe the issue is emotional. Adding an hour of sunlight at the end of the day subtracts one at the beginning of the day and leaves many school-bound children in the dark. Great concern has been expressed about schoolchildren having to start for school before sunrise in many parts of this country. Advocates of extended daylight saving time say the problem can be alleviated by postponing the time of day when school begins so that children would not have to travel to school in the darkness. That is an easy way of saying it, just start school an hour later so they can go to school in the same daylight as you had before you extended daylight saving time.

Now, we have that in testimony before the Commerce Committee. During the 1974-75 year-round daylight saving time experiment, 44 percent of the Nation's school districts shifted the beginning of time of school because of the safety factor—safety factor for children, and we had daylight saving time during the same period that is being advocated under this amendment.

Families with schoolchildren will be operating on two time schedules, one for the school and the other one for their employer. When both parents work, which is the case in many homes now due to economic factors, small children will be left at home unattended until the bus runs. In Kentucky, the beginning times for schools vary, but there are a considerable number of children picked up at 6 to 6:15 a.m., and that is a record from the Kentucky Association of School Administrators.

Now, Mr. President, this is an extreme problem in areas where there is great distance in a consolidated school district, where there is court-ordered busing and where there is one school of a district for handicapped students. Think about that. One school in a district for handicapped students, and they have to get on the bus at 6 to 6:15 a.m., in the dark.

The handicapped students are most likely the first bus run. Then the buses return for another run later in the morning. The sponsor of the House version of extended daylight saving time made a point that sunrises in April under extended daylight saving time would be earlier than sunrises in December, January, and February. Isn't that a wonderful proclamation. The sponsor suggested that there would be 22 weeks in the school year more dangerous than April 1. My response is why make it any worse? In effect, by adopting this amendment, you will make 26 weeks dangerous in the school year rather than 22. The importance of the safety of children is at issue and far exceeds any economic consideration in the extension of daylight saving time debate.

During the hearings on extending daylight saving time held by the Commerce Committee, I was told by one of my colleagues that Kentucky should start schools later to relieve the safety concern. I raised the issue of working parents on a different schedule, and I was told to start the factories 1 hour later.

Mr. President, it was almost hard to believe what I was hearing. If it bothered the schoolchildren, start school an hour later. If the children were left home by themselves to wait for the bus, just open the factories 1 hour later, so we would be right back where we started and we ought to leave it alone.

I believe you have to look at this issue in terms of the entire country. If the westernmost areas of a time zone have to make such sacrifices, is extended daylight saving time good for the entire country?

□ 1450

I have also been told by the daylight saving time coalition that the simple answer to Kentucky's problem is to move the entire State into the central time zone. I also believe that this is too great a sacrifice for my citizens to make in order for the coalition to sell more of their products. One of the greatest benefits Kentucky and other States in the region have in attracting industry is that we are on the same time as Wall Street and the financial world. One should not underestimate the business interest of remaining on the same time as the financial world, particularly New York.

In essence, extended daylight saving time would establish a new entitlement system for energy usage. The increased use of energy in mid-America would neutralize the saving of energy on the coasts. Daylight comes over an hour later in Louisville than on the east coast so consumption of energy would be actually increased as people get up earlier, go to work earlier, and turn on their lights and heat earlier. The President of a large utility in Kentucky has indicated that in his judgment extended daylight saving time would mean an additional use of gas and electricity in the mornings without an offset saving in the evening.

Savings in energy, although predicted to be 100,000 barrels of oil per day by the Department of Transportation study, are difficult to isolate from seasonal variations, rate for crude, and fuel availability. The benefits of energy savings are for the coastal States at the expense of the Midwestern States

Now, Mr. President, a new entity comes into the opposition to the extension of daylight saving time. The National Association of Broadcasters has written in opposition to the extension of daylight saving time. The National Association of Broadcasters' concern is the effect the amendment would have on daytime-only AM broadcast stations. There are 2,450 daylight AM stations in the United States. The impact would be the worst for the approximately 450 daylight stations not holding a presunrise authorization known as PSA.

The monthly sign-on time for a daytime station is based on the time of the local sunrise rounded off to the nearest 15-minute interval. The authorization is expressed in nonadvanced standard time which, in effect, is local time for the 6-month period in which daylight saving time is not observed. During the expanded period in this amendment, the sign-on time for daytime stations not holding a PSA would be delayed 1 hour. Most daytime only stations would suffer a financial loss due to the loss of an hour of drive time.

How much economic benefit has been lost by these small radio stations? No one has brought that into being here. No one has talked about those small radio stations that struggle for a living. Yet this extension of daylight saving time would cost them dearly.

Most daytime only stations would suffer a tremendous financial loss due to that loss of 1 hour in drive time. The morning drive time is the period according to the FCC, Federal Communications Commission, in which stations earn a substantial bulk of their advertising revenues. Four hundred and fifty stations are going to lose an hour of drive time, and that is that bulk of their advertising revenues. So that is another financial loss to be imposed upon citizens, and it is now a fact of life that the National Broadcasting Association is very much opposed to this amendment.

The amendment of the Senator from Washington contains a provision to allow the Federal Communications Commission to make adjustments by rule. This is very technical and the question is what adjustments will be made? What adjustments will be made? It will certainly disrupt the current balancing between full-time and daytime-only AM stations.

As proved by the recent snowstorms in the Rocky Mountains, even in April schools may close due to weather conditions. Most of the radio stations—think about this now—giving this information are daytime-only stations. What would happen? They would not be there and would not be allowed to be on to give that information because of this amendment.

Since the news media has chosen to give me complete credit for opposing extending daylight saving time, I have heard from citizens all over the country. These citizens are firmly opposed to this extending daylight saving time and many come from areas that, due to geographical location, should most likely support sunshine in the evening. These citizens do not have a public relations firm to lobby on their behalf; they do not have a financial interest in the matter nor are they interested in whether some businesses will sell more of their products. They have written to me and hopefully to their Senators in opposition to this amendment.

From South Pittsburg, TN, Mrs. Marie Daniel wrote me and stated:

I want you to know I sure do appreciate you keeping that bill from extending daylight saving time to 2 more hours. I wish they would leave the time on standard time. The real working people don't have time to play like these men who want more hours of light.

Phillip A. Lomax of Pensacola, FL, wrote:

I want to thank you for opposing the useless Daylight Saving Time extension. My experience with saving time has been as a parent of young children. It was more difficult getting them in from play for a family meal together with adequate time left for homework. I also found it more difficult getting up as early as I needed for a good start on the day. I think the proposal is counterproductive and its passage would only lead to a request for another extension later.

Helga Larson from Bement, IL, informed me:

I read in the paper that you were against extending daylight saving time. That is fine—so am I. It would suit a lot of us fine to do away with it completely.

From Columbus, Ohio, a citizen wrote:

You are admired! And by a Republican at that! Will you please keep that ten year effort to lengthen our daylight hours bottled up another decade or two? Has just one of those daylight saving backers ever tried putting a 4-year-old, a seven-year-old or a ten-year-old to bed at 9:00 in the daylight? I doubt it! Have they ever looked at these same kids in school the next day? These same kids have to get up at the same time having gone to bed an hour or two later. Being a school parent, now you try teaching them! They are just plain tired. I believe with all my heart that this daylight saving time is just one more wedge driven into the family circle. With so many parents working, we don't need more ways to split our times together. Indeed, it is God's time. We need to use it wisely. Our children are watching.

Van Statham from Tyler, TX, wrote me to explain:

I appreciate your stand on the daylight saving time thing. Would think there are so many other important things that need handling, that these guys would not be trying to help the sporting goods companies. Let's leave God's things alone.

(Mr. COCHRAN assumed the Chair.)

Mr. FORD. Mr. President, on April 7, 1986, I received a letter from Violet Clausen of Stapleton, NE.

It was with great delight that I read an article in my daily paper today that thanks to you, those who would enforce their ridiculous daylight saving time for another month of use, were thwarted in their efforts.

From Youngstown, OH, Mrs. Evelyn Carver wrote:

Thank you very much for your efforts about daylight saving time. I don't like it and I don't need it. It should start on May 31 and end September 1, or do away with it completely. We have enough pressures on our shoulders without chasing the clock all day long.

On April 7, Mrs. Verna Palmer of Moss Point, MS, sent a letter which stated:

I appreciate your stand on daylight saving time. I think it is silly for grown men to waste their time and taxpayers' money with nothing better to do than change the time for the sun to rise and set. I am an 81-year-old widow and I have seen many sunrises and sunsets in my lifetime. I believe in and respect God's handiwork.

That was Mrs. Verna Palmer of Moss Point, MS.

In this area, Bruce M. Benton contacted me from Gaithersburg, MD:

Please accept my sincere thanks for your successful efforts which have saved us from additional months of daylight saving time. We have more than enough of that already. Fast time becomes more attractive with increasing latitude, which is why only the northern states are agitating for it. With each additional degree of latitude, summer days are a little longer. At the North Pole, one can enjoy 24 hours of sunshine during mid-summer; but in our southern states, fast time forces too many people, including schoolchildren, to begin their active day in total darkness. Any further change in the national schedule should go in the opposite direction, to limit the period to a maximum of three months. Perhaps, as an alternative, we should rearrange the time zones to make horizontal, as well as vertical divisions. Then the northern states could choose to set their clocks ahead permanently, as Indiana and Michigan have already done, without forcing unpleasantness on the remainder of the nation.

Ada McCain of Danville, VA, recently wrote:

All power to you in prolonging the changing of our time. We people of the USA should have a say so in changing the time and if we did, there would not be any changes made . . . Many times I have seen small children leave home in the dark to stand at some specific place to wait for the bus. This is enough to vote to leave the changing of time alone.

From Rock Rapids, IA, Darlene McMaster informed me:

Thank you very, very much for holding back daylight saving time. Natural biological rhythms are thrown off. The sun in the morning makes it easier to get up, safer to drive to work on the highway. Soon, with DST, it will be dark again when I get up at 6 a.m. How is it that Representative Markey gets to sleep so late that the sun bothers him? He must work a short day.

I just want to make a short statement here. I have a lot more to go and I even have some letters from your State, I say to the Senator, and I am going to quote those, too. There are many in your State that are very much opposed to this, and I am referring to the distinguished Senator from Washington.

But Representative MARKEY sent a letter out the other day indicating that the Cubs and the Pirates, I believe, were locked in an 8-to-8 tie at Wrigley Field and they had to call the game in early April because of darkness. He thought that with extended daylight saving time they could have

played the rest of the ball game, maybe.

But he forgot to tell us that Wrigley Field is the only field in the American or National League that does not have lights so they could continue to play. And he forgot to tell Congress to mandate that the Cubs have better pitching so they could reduce the hits of the Pirates or we forgot to mandate that the Pirates get more hits so they could beat the Cubs. That is how silly this daylight saving time is becoming.

Mr. President, I have letter after letter, and recommendation after recommendation, and I have some letters, as I said, both from the distinguished Senator's State of Washington and probably I could find one if I dig a little deeper from Maine and some of these other strong advocates of daylight saving time, from those who had to spread the sand and the salt in early April in the dark, and if it had been daylight saving time even worse, as we had the blizzards and the snow and the children could not go to school.

So for now, Mr. President, I yield the floor to the distinguished Senator from Nebraska who would like to have a few moments.

Mr. EXON. Mr. President, I have been listening with great interest to the excellent presentation by my friend and colleague from Kentucky. I think he has said most of the things that need to be said in this area. But I want to add my voice of support to the Senator from Kentucky in opposition to the further extension of daylight saving time.

In this regard—and to digress for just a moment, Mr. President—I would like to thank my colleagues for the agreement that I understood had been entered into that I have been strongly in support of, and that is to not bring up an amendment at this time with regard to scrambling of cable television signals until we can have an opportunity to have a hearing on that in the Commerce Committee, on which the distinguished Senator from Washington, the Senator from Kentucky, and I serve. I have some serious reservations about how fast we move on this, but move we must.

I think here is a place where the Federal Communications Commission has not gotten into the act when I think they should be to resolve this problem that is a major concern to those who do not have the availability of cable television. I hope good people working together can come up with a solution to this matter that is going to cause an awful lot of difficulty in the future but can be solved, I think, with relative ease by some joint discussion. I hope that our hearings in the Commerce Committee will bring that about.

Getting back to the matter at hand, I agree with the comments that have been made by the Senator from Kentucky. I want to emphasize the fact that the effect that this could have, might have, and I think will have, the adverse effect on children, should be the primary concern and the real reason why we should turn this down.

What I am saying, Mr. President, is why in the world can we not leave well enough alone? I think the public at large believes that we pass far too many bills or amendments here and in the House of Representatives and that we have at the present time a relatively good and relatively well-accepted daylight saving time period in the United States.

Yes, there have always been those who want to shorten the daylight saving time period. That comes up from time to time. I have not endorsed that effort, by telling those proponents to shorten the daylight saving time, "Leave well enough alone." And I would say to the proponents of the amendment, "Please leave well enough alone." And if and when we come to a vote on this matter, I hope that the U.S. Senate, as a whole, will say, "Enough is enough." Let us not stir up unneeded controversy.

□ 1510

Let us leave the law as it is now, which right or wrong—and I happen to think it is right, and it has been accepted by the vast majority of the people in the United States. I suspect, though, that the very thought of having a few extra minutes to do what one wants to do in the evening might unfortunately persuade this body to approve the amendment. I would simply say to them that they should look at the other side of this issue rather than saying, "Well, I think it is good for me," or "I think this is probably good for certain industries."

I have, Mr. President, a letter from the American Farm Bureau. I think the Senator well knows that I will not dwell on it with no keen disappointment by my friend from Washington, I am sure, and my friend from Maine. I will not dwell on the opposition of agriculture in general to the future broadening of the legal hours for daylight saving time for all of the reasons that are well known, I think, here, and it would serve very little purpose to go into that in any detail.

So the Farm Bureau is opposed to this from the traditional standpoint of agriculture. But agriculture, as has been well demonstrated time and time again, is such an insignificantly small percentage of the people in United States today that probably their feelings will not receive the attention that they should. So I am taking a little bit different tack on this at this time.

I want to quote not from a letter in its entirety, but from one paragraph of this letter that has to do with children. This letter, Mr. President, is from the American Farm Bureau, and it is signed by Mr. Dean Kleckner, the president, dated May 7. It is addressed to me.

And I ask unanimous consent at this time to have the letter printed in its entirety at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. EXON. President Kleckner says,

> The Farm Bureau is concerned about lengthening the daylight saving time period for the following reasons.

I am going to talk primarily about the No. 1 reason that Senator FORD has already touched on in some detail in his previous remarks. But I am quoting from his letter.

> Parents are concerned about their children waiting for a bus or walking to school in the dark. Even though the Department of Transportation has a 1976 study to show that there would be no increase in accidents if daylight saving time were extended, no amount of studies can alleviate the concern of parents. With the increased reports about crimes against children and the obvious fact that drivers cannot see as well in the dark, rural people—

Rural people, Mr. President—

> do not accept those results.

Mr. President, I am not saying that for the mass and the greatest amount of schoolchildren that extending daylight saving time by a month would have a significant adverse effect. But, Mr. President, I am saying that it will have a significantly adverse effect for the rural schoolchildren. Their needs, their education, and their safety should be considered along side of the masses of population centers in the United States.

Mr. President, it is not uncommon in certain rural sections of these United States—yes, indeed, in Nebraska—that some schoolchildren in large geographical areas that represent school districts travel 2 to 3 hours on a bus to get to school and back.

That means, Mr. President, that when you have to get up traditionally before dark, you are getting up in 1 more hour of darkness to start that long trip to school each and every day. I am wondering how many Members of the U.S. Senate would be voting for this amendment if their children or their grandchildren were the ones that had to make the sacrifices, basically to compensate those who want to have a little more time to do what they want for pleasure in the daylight hours of the evening.

Mr. President, I hope that we can come to some kind of an agreement today, probably to have a vote on this sometime tomorrow. I have not had a chance to discuss this at length with Senator FORD. I know requests have been made from this side of the aisle to put off any vote on this until tomorrow. If we can at least have a dis-

cussion on an issue like that, maybe we could come to some resolution of the issue. There may be others besides Senator FORD and myself who have something to say on this. And I believe if there are others, it will work better with their schedules when they get back probably tonight or the first thing in the morning.

Mr. President, I will conclude my remarks at this time by saying that Senator FORD has outlined most of the reasons why there are those of us not supporting this amendment. I hope that our colleagues will recognize the legitimate opposition that we have, and overriding every other consideration is the fact that I do not think it is fair to a substantial number of the schoolchildren in my State of Nebraska, and likewise I am confident that it is not in the best interests of the substantial number of the rural schoolchildren in other States of these United States. And, therefore, when and if it comes to a vote, I hope it is defeated.

Mr. President, I yield the floor.

EXHIBIT No. 1

MAY 7, 1986.

Hon. J. JAMES EXON,
U.S. Senate,
Washington, DC.

DEAR SENATOR EXON: Farm Bureau would like to take this opportunity to comment on the effort to extend daylight saving time.

On Thursday, May 8, there may be an attempt to amend S. 2180, the Fire Prevention Act, with a provision which would make daylight saving time begin on the first Sunday in April—three weeks earlier than at present. We are very opposed to any extension of daylight saving time.

Farm Bureau policy regarding daylight saving time states:

"Daylight saving time should be limited to the period between Memorial Day and Labor Day. We oppose efforts to extend the present length of daylight saving time."

Farm Bureau is concerned about lengthening the daylight saving time period for the following reasons:

1. Parents are concerned about their children waiting for a bus or walking to school in the dark. Even though the Department of Transportation has a 1976 study to show there would be no increase in accidents if daylight saving time were extended, no amount of studies can alleviate the concern of parents. With the increased reports of crimes against children and the obvious fact that drivers cannot see as well in the dark, rural people do not accept those results.

2. During the harvest season many farmers must wait until the sun comes out and the dew disappears before thay can begin work in the morning. This applies especially to the combining of small grains, soybeans and making hay. If farmers are to continue their church and community activities during the evening, they must quit work earlier by the sun, thereby losing at least one hour of work-time each day. Surely everyone is eager for rural people to participate in community events. Farmers are eager for this to happen, but daylight saving time does impede this ability.

3. About 50 percent of farmers now hold second jobs and would have less daylight in the morning to do morning chores.

Farm Bureau urges you to oppose the extension of daylight saving time. Thank you for consideration of our views.

Sincerely,

DEAN KLECKNER,
President.

Mr. GORTON addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington.

Mr. GORTON. Mr. President, I have listened with great interest to the thoughtful statement of my friend, the Senator from Nebraska. And I appreciate the position which he takes, even though I disagree with it. I am particularly taken by the offer, on his part at least, that we should vote on this amendment tomorrow, perhaps at a time certain. It is the view of both myself and the distinguished Senator from Maine, Senator MITCHELL, that that would be appropriate because, as the Senator from Nebraska feels, any others who wish to make statements on this subject should be allowed to do so, and there are Members on both sides of the aisle on both sides of this issue whose convenience would be served by voting tomorrow. So that is the view of this Senator and the Senator from Maine.

I strongly suspect such vote will come about, and in fact, I would be delighted if we were able to reach an agreement to vote.

Mr. President, I have listened with care and with great interest to the positions that are advocated by the Senators from Kentucky and Nebraska.

I doubt, Mr. President, that those positions would have been expressed at all differently were we debating the first attempt to establish daylight saving time during the course of the summer months only, or perhaps were we debating in the middle of the second half of the 19th century the proposition that the United States should adopt four standard time zones.

□ 1520

Exactly the same arguments, I suspect, Mr. President, that were made then, more than 100 years ago, are made today.

The fundamental reasons to add the month of April to the time during which daylight saving time is in effect in most of the United States is one of personal convenience.

No number of individual letters read into the RECORD by opponents of this extension can disguise the fact that on every occasion, in all parts of the country in which scientific surveys of public opinion were taken, the vast majority of the people of the United States favor daylight saving time and favor the extension of daylight saving time.

The most recent of those which has been brought to my attention had a majority of almost 2 to 1 for a 2-month extension of daylight saving time, one which would begin early in March and end after Halloween, in November.

On almost every occasion the subject has come up for debate in this body, a heavy majority of the Members have voted in accordance with that popular opinion. The distinguished Senator from Maine referred to the fact that in 1976, when the issue last arose, the extension of daylight saving time was approved by a vote of some 70 to 23. That, Mr. President was a longer extension of daylight saving time than in the proposal which is before us here.

The reason is not pure accident. The sponsors of this proposal have attempted to meet every legitimate objection, some which they considered to be not so legitimate, to such an extension by limiting it to April.

The date upon which daylight saving time would begin in April pursuant to this amendment, in every part of the United States of America, has a sunrise which, under daylight saving time, would be earlier, in most cases considerably earlier, than the sunrise which takes place on standard time early in January.

I am reminded in the course of this debate, Mr. President, of two lines from William Shakespeare's Romeo and Juliet:

What's in a name? That which we call a rose by any other name would smell as sweet.

In both the States of Kentucky and Nebraska, with an overwhelming opposition, it would seem from the statements of their Senators, to daylight saving time, either extended or perhaps in the summer, we have, nevertheless, a group of people who have chosen to go on daylight saving time 12 months of the year and to call it by a different name.

Over 100 years ago when the United States began a system of standard time, four time zones were created, and they were created with great logic. They were centered on the 75th, 90th, 150th, and 120th lines of longitude, and they were set so that at moderate latitudes, high noon would be near the exact center of daylight hours during most of the year on those particular lines of longitude.

Because time zones would be 1 hour apart, would be 15 degrees of longitude apart, that, of course, would provide, by pure logic, that each time zone extend 7½ degrees of longitude east of that standard line and 7½ degrees west.

By 1918, after 30 or so years of experience with standard time, an act of the Congress of the United States empowered the Interstate Commerce Commission to establish official time zones in the United States, and these four time zones were so established.

The ICC, and more recently the Department of Transportation, have, however, been allowed to move those

time zones lines upon the petitions of various States.

Since 1918, time lines have been moved 32 times to the west and 3 times to the east.

What is the situation, Mr. President, with respect to Kentucky, to take a specific example?

In 1918, the Interstate Commerce Commission established the western boundary of the eastern time zone at the eastern edge of Kentucky. The Commission did so by applying the logic to which I have just referred. All of Kentucky, including its most easterly sections, are closer to the 90th meridian, which is the center of the central time zone as I have described it, than it is to the 75th meridian of longitude, which is the eastern time zone.

And yet that boundary has been moved westward at the request of Kentucky in 1927, again further west in 1947, again in 1960, and again in 1961. It was moved back in 1974 at the request of Kentucky, and then moved back westward once again 1 year later to its 1961 location where it has since remained.

That means that the people and the government of Kentucky have, in essence, preferred to be on daylight saving time for 12 months of the year, as long as they can call it eastern standard time.

The same thing holds true with respect to almost the entire State of Nebraska. Most of it, under a national frame of reference which would have the center of the central time zone at 90 degrees west longitude and the mountain time zone at 105 west longitude, ought to be in the mountain time zone. Because the people of the State presumably did not like to waste so much daylight at dawn and wanted more of it in the afternoon, the great bulk of the State of Nebraska is in the central time zone where they spend 12 months of the year on mountain daylight saving time but call it central standard time.

Unfortunately, the State of Maine, represented by the distinguished cosponsor of my amendment, has been effectively unable to do that and move into what is called the Atlantic time zone because it would create a fifth time zone in the United States and a tremendous amount of difficulty. In fact, if the same rule or the same custom were to take place in Maine and the rest of New England, all of New England, following the precedent of Nebraska and the precedent of Kentucky, would have long since gone onto Atlantic standard time rather than eastern standard time.

□ 1530

So every difficulty and every objection which the two opponents to this extension have raised to this point has been settled against the case they make by the people of their own States as long as 60 or 70 or 80 years ago. Those people, or most of them, have decided that they prefer what is in effect daylight saving time all year long—whatever that may do to traffic safety, whatever it may do to the consumption of energy, whatever it may do to convenience stores, whatever it may do to schoolchildren going to school in the dark.

My distinguished friend, the Senator from Kentucky [Mr. FORD], complained about various students who are picked up between 6 and 6:15 in the morning during darkness and the great danger to which they are subjected, that we should not extend daylight saving time to the month of April because those children would simply then, presumably all alone during the course of the year, be required to wait for schoolbuses in the dark. Assuming, however, Mr. President, that there is a reasonable amount of light 30 minutes before sunrise, those students now go to school or are picked up by their buses in the dark from the day school begins, right after Labor Day in Louisville, KY—literally the day it begins right after Labor Day—through at least the middle of March.

Apparently, the school districts of Kentucky have not chosen to change the hours of the beginning of school on that account, because under present time conditons, 6 o'clock in the morning is dark in Louisville, KY, from the day school starts through at least the middle of March, if not beyond that period of time. Apparently, the concern for schoolchildren's safety is not so great in either Kentucky or Nebraska that those States wish to put themselves in the time zone to which geography—if geography were the only consideration—would assign them.

Mr. President, it may sound as though I am critical of the choices of the States of Kentucky and Nebraska in that respect. In fact, I am not; I am not critical at all. What those States have done has been to choose the time zone which is most convenient for most of the people who live in those States. It is that and nothing more. What this amendment proposed to do is choose a time regime for the great majority of the people of the United States which is most convenient for most of them and is most suited to most of them. There simply is not a single survey of public opinion on this subject which does not overwhelmingly favor an extension of daylight saving time, not only into the month of April but into the month of March as well. The argument that, somehow or other, there will be an artificial darkness to which most people object during the 3 weeks in April if we have daylight saving time during those 3 weeks simply fails to jell.

Again, to take Kentucky, in every place in Kentucky or, for that matter, in Nebraska, sunrise will be more than half an hour and up to 1 hour earlier on daylight saving time in mid-April than it is in early and mid-January under standard time under present circumstances. That is true all across the country. The differences are slightly smaller in the deep South and slightly greater in the most northerly parts of the lower 48 States of the United States but, during April, daylight is more than 12 hours from sunrise to sunset in every place in the Northern Hemisphere. In early January, it is much, much less than that in every part of the Northern Hemisphere.

The inevitable result is a displacement of the clock to 1 hour later and during the course of the day a sunrise time that is earlier in mid-April than it is in January, much earlier than it is in daylight saving time during the month of October at the present time—something to which everyone in the United States who is on daylight saving time has become accustomed and for a change of which there is very, very little demand.

In fact, the studies of the effect on traffic safety are conclusive, Mr. President; we are not here speaking of safety or reduced traffic accidents simply because we were in an energy crisis or went to a 55-mile-an-hour speed limit. We are talking about statistics which are based on traffic accidents and traffic deaths per million miles driven. Of course, as more miles are driven, there will be more accidents and as fewer miles are driven, there will be fewer accidents. The point is, there are fewer accidents during daylight hours per million miles driven and there are more miles driven in the early evening than there are in the early morning. Therefore, deaths, injuries, and property damage are less under daylight saving time per million miles driven than at any other period of time.

If this body were faced with the inevitable proposition that we would save lives, even a modest number of lives—one-half of 1 percent, one-quarter of 1 percent—by the investment of several, perhaps many millions of dollars, we would almost certainly spend that money, Mr. President, Here we have a chance to save those lives, those injuries and that property damage without spending any of the taxpayers' dollars at all and we should clearly do so. In fact, Mr. President, it is very clear that from the point of view of traffic safety—schoolchildren, nonschoolchildren, and adults alike—there will be a net gain on that safety factor from this change.

It is also, of course, clear that the best argument, because it is the most emotionally appealing argument against this proposal, is the myth of

the schoolchildren's danger in waiting for that school bus in the dark. Yet no individual Member of this body and no State has compensated for that asserted danger by attempting to see to it that schoolchildren not wait in the dark for their school buses in January, in November, in March, or in any other such month. The conclusion I draw from that, Mr. President, is that it is simply not demonstrably a major factor relating to safety itself.

We have a situation, in any event, in which any State that wished not to take advantage of this change could, by petitioning the Department of Transportation, opt exactly as two States already have—the States of Arizona and Indiana, each of which has chosen not to go on daylight saving time at all, with the exception of a small portion of Indiana which is in the central time zone. That is an option for those who feel that the majority of the people in their States do not favor daylight saving time, simply that they not go on it at all, not just in the first 3 weeks of April but during any part of the year whatsoever.

The argument in favor of this proposal, Mr. President, to summarize it, very simply is that it meets with the desires and the felt needs of most people of the United States. They demonstrate that not only by their responses to public opinion surveys but by the very way in which they have set the time zone lines.

□ 1540

Except in New England, there is not one person in the lower 48 States of the United States, Mr. President, who lives in a place 7.5 degrees of longitude to the east of the center of a time zone as established in 1918, who is on that same time zone. Instead, time zones have been moved westward to move these people into time zones to the east. It is simply that these people who think they abhor daylight saving time in fact like it so much that they want to be on it all year as long as they can call it standard time.

That kind of privilege is the privilege which for 3 extra weeks of the year the Senator from Maine would like for his constituents. It is a privilege which I would like for the constituents of much of my State which lies east of one of these standard meridians. It is a privilege which at least two-thirds, of the people of the United States, wherever they are located in a time zone, would like for themselves.

The PRESIDING OFFICER. Is there further debate?

Mr. FORD addressed the Chair.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. FORD. Mr. President, I will not take much time. I do not know how long we are going to stay in this afternoon. I understand the distinguished Senators agreed that tomorrow would be a good time to vote. it might be, but I have not agreed to that yet.

The distinguished Senator from Washington uses two words. He uses all this latitude and longitude and meridian and that sort of thing. Most people do not understand that. Most people understand the Sun coming up in the morning and going down in the afternoon. They understand going to work in the morning and coming home in the evening. They understand their children going to school in the morning and coming home in the afternoon. They understand those things because they are a reality.

He talks about artificial time. That is exactly what he is doing. He is creating artificial time. I do not understand saying that the only issue, because it is emotional, happens to be children. I thought they were important in what we were trying to do.

Then he talks about myth, the argument in opposition to daylight saving time is just a myth; it does not mean anything. Well, you tell that to the family in Louisville, KY, with the boy who was walking to school, crossed the street in the dark, and fell in a manhole and drowned. That was going to school in the dark. Then he talks about only in the middle of March and now it is all the time there would be more light going to school. Well, he would deprive us of those 6 weeks. He would still want us to continue, if his facts were right, sending our children to school for 6 extra weeks in the dark.

He says two-thirds of the United States wants this particular amendment. I do not know whether that is true or not and I do not refute his facts and figures. That just leaves one-third of us who are against it. That is important. You begin to think about agriculture a little bit. We think about the farmers.

Well, there is a feeling around this town of Washington, DC, USA, that farmers do not mean much politically; they are only 2 percent of the voting population, and we do not have to worry about them at all.

Well, that is partly true, I guess, but the farmers in my State are important. They work by the Sun. You cannot change that. You can change time that he has to do business in town. That jeopardizes his efficiency. The farmers in this country are having a hard enough time now. If he is working by the Sun and machinery breaks down and he wants to go to town to get it fixed but they are on an extra hour of daylight, they have already closed the doors and gone. So he waits until the next day. He loses that day. That is not a myth, Mr. President. That is artificial time. The farmers and the children are extremely important. So when you talk about artificial time, that is what the distinguished Senators from Washington and Maine are trying to do. The myth is really not a myth. It is reality.

Even the distinguished Senator from Washington, as he debates this issue, admits he will put the schoolchildren in Louisville, KY, in the dark 6 weeks longer in the morning. He said we have had it the rest of the year, why not 6 more weeks.

Well, ask that family that lost a child. Emotional? Sure, it is emotional, but it is factual. There is no myth about that. The problem could be artificial time.

I appreciate the press giving me so much print on this particular item. They are crediting me with being about the only one who is standing in opposition to this amendment on daylight saving time.

Well, it is giving me more credit than I deserve, but I know I have been getting a lot of letters. Out of the whole stack of letters that I have received in my support, only two have chastised me and those letters were from Reston and Annapolis, right here in this big bureaucratic bowl of the United States.

I am vocal in my opposition, but, Mr. President, there were enough Senators on the Commerce Committee where this amendment and this piece of legislation should have been discussed and voted on and sent to the Senate floor in the normal procedure, but something has happened on that committee that they failed to vote it out. In fact, it has been on the agenda several times to vote on it and it has been pulled down, pulled off the agenda of the committee, and therefore has been bottled up, as they say, in the Commerce Committee.

Now they have taken the tack on this piece of legislation of adding the amendment extending daylight saving time. But I assure those who are supporting this amendment I do not stand alone. I am not sure how the votes will go. I am not a vote counter. I am not one who gets his little book out and starts calling Senators and checking them off and putting them on the spot. I just try to practice my case, if I can use that phrase, not being a lawyer, and hope that I make some common sense, and that common sense will prevail in this Chamber.

Let me just give you an idea of where some of the citizens are located who have written to me supporting my position and opposing this amendment.

□ 1550

I have had letters in opposition to DST from Sioux Falls, SD; Branchland, WV; Mount Dora, FL; Natrona Heights, PA; New Market, TN; Rochester, NY; Griffin and Atlanta, GA; Suquomesh, WA; Chicago, IL; Philadelphia, PA; Muskegon, MI; Dickinson, TX; Miami FL; Midland, TX; Bartles-

ville, OK; Riverhead, NY; Edmond, Ok; Blacksburg, VA; Aurora, CO; and Troutdale, OR.

These citizens had no idea who I was, but have written to me united in the opposition to extending daylight saving time.

One of my favorite letters is several years old and from the Northwest, but I especially like the letter from Mrs. Charmond S. Adkins and her arguments:

> Please continue to oppose the daylight saving time extension. I'm not a farmer, nor member of any other group opposing it. I'm just an individual who doesn't like DST period. But, if I have to tolerate six months every year surely those who like it can get along without it six months every year. That way everybody gets an equal dose. Thank you and hang tough!

But it does seem like it is fair—6 months on daylight saving time, 6 months off. When you talk to most of the farmers, they like for it to start Memorial Day and end Labor Day. They have a reason for that. It is the way they make a living, by the Sun.

When you really take a close look at this amendment, you realize that the benefits of extending daylight saving time are outweighted by its liabilities. The April period which would be extended by this amendment is not the same as daylight saving time in September as many advocates of extended daylight saving time proclaim. In many parts of the country, it is still very cold in April and just recently the Midwest experienced a major snowstorm during the time that this amendment would extend daylight saving time, and major league baseball games were postponed not because of daylight or darkness but because of snow and snowstorms.

I can understand the position of the advocates of extended daylight saving time. The 9-to-5 worker would have longer to mow the lawn or swat a tennis ball after work. What the advocates fail to realize is that not everyone in this country has a 9-to-5 job. If the Senate agrees with the sponsor of this amendment and extends daylight saving time, there would be undue hardships for farmers and the agricultural community which require natural light. Asphalt and construction companies, moving and storage companies, and warehouses also depend on the natural light of day for their work.

Kentucky will be one of the States which will find extended daylight saving time disruptive. The sponsors of this amendment argue that under existing law, any State that wants to can exempt the State from extending daylight saving time. That is certainly a possibility particularly in the 12 States that are split by time zones. If rural States opt out of daylight saving time altogether, the benefits of the present daylight saving time schedule would be completely lost.

Sure, you have the privilege of opting out but then if you opt out, you lose all of the advantage of the 6-month period.

Is this what we really want—a remedy which will cause a patchwork quilt of time zones? Any business concerned with time schedules, an example is the airlines, would be terribly burdened if the States exercised this option.

For citizens of Washington, DC, and the Members of the Senate who are at least part-time residents of this area, and those portions of the country near a standard meridian, extended Daylight saving time would be very beneficial. The choice must be made with consideration given to the entire population. I suggest that the Senate and each Member weight the liabilities to his or her State, mainly rural citizens, when the time comes to vote on this amendment, and it may be a little while before that time arrives.

I sincerely believe that if the Senate passes extended daylight saving time, it sends a message to middle America, particularly rural areas, that we have given up on rural America.

I would like to allow those citizens on the east coast and the chairman's State on the west coast the opportunity to have an extra hour of daylight in the evening for recreational activities. Unfortunately, by allowing another month of daylight saving time for the east and west coasts, we create more hardships for individuals in the Midwest.

As I said earlier, Mr. President, times are hard enough in largely agricultural States and if we increase daylight saving times, it is just another blow to these citizens.

I am more than willing to debate somewhat longer but for the moment, Mr. President, I yield the floor.

The PRESIDING OFFICER. Is there further debate?

Mr. FORD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PELL. Mr. President, I am very pleased to join with my distinguished colleagues, the senior Senator from Washington [Mr. GORTON], the senior Senator from California [Mr. CRANSTON], the junior Senator from California [Mr. WILSON], and the junior Senator from Maine [Mr. MITCHELL] in sponsoring this amendment to advance daylight saving time in future years to begin the first Sunday in April. At present, daylight saving time begins the last Sunday in April and ends the last Sunday in October.

As my colleagues are aware, the House of Representatives recently voted a longer extension of daylight saving time under H.R. 2095. This bill would begin daylight saving time the first Sunday in April and end the extension on the first Sunday in November. Recognizing the genuine concerns of several of my colleagues from rural and farming areas, this amendment offers a reasonable compromise to rural concerns while responding to equally important interests of our constituents living in the urban areas.

Mr. President, I, for many years, have been an advocate of daylight saving time, preferably on a year-round basis. I was particularly pleased during the early 1970's at the height of the energy emergency, that Congress voted on legislation similar to a measure that I introduced, to extend daylight saving time for an 8-month period. That 2-year experiment, beginning 1973 through 1975 was widely recognized as one way to help ease the demand for electricity among residential consumers.

While the concerns over energy shortages and gasoline lines have abated, the importance of continuing public awareness of energy conservation has never been questioned. Daylight saving extension along with the continuation of the 55-mile-per-hour speed limit, remind us of our need to maintain conservation and not to become overly dependent upon foreign oil imports.

Mr. President, expanded daylight saving time is important for many other reasons—all linked to noticeable and immediate improvements on the quality of life for all Americans. These direct benefits include reductions in traffic accidents and fatalities, reductions in street crime and additional leisure time.

The National Highway Traffic Safety Administration, for example, predicted there would be significantly fewer traffic fatalities per year if the observance of daylight saving time was extended to include the month of April. In this regard, and in response to the very important concern over schoolchildren waiting for school buses in the early morning hours, studies by the Department of Transportation and the National Bureau of Standards have indicated that during the 2-year experiment in the mid-1970's, there were no school age fatality increases during the months daylight saving time was observed, March and April of 1974.

The National Safety Council and the Department of Transportation also reported that under extended daylight saving time during the period of the experiment, school age children were not subjected to greater involvement in accidents than the general population in any period of the day.

Another significant benefit from the additional period of daylight would be the nationwide reduction in most categories of crime—a problem of major concern for most metropolitan/urban areas. Recent statistics from the Federal Bureau of Investigation confirm this and clearly indicate an increase in violent crime across the country.

In this regard, I ask unanimous consent that statistics compiled by the FBI and information appearing in USA Today of April 24, 1986, citing the increase by major crime in cities over 100,000 population, be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. PELL. Mr. President, without question, an extra hour of daylight occurring at a time when most of the work force is enroute home, would discourage criminals from threatening individuals returning to their families.

These facts are strongly supported by a study conducted by the former Law Enforcement Assistance Administration immediately following the 2-year experiment with daylight saving time. The analysis showed considerably less violent crime for the daylight-saving period when compared to similar periods of time.

Mr. President, it seems clear to me from our experiment with expanded daylight saving time in the 1970's, that the benefits of an additional period of daylight saving time far outweigh the continuation of the present 6-month period. Expanded daylight saving time imposes no additional burdens upon individuals and requires no further involvement by the Federal Government. Clearly, favorable action by the Senate would do much to improve traffic safety, protect our citizens, and enhance the quality of life by providing more leisure time with our families.

I strongly urge my colleagues to support this amendment advancing daylight saving time to the first Sunday in April. I also want to strongly commend my distinguished colleagues, Senator GORTON, Senator MITCHELL, Senator CRANSTON, and Senator WILSON for their continuing vigorous leadership in working to pass this important legislation.

EXHIBIT 1

[From USA Today, Apr. 24, 1986]

BIG-CITY CRIME ROSE IN 1984-85

Major crimes reported to police in cities over 100,000 population rose 4 percent for 1984-85, according to FBI figures. Reports of crime dropped 3 percent in 1982, 7 percent in 1983 and 2 percent in 1984. Police in the affected cities, noting that violent crime grew 5 percent, blame drugs and economic problems. But the nation's statisticians feel the rise may be insignificant. Total crimes reported by city in 1985, and percent changes from 1984:

City	Crimes	Change (percent)
Alabama:		
Birmingham	28,076	+6.1
Huntsville	10,877	−4.6
Montgomery	10,275	+9.3
Arizona:		
Glendale	10,416	NA
Mesa	14,158	+30.5
Phoenix	82,529	+15.8
Scottsdale	6,588	+9.1
Spokane	14,861	+9.3
Tucson	38,250	+7.4
Arkansas: Little Rock	18,564	+10.0
California:		
Anaheim	17,571	+2.9
Bakersfield	12,921	+5.7
Berkeley	13,199	−2.8
Concord	6,508	+2.4
Fremont	6,667	+5.9
Fresno	28,821	+6.9
Fullerton	6,629	+10.3
Garden Grove	9,321	−1.3
Glendale	7,405	+0.3
Hayward	7,445	+8.5
Huntington	8,499	−3.6
Beach Inglewood	8,165	−4.7
Long Beach	30,795	+0.7
Los Angeles	294,404	−0.9
Modesta	9,791	+13.2
Oakland	42,824	+3.8
Ontario	7,759	+3.6
Oxnard	7,772	−4.5
Pamona	9,705	−8.0
Pasadena	11,279	−0.3
Riverside	15,690	+11.1
Sacramento	33,908	+11.2
San Bernadino	15,002	+5.3
San Diego	67,893	+5.5
San Francisco	58,590	−2.2
San Jose	40,224	+1.0
Santa Ana	22,459	+1.6
Stocktn	19,389	+12.5
Sunnyvale	4,004	NA
Colorado:		
Aurora	16,906	+14.7
Colorado Springs	21,835	+21.9
Denver	53,234	+2.5
Lakewood	10,261	+13.6
Pueblo	7,345	+1.2
Connecticut:		
Bridgeport	15,808	+2.8
Hartford	17,677	−2.7
New Haven	14,495	+10.0
Stamford	6,118	−10.9
Waterbury	6,887	+8.4
District of Columbia	50,075	−6.4
Florida:		
Fort Lauderdale	21,844	+4.7
Hialeah	13,332	+29.6
Hollywood	11,366	+11.6
Jacksonville	48,924	+14.7
Miami	58,355	+12.5
Miami Beach	12,447	+1.0
Orlando	16,122	+17.9
Saint Petersburg	2,130	+12.6
Tallahassee	11,013	+31.0
Tampa	41,770	+23.0
Georgia:		
Atlanta	57,505	+18.2
Columbus	9,637	+3.2
Macon	7,736	+3.1
Savannah	12,010	−7.2
Hawaii: Honolulu	42,048	−5.6
Idaho: Boise	6,393	+10.8
Illinois:		
Chicago	277,260	NA
Peoria	8,679	−5.8
Rockford	12,669	+6.8
Springfield	8,499	NA
Indiana:		
Evansville	6,846	−2.5
Fort Wayne	12,227	−2.6
Gary	8,986	−14.6
Indianapolis	29,651	+1.9
South Bend	9,593	−1.7
Iowa:		
Cedar Rapids	8,085	+6.9
Davenport	7,029	−1.0
Des Moines	19,899	+13.6
Kansas:		
Kansas City	14,451	−8.2
Topeka	9,277	+9.8
Wichita	21,751	+0.1
Kentucky:		
Lexington	13,905	+5.0
Louisville	16,814	+1.6
Louisiana:		
Baton Rouge	31,279	+28.8
New Orleans	48,732	+3.7
Shreveport	20,366	+5.2
Maryland: Baltimore	66,121	+1.2
Massachusetts:		
Boston	67,595	+6.4
Springfield	7,923	−27.0
Worcester	11,701	+13.8
Michigan:		
Ann Arbor	9,193	−4.6
Detroit	149,954	−7.2
Flint	22,354	+0.1
Lansing	9,877	+4.7
Livonia	4,828	+49.8
Sterling Heights	5,199	+13.6
Warren	11,050	+1.4
Minnesota:		
Minneapolis	37,977	+20.0
St. Paul	20,854	−1.4
Mississippi: Jackson	13,307	−5.8
Missouri:		
Independence	5,328	−1.3
Kansas City	46,616	+2.6
Springfield	9,591	−1.0
St. Louis	46,843	−0.8
Nebraska:		
Lincoln	10,785	+10.8
Omaha	22,720	+3.9
Nevada:		
Reno	10,333	+9.1
Las Vegas	35,191	+1.1
New Jersey:		
Elizabeth	8,290	+6.8
Newark	38,798	+19.5
Paterson	10,789	+4.4
Jersey City	17,471	+8.3
New Mexico: Albuquerque	33,158	+5.6
New York:		
Alabany	5,781	+11.6
Amherst	2,879	+13.7
Buffalo	24,056	−1.7
Grand Rapids	15,870	−1.6
New York	601,467	+0.2
Rochester	22,491	−3.3
Syracuse	12,050	+5.7
Yonkers	9,235	+2.4
North Carolina:		
Charlotte	33,087	+1.0
Greensboro	9,989	+13.4
Winston-Salem	10,588	−6.7
Raleigh	10,280	+7.6
Ohio:		
Akron	15,134	−3.2
Cincinnati	28,533	−2.2
Cleveland	43,071	−9.8
Columbus	43,373	−4.9
Dayton	17,077	−5.8
Toledo	24,934	−5.1
Youngstown	7,351	+2.2
Oklahoma:		
Oklahoma City	50,059	NA
Tulsa	32,846	+3.9
Oregon:		
Eugene	8,592	−1.7
Portland	62,257	+23.9
Pennsylvania:		
Allentown	5,585	−2.3
Erie	5,422	+10.2
Philadelphia	83,667	+1.4
Pittsburgh	28,931	+15.8
Rhode Island: Providence	15,321	+2.6
South Carolina: Columbia	10,099	−6.9
Tennessee:		
Chattanooga	13,641	+1.9
Knoxville	10,837	+10.6
Memphis	59,965	+13.6
Nashville	31,863	+2.4
Texas:		
Abilene	6,511	+12.0
Amarillo	10,843	+9.0
Arlington	19,634	+32.8
Austin	39,044	+22.7
Beaumont	9,185	+8.4
Corpus Christi	21,311	+8.2
Dallas	129,496	+14.1
El Paso	33,697	+11.8
Fort Worth	58,858	+17.5
Garland	9,209	+20.2
Houston	155,910	+4.5
Irving	12,025	+21.5
Laredo	7,978	+12.3
Lubbock	17,579	−3.7
Odessa	9,483	+10.8
Pasadena	11,279	−0.3
San Antonio	83,591	+10.2
Waco	9,795	+9.7
Wichita Falls	8,512	+17.5
Utah: Salt Lake City	19,037	+7.7
Virginia:		
Alexandria	7,670	+2.0
Arlington	7,781	+2.4
Chesapeake	5,112	+4.2
Hampton	7,094	−4.2
Newport News	7,301	−7.4
Norfolk	18,427	−0.9
Portsmoth	6,255	+3.4
Richmond	17,596	−8.7
Roanoke	8,130	+1.7
Virginia Beach	15,889	+8.1
Washington:		
Seattle	63,102	+12.6
Tacoma	21,002	+9.8
Wisconsin:		
Madison	12,359	+0.3
Milwaukee	43,944	−8.2

Source: FBI.

Table 5

Offenses Known to the Police, 1985 and 1984
Cities over 100,000 Population

			Crime Index total	Modified Crime Index total	Murder	Forcible rape	Robbery	Aggravated assault	Burglary	Larceny theft	Motor vehicle theft	Arson
Abilene	TX	1984	5,813	5,823	5	85	98	155	1,526	3,592	356	10
		1985	6,511	6,534	8	36	96	215	1,623	4,118	417	23
Akron	OH	1984	15,638	15,906	19	152	491	810	3,599	9,590	977	268
		1985	15,134	15,360	17	158	511	1,187	3,197	9,126	938	226
Albany	NY	1984	5,180	5,223	1	49	273	376	1,722	2,498	261	43
		1985	5,781	5,830	5	37	220	364	1,793	3,087	275	49
Albuquerque	NM	1984	31,408	31,632	28	210	1,215	2,162	8,686	17,485	1,622	224
		1985	33,158	33,295	42	238	1,247	2,578	9,186	17,935	1,932	137
Alexandria	VA	1984	7,522	7,581	6	59	421	296	1,531	4,577	632	59
		1985	7,670	7,723	7	52	425	318	1,456	4,744	668	53
Allentown	PA	1984	5,717	5,754	4	25	214	138	1,531	3,552	253	37
		1985	5,585	5,624	4	47	191	154	1,378	3,546	265	39
Amarillo	TX	1984	9,949	10,054	22	52	164	480	2,457	6,233	541	105
		1985	10,843	10,918	17	59	162	521	2,689	6,864	531	75
Amherst	NY	1984	2,533	2,550		5	35	184	397	1,712	200	17
		1985	2,879	2,906	1	2	42	183	485	1,911	255	27
Anaheim	CA	1984	17,069	17,155	14	105	631	481	5,018	9,398	1,422	86
		1985	17,571	17,646	16	107	601	438	5,160	9,543	1,706	75
Ann Arbor	MI	1984	9,638	9,648	1	51	96	438	1,990	6,646	416	10
		1985	9,193	9,202	4	37	143	451	1,562	6,497	499	9
Arlington	TX	1984	14,784	14,868	13	93	200	459	3,041	9,654	1,324	84
		1985	19,634	19,742	18	105	299	688	3,502	13,280	1,742	108
Arlington	VA	1984	7,599	7,725	5	37	283	405	1,454	4,849	566	126
		1985	7,781	7,883	7	50	338	366	1,460	4,915	645	102
Atlanta	GA	1984	48,632	48,896	135	632	4,029	5,729	10,813	24,110	3,184	264
		1985	57,505	57,796	145	683	4,792	5,990	12,192	29,372	4,331	291
Aurora	CO	1984	14,736	14,816	13	95	317	1,397	3,451	8,636	827	80
		1985	16,906	16,985	10	89	434	1,717	3,961	9,737	958	79
Austin	TX	1984	31,821	31,999	59	264	768	557	8,389	20,097	1,687	178
		1985	39,044	39,302	52	489	1,076	746	10,261	24,308	2,112	258
Bakersfield	CA	1984	12,222	12,358	11	75	436	525	3,486	6,833	856	136
		1985	12,921	13,088	17	69	599	517	3,856	7,022	841	167
Baltimore	MD	1984	65,363	65,940	215	564	8,002	6,800	13,837	30,530	5,415	577
		1985	66,121	66,781	213	592	7,771	6,922	13,872	30,732	6,019	660
Baton Rouge	LA	1984	24,282	24,424	31	137	676	2,956	5,581	13,852	1,049	142
		1985	31,279	31,436	36	126	971	3,198	7,983	16,544	2,421	157
Beaumont	TX	1984	8,477	8,519	18	125	371	473	2,615	4,300	575	42
		1985	9,185	9,227	11	131	340	493	2,935	4,635	640	42
Berkeley	CA	1984	13,582	13,657	9	50	549	454	2,892	8,846	782	75
		1985	13,199	13,299	11	43	660	450	2,930	8,236	869	100
Birmingham	AL	1984	26,473	26,720	60	234	1,162	1,451	6,474	13,998	3,094	247
		1985	28,076	28,334	97	283	1,435	1,535	7,173	14,042	3,511	258
Boise	ID	1984	5,770	5,852	4	49	55	249	1,494	3,688	231	82
		1985	6,393	6,471	3	46	80	255	1,488	4,222	299	78
Boston	MA	1984	63,555	63,715	82	460	5,539	4,476	11,446	24,333	17,219	160
		1985	67,595	67,753	87	532	6,232	5,036	11,470	26,938	17,300	158
Bridgeport	CT	1984	15,378	15,447	27	62	1,265	870	3,639	6,765	2,750	69
		1985	15,808	15,872	30	57	1,273	834	3,309	7,357	2,948	64
Buffalo	NY	1984	24,481	25,022	35	278	1,386	1,617	6,408	12,058	2,699	541
		1985	24,056	24,633	31	291	1,391	1,699	6,625	11,422	2,597	577
Cedar Rapids	IA	1984	7,536	7,558	5	15	88	104	1,642	5,342	340	22
		1985	8,058	8,084	2	24	61	85	1,844	5,725	317	26
Charlotte	NC	1984	32,767	33,091	54	243	1,144	2,990	8,664	18,297	1,375	324
		1985	33,087	33,360	56	226	1,121	3,172	8,563	18,447	1,502	273
Chattanooga	TN	1984	13,212	13,362	22	71	340	1,012	2,696	8,183	888	150
		1985	13,461	13,598	26	113	391	979	2,804	7,744	1,404	137
Chesapeake	VA	1984	4,908	4,984	8	47	153	223	1,352	2,894	231	56
		1985	5,112	5,176	13	43	127	224	1,462	2,990	253	64
Chicago[1]	IL	1984										
		1985	277,260	279,286	666	1,792	26,892	29,096	52,658	121,264	44,892	2,026
Cincinnati	OH	1984	29,171	29,847	36	367	1,332	1,712	7,255	17,366	1,103	676
		1985	28,533	29,211	45	360	1,242	1,628	6,453	17,620	1,185	678
Cleveland	OH	1984	47,761	48,778	156	733	4,090	2,353	12,904	13,607	13,918	1,017
		1985	43,071	44,076	131	745	3,499	2,205	11,621	13,277	11,593	1,005
Colorado Springs	CO	1984	17,917	18,029	12	189	390	618	4,426	11,378	924	112
		1985	21,835	21,987	13	182	371	603	6,080	13,507	1,079	152
Columbia	SC	1984	10,849	10,895	17	61	473	897	2,286	6,536	579	46
		1985	10,099	10,149	11	66	383	918	2,219	5,987	515	50
Columbus	GA	1984	9,338	9,420	26	77	330	374	2,127	5,844	560	82
		1985	9,637	9,672	24	84	396	375	2,079	6,122	557	35
Columbus	OH	1984	45,613	45,952	62	394	2,298	1,598	12,943	25,653	2,665	339
		1985	43,373	43,767	71	406	2,144	1,772	11,101	25,087	2,794	394
Concord	CA	1984	6,355	6,421	3	30	84	245	1,377	4,208	408	66
		1985	6,508	6,563	3	29	106	268	1,428	4,228	446	55
Corpus Christi	TX	1984	19,694	19,829	36	147	334	633	4,689	12,408	1,407	135
		1985	21,311	21,431	29	179	371	353	5,353	13,791	1,235	120
Dallas	TX	1984	113,446	114,264	294	1,022	4,841	5,953	29,956	63,096	8,284	818
		1985	129,496	130,256	301	1,149	6,051	6,863	31,460	73,801	10,271	760
Davenport	IA	1984	7,102	7,165	5	56	161	658	1,827	4,218	177	63
		1985	7,029	7,107	6	49	200	805	1,768	4,033	170	78
Dayton	OH	1984	18,120	18,329	27	176	1,550	723	4,582	10,224	833	209
		1985	17,077	17,289	30	191	1,263	811	4,555	9,297	930	212
Denver	CO	1984	51,914	52,500	82	427	1,681	1,910	15,035	27,757	5,022	586
		1985	53,234	53,841	72	418	1,917	1,845	16,459	27,480	5,043	607
Des Moines	IA	1984	17,591	17,839	15	83	407	528	3,761	12,047	750	248
		1985	19,989	20,246	7	90	482	538	4,518	13,517	837	257
Detroit[2]	MI	1984	161,586		514	1,519	18,352	6,182	44,360	48,154	42,505	
		1985	149,954	151,207	635	1,575	16,769	6,925	40,385	46,014	37,651	1,253
Durham	NC	1984	9,940	9,988	14	79	244	270	2,597	6,424	312	48
		1985	9,781	9,838	19	60	275	324	2,690	5,991	422	57
Elizabeth	NJ	1984	7,763	7,805	3	46	714	463	1,579	3,549	1,409	42
		1985	8,290	8,337	10	46	551	515	1,490	3,955	1,723	47
El Paso	TX	1984	10,065	10,552	24	174	1,050	2,481	7,204	16,419	2,711	487
Madison	WI	1984	12,322	12,384	6	64	171	198	2,693	8,754	436	62
		1985	12,359	12,406	4	64	205	173	2,492	8,896	525	47
Memphis	TN	1984	52,792	53,491	113	794	4,763	3,488	14,952	20,755	7,927	699
		1985	59,965	60,673	122	903	5,016	3,697	15,888	22,596	11,743	708
Mesa	AZ	1984	10,852	10,968	6	56	127	682	2,435	6,986	560	116
		1985	14,158	14,273	8	70	156	887	2,991	9,402	644	115
Miami	FL	1984	51,893	52,105	170	273	5,705	4,780	10,682	24,738	5,545	212
		1985	58,355	58,604	131	284	5,768	5,003	11,789	28,093	7,287	249
Miami Beach	FL	1984	12,325	12,390	23	18	493	316	2,988	7,623	864	65
		1985	12,447	12,502	22	14	651	334	3,529	6,850	1,047	55
Milwaukee	WI	1984	47,846	48,080	44	292	1,871	1,249	8,201	30,618	5,571	234
		1985	43,944	44,157	68	391	2,086	1,512	7,782	27,151	4,954	213
Minneapolis	MN	1984	31,635	31,847	27	392	1,740	1,724	9,413	16,194	2,145	212
		1985	37,977	38,247	29	419	2,326	2,361	10,983	18,448	3,411	270
Modesto	CA	1984	8,653	8,726	4	38	242	270	1,922	5,778	399	73
		1985	9,791	9,861	5	56	200	296	2,117	6,577	540	70
Montgomery	AL	1984	9,398	9,444	24	48	166	202	2,655	5,942	361	46
		1985	10,275	10,347	22	70	248	206	2,476	6,865	388	72
Nashville[3]	TN	1984	31,125		72	410	1,438	1,134	8,788	17,379	1,854	
		1985	31,863		81	348	1,588	1,359	8,587	17,764	2,136	
Newark	NJ	1984	32,473	32,936	87	589	4,660	3,244	6,050	9,901	7,942	463
		1985	38,798	39,201	117	594	5,320	3,705	6,062	12,210	10,790	403
New Haven	CT	1984	13,175	13,273	25	155	1,117	632	3,287	6,349	1,621	98
		1985	14,495	14,623	12	135	1,131	891	3,475	6,987	1,864	128
New Orleans	LA	1984	46,980	47,255	214	555	4,705	3,213	10,821	22,238	5,234	275
		1985	48,732	49,006	152	451	4,142	3,477	10,383	23,433	6,694	274
Newport News	VA	1984	7,882	7,926	20	78	283	512	2,141	4,469	379	44
		1985	7,301	7,347	14	79	249	415	1,944	4,248	352	46
New York	NY	1984	600,216	607,305	1,450	3,829	79,541	47,472	128,687	250,759	88,478	7,089
		1985	601,467	609,146	1,384	3,880	79,532	50,356	124,838	262,051	79,426	7,679
Norfolk	VA	1984	18,601	18,808	36	174	780	985	3,937	11,584	1,105	207
		1985	18,427	18,617	38	178	928	920	3,620	11,578	1,165	190
Oakland	CA	1984	41,268	41,693	115	426	3,170	2,677	12,413	19,544	2,923	425
		1985	42,824	43,299	96	531	3,316	2,761	11,846	20,866	3,408	475
Odessa	TX	1984	8,557	8,641	13	47	131	227	2,259	5,419	461	84
		1985	9,483	9,549	11	48	88	220	2,729	5,910	477	66
Oklahoma City[1]	OK	1984										
		1985	50,059	50,559	61	485	1,585	2,623	14,730	24,312	6,263	500
Omaha	NB	1984	21,867	22,077	24	202	530	1,654	4,045	14,365	1,047	210
		1985	22,720	22,842	24	214	591	1,669	4,751	14,279	1,192	122
Ontario	CA	1984	7,486	7,818	15	52	340	561	2,464	3,555	499	332
		1985	7,759	8,046	8	68	291	634	2,506	3,631	621	287
Orlando	FL	1984	13,678	13,756	18	146	802	1,421	3,790	6,817	684	78
		1985	16,122	16,215	24	154	902	1,851	4,011	8,306	874	93
Oxnard	CA	1984	8,139	8,204	13	76	322	316	2,584	4,334	494	65
		1985	7,772	7,827	7	67	319	325	2,173	4,311	570	55
Pasadena	CA	1984	11,318	11,460	23	72	988	721	2,892	5,632	990	142
		1985	11,279	11,423	29	58	704	697	2,671	6,033	1,087	144
Pasadena[3]	TX	1984	6,537		11	46	154	404	1,805	3,273	844	
		1985	6,803		10	72	141	483	1,552	3,695	850	
Paterson	NJ	1984	10,339	10,415	36	34	1,037	658	2,704	4,157	1,713	76
		1985	10,789	10,836	28	38	1,187	571	2,936	4,209	1,820	47
Peoria	IL	1984	9,214	9,274	2	63	235	920	2,163	5,635	196	60
		1985	8,679	8,723	4	55	203	846	1,874	5,515	182	44
Philadelphia[3]	PA	1984	82,529		264	937	9,365	5,034	18,318	35,286	13,325	
		1985	83,667		273	1,021	9,381	5,534	19,007	35,815	12,636	
Phoenix	AZ	1984	71,279	71,789	101	525	2,106	3,640	19,340	41,128	4,439	510
		1985	82,529	83,126	95	635	2,425	4,372	23,346	46,743	4,913	597
Pittsburgh	PA	1984	31,445	31,730	47	224	3,212	1,081	7,450	11,754	7,677	285
		1985	28,931	29,202	34	188	3,016	1,115	7,243	10,569	6,766	271
Pomona[3]	CA	1984	8,946		18	69	712	677	2,888	3,871	711	
		1985	9,705	9,830	24	86	842	960	2,926	4,022	845	125
Portland	OR	1984	50,267	50,742	34	370	3,042	3,962	14,630	25,884	2,345	475
		1985	62,257	62,796	45	469	3,508	4,614	17,148	33,086	3,387	539
Portsmouth	VA	1984	6,048	6,256	16	51	255	176	1,238	4,128	184	228
		1985	6,255	6,427	12	58	255	258	1,385	4,046	241	172
Providence	RI	1984	14,934	15,328	15	59	752	846	3,447	6,381	3,434	394
		1985	15,321	15,662	14	108	809	825	4,049	6,539	2,977	341
Pueblo	CO	1984	7,257	7,314	5	60	129	642	1,681	4,457	283	57
		1985	7,343	7,392	5	70	140	635	1,699	4,565	229	49
Raleigh	NC	1984	9,552	9,597	8	47	306	586	1,950	6,075	580	45
		1985	10,280	10,316	13	57	307	658	2,061	6,498	686	36
Reno	NV	1984	9,467	9,525	8	87	362	262	2,566	5,577	605	58
		1985	10,333	10,423	9	83	424	349	2,787	6,012	669	90
Richmond	VA	1984	19,274	19,387	76	205	1,278	1,198	5,465	10,149	903	113
		1985	17,596	17,716	92	215	1,081	1,261	4,307	9,622	1,020	120
Riverside	CA	1984	14,127	14,405	15	112	522	977	3,347	7,308	846	278
		1985	15,690	16,138	16	98	580	1,178	4,574	8,272	972	448
Roanoke	VA	1984	7,996	8,068	14	45	152	243	1,633	5,667	242	72
		1985	8,130	8,241	15	47	168	237	1,728	5,702	233	111
Rochester	NY	1984	23,257	23,497	40	141	1,066	1,677	5,394	13,759	1,180	240
		1985	22,491	22,777	26	145	1,072	1,724	5,833	12,523	1,168	286
Rockford	IL	1984	11,865	11,904	10	62	388	592	3,822	6,661	330	39
		1985	12,669	12,703	6	71	380	673	3,949	7,220	370	34
Sacramento	CA	1984	30,499	30,795	45	248	1,645	1,314	9,408	15,604	2,235	295
		1985	33,908	34,168	39	209	2,083	1,350	9,975	17,334	2,918	260
Saint Louis	MO	1984	47,232	47,628	128	349	3,112	4,140	13,256	21,051	5,196	336
		1985	46,843	47,234	169	351	2,973	4,719	13,008	20,236	5,357	391
Saint Paul	MN	1984	21,147	21,381	15	217	666	1,195	7,260	10,707	1,087	194
		1985	20,854	21,063	17	233	645	1,200	6,729	10,901	1,129	209
Saint Petersburg	FL	1984	18,764	18,904	22	216	924	1,594	5,019	10,443	546	140
		1985	21,130	21,270	25	204	1,111	1,862	5,755	11,574	599	140
Salt Lake City	UT	1984	17,674	17,748	8	98	440	407	4,889	11,707	1,100	24

Erie	PA	1985	33,697	34,265	22	181	993	2,466	8,006	19,209	2,820	568
		1984	4,919	4,954	5	38	200	261	1,283	2,875	257	35
		1985	5,422	5,461	5	28	192	339	1,152	3,438	268	39
Eugene	OR	1984	8,740	8,789	4	59	144	201	1,954	6,076	302	49
		1985	8,592	8,671	1	41	122	213	2,076	5,749	390	79
Evansville	IN	1984	7,020	7,107	15	32	125	471	1,599	4,471	307	87
		1985	6,846	6,919	9	44	116	515	1,604	4,242	316	73
Flint	MI	1984	22,323	22,766	46	249	882	2,416	6,813	10,397	1,520	443
		1985	22,354	22,828	47	285	1,161	2,855	6,344	9,747	1,915	474
Fort Lauderdale	FL	1984	20,864	20,929	39	122	1,116	636	6,450	10,725	1,776	65
		1985	21,844	21,936	43	108	1,369	713	6,430	11,157	2,024	92
Fort Wayne	IN	1984	12,549	12,660	3	90	270	344	1,822	9,376	644	111
		1985	12,227	12,308	22	83	303	401	1,826	8,954	638	61
Fort Worth	TX	1984	50,111	50,405	119	467	2,080	2,766	13,872	26,629	4,158	294
		1985	58,858	59,209	128	483	2,620	3,121	15,873	30,877	5,756	351
Fremont	CA	1984	6,296	6,469	4	35	82	472	1,660	3,693	350	173
		1985	6,667	6,791	3	34	86	491	1,786	3,917	350	124
Fresno	CA	1984	26,956	27,138	34	134	1,066	760	6,367	16,852	1,743	180
		1985	28,821	28,989	46	176	1,233	854	7,900	16,845	1,765	168
Fullerton	CA	1984	6,008	6,036	6	49	167	245	1,431	3,566	544	28
		1985	6,629	6,668	5	33	172	206	1,537	4,162	514	39
Garden Grove	CA	1984	9,446	9,502	8	72	372	431	2,673	5,098	792	56
		1985	9,321	9,368	13	47	401	362	2,662	4,982	854	47
Garland	TX	1984	7,664	7,697	8	71	94	148	1,815	5,088	440	33
		1985	9,209	9,246	5	92	141	206	2,434	5,815	516	37
Gary[2]	IN	1984	10,527		81	175	802	546	3,107	3,054	2,762	
		1985	8,986	9,743	63	113	598	684	2,491	2,827	2,210	757
Glendale[1]	AZ	1984										
		1985	10,416	10,526	7	53	118	626	2,677	6,366	569	110
Glendale	CA	1984	7,384	7,470	4	32	238	190	2,103	3,975	842	86
		1985	7,405	7,557	4	17	263	195	1,918	4,088	922	152
Grand Rapids	MI	1984	16,133	16,257	19	153	561	1,255	4,206	9,251	648	124
		1985	15,870	15,978	19	219	573	1,203	3,576	9,318	762	108
Greensboro	NC	1984	8,812	8,864	8	56	180	653	1,796	5,805	314	52
		1985	9,989	10,049	13	54	234	703	2,204	6,398	383	60
Hampton	VA	1984	7,406	7,451	10	47	171	175	1,560	5,111	332	45
		1985	7,094	7,137	6	42	141	181	1,047	5,388	289	43
Hartford	CT	1984	18,171	18,399	22	108	1,565	957	4,412	9,523	1,584	228
		1985	17,677	17,914	12	106	1,520	1,066	4,627	8,875	1,471	237
Hayward	CA	1984	6,860	6,908	8	40	172	356	1,663	4,220	401	48
		1985	7,445	7,501	6	36	250	379	1,693	4,610	471	56
Hialeah	FL	1984	10,284	10,334	22	14	433	662	1,981	5,700	1,472	50
		1985	13,332	13,409	24	29	538	767	2,921	6,735	2,318	77
Hollywood	FL	1984	10,186	10,231	6	45	393	474	2,234	6,347	687	45
		1985	11,386	11,404	5	43	479	505	2,395	7,024	915	38
Honolulu	HI	1984	44,560	45,004	25	255	1,117	553	9,320	30,191	3,099	444
		1985	42,048	42,475	36	248	985	552	8,989	28,837	2,421	427
Houston	TX	1984	149,199	151,200	473	1,269	9,157	4,256	38,201	67,038	28,805	2,001
		1985	155,910	157,884	457	1,711	9,589	4,704	40,207	67,496	31,746	1,979
Huntington Beach	CA	1984	8,818	8,887	8	48	194	249	2,518	5,042	759	89
		1985	8,499	8,537	4	38	172	252	2,350	4,916	767	38
Huntsville	AL	1984	11,396	11,454	12	71	247	360	2,484	7,759	463	58
		1985	10,877	10,940	11	73	206	396	2,260	7,454	477	63
Independence	MO	1984	5,400	5,448	7	23	87	220	1,238	3,509	316	44
		1985	5,328	5,371	1	18	79	264	1,154	3,498	334	43
Indianapolis	IN	1984	29,103	29,362	49	324	1,842	2,151	8,163	13,552	3,022	259
		1985	29,651	29,871	59	346	1,795	2,422	8,209	13,927	2,893	220
Inglewood	CA	1984	8,564	8,642	27	101	1,206	573	2,503	2,394	1,760	78
		1985	8,165	8,286	27	106	1,164	594	2,276	2,435	1,563	121
Irving	TX	1984	9,901	10,008	16	68	184	522	2,273	6,059	739	107
		1985	12,025	12,131	12	82	203	548	2,746	7,603	831	106
Jackson	MS	1984	14,127	14,213	32	138	497	950	4,304	7,443	763	86
		1985	13,307	13,379	38	116	442	803	3,967	7,313	628	72
Jacksonville	FL	1984	42,659	43,027	103	587	2,134	3,404	11,630	22,936	1,865	368
		1985	48,924	49,339	90	705	2,693	3,813	13,663	25,806	2,154	415
Jersey City	NJ	1984	16,135	16,188	32	141	1,758	1,022	4,261	6,077	2,844	53
		1985	17,471	17,566	29	98	2,041	1,203	4,180	6,650	3,270	95
Kansas City	KS	1984	15,742	15,852	23	137	509	1,329	4,600	7,735	1,409	110
		1985	14,451	14,559	23	139	535	1,422	4,058	6,827	1,447	108
Kansas City	MO	1984	45,416	45,848	88	372	2,440	4,267	11,182	22,729	4,338	432
		1985	46,616	47,111	91	424	2,646	4,851	11,164	21,888	5,552	495
Knoxville	TN	1984	9,796	9,907	20	86	281	492	3,192	4,450	1,275	111
		1985	10,837	10,945	16	65	420	579	3,302	4,956	1,499	108
Lakewood	CO	1984	9,029	9,082	2	42	169	389	2,131	5,797	499	53
		1985	10,261	10,321	1	49	190	478	2,438	6,535	570	60
Lansing	MI	1984	9,438	9,538	17	92	180	813	2,383	5,493	460	100
		1985	9,877	9,978	6	75	210	773	2,391	5,998	424	101
Laredo	TX	1984	7,103	7,140	12	35	107	346	2,015	4,205	383	37
		1985	7,978	8,026	15	40	138	407	2,401	4,441	536	48
Las Vegas	NV	1984	34,813	35,274	67	245	1,767	1,230	10,874	17,622	3,008	461
		1985	35,191	35,547	57	278	1,755	1,534	9,975	18,533	3,059	356
Lexington	KY	1984	13,247	13,345	13	89	304	642	3,064	8,428	707	98
		1985	13,905	13,976	7	98	320	743	3,051	8,986	700	71
Lincoln	NB	1984	9,732	9,791	5	78	81	359	1,779	7,151	279	59
		1985	10,785	10,811	7	86	86	428	1,938	7,977	263	26
Little Rock	AR	1984	16,779	16,912	35	169	733	1,393	4,746	8,911	787	133
		1985	18,464	18,626	32	169	715	1,706	4,830	10,161	851	162
Livonia	MI	1984	3,223	3,228	2	6	56	98	759	1,653	649	5
		1985	4,828	4,843	3	16	79	161	1,038	2,608	923	15
Long Beach	CA	1984	30,591	30,804	41	242	2,591	1,309	7,892	14,285	4,171	213
		1985	30,795	30,968	63	235	2,405	1,431	8,271	14,212	4,178	173
Los Angeles	CA	1984	297,183	302,303	759	2,347	27,323	21,013	68,696	128,538	48,507	5,120
		1985	294,404	299,742	777	2,318	27,938	21,799	63,963	125,968	51,641	5,338
Louisville	KY	1984	16,554	16,763	39	142	1,074	569	4,991	8,748	991	209
		1985	16,814	16,968	30	119	1,266	530	5,019	8,673	1,177	154
Lubbock	TX	1984	18,246	18,463	27	100	341	1,238	6,006	9,680	854	217
		1985	17,579	17,652	20	96	280	1,126	5,679	9,662	716	73
Macon	GA	1984	7,501	7,533	19	48	158	396	1,499	4,935	446	32
		1985	7,736	7,773	16	53	185	354	1,525	5,171	432	37
San Antonio	TX	1985	19,037	19,123	14	99	446	524	4,002	12,881	1,071	86
		1984	75,867	76,426	160	745	2,657	1,826	23,848	39,894	6,937	559
		1985	83,591	84,164	180	824	2,683	1,706	24,531	46,163	7,504	573
San Bernardino	CA	1984	14,249	14,407	32	88	1,092	893	4,360	8,714	1,070	158
		1985	15,002	15,156	18	104	1,041	1,086	4,494	8,920	1,339	154
San Diego	CA	1984	64,366	64,795	103	393	2,616	2,819	15,248	34,428	8,759	429
		1985	67,893	68,273	96	338	3,062	2,754	16,363	35,220	10,060	380
San Francisco	CA	1984	59,896	60,230	73	495	5,222	3,582	13,217	31,524	5,783	334
		1985	58,590	58,983	85	512	5,111	3,794	11,757	31,397	5,934	393
San Jose	CA	1984	39,818	40,211	48	421	1,175	1,651	9,457	24,296	2,770	393
		1985	40,224	40,738	55	415	1,237	1,763	9,359	24,331	3,064	514
Santa Ana	CA	1984	22,098	22,274	39	74	835	790	6,131	12,414	1,815	176
		1985	22,459	22,610	33	59	865	601	5,097	13,490	2,314	151
Savannah[3]	GA	1984	12,942		39	97	609	400	3,296	7,97.	522	
		1985	12,010	12,054	40	130	570	325	3,291	7,210	444	44
Scottsdale	AZ	1984	6,037	6,074	3	20	86	141	1,335	4,109	343	37
		1985	6,586	6,630	8	18	97	141	1,623	4,378	323	42
Seattle	WA	1984	56,019	56,328	50	448	2,386	2,669	14,406	33,771	2,289	309
		1985	63,102	63,462	61	441	2,843	3,178	16,262	37,534	2,783	360
Shreveport	LA	1984	19,356	19,502	29	139	439	973	4,819	12,168	789	146
		1985	20,366	20,485	48	125	556	1,021	4,803	13,072	741	119
South Bend	IN	1984	9,763	9,787	11	64	315	257	3,030	5,699	387	24
		1985	9,593	9,668	9	58	318	281	2,775	5,800	352	75
Spokane	WA	1984	13,594	13,669	10	71	246	597	3,337	8,798	535	75
		1985	14,861	14,936	9	63	309	552	3,796	9,526	606	75
Springfield[4]	IL	1984	8,499	8,551	4	75	177	480	2,378	5,143	242	52
		1985			15		227	507	2,228	5,155	257	51
Springfield	MA	1984	10,849	10,978	11	137	442	2,290	2,623	4,083	1,263	129
		1985	7,923	8,008	18	106	379	1,343	2,261	2,804	1,012	85
Springfield	MO	1984	9,689	9,759	13	42	135	164	2,177	6,744	414	70
		1985	9,591	9,639	6	54	109	137	2,188	6,728	389	48
Stamford	CT	1984	6,866	6,889	8	26	228	149	1,463	4,344	648	23
		1985	6,118	6,155	5	16	273	205	1,230	3,778	611	37
Sterling Heights	MI	1984	4,575	4,596	1	31	37	211	881	2,822	592	21
		1985	5,199	5,225	7	19	64	215	1,021	3,272	601	26
Stockton	CA	1984	17,234	17,333	29	90	653	525	4,648	10,177	912	99
		1985	19,389	19,497	27	91	705	738	4,953	11,769	1,096	108
Sunnyvale	CA	1984	4,005	4,034	2	25	85	84	782	2,771	256	29
		1985	4,004	4,035	5	29	83	107	809	2,710	261	31
Syracuse	NY	1984	11,405	11,518	12	67	544	314	3,407	6,644	418	113
		1985	12,050	12,163	12	80	551	370	3,741	6,870	426	113
Tacoma	WA	1984	19,135	19,256	15	208	689	934	6,138	10,322	829	121
		1985	21,002	21,129	13	279	640	1,078	7,137	10,943	912	127
Tallahassee	FL	1984	8,406	8,478	4	70	189	542	2,057	5,251	293	22
		1985	11,013	11,043	3	72	260	859	2,876	6,495	448	30
Tampa	FL	1984	33,959	34,170	52	277	1,843	3,680	9,196	17,190	1,721	211
		1985	41,770	41,963	70	288	2,657	3,840	12,117	20,570	2,228	193
Toledo	OH	1984	26,268	26,970	34	215	1,095	936	6,285	15,572	2,131	702
		1985	24,934	25,293	27	236	970	926	5,861	15,042	1,872	359
Topeka	KS	1984	8,449	8,499	3	59	216	425	1,918	5,580	242	50
		1985	9,277	9,312	6	56	226	406	3,363	4,921	299	35
Torrance	CA	1984	6,662	6,709	6	34	289	230	1,457	3,620	1,026	47
		1985	7,178	7,245	4	37	331	263	1,492	3,927	1,124	67
Tucson	AZ	1984	35,616	35,834	25	282	809	1,843	9,909	20,292	2,456	218
		1985	38,250	38,503	33	297	1,051	2,333	9,914	22,536	2,036	253
Tulsa	OK	1984	31,609	31,971	30	246	504	1,439	8,712	15,919	4,359	362
		1985	32,846	33,082	33	268	796	1,999	9,078	15,530	5,142	236
Virginia Beach	VA	1984	14,697	14,842	13	118	235	252	3,213	10,288	578	145
		1985	15,889	16,024	17	98	205	230	3,273	11,473	593	135
Waco	TX	1984	8,929	8,966	13	65	219	463	2,290	5,549	330	37
		1985	9,795	9,835	8	77	185	521	2,858	5,734	412	40
Warren	MI	1984	10,901	10,915	5	49	259	539	1,763	6,144	2,142	14
		1985	11,050	11,059	9	49	272	672	1,731	6,295	2,022	9
Washington	DC	1984	53,524	53,858	175	366	6,087	4,097	10,954	27,471	4,374	334
		1985	50,075	50,369	147	337	5,230	4,457	10,005	24,874	5,025	294
Waterbury	CT	1984	6,352	6,399	4	26	212	204	1,429	4,061	416	47
		1985	6,887	6,929	5	35	230	139	1,665	4,307	506	42
Wichita	KS	1984	24,725	21,992	12	207	451	658	4,537	14,883	977	267
		1985	21,751	21,972	26	249	699	698	4,842	14,114	1,123	221
Wichita Falls	TX	1984	7,244	7,327	15	80	206	309	1,756	4,479	399	83
		1985	8,512	8,598	10	64	242	298	1,919	5,587	392	86
Winston-Salem	NC	1984	11,347	11,470	23	59	262	1,515	2,561	6,471	456	123
		1985	10,588	10,728	16	77	287	1,509	2,596	5,593	510	140
Worcester	MA	1984	10,281	10,449	8	87	524	724	3,202	4,786	950	168
		1985	11,701	11,784	6	109	638	768	3,408	5,579	1,193	83
Yonkers[3]	NY	1984	9,015	9,082	14	30	594	327	2,164	4,398	1,488	67
		1985	9,235		21	30	730	203	2,041	4,804	1,406	
Youngstown[3]	OH	1984	7,190		23	54	377	598	2,503	2,619	1,016	
		1985	7,351		21	58	436	696	2,498	2,393	1,249	

(1) 1984 and 1985 data are not comparable.
(2) 1984 arson data not comparable with 1985.
(3) Complete arson data were not available for 1984 and/or 1985.
(4) Forcible rape figures furnished by the state-level Uniform Crime Reporting (UCR) Program administered by the Illinois Department of State Police were not in accordance with national UCR guidelines.

Trends in all tables of this report are based on the volume of crimes reported by comparable units. Agency reports which are determined to be influenced by change in reporting practices for all or specific offenses, or by annexations, are removed from trend tables.

All 1985 figures are preliminary. Final figures and crime rates per unit of population will be published in "Crime in the United States - 1985" scheduled to be released in the summer of 1986.

UNIFORM CRIME REPORT
1985 PRELIMINARY ANNUAL RELEASE

The number of Crime Index offenses reported to law enforcement agencies throughout the United States increased 4 percent during 1985 when compared to 1984. The violent crimes of murder, forcible rape, robbery, and aggravated assault increased 5 percent as a group while the property crimes of burglary, larceny-theft, and motor vehicle theft increased 4 percent.

During the first quarter of 1985, the increase was 3 percent over the same quarter of 1984. When comparing the second and third quarters of 1984 and 1985, the increase was 7 percent while the fourth quarter increased 3 percent.

Crime Index trends by population groups and by geographic regions appear in Tables 1-3 below.

TABLE 1 - CRIME INDEX TRENDS
Percent change 1985 over 1984, offenses known to the police.

Population Group and Area	Number of agencies	Population (thousands)	Crime Index total	Modified total	Violent crime	Property crime	Murder	Forcible rape	Robbery	Aggravated assault	Burglary	Larceny theft	Motor vehicle theft	Arson*
Total	13,016	222,182	+4	+4	+5	+4	+1	+4	+3	+6	+2	+5	+6	+3
Cities:														
Over 1,000,000	5	14,848	0	0	+2	-1	+2	+6	0	+6	-3	+1	-4	+6
500,000 to 999,999	17	12,030	+4	+4	+5	+4	-2	+6	+2	+7	+2	+5	+8	+3
250,000 to 499,999	36	13,082	+8	+8	+9	+8	+8	+7	+10	+10	+7	+8	+15	-4
100,000 to 249,999	124	18,066	+5	+5	+7	+5	-1	+1	+6	+9	+3	+5	+10	+4
50,000 to 99,999	298	20,378	+4	+4	+3	+5	0	+2	+3	+3	+3	+5	+9	-4
25,000 to 49,999	641	22,171	+5	+5	+6	+5	+2	+5	+5	+6	+3	+5	+7	+7
10,000 to 24,999	1,578	24,943	+5	+5	+4	+5	+3	+1	+3	+4	+3	+5	+6	+9
Under 10,000	6,256	22,706	+3	+3	+2	+3	+8	-2	0	+3	+2	+3	+7	+8
Counties:														
Suburban[1]	1,245	45,050	+6	+6	+5	+6	-2	+3	+3	+6	+3	+6	+10	+4
Rural[2]	2,816	28,908	+2	+2	+6	+1	0	+9	-4	+7	+2	0	+5	+2

(1) Includes crimes reported to sheriffs' departments, county police departments, and state police within Metropolitan Statistical Areas.
(2) Includes crimes reported to sheriffs' departments, county police departments, and state police outside Metropolitan Statistical Areas.

TABLE 2 - CRIME INDEX TRENDS

Area	Number of agencies	Population (thousands)	Crime Index total	Modified total	Violent crime	Property crime	Murder	Forcible rape	Robbery	Aggravated assault	Burglary	Larceny theft	Motor vehicle theft	Arson*
Total	13,016	222,182	+4	+4	+5	+4	+1	+4	+3	+6	+2	+5	+6	+3
Cities over 50,000	480	78,404	+4	+4	+5	+4	+1	+5	+3	+7	+2	+5	+5	+1
Suburban area[1]	6,127	91,337	+5	+5	+5	+5	0	0	+4	+5	+3	+6	+9	+5
Rural area[2]	2,816	28,908	+2	+2	+6	+1	0	+9	-4	+7	+2	0	+5	+2
Other Cities[3]	3,593	23,534	+3	+3	+4	+3	+5	-3	0	+5	+3	+3	+6	+9

(1) Includes crimes reported to city, county, and state law enforcement agencies within Metropolitan Statistical Areas, but outside the core cities.
(2) Includes crimes reported to sheriffs' departments, county police departments, and state police outside Metropolitan Statistical Areas.
(3) Includes crimes reported to city police departments outside of Metropolitan Statistical Areas.

TABLE 3 - CRIME INDEX TRENDS BY GEOGRAPHIC REGION

Region	Crime Index total	Modified total	Violent crime	Property* crime	Murder	Forcible rape	Robbery	Aggravated assault	Burglary	Larceny-theft	Motor vehicle theft	Arson*
Total	+4	+4	+5	+4	+1	+4	+3	+6	+2	+5	+6	+3
Northeast	+2	+2	+3	+1	-3	+2	+1	+5	0	+3	-1	+5
Midwest	0	0	+2	-1	+9	+6	-2	+4	-3	+1	-2	-1
South	+8	+8	+8	+8	-1	+6	+7	+8	+6	+8	+16	+1
West	+5	+5	+5	+6	+2	+2	+4	+6	+4	+6	+10	+6

TABLE 4 - CRIME INDEX TRENDS
January through December, each year over previous year.

Years	Crime Index total	Modified total	Violent crime	Property* crime	Murder	Forcible rape	Robbery	Aggravated assault	Burglary	Larceny-theft	Motor vehicle theft	Arson*
1982/1981	-3	-3	-3	-3	-7	-5	-7	+8	-9	-1	-2	-12
1983/1982	-7	-7	-5	-7	-8	0	-8	-2	-9	-6	-5	-11
1984/1983	-2	-2	+1	-2	-3	+7	-4	+5	-5	-2	+2	+2
1985/1984	+4	+4	+5	+4	+1	+4	+3	+6	+2	+5	+6	+3

*The Modified Crime Index total is the sum of the Crime Index offenses, including arson. Data for arson are not included in the property crime totals. The number of agency reports used in arson trends is less than used in compiling trends for other Crime Index offenses. It must be noted that the collection of arson data began in April, 1979, with 1980 being the first full year of this data collection.

ISSUED BY William H. Webster, Director, Federal Bureau of Investigation
United States Department of Justice, Washington, D. C. 20535
Advisory: Committee on Uniform Crime Records, International Association of Chiefs of Police;
Committee on Uniform Crime Reporting, National Sheriffs' Association

FBI/DOJ

Mr. CHAFEE. Mr. President, I am a cosponsor of Senator GORTON's amendment to begin daylight saving time the first Sunday in April. I hope my colleagues will join me in supporting this measure that will improve the quality of life of millions of Americans.

Under current law, April sunrises are the earliest of the year. The effect of this amendment would be to transfer an hour of daylight from the early morning to the early evening for 3 weeks in April. Americans would then have an extra hour of daylight at the end of the day for safer commuting, for play time for children, for shopping, and for leisure time with their families. For those 400,000 Americans who suffer from night blindness the extra evening hour of daylight will have a very important impact on their lives.

In 1974 and 1975 the U.S. Department of Transportation found that extended daylight saving time reduced electric power consumption, saving 100,000 barrels of oil per day, discouraged violent crime, and reduced traffic fatalities.

An extension would also stimulate business activity. More than 8,300 companies from a wide variety of industries have joined forces as the daylight savings time coalition. The coalition estimates that an extension could generate billions of dollars in additional revenues and lead to the creation of many new jobs.

Those who live on the western edge of a time zone may be concerned that their children would leave for school in the dark. The amendment takes this concern into account by limiting the extension to April. During those 3 weeks in April the Sun would rise and set about the same time it does now in mid-August and early September.

Time is our most valuable but fleeting resource. An extension will enable Americans to use and enjoy their time more fully. And that is why I ask my colleagues to support the extension of daylight savings time to the first Sunday in April.

Mr. MITCHELL. Mr. President, the distinguished Senator from Washington has in my judgment eloquently and with careful marshaling of the evidence set forth the reasons why this amendment should be adopted by the Senate.

□ 1600

It is not my intention to repeat the statements which he has made. I would like to address just briefly one question raised by the opponents and then insert some material in the RECORD before I conclude.

The opponents argue in opposition to this amendment in part on the grounds that the National Association of Broadcasters opposes an extension of daylight saving time because, according to that organization, any change may well affect and disrupt the balancing of interests among AM radio broadcasters. In particular, they object to any amendment in which Congress sets what are known as sign-on times for daytime broadcasters.

I would note, Mr. President, that this amendment offered by the Senator from Washington and myself does not attempt to set sign-on times for daytime broadcasters. It recognizes the Federal Communications Commission's technical expertise in this area and enables the Commission to make any necessary adjustments by general rules consistent with the public interest.

So the basis of the concern by the National Association of Broadcasters has been accommodated by the amendment which gives the FCC that flexibility.

Daytime radio stations begin broadcasting at sunrise and, therefore, they fear that daylight saving time's later sunrises would cut into their morning drive time. However, it should be emphasized that, if this amendment is enacted and becomes law, daylight saving time in April would not subject them or anyone else to sunrises any later than already take place in the fall under the current system.

The Federal Communications Commission already has mitigated the impact of daylight saving time by granting daytimers what is known as presunrise authority in which stations can sign on at 6 a.m. regardless of sunrise time but at reduced power. So I believe, Mr. President, that the concerns of AM radio broadcasters are accommodated in this amendment.

With respect to the question of safety, in 1975, when daylight saving time was being considered by the Senate, the National Safety Council issued a statement based upon a study which concluded that there was no increase in school-age traffic fatalities due to daylight saving time.

On November 11, 1985, the director, Standards and Governmental Relations of the National Safety Council wrote to the Senate Commerce Committee regarding that study, in effect stating that its conclusions were still valid. And I would like to quote briefly from that letter of November 11, 1985, which reads, in part:

> The statement summarizes results of two studies the National Safety Council conducted in the early 1970's concerning school child traffic fatalities arising out of changing the daylight saving time cycle. In summary, the studies indicate that extending the daylight saving time cycle would not have any appreciable effect on the number of school age children or pedal-cyclists killed in traffic accidents while going to or from school. We do not know of any other similar studies conducted by any other organization since 1975, nor do we have reason to believe that the results of the Council's studies are not still valid.

I ask unanimous consent, Mr. President, that both of these documents be printed in the RECORD.

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

NO INCREASE IN SCHOOL-AGE TRAFFIC FATALITIES DUE TO DAYLIGHT SAVINGS TIME, NATIONAL SAFETY COUNCIL SAYS

CHICAGO.—Daylight savings time means traveling to school in darkness for many young persons; but according to the National Safety Council, the change in lighting has had little or no effect on the number of early-morning fatalities among school-age children.

"The Council's statistics department surveyed all 50 states and the District of Columbia to determine if there was any increase in the number of school-child fatalities for January, 1974, as compared with January, 1973," NSC President Vincent Tofany explained.

"The survey respondents, who represented 75 percent of our population in 42 states and the District of Columbia, showed no appreciable difference between the two months in the number of early-morning pedestrian and pedalcycle fatalities experienced by children 4 through 18 years old," he said.

According to the Council, 20 traffic fatalities were recorded in January, 1974, among children aged 4 through 18 walking or pedaling during the going-to-school hours from 6:00 a.m. to 9:00 a.m. By comparison, 19 fatalities were recorded for January, 1973.

Thirteen of the 20 youthful traffic fatalities in January, 1974, were children under 14 years old, Council spokesmen said. Eleven of the 19 fatalities recorded for January, 1973, were under 14 years old.

Over a 24-hour period, school-age traffic deaths throughout the United States were down from 76 fatalities in January, 1973, to 55 fatalities in January, 1974, the Council reported.

"Of the forty-three reporting agencies, twenty-nine states and the District of Columbia showed either no changes or decreases in the number of school-age fatalities," Tofany said. "Three states—Alaska, Arizona and Idaho—were not included in the survey since they had not shifted over to daylight savings time. Ten states—Florida, Nevada, Virginia, Illinois, New Mexico, Wisconsin, Connecticut, Louisiana, North Carolina and Pennsylvania—had increases in the number of schoolage traffic fatalities."

Of the states with increased fatalities, Florida, according to the Council, showed the biggest increase—up five fatalities in January, 1974, as compared with January, 1973. Council spokesmen said Illinois showed the second largest increase—up four fatalities. Connecticut and North Carolina both showed increases of three fatalities, while the remaining six states reported increases of one school-age fatality each.

NATIONAL SAFETY COUNCIL,
November 11, 1985.

Mr. CHARLES FAUST,
Senate Commerce Committee,
Hart Senate Office Building,
Washington, DC.

DEAR MR. FAUST: Concerning the issue of the extension of daylight saving time, enclosed is a statement the National Safety Council presented to the Senate Commerce

Committee November 13, 1975 on amendments to the "Uniform Time Act of 1966."

The statement summarizes results of two studies the National Safety Council conducted in the early 1970's concerning school child traffic fatalities arising out of changing the daylight saving time cycle. In summary, the studies indicate that extending the daylight saving time cycle would not have any appreciable effect on the number of school age children or pedalcyclists killed in traffic accidents while going to or from school. We do not know of any other similar studies conducted by any other organization since 1975, nor do we have reason to believe that the results of the Council's studies are not still valid.

Extending the daylight saving time to the first Sunday in November would provide an additional hour of p.m. daylight for the Halloween trick-or-treaters and presumably this may have some minor effect on accidents involving this group.

Sincerely,

ROBERT CURRIE,
Director, Standards and Governmental Relations.

(Mr. WILSON assumed the chair.)

Mr. MITCHELL. Finally, Mr. President, I would like to quote from a letter dated May 7, 1986, addressed to the majority leader from the Secretary of Transportation, Elizabeth Hanford Dole, who expressed her support for starting daylight saving time earlier in April as contained in this amendment. In part, the Secretary of Transportation's letter reads:

Studies by the Department of Transportation and other agencies of government—Federal, State, and local—plus American industry have shown that this step would reduce deaths, injuries, and property damage on our highways, while making more efficient use of energy and reducing certain types of crime. On the basis of 1983 figures, DST in April would reduce traffic deaths nationwide by a minimum of 22, injuries by a minimum of 1525, and societal costs from auto accidents by a minimum of $28 million. I emphasize that each of these figures is a minimum, with possible savings being as much as twice as large.

The current law—the Uniform Time Act of 1966—does not require that anyone observe DST, it merely establishes a uniform pattern for each year's observance. The majority of the American people were already observing DST in 1966 because they knew of its advantages. Studies over the last twelve years have consistently shown that the American people want more of these advantages, but are prevented from doing so by Federal law.

I note also that the bill would not push DST into November, and so would not cause uncomfortably late sunrises for any part of the country. It would also not increase the traffic hazard faced by any part of our population, including school-age children.

Mr. President, I ask unanimous consent that the full text of the letter from the Secretary of Transportation to the majority leader, dated May 7, 1986, be printed in the RECORD.

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

THE SECRETARY OF TRANSPORTATION,
Washington, DC, May 7, 1986.

Hon. ROBERT DOLE,
U.S. Senate, Hart Senate Office Building, Washington, DC.

DEAR BOB: I write to you today to reiterate my support for starting daylight saving time (DST) earlier in April. This proposal will be considered as floor amendment 1793 to S. 2180.

Studies by the Department of Transportation and other agencies of government—Federal, State, and local—plus American industry have shown that this step would reduce deaths, injuries, and property damage on our highways, while making more efficient use of energy and reducing certain types of crime. On the basis of 1983 figures, DST in April would reduce traffic deaths nationwide by a minimum of 22, injuries by a minimum of 1525, and societal costs from auto accidents by a minimum of $28 million. I emphasize that each of these figures is a minimum with possible savings being as much as twice as large.

The current law—the Uniform Time Act of 1966—does not require that anyone observe DST, it merely establishes a uniform pattern for each year's observance. The majority of the American people were already observing DST in 1966 because they knew of its advantages. Studies over the last twelve years have consistently shown that the American people want more of these advantages, but are prevented from doing so by Federal law.

I note also that the bill would not push DST into November, and so would not cause uncomfortably late sunrises for any part of the country. It would also not increase the traffic hazard faced by any part of our population, including school-age children.

The bipartisan effort to extend DST deserves your support. Please contact me if I can be of further assistance.

Sincerely,

ELIZABETH HANFORD DOLE.

Mr. MITCHELL. In conclusion, Mr. President, I urge the Members of the Senate to vote for this amendment on the grounds that it is a small but commonsense proposal for the benefit of our Nation.

I yield the floor.

Mr. FORD. Mr. President, the distinguished Senator from Maine has made some statements relating to the reduction of fatalities, probable electricity savings, and so forth, and about daytime radio.

I think it is important that we look at those who are most concerned about the so-called daytime radio stations. I have a letter written on March 12, another one on March 24, and another one on March 19. I would like to read those.

□ 1610

These letters are signed by Edward O. Fritts, president and chief executive officer of the National Association of Broadcasters, and John F. Dille III, chairman of the Radio Board. The letter written on March 12 said,

DEAR SENATOR FORD: It is my understanding that the Committee on Commerce, Science, and Transportation is scheduled to consider H.R. 2095, or Senate Bill 1433, the Daylight Saving Extension Act of 1985.

This is the Senate bill they refer to that is being tacked onto this bill as an amendment. And this is a line I think that is important.

The National Association of Broadcasters is opposed to this bill. The proposed legislation would seriously impact on radio broadcasters. In order to avoid interference of the AM band, the Federal Communications Commission has struck a delicate balance between various classes of AM radio stations. This involves the use of directional antennas, reduced power levels, and daytime only stations.

Let us go back. The FCC has struck a delicate balance, and this amendment will fracture the delicate balance that has been struck by the Federal Communications Commission.

The Federal Communications Commission has on several occasions in recent years taken action to preserve that balance. Therefore, any change in daylight savings time may well affect and disrupt the balancing of interest among AM radio broadcasters. In particular, any amendment in which Congress sets "sign on" times for daylight broadcasters will harm other segments of the AM radio industry, and place the Congress in the position of usurping the FCC's technical expertise.

How can you expect the FCC to change the delicate balance just because this amendment gives it the authority to do just that? They have already done it. And when you extend daylight saving time for 3 additional weeks, you fracture that delicate balance.

Should the committee take any action, NAB believes the language in section 5 of the House-passed bill is from a policy standpoint the best way to proceed. This will afford all interested parties the opportunity to present their case to the expert agency. Thank you for your attention on this important issue. I look forward to working with you in the future.

Then, again on March 24, both the president and chief executive officer and chairman of the radio board wrote another letter. It says:

DEAR SENATOR FORD: It is our understanding that the proponents of S. 1433—

That is, in essence, the amendment that we are discussing now.

—the Daylight Saving Extension Act of 1985 may by planning to add their bill in the form of an amendment—

Well, that is just exactly what has happened.

—to legislation that will come before the full Senate for consideration in the near future. The National Association of Broadcasters is opposed to this legislation.

They are reiterating their opposition in their letter of March 12 and their letter of March 24.

The proposed legislation would seriously impact on radio broadcasting in order to avoid interference on the AM band. The FCC—

And they reiterate.

—has struck a delicate balance between various classes of radio. We hope that you will

exert your opposition against this legislation.

Again on April 9, these two fine gentlemen have gone from signing the letter in their full names to just saying Eddie and John. We have been corresponding with each other so much in opposition to this piece of legislation. They say on March 24, 1986,

We wrote you to alert you to a possible attempt by proponents of Senate bill 1433 to add their bill in the form of an amendment to legislation currently on the Senate Calendar. We now have learned that the vehicle to which they are planning to offer their amendment is S. 2180, the FEMA reauthorization bill.

That is exactly what is happening, Mr. President.

And we reiterate that the National Association of Broadcasters strongly oppose S. 1433 and urges that you oppose this attempt in securing the passage of this amendment.

And they reiterate their positions in the other two letters.

Mr. President, we are finding another factor that has been inserted into this debate as it relates to the disruption of approximately 450 small radio stations throughout this country.

Let us talk a little bit about what the distinguished Senator from Maine said in his statement in regard to probable electricity savings of 1 percent—probable savings. It is only probable, and extremely difficult to isolate from seasonal variations higher rates in fuel availability.

How can you really say that you will probably save 1 percent? I could say you probably would lose 1 percent, and would not be misrepresenting anything. Also, in some areas such as Louisville, on the westernmost fringe of the time zone, daylight comes almost an hour later than on the east coast. So consumption is actually increased for my people. As they get up an hour earlier in the dark, go to work earlier, turn their lights on sooner, turn the heat up earlier, and they are in effect subsidizing—that is that one-third we talked about. The Senator from Washington said that two-thirds of the people of this country want extended daylight savings time. But the full fact is that the other one-third will be subsidizing the savings of the people particularly on the east and west coasts.

Also, how significant is 1 percent or the probable saving of 1 percent? That translates to six-tenths of 1 percent of our daily consumption of 17 million barrels of oil a day, or the equivalent of approximately 100,000 barrels of oil per day. However, the saving is not all in oil. About 50 percent of that could be in coal.

Reduction of traffic fatalities; let us look at that just a minute—seven-tenths of 1 percent. The Department of Transportation analysis believes that further study may show that daylight saving time actually reduces the fatalities on the order of 1½ to 2 percent. Let us go back to why.

Let us go back to why we have less fatalities. We cannot find out, and testimony in the House actually says that the Department of Transportation did not weigh other factors in this judgment such as reducing the speed to 55-miles per hour. Everyone knows that is the factor that saves lives. It is irrefutable. Yet, we find my colleagues here saying that daylight saving time takes all the credit. You just have to think that is a little irresponsible in saying that daylight saving time would reduce traffic fatalities when we all know that it was the 55-miles per hour that did it.

□ 1620

It is my understanding, Mr. President, that the distinguished Senator said that we would only have to tolerate 6 weeks of additional darkness in the western part of each time zone. Our children go to school in the dark the rest of the time, so we might as well just go ahead and go to school in the dark for 6 more weeks.

The National Bureau of Standards, which reviewed the Department of Transportation conclusions as to energy savings and as to fatalities, confirms the need for extreme caution in drawing even tentative conclusions.

Think about that. The National Bureau of Standards warns us and says to use extreme caution in drawing even tentative conclusions, and a particularly careful analysis of the data base used by the Department of Transportation in studying fatal accidents and electricity production reveals several respects in which these data are faulty.

That is the National Bureau of Standards.

The data available did not include, and so the Department of Transportation testified before the house committee, information about factors other than daylight saving time that would influence electricity usage, traffic fatalities, for example, interlocking factors, energy conservation factors, gasoline shortages, carpooling, speed limit. All these things were never factored in. The Department of Transportation agreed.

So the word "probable" is used now, probable savings.

When all these things are not factored in, you know and I know that those statistics in reality are wrong.

The National Bureau of Standards in their review subjected the data to additional analyses subsequent to those already carried out by the Department of Transportation. The methodology used in the Department of Transportation study represents standard techniques of analysis. In several instances, however, the National Bureau of Standards found the data unsuitable for application of these methods.

So we are here today to debate. We are here to try to express our feelings, the feelings of our constituents. I hope those who support this amendment will exercise what I believe to be their better judgment. Really, when you get down to it, you are not helping the schoolchildren, you are not helping the farmers, you are not saving oil, you are not saving the use of coal, you are really not doing all of these things.

In the study as it relates to reduction of crime, the answer to that, by some, is that the criminal does not worry about the clock. He does not care what time it is. It is just whether it is dark or not. So he will go whenever it is dark.

A study on the impact of daylight saving time on crime—and that was conducted in Washington, DC, and Los Angeles, by the way—indicates a reduction involving crime for daylight saving time periods in Washington, DC, compared to the standard time period from 1973 to 1975.

My goodness, and this is 1986.

There was no impact found in L.A. because the data was too coarse. LEAA cautions against any generalization from the limited data base of the study. They did not even factor into this study the effects of high-intensity lighting or police. All these things were not factored in. How can you have real life study when you do not put in all the facts?

It is just like leaving out certain factors as relates to the saving of energy.

We see a lot of polls that are taken, and we hear a lot of percentages read. None of us have seen the basic use of that poll, whether it was a national, well-distributed poll as we would think in the political arena, how the questions were phrased, whether the poll was taken in all of the lower 48, or just taken in regional areas.

I just think, Mr. President, that this amendment is not fair. It just seems to me you could put in what factors you want and come up with the percentage you desire, and then lay that down as a study, as fact. Then you begin to question and the admissions begin to roll—"No, we did not put that in; no, we did not consider that; this was taken 11 years ago, it was taken 12 years ago." What about today?

Are we interested in saving oil today? Of course not. The price of gasoline is down so low we just want to store it because we know it is going up. But no one is really concerned about saving oil today, and this bill will not save any.

I hope that as we debate this the rest of the evening and tomorrow we will be able to reach the conclusion that, as the lady wrote to me, it seems like those of us who do not want daylight saving time can stand 6 months

of daylight saving time and those who want more daylight saving time ought to be able to stand 6 months without it.

That is fair. That is down the middle. It is equal to everybody. Whatever problems we have today will be no more next year than they are now. If we pass this amendment we will have more problems next year. Those additional problems will extend. As time changes, we will probably want to go back to just the Memorial Day to Labor Day. But that is the way it is. That is the way it is.

□ 1630

We are saying to one-third of the population of this country, "You subsidize that other two-thirds so they can play tennis here, in Washington, and barbeque on the east and west coasts."

Mr. President, I yield the floor.

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. BUMPERS. Mr. President, I want first to say to my colleague from Kentucky, Senator FORD, that, on the amendment that we had previously indicated we would offer today or tomorrow on scrambling of satellite television signals, I am pleased that there has been an agreement by the distinguished manager of this bill [Mr. GORTON], for a hearing on July 15, 16, or 17. But I want to say the reason I rise today is to serve notice that the hearings may or may not result in what I consider is the elimination of discrimination against rural America on the question of the marketing of scrambled satellite television signals.

I think that my Senate colleagues should know that Senator FORD and I were not planning to offer an amendment to confuse the matter or to deprive the networks or any of the other independent networks, such as ESPN, CBN, CNN, and so on, of their just dues. On the contrary, we have said repeatedly and I repeat now that the people from whom I am receiving letters on this issue in rural America—who have already invested anywhere from $2,000 to $10,000 in a satellite dish and who are now being asked to pay $400 for a decoder because everybody is going to start scrambling—have never suggested in any of the correspondence I have received that they are looking for something for nothing. What they want is fairness. They are willing to pay a reasonable price to receive a scrambled signal. But they have had to make a substantial investment—say $5,000—for a dish which their city cousins never had to make; they also had to pay $400 for a decoder which their city cousins never had to pay. Further, with regard to HBO, the average charge for descrambling HBO's signal is 29 percent higher than their city cousins have to pay, assuming their cousins pay the national retail average for HBO.

I take the position that if we do nothing, it discriminates against the 1,400,000 dish owners who live outside a cable franchise area. We have people in Arkansas who, until the satellite dishes came along, never received a signal of any kind. We have areas of my State—in the Ouachitas and the Ozarks—which are not dissimilar from the mountains of Virginia and West Virginia. If you live down in a valley, chances are you are not going to get a television signal of any kind.

Right now, there are a lot of people upset. I never heard from anybody until the word got out last Thursday and Friday that Senator FORD and I were going to offer this amendment. Suddenly, I am hearing from many network executives and cable operators. All I ever asked for in the beginning was hearings on this matter to determine whether of not the antitrust laws were being enforced and whether or not an interindustry discussion would violate the antitrust laws. Why not let the interested industries discuss some reasonable formula for resolving this knotty problem?

The problem is not going to go away. If we are getting hearings—and I want to make this crystal clear—as simply a temporary palliative so we will not offer this amendment, I promise, we will be back.

I have perhaps a greater interest than some of my colleagues have, although any Senator from a rural State has assuredly heard from any of his constituents who have satellite antennas. I have a greater interest in this because a year ago, 2,500 people in my State were engaged in the manufacture of these dishes. We are either the largest or the second-largest State in the Nation in the manufacture of satellite dishes. There were 2,500 people in my State manufacturing satellite antennas a year ago. Today, that figure is down to 500. Sales have declined 80 percent in the past year. Why? because of two things: The exorbitant cost that people must pay to receive programs and the uncertainty as to whether or not every signal is going to be scrambled and at what cost to dish owners.

Does it make any sense to my colleagues for a worker, we will say, who lives 1 mile beyond a franchise zone of a cable company to pay more than his brother, who happens to live a mile and a half inside it? His brother gets almost everything this gentleman is getting simply because he lives just inside a cable system for $35 a month. If the dish owner gets any of it, he has to make anywhere from a $2,000 to $10,000 investment, pay the $395 for the decoder and then negotiate a deal for each channel; $12.95 is the going rate for HBO, 29 percent higher than the average cost if you happen to live in town.

I ask you, Mr. President, is that discriminatory or not? I believe in the free marketplace and I have been told, "Don't worry about it. The prices of these decoders are going to decline." When? How much? The decoder right now is $395. It is generally conceded that that decoder should cost the customer between $175 to $195. That would be a fair price for it.

Why are we delaying an issue which is so patently discriminatory? There is a woman who lives in my State named Dianne Davis. She and her husband live in St. Joe. St. Joe is a community of probably no more than 500 or 700 people. They live just outside of town and they happen to live down in a valley—or at least, they live behind a high mountain. Until 7 years ago, they got nothing—no signal. Nobody worried about them. They chose to live in a geographic area where they could not get a signal. So they make a $5,000 investment and they begin to get the news like everybody else in America. I am told that 75 percent of the people in this country depend almost exclusively on television for all their news. I do not think that applied to Dianne and her husband, but nevertheless, they are in the same position as 400,000 American homes who, without a satellite dish, can get no television signal.

Think about this: They are going to have to buy a decoder just to get the news. They are going to have to buy a decoder to get the networks which you can get in town without even being on cable, and only then if the networks agree to making their scrambled signal accessible.

I bought a new television set for my apartment in Little Rock the other day, and I brought it in and set it up on a table and I lifted the rabbit ears and I got five stations immediately. Dianne Davis could buy a television set and put up an antenna 200 feet high and she still could not get any kind of signal. And now the networks are talking about scrambling. CBS is getting ready to scramble before the date for these hearings. They are not planning to make their signal accessible at all.

So the networks are going to scramble. They and others are going to scramble a signal to get at the roughly 400,000 people who live inside cable areas and have dishes in order to keep them from getting an advertiser-free cable signal. In the process, they are depriving another 1½ million people who have satellite dishes from getting their signal at all. We simply must resolve this knotty problem, and I hope hearings will accomplish this.

□ 1640

Now, if you want to stand on the proposition that the free marketplace will resolve this, that is one way of resolving it. But it is going to create a tremendous financial burden on a lot of people and most of them will not be able to afford it.

Mr. President, I ask unanimous consent to place in the RECORD a list of the various programmers and their plans to scramble as best we can figure it out. This is our factsheet. This is something we have put together on our own. But it will give some idea of the urgency of the situation. For example: BET, Black Entertainment Television, plans to scramble in 1987; CBN, the fourth quarter of 1986; CNN, July 1986; Cinemax, January 1986. They are already scrambling. Disney channel, July 1986; ESPN, late 1986; Financial News Network, no firm date; CNN Headline News, July 1986; Home Box Office, January 1986. They are already scrambling. Lifetime, 1987; MTV, July 1986. Another that will be scrambled by the time we complete hearings. And the list goes on and on. Almost every one of them plan to scramble before the end of this year.

If each one that plans to scramble before the end of this year charged the consumer $5 to unlock their particular signal, the cost will be about $60 to $80 a month for rural people, for something that people in town get for a maximum of $40.

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

SCRAMBLING PLANS

BET (Black Entertainment TV)—1987.
Bravo—No firm date.
CBN—4th Quarter, 1986.
CNN—July 1986.
Cinemax—January 1986.
Disney Channel—July 1986.
ESPN—Late 1986.
Financial News Network—no firm date.
CNN Headline News—July 1986.
Home Box Office—January 1986.
Home Theater Network—no firm date.
Lifetime—1987.
MTV: Music Videos—July 1986.
The Movie Channel—May 1986.
The Nashville Network—No firm date.
Nickelodeon—July 1986.
Playboy Channel—1987.
Showtime—May 1986.
TEMPO—September 1986.
USA Cable Network—Fourth Quarter, 1986.
VH-1 Video Hits—July 1986.
WOR (superstation)—March 1986.
WTBS—September 1986.

NETWORK FEEDS

NBC: Most broadcasting to affiliates over cable lines, except some news.
ABC: Plans to scramble in 1987.
CBS: Scrambles part time beginning May 27, 1986; no plan to allow access to dish owners.

Mr. President, there is a problem of equity here. We are not trying to hurt anybody. It is my firm conviction that this can be resolved in a way that is fair to the rural dish owners, fair to the cable television companies across America, fair to the networks, and fair to all of those independent networks I mentioned.

The reason we want hearings is to decide what the fairest and best way to resolve the issue may be. We have no intention of trying to do economic harm to any of these people. By the same token, I admit that my interest is in protecting people who have nobody else to protect them except their elected representatives.

So, Mr. President, I rose today not to talk about daylight saving time. I intend to support the Senator from Kentucky on that issue. I just want to say this issue is not going to be over if it is not resolved in some kind of fair manner for the rural satellite dish owners of American.

U.S. FIRE ADMINISTRATION AND THE NATIONAL FIRE ACADEMY

(By request of Senator GORTON, the following statement was ordered to be printed in the RECORD.)

● Mr. MATHIAS. Mr. President, I want to commend the Senator from Washington [Mr. GORTON] for his leadership on funding for the U.S. Fire Administration and the National Fire Academy.

The budget resolution recently passed by the Senate, with my support, calls for unspecified additional savings in activities with the jurisdiction of the Federal Emergency Management Administration. The fire prevention, education and control activities to be authorized by S. 2180 fall with this jurisdiction.

However, I believe it would be a serious mistake to try to achieve these savings by terminating or drastically reducing funding for the U.S. Fire Administration and the National Fire Academy. Fire is one of the leading causes of death in this country. Too often it is reported that this needless loss of life could have been prevented through a smoke alarm, better building materials and, most important, better education and information. Spending can be reduced in other areas of the Federal Government's emergency management activities if necessary to meet the targets contained in the resolution.

S. 2180 already reflects the goal of reducing Federal spending. The bill provides an 18-percent cut from the fiscal year 1986 authorization for the U.S. Fire Administration and a 7-percent cut from the current appropriation for the National Fire Academy.

The bill will support the Academy as well as other programs by continuing the valuable courses of instruction provided to firefighters and other emergency personnel. It will also restore the travel stipends and lodging costs for the students. This is important to many local jurisdictions who are unable to afford the costs of sending their people for this vital training.

Many of the 12,000 people per year who train at the Academy are volunteer firefighters. They attend the weekend programs and without the National Fire Academy, these dedicated people would not be able to learn from the professional staff.

The programs authorized under the Fire Prevention and Control Act of 1974 are too important to lose. We simply cannot afford to have the activities of the U.S. Fire Administration and the National Fire Academy eliminated or reduced. As a cosponsor of S. 2180, I look forward to working with my colleagues to find ways to make the required budget savings without impeding essential Federal efforts in the field of fire prevention and control.●

Mr. DOLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk, proceeded to call the roll.

□ 1720

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescined.

The PRESIDING OFFICER. (Mr. MCCONNELL). Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. DOLE. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business, not to extend beyond the hour of 6 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT RECEIVED DURING THE ADJOURNMENT

Under the authority of the order of the Senate of January 3, 1985, the Secretary of the Senate, on May 16, 1986, received the messages from the President of the United States transmitting sundry nominations, which were referred to the appropriate committees.

(The nominations received on May 16, 1986 are printed at the end of the Senate proceedings.)

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United

States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 12:41 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House has agreed to the following concurrent resolution, with an amendment, in which it requests the concurrence of the Senate:

S. Con. Res. 120. A concurrent resolution setting forth the congressional budget for the United States Government for the fiscal years 1987, 1988, and 1989.

The message also announced that the House has passed the following joint resolution, in which it requests the concurrence of the Senate:

H.J. Res. 636. Joint resolution designating June 26, 1986, as "National Interstate Highway Day."

The message further announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 310. A concurrent resolution to express the sense of Congress with respect to agricultural loan restructuring and interest rates.

ENROLLED BILL AND JOINT RESOLUTIONS SIGNED

At 1:10 p.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the Speaker has signed the following enrolled bill and joint resolutions:

H.R. 4382. An act to require the Architect of the Capitol to place a plaque at the original site of Providence Hospital;

H.J. Res. 234. Joint resolution designating the week of May 18, 1986, through May 24, 1986, as "National Food Bank Week";

H.J. Res. 427. Joint resolution designating the week beginning on May 11, 1986, as "National Asthma and Allergy Awareness Week";

H.J. Res. 492. Joint resolution to designate the week of June 1, 1986, as "National Neighborhood Housing Services Week";

H.J. Res. 613. Joint resolution allowing qualified persons representing all the States to be naturalized on Ellis Island on July 3 or 4, 1986;

S.J. Res. 246. Joint resolution to designate May 25, 1986, as "Hands Across America Day", for the purpose of helping people to help themselves, and commending United Support of Artists for Africa and all participants for their efforts toward combating domestic hunger with a four thousand mile human chain from coast to coast;

S.J. Res. 266. Joint resolution to authorize and request the President to designate the month of June 1986 as "Youth Suicide Prevention Month";

S.J. Res. 271. Joint resolution designating "Baltic Freedom Day"; and

S.J. Res. 337. Joint resolution designating May 18-24, 1986 as "Just Say No to Drugs Week".

The enrolled bill and joint resolutions were subsequently signed by the President pro tempore (Mr. THURMOND).

MEASURES REFERRED

The following joint resolution was read the first and second times by unanimous consent, and referred as indicated:

H.J. Res. 636. Joint resolution designating June 26, 1986, as "National Interstate Highway Day"; to the Committee on the Judiciary.

The following concurrent resolution was read, and referred to as indicated:

H. Con. Res. 310. Concurrent resolution to express the sense of Congress with respect to agricultural loan restructuring and interest rates, to the Committee on Agriculture, Nutrition, and Forestry.

MEASURE HELD AT THE DESK

The following concurrent resolution was ordered held at the desk by unanimous consent until the close of business on May 20, 1986:

S. Con. Res. 140. Concurrent resolution to pay tribute to the late William C. Lee and to designate June 6, 1986, as "William C. Lee Day".

ENROLLED JOINT RESOLUTION PRESENTED

The Secretary of the Senate reported that on today, May 19, 1986, she had presented to the President of the United States the following enrolled joint resolutions:

S.J. Res. 246. Joint resolution to designate May 25, 1986, as "Hands Across America Day", for the purpose of helping people to help themselves, and commending United Support of Artists for Africa and all participants for their efforts toward combating domestic hunger with a four thousand mile human chain from coast to coast;

S.J. Res. 266. Joint resolution to authorize and request the President to designate the month of June 1986 as "Youth Suicide Prevention Month";

S.J. Res. 271. Joint resolution designating "Baltic Freedom Day";

S.J. Res. 337. Joint resolution designating May 18-24, 1986 as "Just Say No to Drugs Week".

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-3161. A communication from the Administrator of the General Services Administration transmitting, pursuant to law, a report on a violation of the Anti-Deficiency Act in the Federal Telecommunications Fund; to the Committee on Appropriations.

EC-3162. A communication from the Acting Assistant Secretary of State transmitting, pursuant to law, a report that the President has determined it to be in the national interest to extend credit in excess of $50 million to the People's Republic of China for purposes of two thermal power stations; to the Committee on Banking, Housing, and Urban Affairs.

EC-3163. A communication from the Secretary of the Interior transmitting, pursuant to law, the annual report on the Youth Conservation Corps; to the Committee on Energy and Natural Resources.

EC-3164. A communication from the Administrator of the General Services Administration transmitting, pursuant to law, a lease prospectus for acquisition of space for the IRS in Philadelphia, PA.; to the Committee on Environment and Public Works.

EC-3165. A communication from the Director of OIRM, Department of the Interior, transmitting, pursuant to law, a report on an altered Privacy Act system of records; to the Committee on Governmental Affairs.

EC-3166. A communication from the chairman of the Council on Environmental Quality transmitting, pursuant to law, the council's 1985 Government in the Sunshine report; to the Committee on Governmental Affairs.

EC-3167. A communication from the special counsel, Merit Systems Protection Board, transmitting, pursuant to law, a report on an investigation by the Secret Service into allegations of misuse of Government vehicles and misconduct by employees of the U.S. Mint in San Franscisco; to the Committee on Governmental Affairs.

EC-3168. A communication from the Director of the Office of Personnel Management transmitting, pursuant to law, an interim report on changes in matters to be reported in the biennial report on the Senior Executive Service; to the Committee on Governmental Affairs.

EC-3169. A communication from the Assistant Secretary of the Interior transmitting, pursuant to law, a plan for the use of funds awarded the White Earth Band of Chippewa Indians; to the Select Committee on Indian Affairs.

EC-3170. A communication from the director of the National Legislative Commission of the American Legion transmitting, pursuant to law, the Legion's financial statements for 1985; to the Committee on the Judiciary.

EC-3171. A communication from the Secretary of Education transmitting, pursuant to law, notice of final funding priorities for projects initiating special recreation programs for handicapped individuals; to the Committee on Labor and Human Resources.

EC-3172. A communication from the Secretary of Education transmitting, pursuant to law, final regulations under the Education Consolidation and Improvement Act; to the Committee on Labor and Human Resources.

REPORTS OF COMMITTEES SUBMITTED DURING THE ADJOURNMENT

Under the authority of the order of the Senate of May 15, 1986, the following reports of committees were submitted on May 16, 1986, during the adjournment of the Senate:

By Mr. ROTH, from the committee of conference:

Report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 2672) to redesignate the New York International and Bulk Mail Center in

Jersey City, NJ, as the "New Jersey International and Bulk Mail Center," and to honor the memory of a former postal employee by dedicating a portion of a street at the New York International and Bulk Mail Center in Jersey City, NJ, as "Michael McDermott Place" (Rept. No. 99-302).

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. THURMOND, from the Committee on the Judiciary, with an amendment in the nature of a substitute:

S. 1822. A bill to amend the Copyright Act in section 601 of title 17, United States Code, to provide for the manufacture and public distribution of certain copyrighted material (with minority views) (Rept. No. 99-303).

By Mr. ROTH, from the Committee on Governmental Affairs, without amendment:

S. Res. 410. An original resolution waiving section 303(a) of the Congressional Budget Act of 1974 with respect to the consideration of the conference report on H.R. 2671.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second times by unanimous consent, and referred as indicated:

By Mr. HEINZ (for himself and Mr. DANFORTH):

S. 2464. A bill to require Senate confirmation of appointments of the Chairman and Vice Chairman of the U.S. International Trade Commission; to the Committee on Finance.

By Mr. HATCH (for himself, Mr. KENNEDY, Mr. DOLE, Mr. BRADLEY, Mr. CHILES, Mr. NICKLES, Mr. HUMPHREY, Mr. ZORINSKY, Mr. RIEGLE, Mr. INOUYE, Mrs. HAWKINS, Mr. GRASSLEY, Mr. MATSUNAGA, Mr. MURKOWSKI, Mr. BURDICK, Mr. WILSON, Mr. HOLLINGS, Mr. CRANSTON, Mr. MCCLURE, Mr. TRIBLE, Mr. SPECTER, Mr. THURMOND, Mr. ANDREWS, Mr. KERRY, Mr. DODD, Mr. GRAMM, and Mr. D'AMATO):

S.J. Res. 349. Joint resolution to designate the week of May 25, 1986, through May 31, 1986, as "Critical Care Week"; to the Committee on the Judiciary.

By Mr. LUGAR (for himself, Mr. ABDNOR, Mr. BENTSEN, Mr. BOSCHWITZ, Mr. BURDICK, Mr. CHAFEE, Mr. COCHRAN, Mr. COHEN, Mr. CRANSTON, Mr. DIXON, Mr. DOLE, Mr. HATCH, Mrs. HAWKINS, Mr. HOLLINGS, Mr. INOUYE, Mr. KERRY, Mr. MATHIAS, Mr. MATSUNAGA, Mr. MELCHER, Mr. MURKOWSKI, Mr. NICKLES, Mr. NUNN, Mr. PELL, Mr. QUAYLE, Mr. SARBANES, Mr. TRIBLE, Mr. WEICKER, Mr. WILSON, and Mr. ZORINSKY):

S.J. Res. 350. Joint resolution to designate 1987 as "The National Year of the Americas"; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

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

By Mr. MATTINGLY:

S. Res. 409. A resolution to express the sense of the Senate that the tax reform legislation, when that bill is signed into law, remain unchanged for a minimum of 5 years for the purpose of promoting economic growth and opportunity; to the Committee on Finance.

By Mr. ROTH, from the Committee on Governmental Affairs:

S. Res. 410. An original resolution waiving section 303(a) of the Congressional Budget Act of 1974 with respect to the conference report on H.R. 2672; to the Committee on the Budget.

By Mr. SYMMS:

S. Res. 411. A resolution expressing the support and encouragement of the Senate for those working for freedom and against communism in Southwest Africa/Namibia; to the Committee on Foreign Relations.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. HATCH (for himself, Mr. KENNEDY, Mr. DOLE, Mr. BRADLEY, Mr. CHILES, Mr. NICKLES, Mr. HUMPHREY, Mr. ZORINSKY, Mr. RIEGLE, Mr. INOUYE, Mrs. HAWKINS, Mr. GRASSLEY, Mr. MATSUNAGA, Mr. MURKOWSKI, Mr. BURDICK, Mr. WILSON, Mr. HOLLINGS, Mr. CRANSTON, Mr. MCCLURE, Mr. TRIBLE, Mr. SPECTER, Mr. THURMOND, Mr. ANDREWS, Mr. KERRY, Mr. DODD, Mr. GRAMM, and Mr. D'AMATO):

S.J. Res. 349. Joint resolution to designate the week of May 25, 1986, through May 31, 1986, as "Critical Care Week"; to the Committee on the Judiciary.

CRITICAL CARE WEEK

Mr. HATCH. Mr. President, today I am introducing a joint resolution which designates the last week in May as "Critical Care Week." Passage of this resolution will assist private efforts to increase public awareness, improve family support programs and advance the research of critical care medicine.

Critical care medicine is a broad term describing the medical treatment for patients in life-threatening situations requiring immediate care. Coronary, respiratory, neonatal, trauma, and intensive care units are all part of critical care medicine.

There are already more than 4,300 critical care units in the United States. Where these units are available, they often serve as many as 15 percent of hospital inpatients. Every congressional district has a constituent who has depended on critical care medicine. For instance in 1984 there were 1.1 million critical care cases in California or, in a State of 25 million, 1 out of 24 citizens needed critical care medicine.

Critical care is comprised of physicians, nurses, therapists, and industry dedicated to the delivery of care to the critically ill. These individuals must specialize in many different areas of medicine since critically ill patients may develop complications which overlap any one medical specialty.

On May 29, 1986, the Foundation for Critical Care Medicine will hold a fundraiser to increase public education efforts. I, along with Senator KENNEDY, am an honorary cochairman of this event and I would like to thank my fellow colleagues who are honorary committee members for giving their support to this effort. It is clear that critical care is a vital medical profession deserving of congressional recognition and I urge all of my colleagues to support this joint resolution.

Mr. KENNEDY. Mr. President, I welcome the opportunity to join my colleagues in the Senate in cosponsoring this joint resolution which designates May 25-31 as "Critical Care Week." This week is dedicated to enhance public education efforts, to improve family support programs, and to underline the commitment of thousands of health care professionals who devote their professional lives to the care of patients who need immediate and advanced medical services.

There are millions of cases annually across the Nation where such care is essential. Auto accidents, strokes, and neonatal complications all are examples of life-threatening situations where critical care must be swift and expert. The timing of "Critical Care Week" is particularly relevant, too, because as we enter the summer season the numbers of swimming and boating accidents will rise.

While we all hope that we will never be in need of critical care, we want care to be accessible and excellent if the necessity should arise. We want that service for ourselves and for our loved ones. And we want it to be available in our neighborhoods and wherever we may travel.

Thus, it is fitting that we recognize the efforts of the many professionals across America who are devoted to critical care.

● Mr. D'AMATO. Mr. President, I rise today to cosponsor legislation introduced by my colleague from Utah, Mr. HATCH, regarding critical care. I am pleased he has brought this serious issue to our attention.

Critical care is a rapidly changing and expanding area of medicine. It includes intensive care units, trauma centers, burn units, coronary care units, and neonatal and pediatric ICU's. Without a doubt, critical care addresses the most chronic and intensive illnesses in the country.

Critical care affects individuals we come into contact with daily. In 1984, 1 out of every 24 individuals needed critical care. Many of these cases were individuals involved in auto accidents, heart attacks, strokes, or industrial accidents. In 1984, 44,241 individuals died in auto accidents; 547,000 died as a result of a heart attack; and 156,000 died from a stroke.

As a member of the honorary committee of the Foundation for Critical Care Medicine, I am pleased to support the recognition of such worthy medical services. I am committed to quality care in this area and to increased public education and awareness about critical care medicine.

It is my hope that increased awareness about critical care will help this Nation better address this serious problem.●

ADDITIONAL COSPONSORS

Due to a mechanical malfunction, the additional cosponsors for May 19, 1986, will be shown in the RECORD of May 20, 1986.

SENATE RESOLUTION 409—SENSE OF THE SENATE REGARDING TAX REFORM LEGISLATION

Mr. MATTINGLY submitted the following resolution; which was referred to the Committee on Finance.

S. RES. 409

Whereas previous, constant, and conflicting policy changes in the tax code by the Congress make it difficult for individuals to properly plan for their future;

Whereas such constant and conflicting policy changes by the Congress retard capital formation by increasing risks;

Whereas such constant and conflicting policy changes by the Congress place undue burdens on individuals and businesses by requiring the otherwise unnecessary utilization of financial resources in anticipation of such changes and modifications;

Whereas the Internal Revenue Service is drained of limited resources in trying to adapt to such changes in the tax code, and the ensuing problems are in turn transferred to taxpayers;

Whereas one of the greatest burdens placed upon small businesses is the paperwork required to comply with the tax code, and constant changes by Congress unnessarily compound this paperwork burden;

Whereas any tax reform legislation passed by the Congress should stimulate economic growth, encourage investment, promote capital formation, expand job opportunities, and encourage savings; and

Whereas the American taxpayer deserves certainty in the tax treatment of economic decisions: Now therefore, be it

Resolved, That it is the sense of the Senate that the tax reform legislation, when that bill is signed into law, remain unchanged for a minimum of five years, so as to provide stability for the American taxpayer and the private sector.

SENATE RESOLUTION 410—WAIVING CONGRESSIONAL BUDGET ACT WITH RESPECT TO CONFERENCE REPORT ON H.R. 2672

Mr. ROTH, from the Committee on Governmental Affairs, reported the following original resolution; which was referred to the Committee on the Budget:

S. RES. 410

Resolved, That, pursuant to section 303(a) of the Congressional Budget Act of 1974, section 303(a) of that Act be waived with respect to the consideration of the Conference Report on H.R. 2672, the Federal Employee's Retirement System Act of 1986, a bill to provide supplemental retirement benefits for employees of the federal civilian service who are covered by Social Security as mandated by the Social Security Amendments of 1983.

H.R. 2672 would violate section 303(a) of the Congressional Budget Act of 1974 because the bill provides new entitlement authority to become effective during fiscal year 1987 and would result in a change in revenues effective during fiscal year 1987, before the first concurrent resolution on the budget for fiscal year 1987 has been agreed to.

The budget authority provided in H.R. 2672 authorizes contributions from the employee and the employing agency to the pension system to fund future retirement benefits and authorizes the payment of entitlement benefits to individuals qualifying for such benefits under the provisions of H.R. 2672.

SENATE RESOLUTION 411—EXPRESSING SUPPORT FOR THOSE WORKING FOR FREEDOM AND AGAINST COMMUNISM IN SOUTH AFRICA/NAMIBIA

Mr. SYMMS submitted the following resolution; which was referred to the Committee on Foreign Relations:

S. RES. 411

Whereas, the President of the United States has expressed U.S. foreign policy as opposing Soviet-backed terrorist compaigns to subvert or seize control of non-Soviet countries and territories in various parts of the world, including Central America, S.E. Asia, the Middle East, Afghanistan and South West Africa;

Whereas, approximately 40,000 Cuban combat soldiers and several thousand Soviet and East German advisers presently occupy Angola and lend support to the Soviet-backed terrorist campaign of SWAPO (South West Africa People's Organization), operating from bases in southern Angola, to seize control of Namibia before that territory can achieve internationally acceptable independence;

Whereas, the United Nations General Assembly continues to designate SWAPO as the "sole and authentic" representative of the people of Namibia, accord SWAPO permanent observer status at the U.N., and finance SWAPO propaganda offices and meetings throughout the world, while refusing to recognize the various Namibian parties who make up Namibia's Multi-Party Conference;

Whereas, on June 17, 1985, the Republic of South Africa voluntarily and as a result of the peaceful negotiations with Namibia's political leaders of the Namibia Multi-Party Conference, effected a complete transfer of all administrative powers of local self-government that were previously exercised by the Administrator-General for Namibia, and official appointed by South Africa;

Whereas, Namibia's political party leaders acting on behalf of the people of Namibia immediately established Namibia's Transitional Government of National Unity and invited all political parties, including SWAPO, to participate in exercising the powers of local self-government enjoyed for the first time since 1884 by the people of Namibia;

Whereas, Namibia's Transitional Government of National Unity opposes apartheid in all its forms and has abolished apartheid in Namibia;

Whereas, SWAPO, under Soviet direction, has refused to cooperate or participate in any democratic or peaceful process leading to Namibian independence;

Whereas, historic U.S. foreign policy has encouraged and aided indigenous political groups and similar organizations in developing countries which seek to establish non-Soviet controlled and democratic governments;

Whereas, Namibia's Transitional Government of National Unity and the various political parties comprising Namibia's Multi-Party Conference represent the most hopeful, reasonable and constructive avenue to achieve peace in South West Africa and should be supported by the United States;

Now, therefore be it, resolved: That it is the sense of the U.S. Senate that—

(1) The United States should continue to pursue serious multi-lateral initiatives aimed at achieving removal of all Cuban combat troops now occupying Angola, closure of all SWAPO bases in southern Angola and impartiality by United Nations in treatment of all Namibian political parties wishing to appear at the United Nations, and

(2) The Department of State should immediately establish contact with the leaders of all political parties who make up the Namibia Multi-Party Conference and Namibia Transitional Government of National Unity, and

(3) The United States Government should implement its support for Namibia's Transitional Government of National Unity pending a negotiated plan for internationally acceptable independence by—

(a) Establishing an interest section in Windhoek.

(b) Dispatching a delegation of officials to Windhoek for bilateral talks.

(c) Including Namibia among African nations receiving aid from the U.S. and international organizations the U.S. supports.

(d) Establishing Peace Corps representation in Namibia.

(e) Encouraging U.S. private investment in Namibia.

(f) Supporting Namibia's control of its fishing industry by requiring other nations to adhere to generally recognized international rules and existing agreements.

(g) Inviting all Namibian political parties, including Namibia's Multi-Party Conference and SWAPO, to meet in an all-parties conference to develop a consensus on the time and method for achieving independence of Namibia free from foreign control.

● Mr. SYMMS. Mr. President, on December 19 last year the Secretary of State appointed a 12-member Advisory Committee on South Africa to recommend measures the United States can take to "encourage peaceful change" in South Africa and "be most effective in promoting equal rights in South Africa and ending apartheid."

The Namibian Transitional Government of National Unity and the Multi-Party Conference are exercising all powers of local self-government pending genuine independence for Namibia, which since 1920 has been ad-

ministered by South Africa pursuant to a League of Nations mandate.

The Namibia TGNU and Multi-Party Conference support the U.S. policy of peaceful change and an end to apartheid in South Africa. Indeed, on April 9 of this year the Namibian National Assembly abolished apartheid in South West Africa/Namibia.

In order to support President Reagan's policy of U.S. Government support for internal political groups opposing the Soviet expansionist campaign in southern Africa, I am introducing the following "sense of the Senate" resolution for consideration by the U.S. Senate.●

AMENDMENTS SUBMITTED

FEDERAL FIRE PREVENTION AND CONTROL ACT AUTHORIZATION

GORTON (AND OTHERS) AMENDMENT NO. 1967

Mr. GORTON (for himself, Mr. MITCHELL, Mr. CRANSTON, Mr. WILSON, Mr. PELL, Mr. CHAFEE, Mr. BOSCHWITZ, Mr. COHEN, and Mr. MATSUNAGA) proposed an amendment to the bill (S. 2180) to authorize appropriations for activities under the Federal Fire Prevention and Control Act of 1974; as follows:

At the end of the bill, add the following:

SEC. 2. (a) The Congress finds—

(1) that various studies of governmental and nongovernmental agencies indicate that daylight saving time over an expanded period would produce a significant energy savings in electrical power consumption;

(2) that daylight saving time may yield energy savings in other areas besides electrical power consumption;

(3) that daylight saving time over an expanded period could serve as an incentive for further energy conservation by individuals, companies, and the various governmental entities at all levels of government, and that such energy conservation efforts could lead to greatly expanded energy savings; and

(4) that the use of daylight saving time over an expanded period could have other beneficial effects on the public interest, including the reduction of crime, improved traffic safety, more daylight outdoor playtime for the children and youth of our Nation, greater utilization of parks and recreation areas, expanded economic opportunity through extension of daylight hours to peak shopping hours and through extension of domestic office hours to periods of greater overlap with the European Economic Community.

(b) Section 3(a) of the Uniform Time Act of 1966 (15 U.S.C. 260a(a)) is amended by striking "last Sunday of April" and inserting in lieu thereof "first Sunday of April".

(c) Any law in effect on the date of the enactment of this Act—

(1) adopted pursuant to section 3(a)(2) of the Uniform Time Act of 1966 by a State with parts thereof in more than one time zone, or

(2) adopted pursuant to section 3(a)(1) of such Act by a State that lies entirely within one time zone,

shall be held and considered to remain in effect as the exercise by that State of the exemption permitted by such Act unless the State, by law, provides that such exemption shall not apply.

(d)(1) Notwithstanding any other law or any regulation issued under any such law, the Federal Communications Commission shall, consistent with any existing treaty or other agreement, make such adjustment by general rules, or by interim action pending such general rules, with respect to hours of operation of daytime standard amplitude modulation broadcast stations, as may be consistent with the public interest, including the public's interest in receiving interference-free service.

(2) Such general rules, or interim action, may include variances with respect to operating power and other technical operating characteristics.

(3) Subsequent to the adoption of such general rules, they may be, varied with respect to particular stations and areas because of the exigencies in each case.

(e) This section shall take effect 60 days after the date of enactment of this Act, except that if such effective date occurs in any calendar year after March 1, this section shall take effect on the first day of the following calendar year.

NOTICES OF HEARINGS

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. HELMS. Mr. President, I wish to announce that the Committee on Agriculture, Nutrition, and Forestry has scheduled a committee business session to consider reporting the nominations of Hon. Frank W. Naylor, Jr. and Dr. Marvin R. Duncan to be members of the Farm Credit administration Board, Farm Credit Administration.

The meeting will begin at 10 a.m., on Tuesday, May 20, 1986, in room 332, Russell Senate Office Building.

For further information, please contact Warren Oxford or Terry Wear of the committee staff at 224-2035.

COMMITTEE ON SMALL BUSINESS

Mr. WEICKER. Mr. President, I wish to announce that the committee's notice which appeared in the May 16, 1986, CONGRESSIONAL RECORD, contained a misprint. The Senate Small Business Committee's oversight hearing on the implementation of the Prompt Payment Act, Public Law 97-177, will take place on Thursday, June 19, 1986, and not in July, as was erroneously printed by the RECORD. The hearing will commence at 10 a.m. and will be held in room 428A of the Russell Senate Office Building. For further information, please contact William B. Montalto, procurement policy counsel for the committee, at 224-5175.

SUBCOMMITTEE ON ENERGY RESEARCH AND DEVELOPMENT

Mr. DOMENICI. Mr. President, I would like to announce for the information of the Senate and the public that the Subcommittee on Energy Research and Development of the Committee on Energy and Natural Resources will conduct the following oversight hearings:

Monday, June 16, beginning at 1 p.m. in room SD-366 of the Senate Dirksen Office Building in Washington, DC, on the second waste repository site selection under the Department of Energy's Office of Civilian Radioactive Waste Management.

Monday, June 23, beginning at 2 p.m. in room SD-366 of the Senate Dirksen Office Building in Washington, DC, on the Department of Energy's budget authority—Office of Energy Research and Office of Environment, Health and Safety.

Those wishing to testify or who wish to submit written statements for the hearing record, should write to the Subcommittee on Energy Research and Development, Committee on Energy and Natural Resources, U.S. Senate, Washington, DC 20510.

For further information regarding this hearing, please contact Ms. Marilyn Meigs or Mr. K.P. Lau on the subcommittee staff at 202-224-4431.

AUTHORITY FOR COMMITTEES TO MEET

SUBCOMMITTEE ON CONSUMER

Mr. THURMOND. Mr. President, I ask unanimous consent that the Consumer Subcommittee of the Committee on Commerce, Science, and Transportation be authorized to meet during the session of the Senate on Monday, May 19, to conduct a hearing on the pending product liability legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

U.N. VOTING PATTERNS SEND DISTURBING SIGNALS

● Mr. KASTEN. Mr. President, this is the Year of Liberty, the year during which we will rededicate the statue in New York harbor that for the past century has welcomed to our shores and to a new life the oppressed, impoverished citizens of the world.

And in rededicating ourselves to the principles of liberty that make this Nation great, we also are renewing our commitment as a nation blessed by prosperity to help those countries less fortunate than ourselves.

American largesse is historic. It also is taken for granted. And while we should never as a nation turn our backs on those in need, we must seriously consider our priorities in giving aid to the world.

Consider this disturbing fact: The 159 member states of the United Na-

tions voted against American interests in the General Assembly last year on average 80 percent of the time.

Mr. President, that is the conclusion of the third annual "Kasten Report," the study of U.N. voting patterns done by the U.S. State Department in accordance with legislation I sponsored requiring these annual reports.

The report shows that once again Israel is our staunchest ally, siding with us on 91.5 percent of the votes before the General Assembly. A number of our NATO allies—the United Kingdom (86.6 percent), West Germany (84.4 percent), France (82.7 percent, up from 72 percent in 1984), Belgium (82.3 percent), and Italy (81.8 percent) all increased their support for the United States.

But, unfortunately, they were the exceptions to what is becoming a disturbing rule.

Mr. President, most of the time, on most of the critical issues facing our Nation, we stand almost alone in the United Nation.

According to the State Department analysis, the key issues before the General Assembly included positions taken by the United Nations on terrorism, the Soviet invasion and continued occupation of Afghanistan, Vietnam's occupation of Cambodia, the Arab-Israeli conflict, apartheid, human rights abuses in several countries, and efforts to delete instances of name calling against various United States foreign policy positions.

It is a sad reality, Mr. President, that we cannot even count on other NATO allies to support our positions with any consistency. Turkey and Greece, particularly, two countries which receive hundreds of millions of dollars in United States aid each year, voted consistently against us—Turkey 60 percent of the time and Greece 66 percent of the time.

Turkey refused to criticize human rights abuses in Iran and supported name-calling attacks against United States policy in the Middle East—both considered key votes by the State Department.

It should not be surprising that the strongest opposition to our positions, in addition to Communist block nations in Eastern Europe, comes from the 21-member Arab group. It supported America on only 12.2 percent of the votes.

African nations, many of which look to America for the very survival of their people, gave us their support on only 15.1 percent of the votes.

There is a bright spot in the most recent "Kasten Report." Since our liberation of that Grenada, that country has become an increasingly dependable friend of America at the United Nations. In 1983, Grenada opposed our position in the General Assembly more than 80 percent of the time. But in 1984, it supported us in 60 percent of the votes, and it has since raised its level of support to over 70 percent.

Mr. President, we are not attempting to buy votes with the aid we send to the needy nations of the world. But we do have the right to expect that if these nations aggressively seek our assistance, our money, and our protection, they in turn will support the positions that continue to keep our Nation strong enough and vital enough to continue sending such assistance.

And yet, many of these nations are nowhere in sight when we need their support in the United Nations.

According to this most recent U.N. vote analysis, Egypt, a major recipient of United States foreign aid, opposed our positions a shocking 85 percent of the time. Even the Philippines supported us on only 22 percent of the General Assembly votes.

I urge all of my colleagues to carefully consider the pattern of voting by those nations who seek, and receive, our aid. In these times of cutting back we must place priorities not only on how our dollars are spent, but where.

The American people expect no less of their elected representatives.

Mr. President, I ask that the General Assembly voting record be placed in the RECORD.

The material follows:

Africa:	
Ivory Coast	27.3
Malawi	26.9
Liberia	23.7
Zaire	23.1
Mauritius	22.1
Swaziland	22.0
Equatorial Guinea	21.2
Central African Rep	20.9
Gabon	19.7
Senegal	19.3
Togo	19.0
Sierra Leone	18.3
Cameroon	18.0
Chad	18.0
Niger	17.6
Botswana	17.4
Rwanda	17.4
Kenya	16.7
Somalia	16.3
Mauritania	16.1
Lesotho	16.0
Burundi	15.9
Morocco	15.9
Sudan	15.5
Egypt	15.3
Gambia	14.9
Zambia	14.9
Nigeria	14.7
Zimbabwe	14.6
Djibouti	14.3
Tunisia	13.9
Ghana	13.2
Uganda	13.2
Burkina Faso	13.1
Guinea Bissau	12.2
Comoros	12.1
Guinea	12.1
Cape Verde	11.9
Seychelles, The	11.9
Congo	11.3
Tanzania	11.3
Mali	11.1
Madagascar	10.6
Sao Tome and Principe	10.3
Ethiopia	9.3
Benin	8.8
Libya	6.9
Mozambique	5.9
Algeria	5.1
Angola	3.5
Group average	15.1

U.N. VOTING RECORD 40TH GENERAL ASSEMBLY [1]

ALL UNGA PLENARY VOTES [2]

[Percent Coincidence with U.S. Votes (Yes/No)]

Asia and the Pacific:	
Japan	66.3
Australia	60.2
New Zealand	55.3
Solomons	48.1
Samoa	27.4
Fiji	26.0
Singapore	23.6
Papua New Guinea	23.1
Thailand	22.4
Philippines	22.3
Kampuchea	21.4
Nepal	18.0
Burma	17.1
Sir Lanka	16.8
Malaysia	16.3
Bangladesh	16.1
Pakistan	16.1
China	15.9
Brunei	15.3
Indonesia	14.3
Jordan	14.2
Bhutan	13.9
Oman	13.6
Saudi Arabia	13.6
Vanuatu	13.4
Lebanon	13.1
Bahrain	12.8
Qatar	12.8
Emirates	12.8
Maldives	12.5
Kuwait	12.2
Cyprus	11.6
Iran	11.3
Mongolia	9.9
Yemen (A.R.)	9.0
India	8.9
Iraq	8.7
Syria	8.1
Viet Nam	6.5
Afghanistan	6.2
Laos	5.9
Yemen (P.D.R.)	5.7
Group average	17.0
The Americas:	
Grenada	71.7
Canada	69.8
St. Christopher and Nevis	50.0
Belize	37.8
Paraguay	35.4
St. Vincent and Grenadines	32.7
Chile	31.4
El Salvador	30.2
Honduras	29.8
Costa Rica	29.1
Colombia	27.9
St. Lucia	26.2
Guatemala	25.2
Antigua and Barbuda	25.0
Dominican Republic	25.0
Ecuador	24.6
Dominica	24.2
Haiti	23.8
Jamaica	22.7
Barbados	20.3
Panama	19.7
Venezuela	19.0
Bahamas	18.6

Bolivia	18.5
Uruguay	18.1
Trinidad and Tobago	17.9
Peru	17.8
Argentina	16.4
Suriname	16.2
Brazil	16.0
Mexico	14.5
Guyana	13.9
Nicaragua	8.4
Cuba	6.2
Group average	23.7
Western Europe:	
United Kingdom	86.6
Federal Rep. Germany	84.4
France	82.7
Belgium	82.3
Italy	81.9
Luxembourg	80.2
Netherlands	76.3
Portugal	75.0
Iceland	62.4
Norway	61.2
Denmark	58.3
Spain	55.6
Ireland	51.0
Sweden	42.2
Austria	40.0
Finland	39.8
Turkey	38.1
Greece	33.3
Malta	16.5
Group average	59.2
No Affiliation:	
Israel	91.5
Eastern Europe	
Poland	14.8
Romania	14.6
Hungary	12.3
Ukraine	12.3
Bulgaria	12.2
Byelorussia S.S.R.	12.2
Czechoslovakia	12.2
German Democratic Rep.	12.2
USSR	12.2
Yugoslavia	11.9
Albania	6.7
Group average	12.4

[1] Table contains all countries which participated in the 40th UNGA, September-December 1985.

[2] Table reflects all votes recorded in UNGA plenary, including votes on separate paragraphs.●

FAMILY CAREGIVERS RESOLUTION

● Mr. HEINZ. Mr. President, it is my pleasure to join the distinguished ranking minority member of the Senate Aging Committee and a number of our colleagues in introducing a resolution designating the week of November 24, 1986, as the first "National Family Caregivers Week."

Recognizing family caregivers is important because the bulk of personal care for the frail elderly falls largely on the family, not on the Federal Government or outside social service agencies. For every person 65 years of age and older residing in a nursing home, there are nearly twice as many persons residing in the community requiring similar levels of care. Eighty percent of the disabled elderly receive care from family members, most frequently from wives, daughters, and daughters-in-law. For many, this is a round-the-clock responsibility that leaves the caregiver emotionally and physically exhausted.

The reliance on families for care, and the stress associated with caregiving is certain in the future because of three major trends. First, the elderly population has grown much more rapidly in the 20th century than has the rest of the population and this trend will continue into the 21st century. For families, this trend is especially important since the population group of seniors age 85 and older is the fastest growing age group in our society. Typically, seniors in this age group need far more assistance due to chronic disabling conditions than seniors of other ages, and most of this assistance is provided by their families.

Second, as the population continues to age, we will find more elderly being cared for by adult children who themselves are older and who suffer chronic impairments. Additionally, many adult children who care for elderly parents also care for children of their own. The stress placed on these individuals is especially severe.

Third, women, who traditionally have provided the bulk of assistance to the disabled elderly, are now forced to choose between caregiving and participating in the paid labor force. Labor force participation rates for women have increased to about 55 percent in 1984. Almost 64 percent of women aged 45 to 54 years old—those who are most likely to have parents in the oldest age group—were in the labor force in 1984.

"National Family Caregivers Week" would recognize the vital role of these caregivers. Family caregivers make enormous personal and financial sacrifices to care for their loved ones. Their contributions help maintain strong family ties and strengthen intergenerational support. The cash value of caregiving services provided by families far exceeds the combined cost of Government and professional services to the elderly living in the community and in institutions.

Acknowledgment of the valuable contributions of the family caregiver would provide for greater public awareness of and community support for these Americans. It is my sincere hope that public recognition of the often heroic efforts of family caregivers would help to increase the availability of respite care and other supportive services. Family caregivers are a silent majority that deserves our support and our deep appreciation.

Mr. President, I urge my colleagues to join us in supporting this resolution and I commend my distinguished colleague, Senator GLENN, for his leadership in this area.●

FRED L. ESKEW

● Mr. SARBANES. Mr. President, Maryland lost one of its most outstanding citizens and public servants recently with the death of Fred L. Eskew, assistant secretary of the Maryland Department of Natural Resources.

It was Fred Eskew, more than any single person in the State of Maryland, who was responsible for the development of Maryland's very successful Open Space Program. Almost every community in Maryland benefited in one way or another from his foresight and his effective management of this Federal and State program.

A native of Washington, DC, he graduated from St. John's College High School in Washington, DC, in 1957. He attended Randolph Macon College, Ashland, VA, and graduated from the University of Maryland in 1964 with a bachelor of science degree in recreation and parks administration. He was further recognized that same year as the outstanding graduating senior in the parks and recreation department at Maryland. He also took advanced studies in urban and regional planning from the University of Northern Colorado at Greeley. On two other occasions, the University of Maryland College of Physical Education, Recreation, and Health honored Mr. Eskew with their outstanding achiever award for his work with public parks and recreation.

During his career, he served on the professional staffs of the Prince George's County Recreation Department, the Charles County Department of Parks and Recreation, the Maryland Department of Forests and Parks, and the Maryland Department of Natural Resources. He also worked extensively with the Maryland General Assembly to develop and enhance numerous State laws affecting public parks, recreation, and natural resource management. He was a noted authority on State law relating to public parks, recreation, open space, and natural resources.

One of his major successes was Maryland's "Open Space Program." As its first director in December 1971, he initiated timely and unique policies making this program one of the most successful and innovative State grants-in-aid programs in the United States. Program Open Space has assisted the purchase and development of more than 2,200 local parks and recreation areas in every Maryland county and town. It has also provided more than 90,000 acres of State natural resource lands and parks to the State of Maryland.

Following his appointment as chairman of the Governor's commission to study concessions in Maryland State parks in August 1976, he was instrumental in establishing private enterprise concessions on certain State lands, including Rosaryville State Park in Prince George's County, Fair

Hill Natural Resources Management area in Cecil County, and Somers Cove Marina in Somerset County.

He also worked to reduce construction costs on certain new State park and other public facilities by organizing construction crews for small park projects. Another project, in cooperation with District II of the Federated Garden Clubs of Maryland, was a joint effort to plan and develop the Helen Avalynne Tawes Garden in Annapolis. It is located at the department of natural resources headquarters.

Mr. Eskew had a particular concern for natural area preservation as well as outdoor recreation. He had considerable involvement in efforts to reserve the "Belt Woods" near Largo in Prince George's County which has been recognized as one of the oldest stands of oak and poplar in the State and is now designated a National Natural Landmark.

Mr. Eskew served as president of the Maryland Recreation and Parks Association which awarded him its "Honor Member" citation. He worked closely with a number of conservation organizations such as the Nature Conservancy who awarded him its Certificate of Special Recognition. In 1983, he was appointed by Gov. Harry Hughes as the State liaison officer representing Maryland efforts to utilize Federal Land and Water Conservation Funds for supplementing State and local outdoor recreation projects. Recently, he submitted a paper to the President's Commission on Americans Outdoors recommending a funding procedure for public parks and recreation for the next 30 years. He worked with a variety of special groups from all over Maryland, including watermen from Somerset County, Washington County Boy Scouts, the Cecil County Fair Association, and varied interests at Fair Hill in Cecil County.

Dr. Torrey C. Brown, secretary of the department of natural resources, remarked,

> Fred Eskew was a respected public park and recreational professional leader and is remembered for his calm and determined efforts. His efforts have contributed toward a marked improvement in the quality of life throughout the State of Maryland for all its citizens, both now and in the future.

Fred Eskew's passing is a great loss to the people of Maryland.●

ANNUAL FINANCIAL DISCLOSURE OF SENATOR STAFFORD

● Mr. STAFFORD. Mr. President, in each of the last 12 years, I have made public disclosures of my financial holdings, along with summaries of my Federal tax return.

I have pledged that I would issue a similar report to the citizens of Vermont each year for the remainder of my time in public office.

In keeping with that promise, I am once again issuing a public statement of financial disclosure.

The financial statement shows that my wife, Helen, and I had net assets of $805,000 as of May 15, when the evaluation was made.

The statement I am making public details our holdings, including bank accounts, cash value of life insurance and Federal retirement fund, real and personal property we own, and stocks and bonds.

The majority of the stocks and bonds listed were owned by us before I entered public office in Vermont 31 years ago.

The summary of our joint Federal income tax return shows that Mrs. Stafford and I had an adjusted gross income of $126,000 last year. Of that total, $75,100 came from my salary as a U.S. Senator.

Our total tax bill for the year was more than $46,000, of which more than $37,000 was in Federal income taxes and more than $8,800 in Vermont State income taxes.

I shall ask that details of our financial statement be printed in the RECORD, as in the past. And, as I have done in each of the last 12 years, I am making copies of the statement available to newspapers, radio and television stations, and other news services in Vermont.

This information is being made public because I remain convinced that those who serve in Government, as well as Government itself, must be as open and candid as possible with the public.

The net assets of the Staffords increased by $45,000 last year, thanks to the bullish state of the American economy. A major portion of our assets continues to consist of homes in Virginia and Vermont whose estimated fair market value is $320,000.

One of the best ways Americans have to judge whether their Government and their officials are acting properly is to provide full disclosure of all interests of Government and of those who make decisions in Government.

Thus, I invite all Vermonters—and all other Americans—to examine my financial interests and to match those interests with my record as a public official.

We have made some progress in providing the public with more information about the interests and activities of public officials, but we have a long way to go in providing full public disclosure.

I shall continue to support legislation that provides greater ventilation of the way we do business in Government. In the meantime, I shall continue to make my own full disclosure to my fellow Vermonters.

The material follows:

Summary of 1985 joint Federal, income tax return of Robert T. and Helen K. Stafford

Income:	
Salary	$75,100.00
Interest	10,879.04
Dividends	3,471.63
Honoraria	22,500.00
Other	17,831.88
Total income	129,782.55
Adjustments to income: Allowable congressional expenses not reimbursed	3,004.98
Total adjustments to income	3,004.98
Adjusted gross income	126,777.57
Deductions	10,267.61
Exemptions	4,160.00
Taxable income	112,349.96
Federal income tax due and paid	37,356.28
Certificates of deposit:	
Chittenden Trust Co	10,000.00
First Vermont Bank	10,000.00
Howard Bank	10,000.00
Howard Bank	10,000.00
Marble Savings Bank	10,000.00
Proctor Bank	10,000.00
Proctor Bank	10,000.00
Vermont National Bank	10,000.00
Vermont National Bank	10,000.00
Vermont Federal Bank	10,000.00
Total	100,000.00
Checking accounts:	
First Virginia Bank	600.00
Howard Bank	200.00
Riggs National Bank	30,000.00
Total	30,800.00
Life insurance:	
Connecticut General	.....
MONY	.....
NYLIC	.....
NSLI	.....
Travelers	.....
Total	20,000.00
Real estate (estimated market value):	
3541 Devon Dr., Falls Church, VA	160,000.00
27 Howard Avenue, Rutland, VT	60,000.00
64 Litchfield Avenue, Rutland, VT	100,000.00
Total	320,000.00
Additional assets:	
Contributions to Federal retirement (Dec. 31, 1985)	88,063.87
Law library and office furniture	2,000.00
Boat and two cars	80,000.00
Personal property	35,000.00
Total	205,063.87

Stock name	Shares	Value
AT&T	100 at 24⅛	$2,413.00
Cons Edison of New York (common)	200 at 42⅝	8,526.00
Gillette Co	20 at 88¼	1,765.00
Greyhound Corp	20 at 35¼	705.00
Howard Bank	1,425 at 39	55,575.00
Monsanto	80 at 61⅝	4,911.00
NL Industries	40 at 13½	540.00
National Distillers	40 at 40¾	1,630.00
Navistar International (formerly International Harvester)	20 at 10⅛	202.60
NYNEX	159 at 60½	9,619.00

Stock name	Shares	Value
Outboard Marine	40 at 35⅝	1,415.00
Security Pacific Corp	19 at 35⅝	677.00
Time, Inc	268 at 77¼	20,703.00
Vendo	10 at 6⅞	69.10
Verbanc (formerly Bellows Falls)	240 at 47½	11,400.00
West Point (formerly Cluett Peabody)	18 at 17¼	310.50
Total		120,461.00
Keough account Howard Bank		9,186.77
Recapitulation: Total assets		805,511.84●

BUDGET SCOREKEEPING REPORT

● Mr. DOMENICI. Mr. President, I ask to have printed in the RECORD the budget scorekeeping report for this week," prepared by the Congressional Budget Office in response to section 5 of the first budget resolution for fiscal year 1986." This report also serves as the scorekeeping report for the purposes of section 311 of the Congressional Budget Act, "as amended."

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, May 19, 1986.

Hon. PETE V. DOMENICI,
Chairman, Committee on the Budget,
U.S. Senate, Washington, DC.

DEAR. MR. CHAIRMAN: The attached report shows the effects of congressional action on the budget for fiscal year 1986. The estimated totals of budget authority, outlays, and revenues are compared to the appropriate or recommended levels contained in the most recent budget resolution, Senate Concurrent Resolution 32. This report meets the requirements for Senate scorekeeping of section 5 of Senate Concurrent Resolution 32 and is current through May 16, 1986. The report is submitted under section 308(b) and in aid of section 311 of the Congressional Budget Act as amended.

No changes have occurred since my last report.

With best wishes,
Sincerely,

EDWARD GRAMLICH,
(For Rudolph G. Penner).

CBO WEEKLY SCOREKEEPING REPORT FOR THE U.S. SENATE, 99TH CONGRESS, 2D SESSION, AS OF MAY 16, 1986

[Fiscal year 1986—in billions of dollars]

	Budget authority	Outlays	Revenues	Debt subject to limit
Current level [1]	1,057.1	980.3	778.6	2,016.6
Budget resolution, Senate Concurrent Resolution 32	1,069.7	967.6	795.7	[2] 2,078.7
Current level is:				
Over resolution by		12.7		
Under resolution by	12.6		17.1	62.1

[1] The current level represents the estimated revenue and direct spending effects (budget authority and outlays) of all legislation that Congress has enacted in this or previous sessions or sent to the President for his approval. In addition, estimates are included of the direct spending effects for all entitlement or other programs requiring annual appropriations under current law even though the appropriations have not been made. The current level excludes the revenue and direct spending effects of legislation that is in earlier stages of completion, such as reported from a Senate committee or passed by the Senate. The current level of debt subject to limit reflects the latest U.S. Treasury information on public debt transactions.

[2] The current statutory debt limit is $2,078.7 billion.

FISCAL YEAR 1986 SUPPORTING DETAIL FOR CBO WEEKLY SCOREKEEPING REPORT, U.S. SENATE, 99TH CONGRESS, 2D SESSION, AS OF MAY 16, 1986

[In millions of dollars]

Budget authority	Outlays	Revenues	
I. Enacted in previous sessions:			
Revenues			777,794
Permanent appropriations and trust funds.	723,461	629,772	
Other appropriations	525,778	544,947	
Offsetting receipts	−188,561	−188,561	
Total enacted in previous sessions.	1,060,679	986,159	777,794
II. Enacted this session:			
Commodity Credit Corporation urgent supplemental appropriation, 1986 (Public Law 99–243).			
Federal Employees Benefits Improvements Act of 1986 Public (Law 99–251).		4	
VA home loan guarantee amendments (Public Law 99–255).		−51	
Omnibus Budget Reconciliation Act of 1985 (Public Law 99–272).	−4,259	−6,001	765
Department of Agriculture urgent supplemental, 1986 (Public Law 99–263).			
Advance to Hazardous Substances Response Trust Fund (Public Law 99–270).			
FHA and GNMA Credit Commitment Assistance Act (Public Law 99–289).		−380	
Total	−4,259	−6,428	765
III. Continuing resolution authority			
IV. Conference agreements ratified by both Houses			
V. Entitlement authority and other mandatory items requiring further appropriation action:			
Veterans compensation.	272	185	
Veterans readjustment benefits.	91	91	
Compact of free association.	205	205	
Special benefits (Federal employees).	14	14	
Family social services	100	75	
Guaranteed student loans.	6		
Payment to civil service retirement [1].	(37)	(37)	
Total entitlements	688	570	
Total current level as of May 16, 1986.	1,057,108	980,302	778,559
1986 budget resolution (S. Con. Res. 32).	1,069,700	967,600	795,700
Amount remaining:			
Over budget resolution.		12,702	
Under budget resolution.	12,592		17,141

[1] Interfund transactions do not add to budget totals.

Note: Numbers may not add due to rounding.●

HONORING NAVAL AIR STATION BARBERS POINT

● Mr. INOUYE. Mr. President, 1986 marks the diamond anniversary for naval aviation. It was 75 years ago that Capt. Washington Irving Chambers, a naval officer in charge of naval aviation, prepared the requisition for the Navy's first aircraft.

During this celebration, I wish to recognize Naval Air Station Barbers Point, HI. Initially, a major aircraft training and servicing center during World War II, Naval Air Station Barbers Point evolved into a major antisubmarine support community. As the defense needs of the United States have changed, so has the type of aircraft based at the air station.

Under construction prior to the attack on Pearl Harbor, NAS Barbers Point was hurriedly commissioned on April 15, 1942, and was immediately used to train pilots and to service planes of aircraft carriers in the Pacific theater.

When the war ended, the original 256-man complement of the station had grown to over 4,000 servicemen. The air station then served as a rapid demobilization center. As military forces were reduced to peacetime needs, Barbers Point assumed support functions of all aviation activities in the area.

In the next two decades, during the Korean and Vietnam wars, Barbers Point again served as a staging area for supplies and personnel in defense of freedom. Fleet tactical support squadron 21, or V-21, grew into one of the Navy's largest squadrons during the Vietnam war, ferrying thousands of tons of supplies and personnel into the Southeast Asian theater of operations.

From the mid-1950's to 1965, the air station was also home to airborne early warning squadron 2, which flew super constellations equipped with radar domes. The constellation flew 24 hours a day, 365 days a year to extend the continental air defense early warning line across the Pacific, betweeen Hawaii and the Aleutian Islands.

Today, patrol wing 2, the major tenant command on NAS Barbers Point, conducts undersea surveillance operations. Our P-3 Orions of NAS Barbers Point provide airborne platforms for the world's most sophisticated submarine detection and tracking equipment.

These P-3's often served as "angels of mercy" in the 1970's and 1980's, locating and recruiting hundreds of "boat people" in the South China Sea who fled Vietnam.

NAS Barbers Point is also home to the Navy's oldest active squadron, Fleet Composit Squadron One, or VC-1, Helicopter Squadron Light Thirty-Seven Reconnaissance Squadron Three, or VQ-3, Coast Guard Air Sta-

tion, U.S. Army 147th Aviation Co., and the Hawaii Air National Guard.

Each year commands in the Pacific and Atlantic Fleets compete for the Chief of Naval Operation's Golden Anchor Award recognizing the best command in the East and the best in the West for a superior retention program. Last year, Naval Air Station Barbers Point received the Golden Anchor Award.

During the 75th anniversary of naval aviation, I commend the men and women for their outstanding professionalism and superb performance in maintaining and supporting the Pacific Fleet.●

UNITED STATES CAN'T BOW TO MERCHANT MARINE BLITZ

● Mr. INOUYE. Mr. President, a very thoughtful and sobering article by Robert J. Hanks, entitled "U.S. Can't Bow to Merchant Marine Blitz," appeared in the May 13 edition of the Wall Street Journal. The main points of the article are: The Soviets are waging an economic war at sea through cutthroat commercial competition as part of the admitted Soviet view that "peacetime employment of merchant fleets is an integral part of the political and economic struggle between antagonistic social systems"; the liner segment of the U.S. merchant fleet has suffered as a consequence, with attendant adverse national security ramifications; and that the Federal Government must act to revitalize our merchant marine.

Mr. President, the Federal commitment Mr. Hanks urges is right on the mark. In 1978, during my tenure as chairman of the Merchant Marine Subcommittee, Congress enacted the Controlled Carrier Act in an effort to stop the pernicious rate-cutting practices of state-controlled carriers, principally those of the Soviet Union. Even though Congress was successful in enacting that legislation, the measure was opposed by the State and Justice Departments.

Mr. Hanks has several suggestions about further measures we might take to revitalize our merchant fleet, and I commend his article to every Member of the Senate.

Mr. President, I ask that the article be printed in the RECORD.

[From the Wall Street Journal, May 13, 1986]

U.S. CAN'T BOW TO MERCHANT-MARINE BLITZ

(By Robert J. Hanks)

A war at sea is being waged against Western nations by the Soviet Union. The principal participants are not men-o'-war but mundane merchant ships and the rates being charged for commercial cargoes.

Unfortunately, this struggle has attracted scant attention in the U.S. While there have been Western casualties—shipping companies forced out of business and shipbuilding and repair yards closed—precious little is being done about them. The tragedy is the U.S., today, is as dependent on the sea as was England at the outset of World War II, for economic and military reasons. Yet the matter's generally greeted in Washington with a yawn.

The facts are these. From a tiny fleet in 1945—mostly U.S. lend-lease Liberty ships—the Soviet merchant marine had grown by 1984 to an astounding 2,475 ships (1,000 gross tons or over) totaling more than 23 million deadweight tons. In the world, it ranked second to Panama in numbers of ships and seventh in tonnage. By contrast, the U.S. could boast fewer than 500 merchantmen. Moreover, cut-throat competition from Soviet ships has produced significant reductions in the fleets of America's European and Japanese allies.

Troublesome portents are embedded in these statistics. NATO, being a maritime alliance, would critically depend on seaborne transport of reinforcements and logistic supplies from North America in the event of a war in Europe. A continuous flow of food and raw materials from overseas would also be required to sustain any war effort. At the same time, scores of merchant ships would be needed as auxiliaries to support NATO navies. The Falkland Islands war underlined the latter requirement. Allied capability to meet these commitments, however, steadily shrinks.

Why are the Soviets waging this nonshooting war? The answer is in a book, "The Sea Power of the State," by former head of the Soviet navy, Admiral S.G. Gorshkov. He says the peacetime employment of merchant fleets is an integral part of the political and economic struggle between "antagonistic social systems."

The Soviet strategy in this war is simple: rate-cutting. The Soviet merchant fleet is a wholly subsidized creature of Moscow and can set cargo haulage rates well below market profitability floors. Offering carriage fees ranging from 10 percent to 40 percent below those floors, Soviet ships have made massive inroads in trade, not only to Third World countries, but along crucial Atlantic and Pacific Ocean routes as well. Obviously, Free World shipping companies cannot offer such rates and remain in business. Further, along those trade routes where the Soviet merchant fleet is not present in strength, ships from the U.S.S.R.'s East European satellites—also operating with government assistance—pursue identical policies.

How successful have the Soviets been? In a word: very. Two major U.S. shipping carriers—Pacific Far East Line Inc., and States Steamship Lines—have been bankrupted because U.S. free-market policies ask American shippers to compete against the Soviet government. In the Pacific, for example, the Soviet Far East Shipping Company and its Polish counterpart slashed rates to capture trade. When other low cost operators such as the Taiwanese followed suit, the American carriers simply could no longer compete for cargoes. Similar effects have been felt in strong maritime nations such as Britain, Sweden, West Germany and Japan.

What, then, should be done about this economic war at sea? Some West European countries have taken steps to halt the decline of their merchant fleets. But Washington remains indifferent.

Several things can be done. First, more than lip service needs to be accorded the Merchant Marine Act of 1936, which emphasized the importance of a healthy merchant fleet to the security of this country. Next, Washington can insure that all government cargoes are carried in U.S. ships. (This includes food aid being sent to needy nations.) Negotiation of bilateral accords must be relentlessly pressed to reserve reasonable cargo percentages for American shipping companies. The U.S. would, in a pinch, need guaranteed access to container ships to carry military equipment.

The West can ignore the Soviet war on commercial shipping only at its peril.●

BOB WIELAND AND THE SPIRIT OF AMERICA

● Mr. KASTEN. Mr. President, in just a few days, hundreds of thousands of Americans will participate in an unusual once-in-a-lifetime event. On May 25, men, women and children of all ages; families, friends, and strangers all holding hands at precisely the same moment, will form a gigantic human chain stretching from the Eastern shore of America with the Western coast.

The project scheduled for May 25 is called "Hands Across America." the proceeds will go to fight hunger.

I would like to believe that the participants in that undertaking will give a few moments of thought to the almost unbelievable accomplishment of a young man from Wisconsin—a man who walked across America on his hands to raise money for hunger relief groups.

On Wednesday, May 14, after 3 years, 8 months and 6 days, after 2,784.1 miles stretching from the California coast to the White House, after 4,903,360 steps—steps made without feet and without legs, but with a strong heart, Bob Wieland finished his "Spirit of America Walk for Hunger."

Mr. Wieland's walk raised $300,000. Future pledges could raise millions more.

What kind of spirit is it that challenges such men to commit so much of themselves to as selfless a goal as feeding the hungry?

What kind of spirit is it that would lead a man to give almost 4 years of his life to call attention to something most Americans never think of—the fact that every day 35,000 of our fellow human beings worldwide die of hunger?

And, Mr. President, what kind of spirit infuses such life into a man whose body was torn apart in service to this country?

The answer to all three questions is the same, It is the spirit of America.

Mr. Wieland's journey across America started at Knott's Berry Farm in Los Angeles. But his struggle to overcome his physical disability started in the jungles of Southeast Asia on June 14, 1969. His squad was on a search-and-destroy mission in an area believed to be booby-trapped with landmines. He saw a buddy go down under enemy fire.

71-059 O-87-31 (Pt. 8)

With no thought of his own safety, rather than search for protection, Mr. Wieland, a medic, rushed to the aid of his friend, fellow Wisconsinite Jerome D. Lubeno. In his struggle to reach the mortally wounded soldier, Mr. Wieland stepped on a mine which, in his own words, "blew my body one way and my legs the other."

Some say it was his superb physical training, his love of sports and his fanaticism in maintaining excellent health that gave him the strength to overcome what for so many would have been a completely disabling injury. He said he would not be hampered by his accident. He kept that pledge, and in keeping it, proved something else.

In his "Walk For Hunger," Mr. Wieland proved not only his superb body conditioning and strength, but he also proved the strength of his spirit.

The spirit Mr. Wieland has shown is but a flicker of the combined strength of character found in the tens of thousands of Americans disabled during the Vietnam war.

Mr. Wieland's heroic accomplishment is the definition of the selflessness of the American spirit. That he chose to dedicate this accomplishment to drawing the attention of his fellow countrymen to world hunger is a tribute to his personal selflessness.

Mr. President, I commend Mr. Wieland for his triumph, a triumph of body and a triumph of spirit. May his story serve to remind us all that life is precious, life is important, and life is meant to be shared.

Mr. Wieland has shared a great part of himself with all of us through his "Walk For Hunger."

Mr. President, I ask that the following articles from the Milwaukee Journal and Sentinel be inserted in the RECORD.

The articles follow:

2,784-MILE TREK

(By Richard Bradee)

WASHINGTON, D.C.—Doc finally made it Wednesday.

After crawling 2,784 miles across America, Doc—Bob Weiland, formerly of Milwaukee—reached Wall 22 West, Line 47 of the Vietnam Veterans' Memorial where he found the name of Sgt. Jerome Deane Lubeno of Trevor, Wis., the man he set out to save in Vietnam June 14, 1969.

Lt. James Sylvester of Seattle, Wash., the last man to see Doc when he had legs, was at the wall. So were Dennis Cooper of Miller, Mo., who picked up Doc and carried him to a helicopter, and David De Nayer of Hume, Mo., the point man on that search and destroy mission.

Doc's parents, William and Ida Wieland of 5200 S. Tuckaway Blvd., Greenfield, Wis., walked the last mile of his walk for hunger and listened as he told, once again, what happened on that day in Vietnam.

"I stepped on and detonated an 82-millimeter mortar. It set me flying in one direction and my legs in the other," Wieland said.

There are 30 or 35 names—Sylvester said he lost track of the casualties—on the Vietnam Veterans' wall commemorating the men from the company Wieland served as a combat medic.

His buddies thought Doc was dead, but Cooper said, "We better get Doc on the chopper, he might still be alive."

In Vietnam, Cooper remembered, Wieland took care of children who were wounded. The parents "thought it would be nice to give him rice—the rice had bugs floating on top of it but he'd eat it. If that wouldn't kill him, nothing can," Cooper said. "I guess nothing could."

After years of rehabilitation, during which he became a record-setting weight lifter, Wieland began his trip across America Sept. 8, 1982, seated on a harness, propelling himself with his hands. He calculated that he took 4,900,016 steps in a walk for hunger—about 61,000 steps were sponsored to raise about $300,000.

His mother said she worried about him, going across the country, but didn't doubt his determination.

"He was born that way, he seemed to have determination from an early age. As a 3-year-old, he had this desire to be a baseball player," she said.

He wanted to be in the major leagues and, by 1984, had reached top of semiprofessional baseball in Milwaukee. A left-handed pitcher, Wieland was rated the state's top professional prospect, according to his father.

At the memorial, there was a Marine color guard, a chaplain, a crowd of newsmen and dozens of people he'd met along the way.

"No one ever thought we'd get out of Los Angeles," Wieland said, describing the reaction of those he'd asked to sponsor "a guy with no legs who's going to walk across America on his hands."

Asked at the White House about another crosscountry walk, Wieland said, "We're not going to do any reruns."

MISSION COMPLETED

VET'S INSPIRATIONAL WALK BRINGS REAGAN TO TEARS

(By John W. Kole)

WASHINGTON, D.C.—Bob Wieland finished his "walk" across America at the Vietnam Veterans Memorial Wednesday and brought tears to the eyes of President Reagan while doing so.

As his parents, from Greenfield, Wis., watched from the grassy area near the Lincoln Memorial, Wieland made his way down the sloping walk, past the stark black granite slabs that contain the names of 58,000 Americans killed or missing in the Vietnam war.

Wieland, an Army medic during the war, had his legs blown off in June 1969 while trying to rescue another Wisconsin man, Jerome Lubeno, of Trevor in Kenosha County.

Wieland's goal was to walk across the United States from southern California to the granite panel containing Lubeno's name.

"It's been quite a journey," Wieland said as he neared his goal.

Long a physical fitness buff, Wieland spent years teaching himself to walk on his hands, using pads on his fists to propel his legless body. He recalled that the first time be completed a lap around a California gymnasium, "my muscles were so sore that I thought they all would fall off."

The often-interrupted journey started Sept. 8, 1982, at Knott's Berry Farms in southern California. In the three years, eight months and six days that followed, Wieland figures he took almost 5 million steps, about a yard from each one.

Wieland, 40, who moved to California because the climate was better for his therapy, praised Reagan in a private White House meeting at which tears came to the president's eyes. Wieland appealed for help in his "Walk for Hunger" campaign.

The walk raised about $300,000 in pledges for the cause, but that was far short of the $25 million goal an enthusiastic Wieland had set. He vowed to continue raising money by giving speeches around the U.S.

Throughout the trip, Wieland and his helpers would stay in homes along the way. He would give inspirational speeches to pay expenses. Some of the families who provides shelter came here to watch him finish his trip.

So did some of those who were with him when his legs were blown off. One colleague, who had not seen him since 1969, said Wieland "looks a lot better now than he did when we loaded him on that chopper.

Among those at the memorial to pay tribute to Wieland's achievement were Reps. Gerald Kleczka (D-Wis.) and Christopher Smith (R-N.J.), and Jan Scruggs, leader of the Vietnam Veterans of America.

In March, Reagan appointed Wieland to the National Council on Physical Fitness and Sports. George Allen, the former professional football coach who is chairman of the council, paid tribute to Wieland in a letter.

"Bob's determination and perseverance are an inspiration to me," Allen said. "I don't know of any feat ever attempted that shows more physical and emotional output than this Walk for Hunger."

Reviewing the journey, Wieland said the most inspirational act came near the beginning of the journey when a small boy in Cathedral City, Calif., gave him 21 pennies.

"That little boy demonstrated that the smallest deed done is greater than the best intentions," Wieland said.

"You're not handicapped," Smith told Wieland. "You've got it all going for you."

NATIONAL TOURISM WEEK, MAY 18-24, 1986

● Mr. INOUYE. Mr. President, for the third consecutive year Congress has designated the week beginning May 18, 1986, as National Tourism Week, and the President, has issued a proclamation accordingly. Inasmuch as the travel industry is our Nation's third largest and employes over 6 million men, women, and teenagers, it is most appropriate that the national theme for tourism week is "Tourism Works in America."

The goal of National Tourism Week is to make Government officials and consumers aware of just how important tourism is to the economic, social, and cultural welfare of the United States. This effort is headed by two very dedicated and outstanding tourism spokespersons for the Government and the industry—Donna Tuttle, Undersecretary of Commerce for Travel and Tourism; and Bill Edwards, president of AH&MA, and vice chairman of Hilton Hotels Corp. They are ably supported by the industry's National Tourism Week coalition and the

newly created, permanent industry National Tourism Week Office. This office is responsible for the overall coordination of industry-wide planning and observance of National Tourism Week. It was established by Travel Industry Association of America at the request of the following coalitions of the travel industry organizations: Air Transport Association; American Hotel & Motel Association; American Society of Travel Agents; National Tour Association; National Restaurant Association; Hotel Sales & Marketing Association International; Recreation Vehicle Industry Association; and Travel Industry Association of America.

Mr. President, this is just the latest in a series of substantial industry efforts over the past several years to impress upon the decisionmakers in Washington how important tourism is, and to form a partnership with the Federal Government to ensure that as a nation we capitalize on the industry's potential.

Even though the administration has once again recommended elimination of the modest but essential Federal tourism effort, I feel quite confident that Congress will once again insist that the U.S. Travel & Tourism Administration remain in business. And if we do, it will be another example of the Federal awareness which the travel industry is working so hard to achieve.

And so, as I have done on similar occasions in the past 2 years, I wish to suggest that during National Tourism Week we honor the millions of men, women, and teenagers who are the U.S. tourism industry.●

SHULTZ ASKS "MOST FAVORED SPENDING STATUS"

● Mr. HART. Mr. President, the administration incessantly decries Government spending, and suggests that all we need do to reduce the deficit is eliminate bloated bureaucracy. Yet, when it comes time to reduce spending, the first, loudest, and longest complaints are heard from the Secretaries of Defense and State, whose Departments have fared best among all agencies of Government these last 5 years.

This phenomenon—the demand for most favored spending status—was demonstrated again last week.

Secretary of State George Shultz demanded that foreign affairs funding be sharply increased, saying that a budget lower than that requested by the President would endanger Americans serving abroad. There are merits to the Secretary's argument; the tragic losses of military and foreign service personnel these past few years must not be allowed to happen again.

But Secretary Shultz is misdirecting his anger. By embracing Gramm-Rudman, this administration committed itself to a new budgetary regime: it can no longer campaign for national priorities without first finding the resources to pay for them. Yet, throughout the congressional budget process, which produced State Department funding levels the Secretary finds anathema, the administration stood on the sidelines: It refused to negotiate, refused to budge on revenues, and refused to find a middle ground on defense spending.

The distinguished chairman of the House Budget Committee, BILL GRAY, fashioned a Federal budget for 1987 that pleases few, but avoids the disastrous effects of across-the-board cuts otherwise required by Gramm-Rudman. The Secretary fails to recognize that his Department's budget fares better under the House or Senate-passed plans than under the Gramm-Rudman impoundment process.

As a recent editorial published by the Denver Post makes clear, Mr. Shultz should direct his appeals to the one man who can really make a difference: The President of the United States. I ask that this eloquent and forcefully written article be printed in the RECORD.

The article follows:

[From the Denver Post, May 14, 1986]

JUST BRING THE MONEY BY

Secretary of State George Shultz opened a fight with Congress last week over cuts in U.S. foreign aid and overseas security which have been tentatively approved in Congress. Shultz talked about "a tragedy for U.S. foreign policy and national security."

Shultz has received what seems to us to be exactly the right reply from Rep. William H. Gray III, chairman of the House Budget Committee and an occasional target of criticism from the Reagan White House on the subject of federal spending.

"You want more money, you tell your president to bring it by," Gray told Shultz, as the two men talked angrily about the fiscal state of affairs.

The Shultz blowup over the threatened State Department budget cuts illustrates what has been true of the blinded fiscal policies of the Reagan administration for too long now:

It is never the spending favored by the administration—always Pentagon appropriations and now State Department outlays—which can or should be reduced. It is always some other budget, usually in a domestic program.

The Reagan White House, while preaching thrift in government, has presided over spending policies that have doubled the total federal debt, which now is more than $2 trillion.

And as a former economics professor and a chief budget officer in the Nixon administration, Shultz knows that what Gray is saying is true. If the administration requires more overseas spending for important foreign aid and security programs, ". . . tell your president to bring it by." Whenever this administration asks for more money, it ought to say where it should come from.●

OUR GREATEST HERO OF THE 20TH CENTURY

● Mr. D'AMATO. Mr. President, I wish to reiterate my concern over the plight of Dr. Andrei Sakharov, an outspoken advocate of human rights and world peace who has been exiled by Soviet authorities to the closed city of Gorky since January 22, 1980. The Nobel citation, awarded him in 1975, cited Sakharov as a "spokesman for the conscience of mankind." Meanwhile, the Soviet Government has gone to extraordinary lengths to silence him. Despite constant harassment by the secret police, Sakharov continues to champion the cause of human rights as embodied in the Helsinki Final Act and the United Nations Universal Declaration on Human Rights.

Two years ago Jason Robards portrayed Andrei Sakharov in a moving film presentation of the Nobel laureate's struggle for freedom in the Soviet Union. An article by Mr. Robards appearing in the Washington Post provides a good description of Sakharov's travail.

Mr. President, I request that the text of this article be printed in the RECORD.

The article follows:

OUR GREATEST HERO OF THE 20TH CENTURY

(By Jason Robards)

Two years ago I played the role of Soviet human rights activist and Nobel Peace Prize laureate Andrei Sakharov. Glenda Jackson played the role of his wife, Dr. Yelena Bonner. We strained desperately to convey the feeling, the reality, the truth of the Sakharovs' experience as human rights activists and as political prisoners isolated in the closed and cold city of Gorky.

Through the whole process of studying for the part we felt an odd sort of detachment from the experience of Sakharov and Bonner, yet we pushed on.

Last week I was in Washington for the Helen Hayes Awards, special recognition of theater talent in the Washington area. During rehearsal on the afternoon of the awards, I learned that Dr. Bonner herself was in town for a meeting of the National Academy of Sciences and wanted to meet me. I, of course, said yes. She was to come to the awards ceremony.

Dr. Bonner arrived late from a meeting of the National Academy, where her husband was honored. She looked remarkably well for a woman who a few months earlier had undergone complicated surgery. I felt distraught and helpless that soon she would be returning to the Soviet Union with no guarantee of ever seeing her family here again.

She described to me the experience of her cab ride from the academy to the National Theatre. "As we were driving by the White House I had a strange, uneasy phantasmagoric feeling. I have just been to the National Academy of Sciences representing my husband, who was honored there, and now I am on the way to see a man who played the role of my husband, and at the same time, in the back of my mind I am packing my bags to return to the Soviet Union in less than a month. I wonder why I am not crazy."

Academician Sakharov, wherever he is, will celebrate his 65th birthday on May 21. Members of Congress have asked the president to proclaim that a day in honor of Sakharov, to be marked by "appropriate ceremonies and activities." To me, such a celebration—and it must be called a celebration, if we are to bring moral witness to Sakharov's great achievements—will be in part bizarre and in part harsh, cruel and real.

From Sakharov's writings I have learned that he believes that the world can be preserved only with the coexistence of peace and the rights of the individual, essentially what we in the West and so many brave souls in many places the world over call human rights. One of Sakharov's greatest achievements was persuading the Soviet government to sign the 1963 Moscow Treaty, which banned nuclear weapons testing in the atmosphere, in outer space and under water.

While many refer to Sakharov as the father of the Soviet hydrogen bomb, we forget to mention his ideas and efforts on the use of energy for peaceful purposes. He undertook this important work *before* he became a dissident and a spokesman for human rights. His first serious nonscientific work that became known in the West was called "Thoughts on Progress, Peaceful Coexistence and Intellectual Freedom" (1968). By the time of his Nobel Peace Prize lecture, which his wife delivered in Oslo in 1975, his views on human rights were crystallized.

While we as Americans are going to celebrate the 100th anniversary of the Statue of Liberty, we should call to mind Thomas Paine's response to Thomas Jefferson. Said Jefferson: "Where freedom is, there is my country." Paine replied: "Where freedom is not, there is my country."

Any celebration of Dr. Andrei Sakharov's birthday is bound to give rise to our worst fears—and our best hopes. But it must also be a time for us to commemorate with living testimony our greatest hero of the 20th century.

Mr. D'AMATO. Mr. President, as chairman of the Commission on Security and Cooperation in Europe, I can attest to the fact that Sakharov has indeed become a hero, not by choice, but circumstance. Sakharov has not sought attention. The only thing that he has sought are the rights and freedoms we so often take for granted. Rights included in the Helsinki Final Act, freely agreed to by the leaders of the Soviet Union, and promised thereby to the people of the Soviet Union.

As President Thomas Jefferson noted, "The will of the people is the only legitimate foundation of any government." Unfortunately, the Communist Party of the Soviet Union has chained and gagged the will of the Soviet people, while denying the possibility of its existence. Such actions not only raise serious questions regarding the Soviet Government's legitimacy, but also serve to drive them further outside of the community of civilized nations.

Mr. President, I encourage other Members of the Senate to join me in speaking out on behalf of those, like Sakharov, who seek to realize in their own countries those inalienable rights we exercise and cherish, but which remain only a tragically denied potential for human greatness in those nations behind the Iron Curtain.●

AMERICAN PATRIOTISM

● Mr. QUAYLE. Mr. President, today I would like to honor a constituent who exemplifies the very meaning of the word "patriotism." Michael Haverly is an 8-year-old from Shelby County, IN, who for the last 3 years has worked hard raising money to repair the Statue of Liberty.

The son of Robert and Connie Haverly, Michael first became concerned about the fate of the Statue of Liberty when his mother read him a fundraising letter from the Liberty Foundation. Since that time, the second-grader at Trinton Elementary School has raised well over $6,400 and has been honored for his efforts by President Reagan during a Rose Garden ceremony on October 28, 1985.

Later this year, Michael will take part in the Liberty Weekend festivities. He will be on the NBC-TV morning program, "Today," on July 4, and he will also be featured in a CBS-TV spot, "American Portrait," marking the statue's 100th birthday.

Michael, who has undergone numerous operations for multiple physical birth defects, is a prime example of a true American who has real pride in his country and its symbols of freedom. All Americans should take a cue from Michael and his unselfish dedication to repairing the Statue of Liberty. He says that, once completed, "her spirit will smile."

Today I would also like to share a letter dictated by Michael that he asked me to share with my colleagues:

DEAR SENATE PEOPLE: I know the times are rough, but I have run out of ideas, so I decided to write you.

Fixing our Statue of Liberty up has not been going so good. We need more money.

A long time ago she was shiny and pretty. Now she has rust coming down her neck and her arm is weak, and handicapped people in wheelchairs can't get in to see her.

If we don't fix her, people will think we don't care about our country.

You should be proud to be an American, so please donate as much as you possibly can. I don't care if its a dollar or a thousand, and you can send it to me or the Statue people who are fixing it, like Sharyn Kay [a Liberty Foundation worker]. She is real nice.

And, can you please see if the children in Africa can get the food.

Thank you,

MICHAEL.

On the bottom of the letter, Michael has drawn a picture of the Statue of Liberty.

Mr. President, all of us in Indiana are very proud of our patriotic young Hoosier, and I know my colleagues join me in wishing Michael success in the final stretch before the statue is unveiled in July. I think I speak for all of us when I also thank Michael for reminding us that we can and should be proud to be Americans.●

WINNERS AND LOSERS OF TAX REFORM

● Mr. DURENBERGER. Mr. President, since the Finance Committee reported out sweeping tax reform legislation on May 7, Americans have been busy trying to determine how this bill will affect their personal and business tax liabilities, whether they will be one of the "winners" or one of the "losers." Since May 7, I have discussed with industry representatives and with my constituents their specific concerns. I have also read with great interest numerous explanations of the impact of the Finance Committee bill on the U.S. economy. At this time, I would like to share with my colleagues one article I found to be particularly straightforward and objective. I urge those who have not yet done so to read the article which appeared in the May 26, 1986, edition of Business Week entitled, "The Winners and Losers of Tax Reform."

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

The article follows:

THE WINNERS AND LOSERS OF TAX REFORM

The U.S. stands on the brink of a fundamental overhaul of its tax system. To the surprise of almost everyone, the tax bill now awaiting action in the Senate does much of what the reformers hoped to accomplish when President Reagan first proposed comprehensive tax revision in 1984. While a final bill is months away, it looks as though the U.S. will end 1986 with a shiny new tax code that will encourage investment for economic reasons, rather than tax advantages, as well as provide many individuals with more money to spend or save. By narrowing differences in how industries and individuals are taxed, this system would also be more equitable and efficient.

In the short run, some economists fear that the new plan could have a wrenching effect on investment by raising corporate taxes by $100 billion over the next five years. But the transfer of that amount to individuals would largely offset the impact on the economy by fueling consumption. Investment would then be driven by the growth of markets rather than tax breaks. In addition, new constraints on consumer borrowing could lower interest rates, and that would eventually make more investment projects profitable.

POLITICAL MOMENTUM

Still, the bill approved by the Senate Finance Committee on May 7 could create real difficulties. If enacted, it would cause short-term confusion throughout the economy as businesses and individuals adjust to the new system. It threatens to wreck much of the commercial real estate industry, which already is in serious trouble (page 118), and it may radically change the way individuals save and invest. At the same time, it would wean individual taxpayers and companies away from their addiction to tax writeoffs and economically useless shelters and make the allocation of capital among industries more rational.

How does all this sort out for the taxpayer? There is no neat answer for everybody, but one thing is clear: If you pay a high effective tax rate today, you'll love the Finance Committee's version of reform. If you use lots of deductions and shelters to keep your rates low you'll hate it.

"The basic fact is that a trade-off of tax preferences for low rates is good for the economy in the long run," says David A. Berenson, director of tax policy at Ernst & Whinney. "There may be economic dislocations in achieving that, there will be winners and losers, but the macro effect is going to be good."

Because of the political momentum now building for a tax overhaul, the final version of reform is likely to look a lot like the Senate Finance bill, which sharply lowers both individual and corporate tax rates. But there could be changes. The repeal of the preferential treatment for capital gains, the curbs on individual retirement accounts (page 119), and the denial of deductions for sales taxes may face challenges, both on the Senate floor and in the eventual House-Senate conference committee.

In addition, there are key differences between the bill passed by the House last December and the Finance plan. The House measure makes relatively modest changes in individual taxation while greatly altering the treatment of business. It drops the top individual rate to only 38% and pays for most of the cuts by paring corporate deductions.

The Packwood bill takes a very different tack, making radical changes in individual taxation but qualitatively modest shifts in business taxes. It cuts the top individual rate nearly in half, to 27%, but pays for that by eliminating dozens of individual tax breaks. Corporate rates would be cut to 33% from 46%, financed mostly by curbs on corporate write-offs.

The Finance bill does not raise those taxes across the board. Instead, it creates crosscurrents of winners and losers, in some cases both giving to and taking away from the same companies.

SLEDGEHAMMER

The tax shelter industry, including most real-estate syndicators, probably hates the bill the most. It would prohibit taxpayers from using losses generated by limited partnerships to shelter other income, effectively locking out a prime source of real estate investment funds. In addition, lower rates make all tax preferences less valuable. And owners of commercial property would face far slower depreciation write-offs. "This is really a sledgehammer on real estate," declares J. Gregory Ballentine of Peat, Marwick, Mitchell & Co. The natural-resources-oriented Finance Committee could not restrain an urge to protect oil and gas shelters. But those write-offs, too, could be dumped before Congress is through with the package.

Other businesses, including established computer manufacturers, retailers, and wholesalers, stand to be big winners. Executives in these industries are delighted at the prospect of sharply lower tax rates. The Finance bill "really contains all the elements of tax reform that we've been campaigning for for years," says Larry R. Langdon, director of taxes for Hewlett-Packard Co. "It's as if someone here wrote it."

Computer startups, as well as other new ventures, may not fare as well. The proposed taxation of capital gains as ordinary income could discourage individuals from investing in speculative businesses. "It's a disaster for long-term investing," complains Reid W. Dennis, a general partner at Institutional Venture Partners in Menlo Park, Calif.

Although corporations would continue to enjoy a modest capital gains differential, the shift in investment decisions by both individuals and businesses could prove to be among the most far-reaching effects of the Finance bill. "It's going to have some dampening effect on risk-taking," says Byrle M. Abbin, director of federal tax services at Arthur Andersen & Co. "If the [tax] rates are the same, the more conservative investor will say, 'Why should I even bother?' "

But like many of the bill's provisions, the capital gains change has its sweet side. While long-term capital gains rates would increase from a 20% maximum under current law to 27%—the same top rate as ordinary income—the six-month holding period now required to qualify for preferential treatment would disappear. Thus, investors would enjoy a big tax cut for short-term capital gains, which are now taxed at up to 50%. "That's got to be wonderful for Wall Street trading," says John H. Makin of the American Enterprise Institute.

The effect of the bill on autos is tougher to gauge. Auto makers are unhappy about the potential loss of the investment tax credit and the curb on their customers' interest deductions. But they are elated over the proposed $100 billion tax cut for individuals. "Every car buyer would have a maximum 27% tax rate, which means more bucks to buy a car with," says Gerald Greenwald, chairman of Chrysler Motors Corp.

Capital goods manufacturers, and even some companies in the computer industry, may suffer an opposite effect. While the net impact on their taxes may be no worse than a wash, companies may find that their business customers, who could face higher taxes, may be reluctant to make big-ticket purchases. Over the long term, the Packwood bill should have little effect on capital cost recovery. The new depreciation schedules for equipment were designed so that faster write-offs would largely make up for the loss of the investment tax credit over the three- or five-year depreciation period.

FINE PRINT

The Finance bill, says Yolanda K. Henderson, an economist at the Federal Reserve Bank of Boston, "makes for greater efficiency in the allocation of capital. The new bill raises the cost of capital, particularly for debt-financed investment. But it would lower the cost of equity financing, as well as for land and inventories." For business borrowers, the reduction in the corporate tax rate to 33% from 46% sharply lowers the value of their interest deductions. Conversely, the profits on equity are taxed at lower top rates at the corporate level and when distributed as dividends, which should make equity financing cheaper.

Other aspects of this bill may jolt both individuals and corporations as they check the fine print. Many analysts believe that the end to the deductibility of sales taxes, restrictions on tax-exempt bonds, and the likelihood that states will follow Washington in eliminating deductions without making comparable rate cuts will result in higher state and local income taxes.

In fact, the Finance bill itself produces a federal tax increase for 1987. Taxpayers will lose many deductions starting next Jan. 1, but the rate cuts are not scheduled to begin until six months later. "A lot of people who get a rate cut in later years will get a rate increase next year," predicts Gillian M. Spooner, a partner in Touche Ross & Co.

The timing issue is a major concern to Lawrence Chimerine of Chase Economics, at least for the short term. "The stimulation to consumption will phase in slowly, whereas you'll see a sharp, quick cutback in investment projects due to the elimination of the ITC," says Chimerine. The stort-term effects on investment also trouble Robert G. Dederick of Northern Trust Corp., but the former Commerce Dept. official notes: "The structural changes may well encourage more productive kinds of investment."

In addition, some economists worry that the Finance bill is too good to be true and that it could result in the same kind of huge revenue loss that the 1981 tax reduction did. For example, the repeal of the investment tax credit raises a lot of money over the next couple of years, but faster depreciation write-offs will be costly in the future. Similarly, the tax shelter provisions are expected to raise considerable revenue at first, but that could dry up as individuals find creative new ways to shelter their income. "This bill is nowhere near revenue-neutral. In later years it's going to be a hemorrhage," predicts Lee J. Seidler, a managing director at Bear, Sterns & Co.

Despite its problems, the Finance plan is a far better starting point for tax revision than most businesses ever expected. From the beginning of the reform debate, proponents have argued the need for a "level playing field." If the Finance bill doesn't exactly smooth the landscape, at least it's demolished most of the hills.—*By Howard Gleckman in Washington, with Joan Berger, Elizabeth Ehrlich, and Norman Jonas in New York, and bureau reports.*

DON'T CRY FOR THE ACCOUNTANTS

"My first reaction was that they're taking away my livelihood," says an Oregon CPA who just left a national accounting firm to set up his own tax practice. "But I don't think the new tax bill will make things all that simple."

Don't cry for the accountants. Or the tax lawyers. Or the publishers such as Commerce Clearing House Inc. and Prentice-Hall Inc. that produce thousands of pages on taxes every year. Although tax brackets would shrink from 14 to 2 for individuals and most deductions would be eliminated, the proposal creates enough complexity for business taxes to keep the army of tax people gainfully employed through the millennium. "The new alternative minimum-tax provision alone will provide an automatic annuity for the CPA profession," says Lee J. Seidler, a Bear, Stearns & Co. partner and former Price Waterhouse accountant.

MASS CONFUSION

There has never been an income-tax change that actually shrank the number of rules and regulations. This one, despite its billing, is no exception. Tax experts say that the Internal Revenue Code will actually grow from 1,700 to about 2,000 pages, and there will be mass confusion as businesses convert to the new system. "I'll bet there are a lot of corporations calling their accountants right now asking how they can get rid of their tax credits," says Arthur W. Bowman, editor of Public Accounting Report. "Business transactions are still complicated as hell," says Albert B. Ellentuck, national tax partner at Laventhol & Horwath.

To make sure those deals are reported properly, the bill boosts the annual IRS

budget from $4 billion to $6.5 billion over the next five years. And the plan drops 6 million low-income people from the tax rolls. So the government will have more resources to put the squeeze on fewer taxpayers, mostly businesses and wealthy individuals. Since 1966, the percentage of returns audited has slipped from 5% to 1.3%. The government hopes to reverse that trend, which will keep CPAs busy representing the increased number of clients doing battle with the IRS.

NO MORE SHOE BOXES?

True, the small, "boutique" CPA firms that specialize in analyzing aggressive tax shelters will have to diversify. "A client who has a seven-figure income will be less apt to shelter when the rate tops out at 27%," says Stuart Becker, a New York accountant with a cadre of clients in the entertainment field. "And that will hurt my business. But we're trying to expand our practice into personal financial planning and deemphasize the tax-oriented investment."

The hardest hit will be storefront income-tax offices and mass-production houses such as H&R Block Inc. that cater to the average wage earner. Block's stock price has fallen from 45 to 40 since the plan was announced. Company officials say that it is a "great misconception" that reducing the number to tax brackets or deductions will radically simplify the preparation of tax returns. But, if nothing else, people who would have otherwise taken their shoe boxes full of receipts to Block may think twice: The fee is no longer tax-deductible.—*By Stuart Weiss in New York, with Vicky Cahan in Washington and Mark Ivey in Denver.*

REAL ESTATE: SO LONG, SYNDICATORS

It's optimistic and incorrigibly self-promoting, but one thing the real estate industry has never been is speechless. Until now. The tax-reform plan of Senate Finance Committee Chairman Bob Packwood (R-Ore.) has most builders, developers, and syndicators shellshocked. Some deals are being hurried, others scotched, and many are suddenly in limbo. "There is a tremendous amount of confusion and uncertainty. It's very chaotic and frightening to a lot of people," says Stephen Roulac, an industry consultant in San Francisco.

As the industry sifts through the peoposed changes, one thing seems clear: If it is passed intact, Packwood's bill will bludgeon an industry that is already bably bruised. How widespread the damage would be is impossible to calculate, but extraordinary overbuilding in the commercial market has made the industry less equipped to adjust to new rules than at any time in decades.

National vacancy rates for office buildings already have reached a debilitating 20.5%. But commerical space of all sorts now under construction—equal to a quarter of the space that already exists—will push them even higher, according to economist Robert A. Gough of Data Resources Inc. This massive overbuilding, predicts Chicago real estate mogul Samuel Zell, will create losses totaling $60 billion to $80 billion—and that's without considering the tax bill's effects. "There's going to be a lot of blood let," says Laventhol & Horwath partner Michael Amenta.

The $12 billion real estate syndication industry will start bleeding first. Because the bill phases out investors' ability to apply paper losses from real estate against their other income, sponsors may try to combine existing loss-generating deals with income-producing partnerships. That way, the losses wouldn't go entirely to waste. Still, as many as 40% of the country's syndicators—primarily small, private sponsors who devise aggressive tax shelters—could be badly hurt, according to Stanley Ross of accountants Kenneth Leventhal & Co.

"The ones who didn't diversify are going to be in real trouble" because they must continue to syndicate to survive, he says. Believing that even large, diversified sponsors will get stung, Wall Street drove syndicator Integrated Resources Inc.'s stock price down nearly 10 points, to 26¾, in a few days.

Public limited partnerships usually rely less on tax benefits, though the elimination of the 20% capital-gains rate and a longer depreciation schedule will trim their yields. Their sponsors would suffer mainly because the bill limits the deductibility of individual retirement accounts, a prime sales outlet lately.

RADICAL SURGERY

By striking a lethal blow at "abusive" tax shelters with outsize write-offs, the bill hits a choice target. But the fallout will include plummeting commerical property prices, reduced development, and an industry driven by drastically altered incentives. For years, a property's yield has consisted of cash flow from rents, price appreciation, and tax benefits. In knocking out the third leg, the bill completely changes the U.S. real estate market. And not all for the worse. "In the long run buildings will be built because they make sense, and I'm glad to see it," says one large developer.

The silver lining is that demand will have a chance to catch up with supply, says Arthur J. Mirante II, president and CEO of Cushman & Wakefield Inc. But first, commerical property values will fall because, without as many syndicators, there will be fewer buyers. Lower yields will discourage others and drive remaining buyers to lower their bids. "Any property that was valued primarily on the basis of tax benefits will have a material drop in value, perhaps as much as 20%," says Leventhal's Ross.

Texas would have to be declared a real-estate disaster area. Demand for distressed properties would dry up, because tax benefits offer the only persuasive argument for owning buildings that lack a solid cash flow. The real estate debacle could quickly explode into a banking problem. "It has the potential to be very severe," says a banking expert.

Meanwhile, the value of so-called institutional-grade properties with strong cash flows will probably hold up fairly well. Their owners, such as insurance companies and tax-exempt pension funds, have the money and patient to wait out bad times.

New construction, however, will slow dramatically. Already, "the flow of capital has come to a screeching halt," says J. McDonald Williams, managing partner of developer Trammell Crow Co. He says hundreds of development deals are floundering since Packwood's bill was born. While that halt is solely needed in the office-building market, it means many developers and construction workers will be idled.

Eventually, dwindling construction will allow landlords to raise rents some-what, but rents would have to soar before construction begins anew. Says Trammell Crow's Williams: "To get the same net after-tax returns, you'd have to have a 35% increase in rents."

That goes for apartment buildings, too, but single-family homeowners can breathe easy. Most observers believe that those property values will go unscathed. Though a 27% tax rate makes mortgage interest and property-tax deductions less valuable to top-bracket taxpayers, such deductions will be among the few that survive. Chief Executive Michael A. Feiner of MDC Holdings Inc., the third-largest homebuilder, believes that lower interest rates and new stock and bond market wealth will fuel strong housing markets for at least six more months, tax bill or no.

The rest of the industry is anything but blasé. Once real estate regains its voice, you can depend on one thing about Packwood's bill: Congress will never hear the end of it.—*By Ellyn E. Spragins in New York.*

WHY THERE'S NO UPROAR OVER IRAS

Only a month ago, banks, thrifts, and financial service companies pitched individual retirement accounts to millions of taxpayers with an unprecedented barrage of full-page ads, junk mail, and phone calls. Banks and thrifts stayed open until midnight, and workers for some mutual fund companies catnapped at their desks to keep the phones working around the clock. By most counts, the campaigns paid off. Taxpayers added about $40 billion in IRA assets this year, raising the nation's IRA pool to more than $250 billion.

But the tax reform plan approved by the Senate Finance Committee would eliminate the tax deduction for IRA contributions for people covered by pension plans—a move that has already brought individual protests to Capital Hill. Ironically, many companies that pursued IRAs as though their survival depended on them are barely protesting the loss of this potentially enormous business. "You have to look at the big picture," says Rupert H. Johnson Jr., senior vice-president of Franklin Resources, a $22 billion mutual fund giant. "Here's a onetime shot at overhauling the tax system, and you have to consider the benefit for the country as a whole."

HARDLY ALTRUISTIC

Johnson's altruism aside, most financial service companies stand to gain handsomely from the new tax-reform proposal, and that's why protests are only perfunctory. The dramatic slashing of tax rates will more than make up for the loss of the broadly based IRA. Brokerage firms and mutual fund companies pay high taxes, and cutting their top rates will boost profits enormously. Under the new bill, Dreyfus Corp. would clear $7.50 a share next year instead of a projected $6.30, and Franklin's 1987 bottom line could improve from $3 to $3.75 a share, according to John Keefe, financial services analyst for Drexel Burnham Lambert Inc. Stock in Dreyfus and Franklin Resources declined since the tax plan was announced, but those companies' shares had been dropping since February.

Since the new bill allows earnings of existing IRAs and new nondeductible contributions to be tax-deferred, the industry will still push IRAs. Vanguard Group, a mutual fund giant, plans to shift its IRA sales strategy from promoting the tax deduction to highlighting the tax-deferral provision.

In addition, the business the financial service companies lose from managing IRAs could be picked up elsewhere—with interest. Lower taxes for individuals will leave them more dollars to save and invest. And since the new tax proposal quashes many tax-sheltered limited partnerships, more of those dollars are sure to end up in stocks, bonds, mutual funds, and life insurance products such as tax-deferred annuities.

Tax-exempt bonds, an enormous business for Wall Street brokerage houses and mutual funds, should be a likely beneficiary of money that otherwise would have gone into IRAs. "You'll see some securities-industry lobbying for IRAs," says Perrin H. Long, securities industry analyst for Lipper Analytical Securities Corp., "but it won't be very hard."

Banks, with 27% of the IRA funds, and thrift institutions, with 22%, could be expected to rally round this valuable source of deposits. Yet industry leaders praise the overall tax package for preserving favorable treatment for loan-loss reserves and lowering tax rates for individuals far more than they bemoan the loss of the IRAs. "Frankly, none of us ever made money on the IRAs because of the intense competition," confides a New York City banker. Since banks and thrifts pay at least the market interest rate on IRAs, they shouldn't have difficulty replacing those deposits.

LEARNING TO LOVE

Some mutual fund operators are fighting the IRA tax changes. Fidelity Investments, for one, has sent letters to all its customers urging them to write to their senators and congressmen. The Investment Company Institute, the funds' trade association, has launched a major public relations campaign urging taxpayers to do the same.

The biggest problem with defending the IRA, admit its supporters, is a lack of strong evidence that IRAs actually increase national savings. In fact, the savings rate dropped from 6.7% to 4.6% since the introduction of universal IRAs in 1982. David A. Wise, a Harvard University economist, argues that half the IRA contributions is money that otherwise would have been spent, but this view is not widely shared.

The ordinary folks who've grown fond of the IRA as an easy way to shelter $2,000 of income may not give up on IRAs as easily as the industry. If constituents howl loudly enough when their legislators return home for the Memorial Day break, they could force Congress into preserving the deduction in some form. But so far there's been no groundswell of taxpayer protest. It may be that the general public has already learned to love the Packwood package.—*By Jeffrey M. Laderman in New York, with bureau reports.*●

JERRY SCHALLER

● Mr. DURENBERGER. Mr. President, with the other members of the Minnesota delegation and many others in our State and Nation, I have recently mourned the passing of a talented and compassionate man, Jerry Schaller. Many of us knew Jerry Schaller through his professional activities, his work on Capitol Hill as an aide to Congressman Karth, Senator Humphrey, and Senator Mondale. We also knew him through his work for the Minnesota-based 3M Corp. and his presidency of Joint Action in Community Service, Inc. [JACS], an innovative organization devoted to assisting graduates of the Job Corps Program to carry out what they have learned.

However, it is important for all of us who knew and respected Jerry, and he was well known and certainly respected in this town, to look at the personal side of Jerry's life, to understand the energy and commitment that fueled his efforts in his professional life. At Jerry's funeral mass in late March a eulogy was delivered by his friend and colleague, George Spellman, one of Jerry's coworkers at JACS, which I would like to share with all of you. It takes us a step closer to realizing what a great friend we had among us. I ask that following my statement the Spellman eulogy be printed in full.

The statement follows:

EULOGY

Reverend Father Byron, reverend fathers, relatives, distinguished guests, and friends of Jerry Schaller.

When thinking about preparing a eulogy for Jerry Schaller, one must begin by thinking clearly about Jerry and his relationships to organizations and to people. By knowing what Jerry did—can lead us to discover who he was. And as we all know, he did so many things for so many people in the short period of his sixty years.

His litany of organizations included political, charitable, business, educational and professional groups. It was not that Jerry was a "joiner," for he spent a great deal of energy deciding which associations were worthwhile of his time and talents, his gifts, and graces, but it was because he believed in organizations and institutions with noble objectives.

Primarily, Jerry was a very good politician. He loved working "the Hill." He knew that wonderful things could be achieved by the political process and spent most of his adulthood in this arena. He was a very proud Democrat and worked zealously on behalf of his party on both the State and national levels. He served Congressman Karth and both Senators Humphrey and Mondale with distinction.

Jerry was a professional Washington representative of the 3M Co. Not only was he a proud member of the corporate team, he was a founding board member of the Bryce Harlowe Foundation which seeks to promote standards of excellence in lobbying activities.

While at 3M, many of us received the ditty box at Christmas, just in time to use the 3M tapes on our Christmas wrappings—a very thoughtful and practical gift. And although Jerry was a part of 3M management, he remembered being raised in the labor movement and always believed that organized labor played a vital part in our economy to promote free enterprise. What other person do you know who read the great social encyclicals—rerun novarum, quadragesimo anno and pacem in terris?

Jerry spent a lot of time doing things he enjoyed. He loved his flowers and garden; he enjoyed playing golf and strolling down the fairways of the Argyle Country Club. He couldn't hit the ball very far but truly enjoyed winning a $2 Nassau with a very fine putter. He was an avid Redskin fan and loved to attend those brisk Sunday afternoon games which reminded him of Minnesota. One of his favorite activities was talking and debating—once when he had his throat operated on a few years ago, his worse punishment was not being able to talk for a week. All of us welcomed the break. Have mercy on us.

The finest part of his character shone clearly forth as the volunteer president of Joint Action in Community Service [JACS]. JACS helps young people after their job corps training. Jerry wanted to be part of this volunteer program and always talked about JACS and the Job Corps. He served admirably for the past twelve years. That was Jerry Schaller—always helping and caring—getting someone a job; giving money; getting money for worthwhile causes; understanding the relationship between philantrophy and voluntarism. He had a consummate sense of justice and knew that charity could only be practiced after justice was served. He was involved in helping the marginal populations; he cared about race relations; he worked quietly in the women's movement and had a very special place in his heart for the poor and the underprivileged. He believed everybody should have a second chance in our society no matter what their social status. He was so recognized by his alma mater St. Thomas in 1982 as the recipient of their humanitarian award.

Finally, Jerry was a good husband and father and grandfather. With those he loved, he had very high expectations of them and of himself. Oh, there were times when he would yell and give commands. Yet he always made time for those he loved and those who needed him. His good humor and quick smile added to that relationship.

So, when thinking about Jerry and his relationships to organizations and people, we come to placing all his activities within the context of his deep abiding faith in his God and in his church. He was truly a Vatican II Christian.

Over the past several years, Jerry would make his Easter retreat to Loyola on the Potomac to spend a few days in prayer and meditation in preparation for Easter. In fact, today is the day his colleagues would leave for Loyola to pray. Jerry believed in the resurrection and now has experienced the promise of Christ. His life has not ended: It has been changed.

You have taught us much, Jerry Schaller, and we thank you. It is my fervent wish that we will continue to live a life of caring which you showed us how to live.—George F. Spellman, executive vice president, JACS.●

IN REMEMBRANCE OF TERRY REILLY

● Mr. DURENBERGER. Mr. President, I would like to bring to my colleagues' attention an individual who I had the good fortune to know, albeit briefly, and his significant contributions to improving rural health care in this country. Terry Reilly, of Nampa, ID, was tragically killed in a plane crash a few weeks ago. He was traveling throughout the State, campaigning for lieutenant governor, when his plane went down.

Terry testified at a rural health hearing I held in Minneapolis early in April. He impressed me there as an intelligent, caring, and dedicated individual.

Running for lieutenant governor of Idaho was only the most recent example of Terry's commitment to public service. He also made many worthwhile contributions to rural Idaho that deserve mention, Mr. President.

Since 1971, Terry had been the administrator of Community Health Clinics, Inc., in Nampa, ID, a nonprofit

health corporation that operates five family practice medical clinics throughout the State and also is involved with a home health agency, a rural consortium of mountain clinics, a drug store, and two sexual abuse treatment centers. I explain this, Mr. President, to illustrate the fact that through Terry's leadership, Community Health Clinics, Inc., furthered its commitment to providing rural health care in communities where no other health care exists, in a State that has only one city with a population over 50,000.

Terry was also a leader in focusing national attention on rural health care. He offered his experience and expertise to the National Rural Health Care Association, as a founding member and past president of that organization.

Mr. President, Terry Reilly will, of course, be missed very much by his family and friends. His death is also a significant loss to those who have been the beneficiaries of his leadership in rural health care, both in Idaho and throughout our country.●

NAUM AND INNA MEIMAN: 10 YEARS OF STRAIN

● Mr. SIMON. Mr. President, Naum and Inna Meiman are personal friends of mine who reside in the Soviet Union. They have asked to leave the Soviet Union to emigrate to Israel, but they have been refused many times.

Naum is a mathematician by profession and performed calculations for his job 25 years ago. Despite the fact that these calculations are outdated, Naum continues to be told that he possesses state secrets, a ridiculous claim. Inna has been told that she cannot leave to obtain medical treatment because she has lived with Naum, the possessor of state secrets for too long. Naum and Inna have been married for 5 years, 20 years after Naum did his calculations.

The Meimans are an elderly, sick couple whose only desires are to emigrate to Israel and to see their daughter, Olga, who lives in the West.

I strongly urge the Soviets to allow the Meimans to emigrate to Israel.●

HIGHWAY BEAUTIFICATION

● Mr. GORTON. Mr. President, last July I introduced S. 1494, a bill which would amend the 1965 Highway Beautification Act to make it at last an effective mechanism for regulating billboards. Twenty-one years after the enactment of the original act, the visual pollution alongside our Nation's highways has grown steadily worse. State and Federal taxpayers have spent $2 million thus far to be rid of this roadside pollution. All we have gained is an increase in the number of billboards to the point where we have 14 billboards for every 10 miles of Federal highway, and over 150,000 of those billboards are illegal or nonconforming.

I am happy to report that the battle to reform our billboard laws is not being fought by an unusual and broad-based coalition including, the Reagan administration, the Sierra Club, the National Wildlife Federation, the National Audubon Society, the American Institute of Architects, the National Taxpayers Union, the National League of Cities, the American Society of Landscape Architects, the Environmental Defense Fund, the Environmental Policy Institute, the Garden Clubs of America, the Izaak Walton League, the National Parks and Conservation Association, the National Trust for Historic Preservation, the Natural Resources Defense Council, Preservation Action, and the Wilderness Society.

In a recent letter, the Secretary of Transportation, Elizabeth Dole, strongly endorsed the reforms contained in S. 1494 and stated that she "wholeheartedly agrees that the current law is unworkable and in great need of change." Secretary Dole's strong support is indicative of the sentiment across the country that now is the time to make these billboard reforms the law.

Mr. President, I am including a copy of the letter from Secretary Dole which I respectfully request be printed in its entirety in the RECORD after my statement.

S. 1494 will change the present law in several ways. First, the bill would replace a moratorium on the construction of new billboards in urban areas, similar to the present ban on constructing billboards in rural areas. The ban would not apply to the types of signs that are presently exempted in the act, such as directional signs, or on-premise advertising. The bill would also eliminate an enormous loophole that permits billboards to be built in rural unzoned commercial or industrial areas, despite the clear intent of the act to ban the construction of new billboards in rural areas.

The billboard industry has enjoyed the unusual position, as polluters of the Nation's highways, of being paid not to pollute. A 1978 amendment sponsored by the billboard industry requires billboard owners to be compensated in cash for the removal of billboards that are nonconforming because of the act. The General Accounting Office found that often billboard owners do not actually remove the billboards for which compensation has been paid. Additionally, the billboards proposed for compensation are ones that have ceased to be valuable to the billboard owner because of changes in the highway system, and likely would have been abandoned anyway.

This subsidy of the industry is particularly egregious in these times of severe budgetary constraints. S. 1494 will remove the requirement to compensate in cash for the removal of nonconforming signs and will authorize the use of amortization as a means of compensation. The General Accounting Office has estimated that the financial liability for the cash compensation provision could total nearly $1 billion. Additionally, removal of this requirement will return to State and local governments the ability to impose stricter regulations on billboards than they are presently able to.

This Nation spends hundreds of millions of dollars every year to protect natural and scenic areas for their wildlife, recreation, scenic, and other natural resource qualities. We clean up polluted water and air and control obtrusive noise. Yet, billboards remain a virtually unchecked blight on the Nation's highways. I am optimistic that—with the backing of this dedicated coalition—we have a good chance of finally winning the battle against billboards.

The letter follows:

THE SECRETARY OF TRANSPORTATION,
Washington, DC, April 11, 1986.

Hon. SLADE GORTON,
U.S. Senate, Washington, DC.

DEAR SLADE: Thank you for your letter concerning reforms to the Highway Beautification Act. I agree with you wholeheartedly that the current law is unworkable and in great need of change.

When I testified before the Senate Committee on Environment and Public works on March 6, I emphasized the importance of reforming the highway beautification program. We must end the federal compensation requirement and allow state amortization laws to control. We must reduce the cost of the program to taxpayers. We must tighten limitations on construction of new billboards in rural areas, where billboards intrude upon natural beauty. Equally important, we must end inappropriate interference with state and local zoning laws and billboard removal programs. We must simplify the program's administration.

The Department supports your efforts to gain enactment of these provisions, as well as other provisions consistent with our approach. Your efforts are even more important in light of changes considered by the House last year which would place additional financial burdens on taxpayers and perpetuate the current unworkable program which adds little to scenic beauty.

I look forward to working with you and other members of the Senate who understand the high cost and small benefit of continuing the current highway beautification program to gain inclusion of mutually acceptable provisions in the Senate's highway bill.

The Office of Management and Budget advises that there is no objection to the submission of these views to the Congress.

With best wishes.

Sincerely,

ELIZABETH HANFORD DOLE.●

● Mr. EVANS. Mr. President, the Highway Beautification Act of 1965, launched with great fanfare and hope

to rid the American highway landscape of billboard blight has become instead a Billboard Protection Act. Drilled full of holes by the billboard industry, the act encourages billboards in zoned and unzoned commerical and industrial areas, and now more billboards are going up than coming down. In 1978, the billboard industry got the Congress to require that all States pay cash compensation to billboard owners for the removal of nonconforming billboards even if it was State or local law that made the signs nonconforming.

Before Congress stopped providing appropriations for this purpose in 1982, over $200 million in Federal and State matching funds were handed over to billboard owners, providing them the opportunity to use these cash payments to put up bigger billboards along the same stretch of highway from which the nonconforming signs were removed. This ingenious recapitalization scheme ended when appropriations were cut off, but the cash compensation requirement remains. As a result, removals of nonconforming signs have ground to a virtual halt. Today, according to the Federal Highway Administration, 112,000 nonconforming signs remain standing 20 years after implementation of the act. Because the law applies this cash compensation requirement to signs declared nonconforming under State and local law, as well as Federal law, State and local land-use powers have been undercut. Both the General Accounting Office and the Department of Transportation's Inspector General have documented the act's deficiencies and failures and pointed the way toward reforms.

Legislation I introduced last year along with Senator GORTON, S. 1494, would produce the reforms that the highway beautification program sorely needs. Its provisions include a ban on the erection of new off-premise billboards along Federal-aid highways. It would repeal the law's cash compensation requirements, turning back to States and localities their authority to regulate billboards. It would also prohibit several outrageous abuses permitted under the law, including the erection of billboards in phony, unzoned commerical and industrial areas and the billboard company practice of making signs more visible by chopping down publicly purchased trees, shrubs, and other landscape materials on the public right of way.

Senator GORTON's and my efforts to stop billboard pollution date back to 1961 when we sheparded a major billboard control law through the Washington State Legislature. Other States have passed billboard control laws since then. Unfortunately, the Federal Government has actually impeded State efforts to remove unsightly billboards.

In recent months, the public has awakened to the fact that the failure of the Highway Beautification Act is turning our highway landscapes into visual slums. The public outcry against this pollution is reflected in the increasing attention that newspaper editors have paid to the problem. In newspapers large and small, editors are calling for an end to the game of billboard shuffleboard that the billboard companies have established in the law. I would like to share with my colleagues a number of editorials that have appeared over the last year or so to demonstrate the growing public support for action to halt billboard blight. I ask that these editorials be printed in the RECORD.

The editorials follow:

[From The Washington Post, May 3, 1986]

BILLBOARD INDUSTRY EYES LOCAL OFFICIALS

Campaign contributions and posh junkets for members of Congress—courtesy of the powerful billboard industry—have been the subject of recent columns. At least one sign company has been discussing how to reward its friends and punish enemies at the local level as well.

Our associate Stewart Harris obtained a copy of tactics discussed by Naegele Outdoor Advertising Co., third largest in the country, during a company seminar in Minneapolis four years ago A Naegele spokesman insists that the ideas were presented only for "discussion purposes" and that Naegele doesn't use them.

Among the suggestions were to give the local mayor free billboard space for his favorite charity. "The mayor (being a politician) will recognize the value of being able to get credit for favors to various civic-minded persons," the agenda explained.

Critics accuse the industry of using variations of this tactic, as when a billboard company fighting a court suit in Des Moines erected a sign saying: "A Shriner never stands so tall as when he stoops to help a crippled child."

The judge presiding over the billboard suit was a Shriner in the neighborhood where the sign was posted, according to the Des Moines city attorney.

During the Naegele seminar, company executives discussed ways to oppose anti-billboard campaigns. The agenda included such things as the number of votes required on a city council, the mayor's and city attorney's ability to help—and a cryptic question: "Bribe suggested?"

The last was on the agenda as a "preventive measure" so company officials would know how to turn down a city official proposing a bribe, the spokesman said.

For the record, a two-year FBI investigation in North Carolina led to the 1985 conviction of a Naegele official there on charges that he ordered company employes to falsify their income tax forms to avoid taxes on bonuses they had passed along to local politicians as campaign contributions.

Footnote: Until last fall, a media conglomerate called Ackerley Communications had been a good friend to the American Heart Association. The company for years had given the association free billboard space for its public service announcements.

But then the Heart Association stepped over the line: It voiced its opposition to billboard advertising of cigarettes. The tobacco industry, along with the liquor and airline industries, is one of the major clients of billboard companies like Ackerley.

In a memo dated Nov. 14, 1985, a top Ackerley official instructed the company's billboard, radio and television subsidiaries to cease the donation of air time or billboard space to the Heart Association.

"Their position on cigarette advertising is not compatible with our company," the memo explained. "Please consider this to be the same as the American Cancer [Society]; we will no longer give either organization any support."

Ackerley rescinded the memo so fast that the Heart Association never noticed any interruption in the posting of their public service announcements on airport billboards.

[From the Durham (NC) Herald, May 4, 1986]

THE BILLBOARD SUBSIDY

Strange, isn't it, how government's solutions turn into costly problems? That has been the legacy of Lady Bird Johnson's highway beautification program.

It began as a beautification program to chase billboards off the sides of federally financed highways. But the billboard industry's lobby has finessed Congress into making beautification as subsidy for the sign-makers.

Here is what has happened. The 1965 law was intended to clear the nation's highways of unsightly signs. The billboard industry has wrangled out of Congress loopholes that allow the federal government to pay for sign removal. So far, the government's cost has been $200 million.

Indeed, signs have been removed—the ones the sign companies didn't want because of location, condition or visibility. While the government has subsidized their removal of unwanted signs, they have continued to put up new ones, often clearing out lovely trees to make them visible.

The result has been no fewer signs. In fact, the twists in the beautification act have made government an accomplice to the visual assault.

It's time to get back to the original intent of the Highway Beautification Act. Sen. Slade Gorton, R-Wash., has introduced legislation that would do that. He would end the federal subsidy for sign removal, ban new billboards along federally subsidized highways and prohibit tree-cutting to make signs more visible. His bill also would give state and local governments more leeway to crack down on unsightly signs.

The billboard industry is fighting the Gorton bill, as one might expect, but the bill is gathering support. One endorsement came from Elizabeth Dole, Secretary of Transportation, who says she would like to end the "perpetual subsidy" and signs that "violate our landscape and assult our senses wherever we turn."

We agree.

END THE BILLBOARD SUBSIDY

It's time to discontinue Lady Bird Johnson's highway beautification program, which has been transformed into a device to subsidize the billboard industry.

The intent of the 1965 law was entirely worthwhile. The legislation was aimed at clearing the nation's highways of unsightly signs. But because of loopholes and amendments pushed through Congress by the billboard lobby, the act simply isn't working as planned.

The federal government has spent nearly $200 million to compensate billboard compa-

nies for removing signs. But almost as fast as the billboards come down, new ones sprout up.

Under the current law, the federal government puts up 75 percent of the cost of compensating companies for sign removal, with states and local governments contributing the other 25 percent. What happens in many cases is that billboard owners take down their least profitable signs and erect new ones at other locations. Sometimes, companies take the money to remove signs and simply leave them standing.

In addition, billboard firms frequently cut trees and other foliage on highway rights of way so their signs can better be seen.

The federal law also is tying the hands of states and municipalities that want to get tougher with billboard owners.

Sen. Slade Gorton, R-Wash., has introduced legislation to change the law. He would end the federal subsidy for sign removal, ban new billboards along federally subsidized highways, prohibit tree cutting to make signs more visible, and give state and local governments more leeway to crack down on unsightly signs.

The billboard industry is fighting the Gorton bill, for good reason. Not only have the sign companies succeeded in defanging Lady Bird Johnson's highway beautification legislation, but they also have so far reaped a $200 million windfall from the federal government.

But Gorton's proposal has just received an endorsement from Secretary of Transportation Elizabeth Dole. Maybe between the two of them, they can end what Gorton calls a "perpetual (federal) subsidy to the billboard industry to remove signs that violate our landscape and assault our senses wherever we turn."

THE NEED TO CONTROL BILLBOARDS

[From the Charleston (S.C.) News & Courier, July 22, 1985]

In defense of the indefensible, people often come up with ridiculous arguments. Defending signs and billboards from reasonable regulation on the grounds that a sign ordinance interferes with freedom of speech is an example of sublime ridiculousness.

It is the equivalent of defending the right of a drunk to yell at passers-by on the grounds of freedom of speech.

The proliferation of monster billboards and signs has finally got the goat of Charleston City Council and at their last meeting, on Tuesday night, they got around to doing something about this blight on our otherwise fair city. Council has been talking about action for a long time now, so it was encouraging to see a unanimous vote—with the inexplicable abstention of Councilman Baker. But the new sign ordinance faces considerable opposition and Tuesday's meeting merely gave it initial approval. Although it would outlaw about half the existing signs in the city, we consider the measure conservative.

For far too long, the city's authorities and its inhabitants have been putting up with ugly, oversized signs and billboards. Although they are silent, they are the visual equivalent of obscene remarks. People should be protected from such assaults on their senses. Far from interfering with freedom of speech, the proposed ordinance would protect our human rights from daily violation.

[From the Baltimore (MD) Sun, May 20, 1985]

NEW FIGHT AGAINST BILLBOARDS

(By Neal R. Peirce)

HOUSTON.—Texas-scale antidote is shaping up for a glaring failure of the Great Society era—the Highway Beautification Act, a proven paper tiger against the thousands of billboards blighting America's highways.

Passed at the behest of Lady Bird Johnson, then First Lady, the 1965 law has turned into a textbook case of how a law can be gutted by the industry it's supposed to regulate.

In 1978, the sign barons pushed through Congress an amendment requiring government compensation for any billboard removed under state and local control laws. That hobbled local controls but escalated costs so drastically that appropriations dried up.

The billboard companies pocketed millions of federal dollars paid them to remove offending signs—probably using the money to erect more signs elsewhere. The number of billboards on federally funded highways has soared to over a half-million. Now we have jumbo signs—up to a house-sized, 2,500-square-feet ones.

Are billboards necessary—as the sign lobby claims—to economic prosperity? Hardly: Hawaii, Vermont and Maine, the three states that banned the boards altogether, have done swimmingly without them. For tourists, small uniform signs with commercial logos are a welcome—and reliable substitute.

Billboards may start toppling elsewhere as a broad-based citizen movement to curb the signs grows. Even heavyweight developers who see their own projects imperiled by the signs have joined.

Texas is in the lead, Houston, first in America in billboards per capita, passed a law in 1980 limiting sign height and size as of 1986. The billboard lobby in 1983 persuaded the Texas Legislature to require cash compensation by cities to owners of banned signs. Governor Mark White vetoed the bill; this spring the billboard lobby is pushing it again in Austin.

But now Houston has more allies. Rita Ellison, the scrappy executive director of Billboards Limited, claims support from an array of Texas cities that have also proclaimed billboard moratoria—Dallas, Fort Worth and Austin among them. San Antonio Mayor Henry Cisneros has organized the Texas Municipal League behind the fight.

Atlantans, worried about an onslaught of billboards (doubled to 3,000 in the last five years), have been stymied by the billboard lobby. But Tulsa homeowners showered Mayor Terry Young with protest signatures bearing 7,000 signatures, and Mr. Young pushed through a billboard moratorium that approved most of the controls a study commission recommended. And Orlando, Fla., has a new city report recommending major stiffening of its sign ordinance.

But when cities put in controls, suburbs rarely show enough sophistication to follow suit. The prospect, as cities reduce the boards and regain control of their vistas, is that they'll be billboard-free islands surrounded by rings of visual pollution.

Not a single victory over the signs has come without a bitter, dragged out fight with the billboard lobby. It's hard to think of a tougher—and more often successful—pressure group than the Outdoor Advertising Association of America. Its political power ranges from Congress to the influence it curries through targeted contributions in city council races.

In one local fight after another, the billboard lobby has packed hearing rooms, intimidated opponents, and when defeated, has litigated nonstop to prevent controls from taking effect. Local media often don't take up the cudgel. They also advertise on billboards, or are tied to parent corporations with billboard subsidiaries.

Polls show a solid majority of Americans for billboard controls. But until the recent citizen revolt, with its critical business allies, got started, their voices have usually gone unheeded. Now a Coalition for Scenic Beauty, its Center for Sign Control headquartered in Washington. Is coordinating anti-billboard efforts nationally.

One senses the billboard gang has reached the zenith of its power, while the anti-forces are just gaining steam. They say that commercial sign controls aren't, as claimed, an illegal "taking" or infringement of free speech, but rather legitimate city action, affirmed by the Supreme Court, to protect citizens from "visual assault"—and add that intrusive, often mammoth, signs are the only users of public highway rights-of-way that don't pay user fees. They say the sign lobby, in states from Tennessee to California even has gained power to chop down trees—in California a beautiful eucalyptus stand was destroyed—to make sure motorists see their signs instead of the scenery.

Victories for the citizen billboard-control groups come painfully, slowly. But it's hard to believe Americans won't soon demand a purge of the unsightly billboards.

[From the Atlanta Constitution Dec. 12, 1983]

BILLBOARD INFESTATION GROWING WORSE

I think that I shall never see
A billboard as lovely as a tree.
Indeed, unless the billboards fall,
I'll never see a tree at all.

Or words to that effect by Ogden Nash. Or maybe it was Samuel Hoffenstein. Somebody like that.

So now comes word—and who is surprised by it?-that the infestation of billboards in Atlanta continues apace; indeed, is accelerating. The suppose billboard-control ordinance enacted by the City Council last year was fabricated from loopholes, written as much by the billboard industry as by the Council. It was a billboard-*adding* law, not a billboard-subtracting one.

Just look around (if you can). City Hall, handed out 470 permits last year. This year, it has issued 701, with the greatest increase in the biggest signs. The number of permits rose by 126 from 1981 to '82. It has jumped by 231 so far this year. Some control.

The Urban Design Commission, with broad support from civic, business and neighborhood groups, has called for a six-month moratorium on billboard construction and for stricter regulations. The moratorium may be impractical, but increased restrictions—and sharply increased at that—are impractical only if the Council remains more solicitous of the billboard lobby than of the city's good looks and the interests of its residents and visitors.

Cobb County is considering strong new regulations, before the situation gets out of hand. Fulton and DeKalb counties allow just five billboards per mile of roadway, and then only on U.S. and state highways. Decatur banned them in 1974.

Atlantans are bear-people. We live in the woods. Our trees are one of the city's great-

est charms and most pleasing (and cost-efficient) amenities. We shouldn't deny ourselves, or others who are visiting us, the pleasures of seeing them.

And if the billboards keep kudzooming,
Growing like weeds and higher looming,
There's something else we soon won't see:
From corner to corner along Peachtree.—
Anonymous.

[From the News-Sentinel, Knoxville, TN, Jan. 11, 1985]

BEAUTIFICATION BACKFIRES

Imagine a federal program that paid a company to stop polluting in one place but allowed it to turn around and do the same nearby.

Now stop imagining and meet the highway beautification program. This legacy of Lady Bird Johnson's initiative may be the best thing that ever happened to the billboard industry, which some regard as being in the business of visual pollution.

While companies have been pocketing millions in federal dollars, thank you, to remove offending signs, they simultaneously have erected even more signs elsewhere. The net effect: Many roads stay cluttered and highway beautification often remains a distant dream.

It wasn't supposed to work that way. Part of the problem lies in sheer neglect to enforce the law. But the law itself is flawed, too, full of loopholes that permit the billboard industry to conduct a shell game: Take one sign down here but put up another there.

Two recent reports, by the Transportation Department and the General Accounting Office, spell out the magnitude of the failure. Nearly $200 million has been spent in compensation for the removal of signs, but nearly half a billion more would be required to take down the remaining billboards officially listed as "non-conforming." And even that wouldn't end the problem.

Fortunately, not all is bleak in the world of billboard pollution. Six states have banned billboards altogether. Others have imposed stringent size and placement standards, or, like Florida, restricted them from some highways.

Many local governments have done their part, too.

In fact, given the confused state of the law, it's wise the Reagan administration hasn't asked for money for the program since 1982. If more is to be spent, a moratorium is needed on highway billboard construction. In addition, billboard operators ought to be denied the privilege to cut down foliage on public land. In states such as Louisiana, stretches of trees as long as 2,000 feet have been clearcut so that motorists can see signs.

The same thing is happening in the Knoxville area and many News-Sentinel readers have complained about it.

Perhaps the best recommendation comes from the Transportation Department: Scrap the compensation program and adjust the law so that states can require the removal of signs after owners have amortized their cost.

Considering the disappointing results of nearly $200 million spent so far, why risk more than twice that much in the future?

[From the Courant, Hartford, CT, Feb. 2, 1985]

HIGHWAY UGLIFICATION

The results of a 20-year government campaign to beautify main U.S. highways by removing billboards are discouraging. Two federal reports show not just disappointing progress, but significant regression. The chief culprits seem to be congressional pliancy and executive branch lethargy (or apathy), but the billboard lobby is a factor, too.

Since passage of the Highway Beautification Act of 1965, nearly $200 million has been spent by the federal government to compensate billboard owners who took down their signs. What's to be shown for the effort and expense? The absence of about 600,000 billboards that once cluttered the landscape along interstate and primary U.S. highways.

Unfortunately, something else is also showing the almost 200,000 illegal and nonconforming billboards that are still standing beside those roads. Also painfully evident are the crews that have been putting up new billboards faster than the old ones could be taken down.

The reports suggest that the federal government, even while trying to control billboard proliferation, has also been stimulating it. The U.S. Department of Transporation's inspector general said compensated billboard owners often used the money to erect new signs, sometimes on the highways where their old ones had stood.

Both the DOT report and a report by the General Accounting Office, an arm of Congress, noted that the law was so feeble that it often allowed billboard companies, in order to make their signs easier to see, to destroy trees and shurbs that had been planted for beautification.

Sometimes state money helped pay for cutting down the plantings.

Loopholes weren't the only problem. The executive branch, the reports indicated, hasn't aggressively monitored state enforcement of the beautification act, and they said too little has been allocated for enforcement during the Reagan administration.

About $500 million would be needed to remove the remaining billboards, the GAO report said, but only $15 million is earmarked for that purpose. Nor does the Reagan administration seem interested in enforcing the law: Since 1982, it hasn't sought any money for the beautification program.

Expecting a new enforcement effort would be naive, but a recommendation in the DOT report could help: Instead of continuing to pay billboard owners for removing signs, the report says, state or local governments should be given the power to simply order billboards taken down after giving owners time to amortize their investment.

Although amortization is a fair and effective approach, the billboard lobby probably would vigorously oppose it, since it could cut into profits. But if such a step can regain some of the ground lost in the war against visual pollution along the nation's highways, it's worth taking.

[From the Times-Union, Rochester, NY, Jan. 14, 1985]

BILLBOARDS OUT OF CONTROL

The Highway Beautification Act of 1965, a pet project of Lyndon and Lady Bird Johnson, was supposed to make the nation's highways more scenic and perhaps safer by removing unsightly billboards. Nearly 600,000 have been removed.

However, say recent reports by the General Accounting Office and the Department of Transportation, some 200,000 illegal billboards still stand, and more signs are going up than down.

Billboard owners have been paid $200 million in compensation for removing their signs. But some never took them down, and some used the money to put up new signs just down the road.

How could this happen?

Partly because federal enforcement has been lagging; partly because many local governments and some states would rather collect a permit fee than turn down a billboard application.

There are exceptions. New York is fairly strict about billboards; six states ban them altogether. But in other states, billboard owners who want unobstructed views of their signs receive state funds to chop down the very trees that were planted with federal beautification money!

A 1978 amendment is especially onerous. Until then, the federal law had applied only to rural roadsides; local governments could enforce local billboard ordinances and remove boards without paying compensation. But billboard lobbyists convinced Congress that cities and towns should also be required to pay for removal.

For cities like Seattle and Portland, Ore., that are trying to clean up their looks, the costs will run into the millions.

Enough! Congress ought to make up its mind. If it wants states and cities to wrestle with the problem, it should repeal the compensation requirements that tie the hands of local officials, and let them choose between clutter and scenery that gives pleasure and attracts tourists.

If Congress wants clutter-free highways—which it should—it ought to pass a tough law. No new billboards, period. Tax billboard owners, who use public highways for free access to a captive audience, to remove nonconforming signs. Penalize states that don't cooperate. And mean business.

[From the Evening Sun, Baltimore, MD, Jan. 11, 1985]

HIGHWAY BLIGHTIFICATION

A sad story of recent days was the one about billboards along U.S. highways. For some while, after passage of the 1965 Highway Beautification Act of Lyndon and Lady Bird Johnson, outdoors really did look better. Shrubs were planted, screens obscured the view of junkyards, the outdoor-advertising industry removed some of its billboards.

How things have changed. Separate reports from the General Accounting Office and the federal Transportation Department indicate that three times as many new billboards are going up as old ones disappear; that the very trees planted to make America beautiful again are being busily cut down, so drivers and passengers will have an uninterrupted view of the ads.

Since 1982, GAO notes, no money has been budgeted for highway beautification.

The cynical will say that the program was doomed from its start, when the outdoor-ad boys backed off the requisite 600 yards or so from the interstates and put up their offensive eyesores all over again, only bigger, to compensate for the distance.

The ingenuous will say that before long billboards won't seem so garish; you'll hardly see them for the air pollution.

[From the Oregonian, Portland, OR, Jan. 26, 1985]

SCENIC ROADS LOSING

Lady Bird Johnson's chief legacy, the beautification of America's highways, is being lost, eroded away by fund shortages,

bureaucratic cynicism and, not least, the 1978 Hyde amendment that made it more difficult to remove signs, even those blighting the views. Starch must be injected into the Federal Highway Administration, charged with enforcment, and the Congress must come up with legislation that is not a prisoner of the billboard industry. Also, greater support is needed for local efforts to clean up the blighted highways and streets of America.

In many states, more signs are going up than are coming down. Local jurisdictions, such as Portland and Multnomah County, are under constant pressure from the billboard owners. Communities are losing more battles than they are winning.

Two federal agencies, the General Accounting Office and the Transportation Department, have issued reports this month indicating that the Highway Beautification Act of 1965 that Mrs. Johnson sponsored, has failed to accomplish its goals of making highways more scenic and safer by removing advertising billboards.

Aesthetic values are being destroyed not only by the signs but by a policy that permits clearing of trees and vegetation along federal highways so nonconforming signs can be seen. non-conforming signs were legal when the law was passed. To get rid of them, the government must buy them, and it has paid for 600,000, while some 200,000 remain. Illegal signs, which can be removed anytime, are also proliferating, and enforcement agencies are ignoring them.

In 1984, Congress and the administration lost their enthusiasm for the program, and no money was appropriated for removal of non-conforming signs. About $427 million is needed to get rid of the remaining non-conforming signs. But money may not be the most important part of the problem. Signs are not always taken down even when they have been purchased.

A group called the Coalition for Scenic Beauty is lobbying for new legislation, it has stated, because the current laws are failing to meet original objectives to remove highway blight and prevent it from spreading.

A combination of legal loopholes, ineffective enforcement and congressional apathy is a greater contributor to the failure of the program than a lack of financing. In some areas, tough local zoning laws were getting the signs down, but passage of the act preempted these laws, so some communities have lost ground under the program.

In addition to pressuring Congress, the public needs to get behind local groups that have been waging the uphill battle. The Oregon Roadside Council has been in the arena since 1932. It fights billboards, monitors enforcement and has pinpointed what it considers about 100 illegal billboards in the Portland area.

[Eugene (OR) Register Guard, Jan. 23, 1985]

SCENIC POLLUTION PERSISTS

Some Oregon cities—Portland, for sure—still have a long way to go in controlling billboards and other forms of visual blight. But, as a state, Oregon has established reasonable controls over roadside advertising in the 20 years that have passed since Lady Bird Johnson pressured Congress into enacting the Highway Beautification Act.

Moreover, Eugene, Springfield and a number of other cities have adopted sign ordinances that contribute to their sightliness while still allowing merchants and other advertisers opportunities to attract the public eye. These cities have simply outlawed garish, contantly escalating sign competitions.

Around the nation, however, highway beautification is in retreat, and new billboard jungles are sprouting in cities and suburbs with a rapidity that would amaze even Jack of the Beanstalk.

While states that fail to police signs along major highways stand to lose allocations of federal highway construction funds, the U.S. inspector general reports that the Transportation Department is "not aggressively pursuing the removal of illegal signs."

Since 1965, the federal government has provided almost $200 million to compensate owners of 600,000 signs ordered removed from highway locations. But that investment is now being rendered next to worthless in parts of the country. The Transportation Department admits that new billboards are going up faster now than old ones are coming down. A General Accounting Office study is even more alarming. That study shows that during 1983 new signs were erected along America's roads and highways three times faster than old ones were torn down or relocated to more suitable sites.

Transportation officials say they haven't funds to deal with the problem. The inspector general and the GAO say that loopholes in the Highway Beautification Act need attention.

Congress should waste no time checking the facts and taking appropriate action. Federal budget problems may not allow aggressive attacks on illegally sited billboards, but the Transportation Department's priorities should be reviewed.

Beyond that, federal law could be changed to provide stiff penalties for owners who fail to meet firm deadlines for removing signs that haven't a legal leg to stand on. Such action would not only cut the costs of enforcing highway beautification. It also would stir interest in restoring and maintaining scenic values in communities were authorities are tolerating excessive signing because the public doesn't seem to care.

[From the San Antonio (TX) Express News, Jan. 14, 1985]

BILLBOARD LAW NEEDS REVISION

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Now stop imagining and meet the highway beautification program. This legacy of Lady Bird Johnson's initiative may be the best thing that ever happened to the billboard industry, which some regard as being in the business of visual pollution.

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It wasn't supposed to work that way. Part of the problem lies in sheer neglect to enforce the law. But the law itself is flawed, too. It is full of loopholes that permit the billboard industry to conduct a shell game: Take one sign down here put up another there.

Two recent reports, by the Transportation Department and the General Accounting Office, spell out the magnitude of the failure. Nearly $200 million has been spent in compensation for the removal of signs, but nearly $500 million more would be required to take down the remaining billboards.

Fortunately, not all is bleak in the world of billboard pollution. Six states have banned billboards. Others have imposed stringent size and placement standards. Many local governments have done their part, too.

Given the confused state of the law, it's wise the Reagan administration hasn't asked for money for the program since 1982. If more is to be spent, a moratorium is needed on highway billboard construction.

Perhaps the best recommendation comes from the Transportation Department: Scrap the compensation program and adjust the law so that states can require the removal of signs after owners have amortized their cost.

[From the Lapeer (MI) Press, Sept. 18, 1985]

KEEPING HIGHWAY FREE OF BILLBOARDS

The new I-69 freeway from Lapeer to Port Huron is a beautiful highway of pleasing curves, rolling hills and trim farmland. But already it is being defaced by billboards.

Attica Township is small and rural, but it's fighting this billboard blight. When a sign went up last month, township officials traced its ownership to Gannett Outdoor Advertising and started proceedings. Gannett had failed to get a township building permit.

Gannett is a nationwide advertising firm, a subsidiary of the nation's largest newspaper chain which recently bought the Detroit News. Their failure to get a permit was not the mistake of a small businessman unfamiliar with the law.

It's fair to suspect that Gannett figured that if they moved fast and got the sign up, it would probably stay there. That's how a lot of signs get placed.

We applaud Attica Township for its fast action, as well as Imlay Township where officials are also trying to prevent the blight. Let's save a beautiful highway.

[From the Milwaukee (WI) Journal, Jan. 19, 1985]

LET'S GIVE SCENERY A CHANCE

I think that I shall never see
A billboard lovely as a tree.
Indeed, unless the billboards fall.
I'll never see a tree at all.

—Ogden Nash.

Since Ogden Nash penned his lament more than 50 years ago, the billboard forest has become a jungle in some parts of the country. The advertising sign remains ubiquitous despite the Highway Beautification Act of 1965, which was designed to help the scenery compete with the hype along the nation's roadsides.

Twenty years after passage of the law championed by Lady Bird Johnson, nearly 120,000 "non-conforming" signs still clutter the highways, according to a report from the General Accounting Office. "Non-conforming" is a euphemism for billboards that were legal at the time the law was passed but are no more, because of size, spacing and other restrictions. In order to get rid of those signs, state governments (with 75% federal help) must compensate the owners.

Taxpayers have spent nearly $200 million to vanish about 600,000 such signs, but new billboards have sprouted faster than the old ones have fallen. In some cases, billboard owners simply used the money they received for getting rid of one sign to put up another along the same highway.

In 1972, when Wisconsin began to implement the federal beautification law, our state had about 14,000 non-conforming billboards (more than in many other states).

Only about 2,700 of those have been removed.

What went wrong? For one thing, the federal money for billboard control has dried-up, and an unduly restrictive state law prohibits Wisconsin from buying out old billboards without federal assistance. Thus, the sign control campaign here, as in most states, is at a virtual standstill.

In the present fiscal climate, Congress obviously is not about to appropriate the estimated $427 million it would cost to get rid of offending signs. The lawmakers could at least restore local governments' powers to stem billboard blight through zoning—a right that was effectively denied by a 1978 amendment.

Of course, there are more pressing environmental causes than billboard control. But "visual pollution," in the form of billboards, is one environmental abuse that could be rather easily controlled. Congress should not begrudge local governments the right to deal with the problem.

Tourists, after all, are attracted by scenic vistas, not intrusive billboards.●

ROWNY'S ARMS CONTROL COMMENTS: RIGHT ON TARGET

● Mr. QUAYLE. Mr. President, it is not often that something genuinely new is said or written about arms control. Just such a speech, however, was given April 17 by the Secretary of State's Special Advisor on Arms Control Matters, Ambassador Edward L. Rowny.

In his address, "Strategic Offense-Defense Mixes: The Impact on Arms Control," Ambassador Rowny made several important points that deserve the Senate's close attention. The first is that the West has too often assumed that offensive weapons and tactics can overwhelm defensive technologies. The consequences of this mistaken assumption have been untold suffering and misery.

The second is that technologies of precision guidance and discrmination are now available to make defenses against the most offensive weapons—ballistic missiles—possible and to make the substitution of the most destructive weapons—large-yield nuclear warheads—feasible.

Ambassador Rowny rightly notes that these developments make significant reductions in strategic nuclear weapons systems reasonable. He is quick to note, however, that they will require us to be more innovative in our formulation of arms proposals for conventional arms and space security.

In this regard, I was particularly pleased to see Ambassador Rowny endorse Albert Wohlstetter's space self-defense zones, which could enhance the survivability of our critical satellites.

Mr. President, Ambassador Rowny's speech of April 17, represents truly fresh thinking on arms control. In hopes that wider distribution of his speech will encourage a sounder understanding of these issues in the Senate, I ask that the full text of the speech be printed in RECORD.

The text follows:

STRATEGIC OFFENSE-DEFENSE MIXES: THE IMPACT ON ARMS CONTROL

(Address by Ambassador Edward L. Rowny)

The history of offense-defense mixes in the strategy of warfare has been determined for the most part by technological advances. Moreover, the advent of new technology has tended to determine the strategy at any given time, rather than vice versa. This inevitably occurred at the expense of upsetting an existing mindset, a point often reflected in the notion that we always prepare to fight the last war. In this century, technology has fundamentally overturned prevailing notions about offensive-defensive mixes four times.

The first time occurred in 1914 when the belief in the offense epitomized by the Schlieffen plan died in the trenches in Belgium and Northern France. The promise of a quick and decisive victory with light casualties anticipated by the German general staff ultimately gave way to the more ghastly spectres of flanders, the Somme and Verdun. The gridlock which characterized so much of the war of 1914-1918 was finally broken by new technology in the form of the tank. However, by that time, the heavy casualties had taken their enormous toll.

The second time a fundamental change occurred was in World War II. Horrified by the carnage which had caused virtually a whole generation to be lost in Britian and France during World War I, strategists like Guderian, Hart and Fuller looked for better ways to have a quick and decisive offensive without heavy casualties. The defensive Maginot line was out-flanked by offensie Blitzkrieg forces, using the newly developed mobility and firepower of mechanical vehicles and airplanes. But subsequently, the strategy turned toward attacks against "panacea" targets. It was believed that these vital nerve centers, if destroyed, would cause an entire system to fail castastrophically. Oil refineries, rail heads and ball bearing factories were typical examples of what Hart termed the indirect approach. It was tested first in Spain, then during World War II in Europe, and finally in the campaign against the industrial heartland of Japan. Yet, decisive victory with small losses based on this strategy proved once again to be elusive. Large casualties, mostly as a result of ground-force fighting occurred. The prospect of additional casualties were hanging over us if we were forced to invade Japan.

The third time prevailing beliefs about offense versus defense were overturned by technology occurred in 1945 with the advent of atomic weapons. The atomic bombing of Hiroshima and Nagasaki finally brought about the swift results strategists had been searching for. However, once the U.S. monopoly on the "absolute weapon" was broken, it quickly became apparent that the bomb had limited utility. Indeed, nuclear weapons were kept only to deter. The late Herman Kahn termed this: "The irony of the deterrent kept that it may never be used." Nuclear weapons were simply too destructive to use lest they invite retaliation in kind. Many different theories of deterrence have evolved in the post-World War II era. But central to the most widely-accepted ones is the notion that only nuclear weapons can hold an enemy's counterforce targets at risk.

The fourth technological revolution, which is now taking place, consists of three parts. The first part is the noisy—some would say excessively noisy—revolution being brought about by SDI. The second, and more quiet part, is the one taking place in outer space. The third and equally quiet part of the technological revolution is taking place in conventional weapons.

SDI, if the research being presently undertaken proves feasible and cost-effective, will change our nuclear strategy from a purely offensive one to one of an offensive-defensive mix. Technology has now advanced to such a level that the utility of offensive forces, both nuclear and conventional, will be limited. I term this "pure defense," for as we envision it, it cannot be used offensively. SDI's aim, epitomized by the President's SDI Research Program, is ultimately to use non-nuclear technologies to counter attacking ballistic nuclear missiles at every stage of their flight path. SDI, in my opinion, will work and will prove cost-effective. The momentum of the program is being given impetus by the majority of scientists and industrialists, not only in the United States but in the United Kingdom, Germany, Japan, Italy and Israel. It is an idea whose time has come. It is, for the first time in modern history, an attempt to have strategy drive the use of technology.

However, this first success in modern times to change a mindset will not be easy. Aside from those who are comfortable with the current offensive nuclear strategy and are not convinced that an offensive-defense mix will be more stable, there remain two formidable problems. The first is managing the transition to a new strategy with our NATO allies so that decoupling does not take place. The other is managing the transition through the arms control process. I will have more to say on this last point later.

A relatively quiet technological change is taking place with high-tech in the field of outer space. Satellites have become an integral part of our terrestrial military operations. Moreover, our economic well-being has become increasingly dependent upon satellites. However, we have failed to realize that we must take steps to protect these assets. This could be done by "hardening" the satellites, by giving them "elusive" capabilities or by stationing redundant ones in space. Alternatively, we could plan on quickly replacing our lost satellites, or count on defeating attacks on our satellites with anti-satellites of our own. Satellites might also be protected in part through arms control agreements. But more on this later.

The final technological change now taking place is in the field of improvement of conventional weapons. In the first instance, better target acquisition, smart bombs, precision terrain-guided munitions, shaped charges, fuel-air explosives, kinetic energy and stealth, etc., will improve the effectiveness of current conventional forces. The improvement in tactical weapons will bring about changes in the offense-defense mix which are as yet highly unpredictable. The new SDI technologies related to pure defense, supplementing the technologies which apply to the sensible atmosphere (for purposes here defined as those under 300,000 feet), may lead to tactical missile defense in Europe. Along with other defensive changes the new technology may bring about, there will be transition in the strategy of defending Europe, quite aside from the transition which will be brought about through SDI.

Secondly, the advent of these new technologies further promises that current nu-

clear weapons can be replaced by strategic non-nuclear weapons. Non-nuclear weapons are less escalatory than nuclear weapons because they avoid the spread of radiation and collateral damage. Accordingly, strategic offensive forces may, in the future, include non-nuclear "strategic" weapons. Finally, the same technology which applies to non-nuclear strategic weapons can be applied to defense suppression.

Defense suppression is an area where conventional non-SDI-related high technology has much to offer. However, it is also the area that is driving the development of non-nuclear offensive strategic weapons. And herein lies the key. The same high technology can contribute to either pure offense or defense suppression. Indeed, it is possible to have conventional weapons which approximate "zero CEP" nuclear weapons, thus becoming counterforce-capable. This may well have been why Gorbachev expressed such anxiety in his January 15 statement about the development of conventional weapons of mass destruction. Let me reiterate that this includes smart bombs, PGMS, cruise missiles, Stealth and the like. Much different technology is involved in pure defense against a ballistic attack. Indeed, SDI is being deliberately structured so that it will examine technologies which have absolutely no offensive potential.

Defense suppression becomes of central importance in the offense-defense relationship because its effectiveness determines whether offensive forces become first-strike or second-strike capable. Moreover, we can envision how this will take place. Defenses can be overcome by speed, by saturation or by Stealth. These involve different high technologies, but all ones that we now know to be feasible and all ones that operate under 300,000 feet. In a world of both offenses and defenses, suppression of defenses below 300,000 feet would be necessary to assure the success of a second strike.

What are the implications of these technological changes for arms control? Agreements reducing strategic nuclear forces can be reached if only the political will is manifested. Agreements aimed at the protection of our satellites such as Wohlstetter's "self defense zones" would facilitate defense of space assets. However, there is little prospect that any agreement envisioned could, in the ultimate analysis, guarantee their protection. If research proves SDI feasible, there will be a need to jointly manage, through negotiations, the transition from the current offensive strategy to one based on an offense-defense mix. If agreements lead to the drastic reduction of offensive nuclear weapons, it will put greater demand on the need to negotiate conventional arms control agreements, lest the world be made "safe for conventional warfare." At the same time, agreements in conventional forces will become more complex. In this connection, the lack of success in MBFR, after a decade of negotiations, does little to inspire confidence that the arms control process can assist in the solution of this problem. But beyond this, the technological revolution in conventional arms will also require arms control negotiations to handle strategic non-nuclear forces and defense suppression forces. Otherwise, we will have done nothing to prevent what some analysts term a "strategic free market," at least for offenses and defenses under 300,000 feet.

Let me sum up the impact of the above on arms control. The problem of reducing strategic nuclear offensive forces, although up until now largely unsuccessful, is relatively manageable. While the protection of our space assets might be assisted by arms control, agreements may never be able to fully guarantee their protection. This field of arms control needs to be developed. The nature of managing the transition from an offensive nuclear to an SDI environment is currently being formulated. Finally, the nature of the arms control problem of jointly managing and controlling newly emerging high-tech conventional forces will be very complex and difficult. Thinking on how to deal with this problem has yet to begin.

In the final analysis, one is naturally tempted to step back and ask if a world—not much unlike that of today—without defenses, wouldn't be more stable. Indeed, wouldn't it be nice to return to the "idyllic" days of the 1950s and 1960s? The answer is "perhaps," but only if we believe we could disinvent knowledge. However, technology itself suspends belief. This, however, need not work against arms control. On the contrary the technological "marketplace" will demand dialogue to efficiently allocate offensive-defense resources over the long haul. Thus, for the first time, we have the prospect of making technology our servant in the evolution of offense and defense, not our master.●

Mr. DOLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

□ 1730

The PRESIDING OFFICER. The Chair in his capacity as the Senator from Kentucky asks unanimous consent that the order for the quorum call be rescinded.

Without objection, it is so ordered.

APPOINTMENTS IN BEHALF OF THE VICE PRESIDENT

The PRESIDING OFFICER (Mr. McCONNELL).

The Chair on behalf of the Vice President, in accordance with 22 U.S.C. 276h-276k, as amended, appoints the following Senators members of the Senate delegation to the Mexico-United States Interparliamentary Group Meeting during the 2d session of the 99th Congress to be held in Colorado Springs, CO, May 29 to June 2, 1986:

The Senator from Wyoming [Mr. SIMPSON] and the Senator from California [Mr. WILSON].

The Chair suggests the absence of a quorum. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

□ 1740

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXPLOSIVE MONETARY AND FISCAL POLICIES SURE TO BRING ON INFLATION

Mr. PROXMIRE. Mr. President, in the judgment of this Senator the Federal Reserve Board has been following a highly inflationary monetary policy since 1982. Now, but wait a moment. How can that be? Inflation has moderated spectacularly since 1982, and in recent months producer prices have fallen and even consumer prices have started to actually come down in March and they are still falling. So how can any sane person look at the results and claim the Federal Reserve Board has followed inflationary policies? It is ridiculous.

What do I mean by inflationary policies followed by the Federal Reserve Board? I mean that the Fed has for the first time since we started keeping statistics in the present form increased the money supply far faster than the increase in the nominal gross national product. Now, why is that inflationary? It is inflationary because as the GNP increases in actual dollar terms, it requires a somewhat lower rate of increase in the supply of currency and checking accounts to finance that GNP dollar growth.

Now, since 1960, the money supply growth actually exceeded the dollar growth in the GNP in only 1 year, 1967. Even in that year the growth in money supply only slightly exceeded the rate of dollar GNP growth up until 1982. Now consider the 1982 through 1985 period. What a change. From 1982 through 1985, the money supply increase exceeded dollar GNP growth in 3 out of those years and in very, very large proportions.

So is this increase in the supply of money, an increase which is wholly within the control of the Federal Reserve Board, an inflationary policy? Well, it certainly is. There is, indeed, one crucial difference between the makeup of the money supply since late 1982 and the makeup of the money supply before that.

In December 1982, so-called NOW accounts or negotiated order of withdrawal checking accounts became legal nationally. What are NOW accounts? They are checking accounts that bear interest. Now, before the advent of NOW accounts, interest-bearing accounts were not counted as part of M1 or the prime measure of the money supply. Since 1982, NOW accounts have been. So what happens if we go back to the old system and omit all interest-bearing accounts from M1? What happens is that the relationship between the money supply and the gross national product goes right back to normal.

If we do that, the growth in dollar GNP continues to exceed the growth in the money supply. So if we exclude NOW accounts, it looks as if the Fed

has not been pursuing an inflationary monetary policy after all. If that is the way it looks, take another look. Ask yourself, when the Congress authorized NOW accounts and super NOW accounts so that all of us could earn interest on our checking accounts, did we simply convert our interest-bearing savings accounts into checking accounts that paid interest or did we convert our checking accounts into interest-bearing, check-writing NOW accounts? Which did most Americans do? No one knows; no one has made a study of it. But does it not make obvious good sense to reason that the checking account customer, particularly if that checking customer is at least a half-awake businessman, converted his checking account into an interest-bearing NOW account? Of course it does. And here is why. Most Americans have good sense especially when it comes to money. So most Americans with a checking account have likely put that idle checking account to work where it could both earn good hard cash and still serve as a handy deposit for paying bills. Except for those checking accounts that had been kept at a bare minimum and therefore did not add up to much of a sum, it seems logical that over the 3- to 4-year period since 1982 most of the fat checking accounts sitting around would have gone happily to work earning interest as well as providing a checking service.

On the other hand, why should a saver who has his money tucked away in a noncheck-writing savings account rush to move those savings over to a NOW or interest-paying checking account? Oh, sure, it might provide for a little more convenience, but surely the incentive to move noninterest-bearing checking account money into interest-bearing NOW accounts should greatly exceed the incentive to write checks on the savings account.

Now, having gone through all this, what does it all mean? It means that the present measure of the money supply including NOW accounts as checking accounts as part of M1 is right. And that means that the measure of the money supply reported by the Federal Reserve as M1 does accurately show the Fed has been pursuing an inflationary monetary policy for the past 4 years.

Now, that brings us right back to the initial contradiction. If this policy is so inflationary, why is it that it coincides precisely with the period of falling inflation culminating most recently in at least a short period of actual deflation, prices actually going down?

The answer is that for the past 4 years there has been a growing glut of commodities including food, oil, and virtually all other raw commodities. This has coincided with an excess of labor, with an unprecedented explosion of entrants into the labor market in our country. This enormous increase in the supply of goods and the principal material for services, that is, labor, will run its course. Indeed, the falling oil prices may be ending already. Meanwhile, the unique, soaring rise of the money supply will eventually in a year or two begin a corresponding period of skyrocketing inflation. That reaction has always, always, in the experience of all countries, accompanies the kind of grossly irresponsible inflationary fiscal and monetary policy that this country has pursued for the past 4 years. It will just take a little patience to see it happen again.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. SIMPSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. BOSCHWITZ). Without objection, it is so ordered.

SENATE CONCURRENT RESOLUTION 140 HELD AT THE DESK

Mr. SIMPSON. Mr. President, after conferring with the Democratic leader, I ask unanimous consent that Senate Concurrent Resolution 140, designating June 6 as William C. Lee day, be held at the desk until close of business, Tuesday, May 20, 1986.

The PRESIDING OFFICER. Without objection, it is so ordered.

VIOLENCE IN SOUTH AFRICA

Mr. SIMON. Mr. President, I am just passing along a suggestion after talking to two or three of my colleagues. I think there is a feeling that with the violence that is taking place in South Africa and neighboring countries that somehow this body ought to be responding with something more than just words saying, "Naughty, naughty, this is not nice;" that we ought to be saying in concrete words to South Africa, "Your policy of institutional discrimination has to change." Not from a pious "we have all the answers and we have solved all our problems," as we know we have not solved all our problems.

The reality is we ought to be doing something a little more firmly and we are not doing it. I pass that along to the majority whip. Perhaps he can discuss it with the majority leader and with the chairman of the Senate Foreign Relations Committee. I will do the same with Senator PELL and Senator BYRD. It just seems to me we ought to be sending a message more briskly than we are now sending.

Mr. SIMPSON. Mr. President, knowing the Senator from Illinois, as I do, I sense his deep sensitivity and his degree of social consciousness. All of us are offended and appalled by that situation. Indeed, his remarks, I believe, will perhaps galvanize us into some kind of method to work with the chairman of the Foreign Relations Committee, Senator LUGAR, who has provided fine guidance in the past with issues from South Africa, along with Senator BYRD, who has worked hard in that area. I am sure they will direct that to the attention of the majority leader for action.

Mr. SIMON. I thank the Senator for that. I do not mean my remarks to be critical of the Foreign Relations Committee or anyone else, but I think what we see now as escalating violence will continue to escalate unless we can somehow get a peaceful resolution over there. I thank my colleague.

Mr. SIMPSON. I thank my friend from Illionis very much.

ORDERS FOR TUESDAY

RECESS UNTIL 10 A.M.

Mr. SIMPSON. Mr. President, I ask unanimous consent that once the Senate completes its business today, it stand in recess until the hour of 10 a.m., on Tuesday, May 20, 1986.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECOGNITION OF CERTAIN SENATORS

Mr. SIMPSON. Mr. President, following recognition of the two leaders under the standing order, I ask unanimous consent that the following Senators be recognized for not to exceed 5 minutes each for special orders: Senator HAWKINS, Senator GORTON, Senator CHAFEE, and Senator PROXMIRE.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. SIMPSON. Mr. President, following the special orders just identified, I ask unanimous consent that there be a period for the transaction of routine morning business for not to exceed beyond the hour of 10:30 a.m. with Senators permitted to speak therein for not more than 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SIMPSON. Mr. President, at the conclusion of routine morning business, it is the intention of the majority leader to begin consideration of the supplemental appropriations bill.

ORDER FOR RECESS BETWEEN 12 NOON AND 2 P.M.

Mr. SIMPSON. Mr. President, I ask unanimous consent that the Senate stand in recess between the hours of 12 noon and 2 p.m. in order for the weekly party caucuses to meet on Tuesday, May 20, 1986.

Mr. BYRD. Mr. President, reserving the right to object, and I will not object, the distinguished acting Republican leader did not intend, I am

sure, to have as a part of the unanimous-consent request the expression of intention as to the consideration of the supplemental appropriations bill.

Mr. SIMPSON. Mr. President, that is known as part of the evening "rattling," and it was not my intention to do that. That was for information only. The Democratic leader is quite correct.

Mr. BYRD. I thank the distinguished Senator.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. SIMPSON. Mr. President, rollcall votes can be expected throughout the day, and the Senate could be asked to remain in session into the evening in order to make substantial progress on the supplemental appropriations, bill.

At 2 p.m. it is the hope of the majority leader to lay aside the supplemental appropriation to resume S. 2180, and a vote is expected in relation to the Gorton amendment at approximately 2:30 p.m.

□ 1820

Mr. President, I believe that is the schedule, basically, for tomorrow.

I will ask the Democratic leader if he has further business.

Mr. BYRD. Mr. President, I thank the distinguished Senator from Wyoming [Mr. SIMPSON] the acting Republican leader. I have nothing further.

RECESS UNTIL TOMORROW AT 10 A.M.

Mr. SIMPSON. Mr. President, after conferring with the Democratic leader, there being no further business, I move, in accordance with the previous order, that the Senate stand in recess until 10 a.m., Tuesday, May 20, 1986.

The motion was agreed to and the Senate, at 6:18 p.m., recessed until Tuesday, May 20, 1986, at 10 a.m.

NOMINATIONS

Executive nominations received by the Secretary of the Senate May 16, 1986, under authority of the order of the Senate of January 3, 1985:

DEPARTMENT OF STATE

Cynthia Shepard Perry, of Texas, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Sierra Leone.

NATIONAL FOUNDATION OF THE ARTS AND THE HUMANITIES

David Lowenthal, of Massachusetts, to be a member of the National Council on the Humanities for a term expiring January 26, 1992, vice Marcus Cohn, term expired.

U.S. POSTAL SERVICE

Crocker Nevin, of New York, to be a Governor of the U.S. Postal Service for the remainder of the term expiring December 8, 1992, vice Frieda Waldman.

IN THE MARINE CORPS

The following-named officer to be placed on the retired list in the grade indicated under the provisions of title 10, United States Code, section 1370:

To be lieutenant general

Lt. Gen. David M. Twomey, [redacted] U.S. Marine Corps.

Executive nominations received by the Senate May 19, 1986:

DEPARTMENT OF AGRICULTURE

George S. Dunlop, of North Carolina, to be an Assistant Secretary of Agriculture, vice Peter C. Myers.

DEPARTMENT OF JUSTICE

John W. Roberts, of Arizona, to be U.S. Marshal for the district of Arizona for the term of 4 years, reappointment.

EXTENSIONS OF REMARKS

ADDRESS BY SECRETARY GENERAL OF U.N. AT UNIVERSITY OF MICHIGAN COMMENCEMENT

HON. CARL D. PURSELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1986

Mr. PURSELL. Mr. Speaker, millions of college and high school students are completing an important part of their lives this spring. They are celebrating their commencements. For them, it is the beginning of a new chapter in their lives, and a new chapter for our Nation, as well. For these fine young men and women embody the future of our Nation, and hence, the world. For today, our increasingly complex world is bringing home the point that we all are interdependent on one another, and must be, for our survival.

That was the point made a couple of weeks ago in my congressional district by the Secretary General of the United Nations, Mr. Javier Perez de Cuellar, who currently is completing his 5-year term as the head of the United Nations. The University of Michigan, the city of Ann Arbor, and my entire district were honored to have Secretary General Perez de Cuellar speak at the spring commencement exercises at the university, where the Secretary General was awarded an honorary doctorate. His address is worth the attention not only of those University of Michigan students who were graduating and their parents, friends, university faculty and staff, but of all Americans.

The Secretary General pointed out that the ever-increasing population of the world and advances in technology demand greater coordination between nations. Just as no man is an island, now—and especially in the future—no country will be able to be a world unto itself. Therefore, international cooperation is critical.

The Secretary General made the point that American statesmen were among those who took the lead in creation of the United Nations. Since that time, the United Nations has been striving for international cooperation and advocacy of the rights of all people. Although the United Nations has its detractors and at times has not functioned as many would like, there have been instances where, because of a common goal shared by nations often at odds with one another, such as the Soviet Union and the United States, countries have worked together.

Secretary General Perez de Cuellar warned of the perilous nature of treating international cooperation as an option. As the Secretary General put it, "to deny the possibility of greater cooperation among nations would be a poor start for a safe road ahead."

Those students who are graduating this year, as Secretary General Perez de Cuellar stated, are "the custodians of hope," those who must carry forward human aspirations for the preservation of peace.

I commend the U.N. Secretary General's address to my colleagues and all Americans.

STATEMENT OF SECRETARY-GENERAL PEREZ DE CUELLAR AT THE SPRING COMMENCEMENT EXERCISES AT THE UNIVERSITY OF MICHIGAN, MAY 3, 1986

SETTING A SAFE COURSE FOR THE 21ST CENTURY

President Shapiro, Members of the Faculty, Graduates, Ladies and Gentlemen: Thank you for your kind remarks. I greatly value the doctorate conferred on me. I regard it as a recognition of the services to the cause of peace rendered by all those who have worked in the United Nations over the last four decades.

Looking at this large assembly of young people, I am reminded of the determination expressed in the UN Charter "to save succeeding generations from the scourge of war". 40 years have passed since the United Nations began its work, and you are the first of the succeeding generations the founders hoped to save. You have escaped the horrors of a world war and it is peace which has brought to you the privileges and opportunities that you enjoy. To an audience as young as yours, I would be inclined to speak not of the grim problems of our world but of its golden promise.

However, millions in other parts of the world are not as happily provided as you are. They include people in your age-group who are trapped in absolute poverty and whose misery has been compounded over the last four decades by scores of local wars and festering conflicts. We must speak of them today because their world is part of your present and your future. Their suffering is not only a rebuke to human conscience; it can be a breeding ground of strife and violence and of dangers which will not remain confined.

We live today, as we have for several decades now, in a state of fragile peace among the great powers, shadowed by regional conflicts, and haunted by the possibility of nuclear disaster. In addition, the last few years have seen an infective growth of international terrorism and frequent use of violence. You may well inherit the responsibility for finding solutions to these problems. Let me, therefore, highlight some of the issues that must be of urgent concern.

Ours is an age of unparalleled and increasing complexity. We are caught in demographic, technological, economic and political change that has already altered to a dramatic degree the equations of power at the national and international levels and has ramifications in every area of human activity. International relations will certainly feel the impact of the vast changes now underway.

Early in the new century, for example, world population will be double what it was at the beginning of this decade, and its global distribution will be significantly different. Technological developments, while never entirely predictable, will certainly affect existing global patterns of agriculture, industry, and services. This will have an impact on the content and direction of trade, and necessitate major adjustments within countries and internationally. So will the need to manage scarce resources and protect the global environment.

The point to note about all this is that no single state, however powerful, can unilaterally control any of these processes. We face a period when internationally co-ordinated action will be critically important to both the welfare and the security of nations. Paradoxically, however, a trend has grown recently in the opposite direction. There seems to be an increasing reliance by governments on unilateral action. Where could such a trend lead us? For answers, we must look to the lessons of modern history. The most relevant example is the demise of the League of Nations and the eruption of the Second World War.

The creation of the League of Nations at the conclusion of the First World War, in which some ten million people had died, was an acknowledgement by the great powers of the day that international conflict had become intolerable because of a vastly enlarged dimension of destructiveness. However, the recognition was not strong enough to influence governments to place the common interests of the community of nations above national ambitions and national concerns. They tended increasingly to rely on unilateral action, rather than common action in the League, which the United States, of course, never joined. In economic relations, especially, they adopted short-sighted trade policies which contributed to the Great Depression. Admidst the mass unemployment and despair of the depression years, policies of moderation were frequently overwhelmed. Aggressive fascist regimes rose to power, riding the waves of vehement nationalism and discontent in their countries. The Leagues's inability to restrain them caused it a fatal loss of credibility. The Second World War followed soon.

Could timely multilateral actions and preventive diplomacy have kept the peace? The people who created the United Nations—and I must remind you, American statesmen were among the prime movers—who have said "Yes". It was that belief which led them to endow the post-war system of international organization with a wide-ranging and activist mandate. Over the last four decades, the United Nations has responded to that mandate more effectively than is often recognized. I will mention here the cardinal points:

The process of decolonization led to the establishment, for the first time in history, of an international system representative of virtually all the peoples of the world.

Although far too many wars have occurred in the last 40 years, the Organization has had success in defusing a number of major crises which could have led to greater wars otherwise. It has developed techniques of conflict control, by which in several areas, hostile forces are kept apart, providing room for negotiations. In situations such as those relating to Afghanistan, Cyprus and the Iran-Iraq conflict, the UN Secretary-General has often provided the only

means for the adversaries to remain in contact.

The United Nations has codified and formulated more international law than was done in all previous history

It has made the matter of human rights, again for the first time in history, a legitimate international concern. For example, it has kept the racist policy of apartheid in South Africa, which denies the majority of the population their very basic rights, constantly before the world's attention. In so doing, it reflects the human conscience evidenced so widely by young people across this country. Focus has also been maintained on the rights of such hitherto disadvantaged groups as women, children, the aging and the handicapped.

The living standards of vast numbers of people around the world have been improved by the work of UN agencies. UNICEF has saved the lives of literally millions of children and the UN High Commissioner for Refugees has provided protection and relief to homeless millions.

And, finally, it is through the United Nations that the world has inventoried its people and resources, analyzed trends, planned and initiated action to deal with matters ranging from environmental protection and shelter for the homeless to the use of outer space and global population planning.

Four decades after the creation of the Organization, the demands of international co-operation seem to have outpaced the willingness of governments to make adequate use of the potential of multilateral endeavour. They are reluctant to move towards new concepts and structures of co-operation. Though millions of people around the world have been politically awakened to the terrible peril inherent in war, national and international politics continue to be predicated to a degree on the use of force in one guise or another.

Changes in the international economy have overtaken many of the global systems that worked so well in the post-war period. Serious symptoms of disorder have persisted now for years. The tremendous burden of debt on many countries, the volatility of currency values, high unemployment and low growth rates, all point to the need for change. However, governments have made little progress towards negotiating a more responsive system of economic relations.

In almost every area of international affairs, whether it be the control of terrorism or the illicit flow of drugs, the need for much greater co-operation between nations has become very clear. Recent actions by the General Assembly and the Security Council in both these areas are a recognition of this need. The United Nations can certainly serve as the instrument for this co-operation, especially if the most influential governments participate fully in the process.

However, precisely when nations should focus on the limitless possibilities in diverse spheres of human existence which are latent in multilateral co-operation, the machinery needed to realize this potential is often by-passed, rebuffed or disdained. There are disturbing signs of a disregard by states of their obligations under the United Nations Charter. This weakens the whole multilateral approach to dealing with global problems. Further, it ignores the basic lesson driven home so brutally by two world wars: that international co-operation is a functional response to the complex inter-dependence of the modern world. To treat it as an optional matter is a deadly mistake.

Yet the first truly universal organization, formed by human vision and reflecting human aspirations, to preserve peace exists. It is a functioning instrumentality. No Member State has ever withdrawn permanently from it. If there is grave warning to be taken from some of its 40 year history, there is great promise to be seen in its achievements. For the achievements of the United Nations are the proof that even while ideological differences and economic disparities exist, nations *can* work together when a common goal is recognized. The proposal to eradicate smallpox through international co-operation was Soviet: the resources that made its accomplishment possible were heavily American.

In charting a wise course toward the next millenium the first task is to identify the many goals which most countries, including the most powerful, have in common. No country can be harmed by the eradication of hunger. All countries will gain from advancing global development. All countries, I am certain, will gain from a reduction in armaments, especially nuclear arms. All countries require peace. These are goals that transcend purely national interests while in no sense contravening them. They must be given priority in international relations as was not done in the years before the Second World War. We have the competence, the technological skill to ensure a world safe from nuclear annihilation and environmental disaster, provided governments perceive the necessity of working together, of sharing their resources and their experience.

It is an idealistic vision, no doubt, but to deny the possibility of greater co-operation among nations would be a poor start for a safe road ahead. You, as a new generation, have the enormous advantage of an unprecedented range of knowledge, including the whole history of human error. You have what the previous generation created—a Charter of the United Nations in which the principles which can guide us to a safer and better world are already defined. You can bring the renewed will and enthusiasm necessary to assure that these principles are honoured.

My friends, 1986 is the International Year of Peace. In designating it so, the UN General Assembly did not expect that all conflict would be ended. What it did hope for was that people everywhere would focus on the requirements for peace and the causes of current conflicts.

In this endeavour, you, the young, educated people of today, have an important role: You can look with fresh unprejudiced eyes for solutions to the great problems of our time. Governments can build the structures of peace only with your commitment and support. You are the custodians of the hope that the objectives for which the United Nations was founded will be achieved.

THE MIDGETMAN MISSILE

HON. DOUG BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1986

Mr. BEREUTER. Mr. Speaker, I rise to observe that once again the mischief makers are at work on the Midgetman missile. It should not be necessary, but I will do so anyway, to remind those who now seek to meddle, that Midgetman was recommended by the Scowcroft Commission, enthusiastically supported by the Congress, despite its high price tag, and accepted by the administration.

The theory which underpins Midgetman is that by dispersing a sufficiently large number of them, perhaps 500, over a large geographical area, it would not be possible for the Soviet Union to eliminate all of them except by expending an unaffordable number of their own warheads in the process. Doing so would leave the U.S.S.R. entirely vulnerable to retaliation from this country. Since this clearly would be an unacceptable alternative, the Soviets would be far less likely to launch a first strike.

The key to Midgetman's survivability is to keep it small. That's why the Scowcroft Commission recommended a single warhead, and why the missile's weight was envisioned to be in the 30,000 pound range. It's weight must be kept down so that its launch vehicle can be kept small and maneuverable.

Recently, Pentagon critics have begun to charge that Midgetman is not cost effective. They propose to add two more warheads, and in the process to more than double its weight. In addition to making the Midgetman heavier and less mobile, and thus less survivable, these changes also would require redesign of the missile, thus delaying deployment for 2 years.

Although we must be attentive to every possibility for cost savings in these difficult times, I am concerned that there may be an ulterior motive in this case. If we send Midgetman back to the drawing board, eventually to reemerge in a heavier, MIRV'd form, how long will it be before someone has the bright idea that since we are going with a MIRV'd missile, wouldn't 10 warheads be better than 3? In other words, why not the MX? Well that particular battle has been fought, and this particular Member believes it is not in the interest of this country to either build more MX missiles; nor is it in the best interest of this country to delay or abandon an effort to deploy a nontargetable system like the Midgetman. The MX is vulnerable to a first strike in a way that Midgetman is not, and to rely on it as the sole land-based missile for the Nation's defense is to flirt with catastrophe.

As the attached New York Times editorial, which I commend to my colleagues, points out, the Pentagon argument, that three warheads rather than one would halve the cost, sounds good. But if that does sound persuasive, try, as the Times urges, "to think of the last time the Pentagon criticized any weapon on grounds of cost".

[From the New York Times, Apr. 21, 1986]

THE SALVATION OF LAND-BASED MISSILES

How many warheads can dance on the head of a Midgetman missile?

One, said the Scowcroft Commission, a Presidential panel that urged a single-warhead missile in 1983 to escape the decade-long debate over the multi-warheaded MX: In singularity lies stability.

Three, says the Pentagon: A trinity of warheads per missile would be far more cost effective.

None, says the Administration, which last October tried to trade away Midgetman to the Russians with a proposal to ban all

mobile missiles: Mobility is no virtue because it makes missiles harder to target and to count.

Behind this sectarian hairsplitting lie deep doctrinal divisions. How can land-based missiles be assured of survival as Soviet missiles become more accurate? In particular, should Star Wars be their salvation?

President Reagan says he intends his Strategic Defense Initiative to defend cities, not missile silos. The Pentagon, paying lip service to this vision, knows that while defense of cities is probably not possible, silo defense is. It sees the practical part of Star Wars as a silo defense system that will protect the land-based missile force from even the most accurate Soviet missiles.

But Midgetman would do the same more cheaply and without abrogating the 1972 treaty with the Soviet Union that bans antimissile defense systems. Instead of sitting in an easily targeted silo, Midgetman would be trucked around military reservations in a carrier made quite resistant to nuclear blasts. A Soviet attack would have to barrage the whole reservation. This would consume an unaffordable number of warheads, however accurate they become. Midgetman, as is noted by Senator Gore, one of its original advocates, is an earnest rival to the Pentagon edition of Star Wars:

The Pentagon has two plans for deepsixing Midgetman. One is straightforward: Have the Administration sell it to the Russians at Geneva by agreeing to ban mobile missiles. The more elaborate scheme is to entrammel it in the same paralyzing debate that snared the 10-warhead MX. Pentagon spokesmen have begun to criticize the cost per warhead of deploying Midgetman. They contend it could be halved by putting three warheads on each missile instead of one.

If that sounds persuasive, try to think of the last time the Pentagon criticized any weapon on grounds of cost.

Putting three warheads on Midgetman would require redesign and postponing deployment by two years, a delay that might well crucify Midgetman and prompt full resurrection of the MX. A three-warhead Midgetman would be much heavier than the single-headed version, hence less mobile and less survivable. According to a study by Representative Les Aspin, its cost per surviving warhead would actually be greater.

In retrospect, MIRVing—the technique of putting multiple warheads on missiles—was a titanic error. The United States invented it, to assure penetration of the antimissile defenses around Moscow. The Russians foolishly followed, building MIRVed missiles that threaten American missiles yet are themselves vulnerable—the quintessence of a tempting target. The United States compounded the error with the MX.

Midgetman is the egress from error. With a single warhead, it does not tempt or reward a first strike. Russian targeteers would need form 3 to 17 warheads to kill each Midgetman; thus protected, it need not be used pre-emptively, and so lacks the menace of its MIRVed cousins.

The path to a stabler world lies in the unMIRVed missiles, agreements to limit their numbers, and no missile defenses. Those who prefer nuclear dominance to stability like no part of that trinity. It is they who foster worship of the MIRVed Migetman.

POPE JOHN PAUL II MAKES HISTORIC VISIT TO ROME SYNAGOGUE

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1986

Mr. SOLARZ. Mr. Speaker, on April 13 His Holiness Pope John Paul II made a historic journey to the Central Synagogue of Rome. This visit, marking the first time in almost 2,000 years that a Pope had visited a Jewish synagogue, has elevated relations between Catholics and Jews to a new plain. The holy father has also paved the way for closer cooperation between two of the world's major religious groups by his symbolic visit and participation in a prayer service in the Central Synagogue of Rome.

The Pope, who has traveled further than any of his predecessors in celebration of the brotherhood of man and in pursuit of peace, accepted an invitation from Rabbi Elio Toaff to visit the Central Synagogue of Rome. He used this journey to the oldest Jewish community in Italy to give a ringing denunciation of anti-Semitism at any time and by anyone.

Highlighting the common ties between Judaism and Catholicism, particularly the shared commitment to the Ten Commandments and the Scripture, the Pontiff called Jews "our dearly beloved brothers, and in a certain way, it could be said that you are our elder brothers." The Pontiff asked his audience for a "rediscovered brotherhood" between Christians and Jews that would end centuries of estrangement and recognize the unique identity of each religion.

I believe that the holy father's visit and reading of the Psalms with Rabbi Toaff at the Central Synagogue accomplished more to improve relations between Catholics and Jews than hundreds of sermons, official pronouncements or learned conferences. Despite other efforts, including that of the most beloved Pope John XXIII in the Vatican council's decree, "Nostra Aetate," the canker of anti-Semitism continued in many places.

The holy father clearly and irrefutably marked out his church's strong rejection of anti-Semitism and its abhorrence to the centuries of persecution and hatred inflicted on the Jewish community. Recalling the horrors of the Holocaust and the murder of 6 million Jews because of their beliefs and ancestry, the Pope paid tribute to those brave Christians who opened their hearts and their doors to help Jews fleeing the Nazis.

The address given by Pope John Paul II at the Central Synagogue is a milestone in the effort to bridge the differences between two major religious traditions. But it is also a major call for a rediscovered brotherhood that would lead to greater collaborative efforts by Christians and Jews to ease the suffering of all of God's children and to bring a just and lasting peace to our world.

Mr. Speaker, because of the historical significance of Pope John Paul's message, I include it to be reprinted in its entirety in today's CONGRESSIONAL RECORD.

[From the New York Times, Apr. 14, 1986]

YOU ARE OUR ELDER BROTHERS

Dear Chief Rabbi of the Jewish community in Rome; dear president of the Union of Italian Jewish Communities; dear president of the community in Rome; dear rabbis, dear Jewish and Christian friends and brethren taking part in this historic celebration:

First of all, I would like, together with you, to give thanks and praise to the Lord who stretched out the heavens and laid the foundations of the earth and who chose Abraham in order to make him father of a multitude of children, as numerous "as the stars of heaven and as the sand which is on the seashore," to give thanks and praise to Him because it has been His good pleasure, in the mystery of His providence, that this evening there should be a meeting in this your "major temple" between the Jewish community that has been living in this city since the times of the ancient Romans and the Bishop of Rome and universal pastor of the Catholic Church.

I likewise feel it is my duty to thank the Chief Rabbi, Prof. Elio Toaff, who from the first moment accepted with joy the idea that I should make this visit, and who is now receiving me with great openness of heart and a profound sense of hospitality, and in addition to him I also thank all those members of the Jewish community in Rome who have made this meeting possible and who in so many ways have worked to insure that it should be at one and the same time a reality and symbol.

REFLECTING ON SIGNIFICANCE

Many thanks therefore to you all.

Toda rabba [Herbrew for "Many thanks"].

In the light of the word of God that has just been proclaimed and that lives forever, I would like us to reflect together, in the presence of the Holy One—may he be blessed!—on the fact and the significance of this meeting between the Bishop of Rome, the Pope, and the Jewish community that lives and works in this city, which is so dear to you and to me.

I had been thinking of the visit for a long time. In fact, the Chief Rabbi was kind enough to come and see me in February 1981 when I paid a pastoral visit to the nearby parish of San Carlo at Catenari. In addition, a number of your have been more than once to the Vatican on the occasion of the numerous audiences that I have been able to have with representatives of Italian and would Jewry, and still earlier, in the time of my predecessors Paul VI, John XXIII and Pius XII.

I am likewise well aware that the Chief Rabbi, on the night before the death of Pope John, did not hesitate to go to St. Peter's Square, and, accompanied by members of the Jewish faithful, he mingled with the crowd of Catholics and other Christians in order to pray and keep vigil, as it were, bearing witness in a silent but very effective way, to the greatness of the soul of that Pontiff, who was open to all people without distinction and in particular to the Jewish brethen.

HERITAGE OF POPE JOHN

The heritage that I would now like to take up is precisely that of Pope John, who on one occasion as he passed by here—as the Chief Rabbi has just mentioned—stopped the car so that he could bless the crowd of Jews who were coming out of this very temple. And I would like to take up his her-

itage at this very moment when I find myself not just outside but, thanks to your generous hospitality, inside, the synagogue of Rome.

This gathering in a way brings to a close, after the pontificate of John XXIII and the Second Vatican Council, a long period which we must not tire of reflecting upon in order to draw from it the appropriate lessons. Certainly, we cannot and should not forget that the historical circumstances of the past were very different from those that have laboriously matured over the centuries. The general acceptance of a legitimate plurality on the social, civil and religious levels has been arrived at with great difficulty.

Nevertheless, a consideration of centuries-long cultural conditioning could not prevent us from recognizing that the acts of discrimination, unjustified limitation of religious freedom, oppression, also on the level of civil freedom, in regard to the Jews were, from an objective point of view, gravely deplorable manifestations. Yes, once again, through myself, the church, in the words of the well-known declaration "Nostra Aetate," "deplores the hatred, persecutions, and displays of anti-Semitism directed against the Jews at any time and by anyone." I repeat, "By anyone,"

ABHORRENCE OF GENOCIDE

I would like once more to express a word of abhorrence for the genocide decreed against the Jewish people during the last war, which led to the holocaust of millions of innocent victims.

When I visited on June 7, 1979 the concentration camp at Auschwitz and prayed for the many victims from various nations, I paused in particular before the memorial stone with the inscription in Hebrew and thus manifested the sentiments of my heart: "This inscription stirs the memory of the people whose sons and daughters were destined to total extermination. This people has its origin in Abraham, who is our father in faith, as Paul of Tarsus expressed it. Precisely this people, which received from God the commandment, "Thou shalt not kill," has experienced in itself to a particular degree what killing means. Before this inscription it is not permissible for anyone to pass by with indifference,"

The Jewish community of Rome, too, paid a high price in blood.

CHURCH OFFERED REFUGE

And it was surely a signifciant gesture that in those dark years of racial persecution the doors of our religious houses of our churches, of the Roman Seminary, of buildings belonging to the Holy See and of Vatican City itself were thrown open to offer refuge and safety to so many Jews of Rome being hunted by their persecutors.

Today's visit is meant to make a decisive contribution to the consolidation of the good relations between our two communities, in imitation of the example of so many men and women who have worked and who are still working today, on both sides, to overcome old prejudices and to secure even wider and fuller recognition of that "bond" and that "common spiritual patrimony" that exists between Jews and Christians.

This is the hope expressed in the fourth paragraph of the council's declaration "Nostra Aetate," which I have just mentioned, on the relationship of the church to non-Christian religions. The decisive turning-point in relations between the Catholic Church and Judaism, and with individual Jews, was occasioned by this brief but incisive paragraph.

We are all aware that, among the riches of this paragraph No. 4 of "Nostra Aetate," three points are especially relevant. I would like to underline them here before you in this truly unique circumstance.

The first is that the church of Christ discovers her "bond" with Judaism by "searching into her own mystery." The Jewish religion is not "extrinsic" to us, but in a certain way is "intrinsic" to our own religion. With Judaism, therefore, we have a relationship which we do not have with any other religion. You are our dearly beloved brothers, and in a certain way, it could be said that you are our elder brothers."

The second point noted by the Council is that no ancestral or collective blame can be imputed to the Jews as a people for "what happened in Christ's passion." Not indiscriminately to the Jews of that time nor to those who came afterward nor to those of today. So any alleged theological justification for discriminatory measures or, worse still, for acts of persecution is unfounded. The Lord will judge each one "according to his own works," Jews and Christians alike.

The third point that I would like to emphasize in the Council's declaration is a consequence of the second. Notwithstanding the church's awareness of her own identity, it is not lawful to say that the Jews are "repudiated or cursed," as if this were taught or could be deduced from the sacred Scriptures of the Old or the New Testament. Indeed, the Council had already said in this same text of "Nostra Aetate," but also in the dogmatic Constitution Lumen Gentium referring to St. Paul in the Letter to the Romans, that the Jews are beloved of God, who has called them with an irrevocable calling.

On these convictions rest our present relations. On the occasion of this visit to your synagogue, I wish to reaffirm them and to proclaim them in their perennial value.

For this is the meaning which is to be attributed to my visit to you, the Jews of Rome.

It is not, of course, because the differences between us have now been overcome that I have come among you. We know well that this is not so.

First of all, each of our religions, in the full awareness of the many bonds which unite them to each other, and in the first place that "bond" which the council spoke of, wishes to be recognized and respected in its own identity, beyond any syncretism and any ambiguous appropriation.

PATH IS AT ITS BEGINNING

Furthermore, it is necessary to say that the path undertaken is still at the beginning and, therefore, a considerable amount of time will still be needed, notwithstanding the great efforts already made on both sides, to remove all forms of prejudice, even subtle ones, to readjust every manner of self-expression and, therefore, to present always and everywhere, to ourselves and to others, the true face of the Jews and Judaism as likewise of Christians and of Christianity and this at every level of outlook, teaching and communication.

In this regard, I would like to remind my brothers and sisters of the Catholic Church, also those living in Rome, of the fact that the guidelines for implementing the Council in this precise field are already available to everyone in the two documents published respectively in 1974 and 1985 by the Holy See's Commission for Religious Relations with Judaism. It is only a question of studying them carefully, of immersing oneself in their teachings and of putting them into practice.

Perhaps there still remain between us difficulties of the practical order waiting to be overcome on the level of fraternal relations. These are the result of centuries of mutual misunderstanding and also of different positions and attitudes, not easily settled, in complex and important matters.

JESUS A SON OF YOUR PEOPLE

No one is unaware that the fundamental difference from the very beginning has been the attachment of us Catholics to the person and teaching of Jesus of Nazareth, a son of your people, from which were also born the Virgin Mary, the Apostles who were the "foundations and pillars of the church" and the greater part of the first Christian community. But this attachment is located in the order of faith, that is to say, in the free assent of the mind and heart guided by the spirit, and it can never be the object of exterior pressure in one sense or the other. This is the reason why we wish to deepen dialogue in loyalty and friendship, in respect for one another's intimate convictions, taking as a fundamental basis the elements of the revelation which we have in common as a "great spirtual patrimony."

It must be said, then, that the ways opened for our collaboration in the light of our common heritage, drawn from the law and the prophets, are various and important. We wish to recall first of all a collaboration in favor of man, his life from conception until natural death, his dignity, his freedom, his rights, his self-development in a society which is not hostile but friendly and favorable, where justice reigns and where, in this nation, on the various continents and throughout the world, it is peace that rules, the shalom hoped for by there lawmakers, prophets and wise men of Israel.

More in general, there is the problem of morality, the great field of individual and social ethics. We are all aware of how acute the crisis is on this point in the age in which we are living. In a society which is often lost in agnosticism and individualism and which is suffering the bitter consequences of selfishness and violence, Jews and Christians are the trustees and witnesses of an ethic marked by the Ten Commandments, in the observance of which man finds his truth and freedom. To promote a common reflection and collaboration on this point is one of the great duties of the hour.

And finally, I wish to address a thought to this city in which there live side by side the Catholic community with its Bishop and the Jewish community with its authorities and its Chief Rabbi.

Let this not be a mere "co-existence," a kind of juxtaposition, interspersed with limited and occasional meetings, but let it be animated by fraternal love.

The problems of Rome are many. You know this well. Each one of us, in the light of that blessed heritage to which I alluded earlier, is conscious of an obligation to work together, at least to some degree, for their solution. Let us seek, as far as possible, to do so together. From this visit of mine and from the harmony and serenity which we have attained may there flow forth a fresh and health-giving spring like the river that Ezekiel saw gushing from the eastern gate of the Temple of Jerusalem, which will help to heal the wounds from which Rome is suffering.

In doing this, I venture to say, we shall each be faithful to our most sacred commitments and also to that which most pro-

foundly unites and gathers us together: faith in the one God who "loves strangers" and "renders justice to the orphan and the wise," commanding us too to love and help them. Christians have learned this desire of the Lord from the Torah, which you here venerate, and from Jesus, who took to its extrem consequences the love demanded by the Torah.

REDISCOVERED BROTHERHOOD

All that remains for me now, as at the beginning of my address, is to turn my eyes and my mind to the Lord, to thank him and praise him for this joyful meeting and for the good things which are already flowing from it, for the rediscovered brotherhood and for the new and more profound understanding between us here in Rome and between the church and Judaism everywhere, in every country, for the benefit of all.

Therefore I would like to say with the Psalmist, in his original language which is also your own inheritance:

Hodu la Adonai Ki tob
Ki le olam hasdo
Yomar-na Yisrael
Ki le olam hasdo
Yomeru-na yire Adonai
Ki le olam hasdo.

O give thanks to the Lord for He is good,
His steadfast love endures forever!
Let Israel say,
"His steadfast love endures forever."
Let those who fear the Lord say,
"His steadfast love endures forever."
Amen.

TERRORISM ARTICLE BY REPRESENTATIVE GEORGE "BUDDY" DARDEN

HON. WYCHE FOWLER JR.

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1986

Mr. FOWLER. Mr. Speaker, transnational terrorism is one of the most serious threats faced by our country and all civilized nations today. Our struggle against terrorism will not be an easy or short one. But, it is one that we must make if we want to prevent international anarchy and protect the lives of U.S. citizens.

Our distinguished colleague, Congressman GEORGE "BUDDY" DARDEN of Georgia, has authored a fine discussion of this important issue. In his column, Congressman DARDEN discusses recent events involving Libya and reviews some features of an effective counterterrorism policy.

I am therefore submitting his column for your review and I hope that all Members will take the time to read it:

[From the Dade County (FL) Sentinel, Apr. 23, 1986]

U.S. WON'T TOLERATE LIBYAN LAWLESSNESS

(By "Buddy" Darden)

Almost two centuries ago, international commerce was threatened by outlaws . . . the Barbary Pirates . . . based at Tripoli, on the north African coast.

They raged across the Mediterranean, demanding "tribute" . . . extortion payments . . . from American and European ships in return for the "privilege" of operating freely and safely.

European governments tolerated the piracy, but the United States drew the line. In 1804, U.S. Navy forces under Stephen Decatur staged a pre-emptive strike; the outlaws of Tripoli were tamed and free commerce was restored.

Last week's American airstrike against terrorist strongholds in Tripoli, now capital of Libya, came against a similar backdrop of international lawlessness . . . this time the handiwork of Muammar Qadhafi.

As in 1804, the United States took decisive action while Europeans, for the most part, showed no interest in halting the reign of terror.

President Reagan ordered the raid on the basis of clear and decisive evidence that Qadhafi masterminded the bombing a week earlier of a Berlin disco, in which an American serviceman was killed.

That tragedy was only the latest in the Libyan madman's long strike of brutal, unprovoked attacks against Americans and Europeans.

As a member of the House Armed Services Committee, I was especially impressed by the skill with which our Navy and Air Force pilots carried out the nighttime raid.

Of course, the loss of one Air Force F-111 bomber points up the danger of any military undertaking, and we extend our sumpathy to the families of its crew . . . Capt. Fernando L. Ribas-Dominicci and Capt. Paul F. Lorence.

That plane's loss apparently was not related to the attack itself, and might have been prevented had the F-111's not been flying a circuitous 5,600-mile round trip to Tripoli from American bases in Great Britain.

Their journey around the western tip of Europe . . . including several dangerous mid-air-refuelings . . . was made necessary when France and Spain refused to let the bombers cross their territory en route to Libya (Britain, to its credit, approved the departure from its soil).

France's lack of support, particularly, was a slap in the face to the United States, which twice in this century has saved France from destruction.

The French repeatedly neglected their cooperative defense commitments as a member of the North Atlantic Treaty Organization (NATO); their cool reception to the Tripoli raid was the latest example of their arrogance and lack of regard for the United States.

If the French remain unwilling to help combat worldwide terrorism, we should refuse to take up their causes around the world . . . including their opposition to the South Pacific Nuclear-Free Zone Treaty, which is proposed by Australia, New Zealand and others in the region and would bar further French nuclear weapons testing in the South Pacific.

The people in Europe are as vulnerable as Americans to terrorist attack; they must join us in the fight against Qadhafi and his fanatical followers or lose our support in other endeavors.

The Tripoli raid will not end the terror campaign controlled by Libya and its friends, such as Syria and Iran. More likely, it will be only the beginning of a long struggle against the terrorists and their sponsors.

We must be vigilant against increasingly frequent terrorist onslaughts both here in the United States and abroad. Extraordinary security measures may have to be adopted . . . such as Congressman Wyche Fowler's suggestion that airline tickets carry an implied consent to full-scale baggage and personal searches.

And, we must be prepared to launch more strikes like the one last week to knock out terrorists command posts, training centers and supply depots . . . whether other nations support us or not.

The Tripoli raid should signal terrorist leaders that the United States has reached the breaking point with their ruthless tactics . . . that our long period of tolerance has ended and that political gain will not be achieved with guns and bombs.

ELLIOT ABRAMS SPEAKS FOR THE NICARAGUAN RESISTANCE

HON. JIM COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1986

Mr. COURTER. Mr. Speaker, "while we are talking, the Soviets, Cubans, and Sandinistas are acting." So concludes Assistant Secretary of State for Inter-American Affairs Elliot Abrams in a powerful rebuttal to a number of arguments against helping the democratic resistance in Nicaragua. Amidst all the articles we see on the Central America debate, few go as far as Mr. Abrams in carefully extending arguments and directly answering opponents. His reasoning and conclusions alike commend themselves to the attentions of all Members, and for that reason I am including the essay in today's RECORD.

[From the Miami Herald, May 4, 1986]

THESE ARE TOUGH TIMES FOR FOES OF CONTRA AID

(By Elliott Abrams, assistnt secretary of state for inter-American affairs)

Aid to Nicaragua's democratic resistance may be stalled in Congress, but these are tough times nonetheless for opponents of administration policy. Far from gratitute or support from Managua, their reward is a series of Sandinista actions that demonstrate that instead of being benevolent social reformers, the Sandinistas are indeed a threat to Central America and to Western interests generally.

Once it was claimed that the administration misread the character of Nicaragua's government. Today, after years of consorship and repression, it is no longer possible to argue credibly that the Sandinistas are even latent democrats. The true Sandinista intentions have been revealed with each act of repression of their own people and each new act of terrorism and aggression against their neighbors. The latest wave of over 10,000 Miskito refugees fleeing Sandinista attacks attests to the regime's viciousness.

One result is that Congress is no longer debating what the Sandinistas are; it is debating what the United States should do to prevent them from consolidating a Communist system in Nicaragua. There is general agreement that diplomatic pressure should be used, but there is deep disagreement over whether the Sandinistas will respond to diplomatic initiatives in the absence of the military pressure the resistance can provide. Again, the Sandinistas have answered the question for us.

In 1984, after Congress ended U.S. military aid to resistance forces, the Sandinistas did not negotiate—they kept their leading political opponents out of elections and brought in Soviet helicopter gunships in an attempt to shut off any further armed resistance. This spring, after the House of Representatives again voted down aid to the

contras, Nicaragua struck into Honduras, then rejected all attempts to develop a comprehensive settlement at the Contadora talks in Panama. Those in attendance at the negotiations had no doubt that the Sandinistas, not the United States, were responsible for the Contadora passe.

All of this may leave opponents of aid to the resistance dispirited, but it apparently hasn't left them discouraged. Having exhausted all defenses of the Sandinistas, they have shifted the focus of their attack.

First comes the accusation that the contras are not broadly representative of the Nicaraguan nation. This charge is already several years out of date. With each passing month of Sandinista repression and economic malpractice, the resistance gains more recruits—it is now over 20,000 strong, with a rank and file that reflects the broad spectrum of Nicaraguan society. Today's resistance has more fighters than did the Sandinistas when Somoza fled in 1979. That they haven't yet won is a reflection of the Soviet and Cuban arming and training of a Sandinista army at least six times larger than anything Somaza ever had.

A second charge is that the contra forces are made up of Somocista guardsmen. In fact, the former national guardsmen participating in the resistance are far outnumbered, both in the leadership and in the ranks, by fighters with no past connection to the National Guard. Indeed, most are too young to have served in the National Guard before the Sandinista accession to power.

A more recent tactic of administration critics is to charge that the resistance is embezzling money. Unsubstantiated charges have been made that privately raised funds have been misspent. It has also been asserted that humanitarian assistance provided by the U.S. government has been abused. This canard found absolutely no support from the congressional General Accounting Office (GAO), which located no evidence of misuse of funds. GAO did find that the system Congress designed to administer the humanitarian assistance is not ideally suited to thorough monitoring of all transactions, especially in Central America, but this is hardly the fault of the resistance.

Then there are charges of drug trafficking. It is known that the resistance's lack of adequate supplies led to a search for alternative money sources. But we have no evidence that contra leaders whom we support are involved in drug trafficking. In fact, we know that they oppose it, and they know that the administration and Congress will stop aid to any resistance group that tolerates it.

The final recourse has been to smear the political leadership of the resistance. One leader, Adolfo Calero, has been accused of disloyalty to the goal of democracy in Nicaragua. This charge, leveled by Sen. Harkin on the Senate floor, is a particular irresponsible one to make against a man whose political career was forged in opposition to the Somoza dictatorship, who was one jailed for anti-Somoza activities and who has kept at arm's length by the Sandinistas precisely because he is a democrat.

Other top contra leaders such as Arturo Cruz and Alfonso Robelo proved their allegiance to democracy by leaving prestigious posts in the Sandinista government when it turned toward totalitarian rule and Soviet bloc alignment.

Scurrilous personal attacks do more than defame good people: They also distract attention from the solid political and organizational progress the resistance has made in recent months. This process began when the United Nicaraguan Opposition (UNO) was formed last June and continues today as all elements of UNO negotiate new democratic decision-making procedures that will clearly subordinate military forces to a representative civilian leadership. The continued cooperation of leaders such as Calero, Cruz and Robelo bodes well for the future and gives hope that still more opposition groups will join UNO, expand its political base and help shape its political program.

In this effort, and in the effort to address charges of human rights abuses and drug trafficking activity, UNO receives support from the administration and a bipartisan group of members of Congress. This quiet bipartisan cooperation, a significant development, has been all but overshadowed by the heated legislative battles over the aid itself. It is clear to all concerned that for Nicaragua's resistance movement to succeed it must be as united and as democratic as the new Nicaragua it hopes to create.

As our debate continues, shifting from issue to issue and from charge to charge, we should remind ourselves that our deliberations may one day become academic. While we are talking, the Soviets, Cubans and Sandinistas are acting. Their strategy to destroy Nicaragua's civil and military opposition proceeds apace. That was the reason for the raid into Honduras, and it is the reason for continued internal repression such as the closing of the Catholic Church radio station and the censorship of La Prensa, two independent media of communication that once reached a large segment of the population.

Politically and militarily, the Nicaraguan freedom fighters can exert immense pressure on the Sandinista regime. Given the lack of any American military aid for two years, their progress has been remarkable. But the latent strength of the resistance cannot materialize without substantial and timely U.S. aid. It will be a tragedy for our Nicaraguan neighbors and for the hemisphere's democratic ideal if the prolonged indecision of the United States denies the resistance of Nicaragua the chance to bring a just peace to its long-suffering, repressed people.

THE NEW GI BILL: A CHANCE FOR SOMETHING BETTER

HON. G.V. (SONNY) MONTGOMERY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1986

Mr. MONTGOMERY. Mr. Speaker, in the 5 years since we first began to develop the new GI bill, we have attempted to explore every corner, examine every technicality, and gather every point of view related to this important Education Assistance Program. However, there is always something new and personal and good that can be said of the program.

No one understands the GI bill better than the people who use it. I continue to receive success stories from former GI bill participants nationwide who have benefited and are still benefiting from the program. Their letters provide us with new and revealing information, though their conclusions are the same—the new GI bill is good for America and good for America's people.

I would like to share with my colleagues the following letter—another of the GI bill's success stories:

CHARLOTTESVILLE, VA,
April 9, 1986.

G.V. MONTGOMERY,
House of Representatives, House Office Building, Washington, DC.

DEAR MR. MONTGOMERY: I agree with your statement about attempts to kill the GI Bill that ". . . the decision is severely flawed." In particular I am bothered by Administration argument that ". . . it may be a disincentive for retention". I believe the quality and energy levels of enlisted men in a military unit are just as important as the retention rate.

I grew up on a low income farm in the 1940's with excellent parents who had just 12 years of elementary education between them. But I was bright and eager and my teachers encouraged me to go to college.

So the GI Bill became my way out of that tiny high school and into the University of Iowa. While the Air Force did not retain me it did gain an active person with energy and goals. During my four years I advanced to A/1C as a radio operator while serving at Keesler Air Force Base, Patrick Air Force Base and K-6 in Korea.

I think it is unfortunate that the administration is missing two other key points such as contribution to the nation after graduation in service given and taxes paid. As a teacher in a federally designated rural poverty area from 1964 to 1974 I received the following recognition for my work with rural youth.

1. *The Nations Schools*, 1967—Description of an innovative program I developed.
2. Iowa's outstanding young educator, 1968—by the Iowa Jaycees.
3. Iowa's Teacher of the Year, 1971—by the Iowa Department of Education.
4. National Teacher of the Year (Final Five), 1971—by the National Council of Chief State School Officials.
5. "Master Teacher" with the Iowa Mobile Instructional Lab, 1971-74.

In my current position with the Virginia Department of Mental Health I will pay 1985 income taxes equal to the entire amount of GI Bill funds I received from 1959-63.

The point is that for less than $8,000 the federal government obtained a commitment from me for four years of service, changed my life and placed me in a position to provide more service and pay more taxes.

Please do not give up your fight for the GI Bill. There are too many poor but sharp young men and women who will serve just to get a chance at something better.

Sincerely,

JOHN D. BEGHTOL.

TRADE REPRESENTATIVE CLAYTON YEUTTER'S ANALYSIS OF TRADE BILL

HON. DOUG BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1986

Mr. BEREUTER. Mr. Speaker, a number of the provisions of the trade bill that comes to the floor of the House this week could be especially damaging to agricultural trade. Special Trade Representative Clayton Yeutter's analy-

sis of these provisions appeared in the May 18, 1986 edition of the Washington Post. Ambassador Yeutter's concerns are the same concerns being raised by all of the major agricultural groups, and they are concerns which are shared by this member. I commend this article to the attention of my colleagues.

IT'S SO BAD, THE SPONSORS MUST WANT IT VETOED

(By Clayton Yeutter)

Every once in a while, legislation comes along that is so bad even the sponsors want the president to veto it.

Of course, they cannot admit it publicly, but the sponsors of the trade bill going to the House floor this week secretly must be counting on a veto. They have not tried to conceal their desire to win votes this fall by voting for a trade bill that "gets tough" with our trading partners. But they must know their short-term gain would be offset by massive American job losses down the road.

There are many things the administration doesn't like about the House trade bill. But the worst is that it breaks so many rules of international trade that our trading partners would close overseas markets to U.S. products, costing American jobs.

Some have suggested Congress is simply trying to send the administration a message, but that message was sent and received—loud and clear—a year ago. And that is a mighty poor way to rationalize bad legislation in any case.

The administration agrees that the U.S. trade deficit is a serious problem. President Reagan has an aggressive program to fight unfair trade practices abroad, to negotiate market-opening agreements with other nations and to address the underlying economic fundamentals that have distorted trade flows. We have initiated or accelerated cases challenging the unfair trading practices of Japan, the European Community, South Korea, Taiwan and Brazil. We have made important strides toward negotiations to strengthen the General Agreement on Tariffs and trade (GATT), which governs international trade. And we have seen the dollar decline against other major currencies, so U.S. products are now priced far more competitively in world markets.

This is not to say we have solved the trade deficit; that will require a lot more hard work. And it will require time. Businessmen do not change their order books overnight just because exchange rates have moved.

It is also not to say the trade laws cannot be improved. But any changes should be responsible ones aimed at opening markets to U.S. exports, not at closing markets in the United States. And they should be passed with a bipartisan consensus.

Unfortunately, the bill pending before the House is neither bipartisan nor responsible. It was rammed through a number of House committees without addressing the concerns of Republican members. It is festooned with special-interest provisions, measures that are pure protectionism, and enough GATT-illegal actions to start a dozen trade wars.

For example, the bill would require an annual 10 percent reduction in our bilateral trade deficits with Japan, Taiwan and West Germany, through unilateral tariffs or quotas if necessary. This is superficially appealing, but as a real world solution it is dead wrong. Because it would violate our international obligations, other nations simply would respond by impeding our exports to the same degree that we impede theirs. As a consequence, our trade deficit would not improve. Our unwise action would only have reduced trade in both directions, costing us lost jobs and gaining nothing in the process.

The bill also would require the president to bring an unfair trade practice case against any nation that does not meet so-called "international" standards for worker rights. This would be impossible to implement fairly and might make the United States itself the target of similar complaints by nations that have more comprehensive labor laws. Though worker rights are a legitimate issue for negotiations, it is arrogant to attempt unilaterally to impose standards—of any kind—on the rest of the world.

Another provision would change the law concerning temporary relief for industries that cannot compete with imports so that an industry could receive relief even before it was shown that imports had damaged that industry. Such import relief should not be given so cavalierly, because it has a cost. Nations whose trade is injured because of our action have a legal right to "compensation." That means some of our most efficient industries—those that are internationally competitive—would pay the price for protecting less efficient ones.

There are other provisions in the bill that are equally troublesome. Most of them reflect a lack of confidence in America's ability to compete. Many have a thin market-opening veneer, but their timetables and procedures are so impractical that the real effect would be to turn America into a protectionist fortress.

America did not grow strong by erecting trade barriers and reneging on international obligations. We grew strong through competition. Our trade deficit is a major problem, but we can overcome it by making the right policy moves, not the wrong ones. To "save" jobs today by passing legislation that will assuredly cost us far more jobs in the future is sheer folly.

With jobs already at record levels, inflation under control, interest rates declining, oil prices at reasonable levels and America respected throughout the world, some in Congress see trade as their last remaining political issue in the November elections. They think they've got to "do something" about trade, regardless of how irresponsible it is.

If those who vote for the House trade bill really are hoping the President will save them from embarrassment by vetoing it, they're likely to get their wish.

OUR NATIONAL SECURITY DEMANDS A STRONG MERCHANT MARINE

HON. THOMAS J. MANTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1986

Mr. MANTON. Mr. Speaker, the Committee on Merchant Marine and Fisheries will soon consider H.R. 4136, a bill to establish a permanent building program of militarily-useful cargo ships. The effect of this legislation would be to increase significantly the number of U.S. flag vessels.

Under this build and charter program, the Government would contract to have vessels built in American shipyards. Private operators would then purchase or charter these ships. However, in the event of a national emergency or of war, they could be made readily available to serve the country as naval and military auxiliaries. A "military auxiliary revolving fund," administered by the Secretary of the Navy, would be set up for this program.

Mr. Speaker, the United States has long had a need for the type of build and charter program provided for in H.R. 4136. Our national security and the viability of our ailing merchant marine depend upon such a program. There are many very persuasive reasons for increasing the number of U.S. flag vessels. I will not reiterate these now, because they will be spelled out when H.R. 4136 is debated on the floor.

However, I would like to draw to the attention of my colleagues an eye-opening opinion piece entitled, "U.S. Can't Bow to Merchant-Marine Blitz," printed in Tuesday's Wall Street Journal. This piece, which was authored by retired Rear Adm. Robert J. Hanks, describes the Soviet Union's tremendous build-up of merchant vessels. This build-up has occurred while our merchant marine fleet has rapidly shrunk to a point where the United States has far fewer ships capable of serving us during a crisis period than has the U.S.S.R.

Mr. Speaker, we are not without a solution to this problem. The existing discrepancy between the merchant marine fleets of the United States and the Soviet Union would be eliminated if the Congress will enact H.R. 4136 into law. If our colleagues will simply read the following Wall Street Journal opinion piece, I am certain the acute problems posed by our dwindling merchant marine will receive immediate national attention and congressional action.

Mr. Speaker, I submit the Wall Street Journal article to be reprinted in its entirety.

[From the Wall Street Journal, May 13, 1986]

U.S. CAN'T BOW TO MERCHANT-MARINE BLITZ

(By Robert J. Hanks)

A war at sea is being waged against Western nations by the Soviet Union. The principal participants are not men-o'-war but mundane merchant ships and the rates being charged for commercial cargoes.

Unfortunately, this struggle has attracted scant attention in the U.S. While there have been Western casualties—shipping companies forced out of business and shipbuilding and repair yards closes—precious little is being done about them. The tragedy is the U.S., today, is as dependent on the sea as was England at the outset of World War II, for economic and military reasons. Yet the matter's generally greeted in Washington with a yawn.

The facts are these. From a tiny fleet in 1945—mostly U.S. lend-lease Liberty ships—the Soviet merchant marine had grown by 1984 to an astounding 2,457 ships (1,000 gross tons or over) totaling more than 23 million deadweight tons. In the world, it ranked second to Panama in numbers of ships and seventh in tonnage. By contrast, the U.S. could boast fewer than 500 merchantment. Moreover, cut-throat competition from Soviet ships has produced significant reductions in the fleets of America's European and Japanese allies.

Troublesome portents are embedded in these statistics, NATO, being a maritime alliance, would critically depend on seaborne transport of reinforcements and logistic supplies from North America in the event of a war in Europe. A continuous flow of food

and raw materials from overseas would also be required to sustain any war effort. At the same time, scores of merchant ships would be needed as auxiliaries to support NATO navies. The Falkland Islands war underlined the latter requirement. Allied capability to meet these commitments, however, steadily shrinks.

Why are the Soviets waging this non-shotting war? The answer is in a book. "The Sea Power of the State," by a former head of the Soviet navy, Admiral S.G. Gorshkov. He says the peacetime employment of merchant fleets is an integral part of the political and economic struggle between "antagonistic social systems."

The Soviet strategy in this war is simple: rate-cutting. The Soviet merchant fleet is a wholly subsidized creature of Moscow and can set cargo haulage rates well below market profitability floors. Offering carriage fees ranging from 10% to 40% below those floors. Soviet ships have made massive inroads in trade, not only to Third World countries, but along crucial Atlantic and Pacific Ocean routes as well. Obviously, Free World shipping companies cannot offer such rates and remain in business. Further, along those trade routes where the Soviet merchant fleet is not present in strength, ships from the U.S.S.R.'s East European satellites—also operating with government assistance—pursue identical policies.

How successful have the Soviets been? In a word: very. Two major U.S. shipping carriers—Pacific Far East Line Inc. and States Steamship Lines—have been bankrupted because U.S. free-market policies ask American shippers to compete against the Soviet government. In the Pacific, for example, the Soviet Far East Shipping Company and its Polish counterpart slashed rates to capture trade. When other low cost operators such as the Taiwanese followed suit, the American carriers simply could not longer compete for cargoes. Similar effects have been felt in strong maritime nations such as Britain, Sweden, West Germany, and Japan.

What, then, should be done about this economic war at sea? Some West European countries have taken steps to halt the decline of their merchant fleets. But Washington remains indifferent.

Several things can be done. First, more than lip service needs to be accorded the Merchant Marine Act of 1936, which emphasized the importance of a healthy merchant fleet to the security of this country. Next, Washington can insure that all government cargoes are carried in U.S. ships. (This includes food aid being sent to needy nations.) Negotiation of bilateral accords must be relentlessly pressed to reserve reasonable cargo percentages for American shipping companies. The U.S. would, in a pinch, need guaranteed access to container ship to carry military equipment.

The West can ignore the Soviet war on commercial shipping only at its peril.

(Mr. Hanks, a retired rear admiral, was director of strategic plans and policy in the Navy Department, 1976-77. He is author of a 1985 monograph, "American Sea Power and Global Strategy.")

BUSINESS ROUNDTABLE AND ECAT OPPOSE TRADE BILL

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1986

Mr. FRENZEL. Mr. Speaker, printed below are letters from two distinguished business groups, the Business Roundtable and the Emergency Committee for American Trade [ECAT], which vigorously oppose H.R. 4800, the trade package that will come up this week.

Both letters indicate that they could have supported legislation that was not so extreme. However, on balance, these groups view this legislation as contracting rather than expanding U.S. trade and economic activity.

I hope that my colleagues will review the sound advice given by these two groups.

The letters follow:

THE BUSINESS ROUNDTABLE, TASK FORCE ON INTERNATIONAL TRADE AND INVESTMENT,
New York, NY, May 7, 1986.

Hon. BILL FRENZEL,
U.S. House of Representatives,
Washington, DC.

DEAR REPRESENTATIVE FRENZEL: The Business Roundtable has worked with Congress for over a year in support of trade legislation. While we continue to believe that additional trade legislation is needed, we must oppose the trade bill recently approved by the Ways and Means Committee. In its current form the bill would adversely affect U.S. competitiveness. We urge you to vote against this bill unless it is substantially improved.

The Business Roundtable does support several provisions in the bill which would strengthen U.S. trade policy. These provisions include: the grant of negotiating authority for the next round of trade negotiations; the requirements for mandatory retaliation when there have been violations of international trade agreements; and the section permitting a more effective response to intellectual property rights violations.

Nevertheless, the good which these provisions might accomplish would be outweighed by other provisions, most of which were added to the bill as amendments during committee consideration.

One provision of the bill would, for example, permit U.S. companies to be sued retroactively for damages in dumping cases. Other harmful provisions would require unilateral action under U.S. trade laws against industrial targeting, and would permit unilateral action against countries which violate workers rights. Actions under either provision could well lead to action against the U.S. under international trade agreements as well as retaliation against U.S. exports.

Finally, the bill establishes an arbitrary formula to determine which countries have an "excessive trade surplus" on a bilateral basis with the United States. Under this provision, quotas could eventually be required against "trade surplus" countries. This protectionist provision would have little impact on the overall U.S. trade deficit, and could subject U.S. exporters to retaliation.

It is critical that Congress carefully evaluate this trade bill on the basis of facts, not emotions. If the goal is to increase U.S. competitiveness, as the Roundtable believes it must be, then the country needs aggressive use of present trade laws and carefully crafted amendments to improve those laws. In its current form, the Ways and Means trade bill would adversely affect U.S. competitiveness and should be modified or rejected.

Sincerely,

E.W. SPENSER,
Chairman.

PFIZER INC.,
New York, NY, May 12, 1986.

Hon. BILL FRENZEL,
U.S. House of Representatives,
Washington, DC.

DEAR MR. FRENZEL: While the trade reform bill reported out of the Ways and Means Committee, H.R. 4750, contains many desirable features, we in the Emergency Committee for American Trade (ECAT), of which I am chairman, urge that you vote against it. ECAT is an organization of the leaders of 60 large U.S. international firms with annual worldwide sales of about $700 billion and with over 5 million employees. We, therefore, have a keen interest in foreign trade legislation since both our businesses and the jobs of our workers are affected.

We believe that on balance the trade reform bill would contract rather than expand U.S. trade and economic activity. Since many of the bill's provisions are of questionable international legality and would require the imposition of U.S. import restrictions based on arithmetic and other arbitrary criteria, we think it reasonable to expect our trading partners to retaliate against U.S.exports and other economic interests. This will lower domestic economic activity with consequent job losses and lowered profitability of U.S. firms. What are needed are such steps as those reported out by the Foreign Affairs Committee that would amend the Foreign Corrupt Practices Act and export control legislation in a manner that will facilitate U.S. export control legislation in a manner that will facilitate U.S. exports.

We regret having to oppose the trade reform bill since we believe that appropriate reform will enhance the international trade posture of the United States. Last year's recommendations of both the House Democratic Trade Task Force and the House Republican leadership offered many sound reform proposals that we believe could be crafted into a trade reform bill that would be supported by the overall U.S. business community. It is regrettable that H.R. 4750 so substantially departs from the above proposals for trade reform.

The prospective new round of trade negotiations offers another opportunity to improve the international trading system and to develop new rules in the areas of investment, services, and the protection of intellectual property rights. International agreement seems to us to offer a significant opportunity for improving the international competitiveness of the United States.

Sincerely,

EDMUND T. PRATT, Jr.,
Chairman of the Board.

TRIBUTE TO WALTER R. McALLESTER, DEDICATED PUBLIC SERVANT AND PROTECTOR OF THE ENVIRONMENT

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1986

Mr. CONTE. Mr. Speaker, earlier this year, a good friend and a dedicated public servant retired from a long and successful career with the U.S. Department of the Interior.

During his career with the U.S. Fish and Wildlife Service, Walt McAllester had a lasting and positive impact on the Nation's wildlife resources, particularly migratory birds. As a major player in the Interior Department's realty operation, Walt McAllester participated in the acquisition of millions and millions of acres of wildlife and waterfowl habitat, and during his career, the number of National Wildlife Refuge System Units nearly doubled to its present 556 units. His work to preserve vital habitat for our wildlife resources will have lasting benefits for many future generations who will enjoy the beauty of this country.

After graduating from New York State College of Forestry in Syracuse, NY, with a BSF degree, Walter R. McAllester began his service as an appraiser in the regional office of the Fish and Wildlife Service in Atlanta on July 3, 1950. After 2 years, he transferred to the Boston regional office as a realty assistant and served there for 10 years, advancing to realty officer and finally to assistant regional supervisor.

In 1962, he accepted a post as a supervisory realty officer in the Office of the Chief, Division of Realty, in Washington, DC. After 3 years, he was selected as Assistant Division Chief, serving in that capacity for 6 years. In 1971, he was promoted to Division Chief, the position from which he recently retired. In all, this amounts to 35 years of steadily advancing responsibility and authority. Using his creative talents and with a determined commitment to preserve our natural resources, Walt produced results, especially during his tenure as Chief of the Realty Division.

Between 1970 and his recent retirment, 176 new acquisition projects were approved in Fish and Wildlife Service programs. These projects protected 1.7 million acres of wildlife habitat around the country. In the State of Alaska alone, since 1970, National Wildlife Refuge acreage jumped from about 20 million acres to over 77 million acres today. Since Walt McAllester became Division Chief, over 57 million acres of vital wildlife habitat were protected in Alaska alone.

In the lower 48 States, other significant refuges were added to the system during this time period. In California, the Grasslands area was identified as vital habitat, and an aggressive easement and acquisition program was developed to presserve this important migratory bird area. Likewise in Texas, the Lower Rio Grande Valley area was designated as a priority within the refuge system.

Although I worked with him on many of the Department's acquisition projects, my close association with Walt began many years ago when he was appointed the Secretary of the Migratory Bird Conservation Commission. As a 20-year veteran of the Commission, I worked closely with Walt McAllester, relying many times on his judgment and expertise in the realty area. His knowledge of land acquisition methods, Federal laws and regulations governing acquisition, disposal, and utilization of real estate is unsurpassed. His talents are recognized by his peers in other agencies, by Members of Congress, and by leadership of the private fish and wildlife resource groups.

Throughout his career, Walt McAllester was identified as an innovator and an expediter without sacrifice of principle. His abilities as an astute manager were utilized by the Fish and Wildlife Service on a daily basis. Over the years, top management in the Interior Department consistently relied on his counsel for both realty issues and broader policy matters.

Mr. Speaker, Walt McAllester was a dedicated public servant who worked hard to protect our precious natural resources. As a friend, he will be missed on the Washington scene, but more importantly, his work with land acquisition programs will leave a void in the Department's operation.

As a longtime friend, I wish Walt the best of luck and happiness as he begins a well-deserved retirement.

KEEP THE PRESSURE ON PINOCHET

HON. DOUG BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1986

Mr. BEREUTER. Mr. Speaker, recent press reports detail on ominous new development in Chile, where an expensive series of military raids through Santiago's poorer neighborhoods is said to be underway. Ostensibly antiterrorist sweeps, the raids, some observers believe, are meant to convey a not-so-subtle message to civilian groups calling for an early return to democracy.

It may be that this interpretation does an injustice to the Chilean Government. But things have come to such a pass in that country, and suspicions run so high, that even legitimate Government actions are likely to be interpreted in the manner most unfavorable to the Pinochet regime.

Mr. Speaker, less than 2 months ago in remarks on this floor, I urged free elections for Chile by 1989 or sooner. Today I renew that call, and I urge my colleagues in the House and in the other body, as well as the administration, which has made some heartening moves in this direction, to join me. The principle by which we should operate until such a time as the Chilean people are once again free to exercise the democratic freedoms which are such a cherished part of their history is the title of a Christian Science Monitor Editorial headline, which I commend to my collegues. The headline is: "Keep the Pressure on Pinochet."

KEEP THE PRESSURE ON PINOCHET

In the past two years a dominant political theme throughout Latin America has been the replacement of military rule by popularly elected governments—from Argentina, in the extreme south, to Guatemala and El Salvador.

By contrast, in one Latin American country—Chile—authoritarian government remains in control despite three years of alternately rising and falling popular pressure for democracy.

Now the Chilean political opposition has again served notice on President Augusto Pinochet, in charge of the nation since 1966, that it wants firm steps taken toward democracy—this time, with somewhat brighter prospects for success.

For one thing, the Reagan administration in recent months has pressured General Pinochet—correctly—to move toward democracy. For another, in a break from the past all but the extreme elements of Chile's previously fragmented opposition have managed to agree not only on what they want—inclusion in the political process—but on how they intend to press for it. An assemblage of opposition groups threatened a general strike in 30 days if Pinochet does not move to provide public participation in politics, which he is unlikely to do; previously, opposition parties on the right had been unwilling to take to the streets. The ultimatum is likely to reinvigorate the demand for reform toward democracy issued last August in an accord signed by non-Marxist opposition parties.

The big unknown is the military. At year's end Pinochet reorganized its top command, in a move apparently designed to reduce opposition. Although the Army is believed to be loyal to Pinochet, other branches of the military may be restless; if the military decides to pressure Pinochet to step down, an important new element will be introduced.

Time is a factor. The opposition seeks to have the next president chosen by open and popular election, at present, Pinochet's successor is to be nominated in 1989 by the four military commanders, and only then presented to the public for its approval in a one-candidate referendum, and for a term of eight years. If such a referendum takes place, the political opposition fears that a truly democratic election will not be scheduled until 1997.

The opposition wants a return to democracy by 1989, which seems a reasonable goal. But such a change would require the Chilean government to take steps shortly to legalize political parties and to restore freedom of the press—elemental moves which ought to be made.

FRED FREDERICK AWARDED JOURNAL TROPHY

HON. STENY H. HOYER

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1986

Mr. HOYER. Mr. Speaker, on Tuesday, May 20, 1986, Mr. Fred Frederick of Laurel, MD, will be awarded the Journal Trophy by the Prince Georges Civic Federation in conjunction with the Prince Georges Journal newspaper. For many years, the trophy was sponsored by the Washington Star. Awarded nearly every year since 1939, recipients number some of the most distinguished civic activists in the history of Prince Georges County.

Mr. Frederick is the recipient of this prestigious award in recognition of a lifetime of civic activity. Most recently, he served as vice

chairman of the community hospital and health care system, the leasee of the Prince Georges hospital system. When confronted with evidence of mismanagement which was leading to rapid decay in the hospital system, Mr. Frederick resigned on principle to call attention to these serious problems. His courageous action led to a recommitment to quality health care on the part of an all new board.

We are now on our way to returning our county hospital system to the quality it has known in the past. Once this mission has been accomplished, one person the citizens of our county will have to thank is Mr. Fred Frederick, who had the courage of conviction to take a positive action, when remaining silent might have been the easier course to follow.

This latest example of civic activism and concern is but one mark in a 34-year career of success in business and involvement in community activities. A former U.S. Marine, Mr. Frederick started his own automobile dealership at the age of 27. He is now so respected that he serves as chairman of the National Chrysler Corp. Dealer Council. At one time or another, he has served as president of the Laurel Board of Trade, the Laurel Chamber of Commerce, the Laurel Lions Club. As an alumnus of the University of Maryland, I am especially proud to note that Mr. Frederick has served as president of the Maryland Terrapin Club.

Mr. Speaker, I am sure that you and our colleagues will agree that Fred Frederick represents the best of the thousands of citizens who give their time, energy and commitment to our communities without financial reward. Without them, community life in our country would be sorely lacking. I am sure you will all join in offering congratulations and thanks to Mr. Frederick, a man of principle.

HONORING SCHMIDT'S SAUSAGE HAUS RESTAURANTS

HON. CHALMERS P. WYLIE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1986

Mr. WYLIE. Mr. Speaker, this year marks the 100th anniversary of Schmidt's in Columbus, which started with the J. Fred Schmidt Packing Co. in 1886, and evolved into Schmidt's Sausage Haus Restaurants. Schmidt's restaurants are famous for their homemade meats, sausages, and pastries. In addition to producing fine food, the Schmidt family is known for its tradition of civic and community involvement spanning five generations.

Today, Schmidt's has grown to four restaurants serving its culinary delights to thousands of Columbus area residents—certainly an American success story given Schmidt's beginnings back in 1886 when the J. Fred Schmidt Packing Co. was founded at 253 East Kossuth Street. This meat packing plant was the brainchild of a new partnership formed between a young German immigrant, J. Fred Schmidt and Lew Barnhart. Soon thereafter, J. Fred bought out his new partner and became sole owner of the J. Fred Schmidt Packing Co.

When Fred passed away at a young age, his wife Lena took over the business while rearing five children. One of their sons, George L., assumed the management operation of the J. Fred Schmidt Packing Co. at age 15 and ran the packing company until his retirement in 1941 at age 51. He said he had worked long enough and turned the business over to his oldest son, Fred, who ran the company until he passed away at the age of 37 in 1952. His brothers, George F. and Grover, continued the family tradition. George L. kept his hand in the business as an adviser to his sons and passed away in 1972 at the age of 81.

Although Schmidt's produced and distributed only pork products in the beginning, they eventually supplied a full line of meat products, frozen foods, and margarine.

Growing with the demand for Schmidt's quality products, the size of the operation expanded to distributing its products to grocers within a 130-mile radius of Columbus.

During the 1960's, large grocery chain price wars and city ordinances against slaughtering livestock within city limits led to the closing of the beef packing plant in 1964 and the pork packing plant closed 2 years later.

The closing of the packing plants marked the end of a proud era for the family. But with it came the advent of a remarkable new era for the Schmidt family. This new era, for which countless Columbus families and residents are thankful, was the beginning of their restaurant business.

Going into the restaurant business was a logical progression for the Schmidt family since George L. Schmidt had cooked and sold his products at the Ohio State Fair since 1915. May I say an annual tradition with our family is a stop at the Schmidt's tent during the Ohio State Fair for bratwurst and sauerkraut, or a Bahama Mama and one of their delicious cream puffs. In 1967, George F. and Grover Schmidt decided to open a combination restaurant and retail meat store in a renovated building where the packing house once stood.

Within weeks after opening, the new restaurant became extremely popular and the dining areas had to be enlarged. In 1970, the restaurant operation was expanded once again when George and Grover purchased a building just around the corner from the original meat packing house, which became known as the Fudge Haus.

Since 1967, Schmidt's restaurants have become a phenomenal growth and success story. In 1971, a second restaurant was opened. Then in 1979, Grover sold out to his brother George and moved to Florida. George F. and his wife Betty, produced three fine sons and two wonderful daughters who are active in the business. The Schmidt's restaurants are indeed a real family affair.

Throughout their splended history in Columbus, the Schmidts have been a family who have also been deeply involved with the city. Their participation ranges from coownership of the old Columbus Bulls professional football team to active support for the arts. In fact, the Schmidt's patronage for the arts today has resulted in George Schmidt's possessing one of the largest collections of art painted by German Village artists.

For 100 years, the Schmidt family has worked on behalf of Columbus and its people. In addition to their numerous contributions to the city through an active role in many civic and cultural events, they also are active supporters of charitable organizations such as the March of Dimes, Children's Hospital, Multiple Sclerosis, and Charity Newsies.

It is this proud heritage that has been the hallmark of the Schmidt family and has left an invaluable imprint on the quality of life in Columbus. As Schmidt's heads toward its second century serving the people of Columbus, I think it is most appropriate that we look back upon its proud history and salute the many accomplishments of this fine family. Their contributions to the city of Columbus have enriched the lives of us all and for that, we say thank you.

CONGRESSIONAL SALUTE TO THE REVEREND WALTER M. PRUSCHOWITZ UPON THE 25TH ANNIVERSARY OF HIS ORDINATION

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1986

Mr. ROE. Mr. Speaker, on Sunday, May 25, the residents of my congressional district and State of New Jersey will join with the members of the congregation of Holy Trinity Roman Catholic Church, Passaic, NJ, to give testimony to an exemplary clergyman and good friend, the Reverend Walter M. Pruschowitz, as we celebrate the 25th anniversary of his consecration into the Sacrament of Holy Orders.

Mr. Speaker, the faith and devotion of our people in a full communion of understanding, ever caring and respecting the individual religious beliefs of his or her fellowman has been the lifeline of our democracy—ever inspiring our people with hope and urging the individual on to great achievements and purpose in pursuing the fulfillment of his or her dreams and ambitions. The exemplary leadership and outstanding efforts of our citizens so important to our quality of life are in the vanguard of the American dream and today we express our appreciation to Father Pruschowitz whose dedication and unselfish devotion in promulgating spiritual guidance, goodwill, fellowship, and brotherhood in service to God have truly enriched our community, State, and Nation.

Father Pruschowitz has maintained the highest standards of excellence throughout his lifetime and we are pleased to share the pride of his many, many friends and parishioners in his distinguished achievements, so unselfishly dedicated to the betterment of mankind. There is so much that can be said of the love, affection, and reverence with which Father Walter is held by all who have had the good fortune to know him.

It is interesting to note that he was born in Schwaz, Czechoslovakia, the son of the late Anton and Olga Brunner Pruschowitz. He attended high school in Benediktbeuern, Germany and completed his undergraduate studies at Don Bosco College, Newton, NJ. He

joined the teaching faculty at Don Bosco High School in Ramsey, NJ and subsequently decided to expand his career as an educator through theological studies for the priesthood. In 1957 he enrolled at the Immaculate Conception Seminary, Darlington, NJ, and completed his studies for the priesthood in 1961. On May 27, 1961, he was ordained a priest at St. John the Baptist Cathedral, Paterson by the Most Reverend Bishop James A. McNulty.

On August 27, 1961, Father Pruschowitz was assigned to Holy Trinity Church, Passaic, as assistant pastor. On August 27, 1968 he became associate pastor at Immaculate Conception Church, Franklin, NJ, and in December 1971 he returned to Holy Trinity Church. He was named copastor of Holy Trinity Church on March 22, 1977. In 1984 he became national associate praeses of the Catholic Kolping Society of America.

Mr. Speaker, I appreciate the opportunity to present this brief profile of a distinguished man of God who has dedicated his life's purpose and fulfillment to helping others and guiding them in their pathway of life. The quality of his leadership is mirrored in the security and dignity that his parishioners have found in the comfort and aid he unselfishly and willingly gives to those in need and those who seek his helping hand and spiritual guidance.

Mr. Speaker, as Father Walter celebrates the 25th anniversary of his ordination to the priesthood I know that you and all of our colleagues here in the Congress will want to join with me in extending our warmest greetings and felicitations for the excellence of his service to his church, our Nation, and all mankind. We do indeed salute an esteemed clergyman upon the celebration of the silver jubilee of his ordination to the priesthood—the Reverend Walter M. Pruschowitz of Holy Trinity Roman Catholic Church, Passaic, NJ.

CONGRATULATING MICHAEL KITTREDGE ON BEING NAMED MASSACHUSETTS SMALL BUSINESS PERSON OF THE YEAR

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1986

Mr. CONTE. Mr. Speaker, I rise today to congratulate Mr. Michael Kittredge, president of Yankee Candle Co., Inc. of South Deerfield, MA, on being named the 1986 Massachusetts Small Business Person of the Year by the U.S. Small Business Administration.

Michael Kittredge exemplifies the American entrepreneurial spirit. In fact, one might say that his candle factory fits the mold of the successful small business. Mr. Kittredge began his business as a high school senior nearly 20 years ago in the kitchen of his family's home with a pound of canning wax, four crayons, and a milk carton. Mr. Kittredge invested the money that he received from the sale of his first batch of candles to finance his first business expansion: he purchased a larger supply of canning wax and two tin molds. Since that time, Yankee Candle has grown rapidly, often faster than Mr. Kittredge might have wished.

In 1971, Yankee Candle was moved into 2,000 square feet of commercial space in Holyoke, MA. Although only 2 years old, the company had already posted an annual sales mark of $10,000, and its inventory had filled the family garage. The new location, known only as "the factory," at first had no electricity, heat, or water. With a constantly growing staff and inventory, however, the factory was steadily expanded to over 14,000 square feet over the next decade. In 1983, Yankee Candle employed a staff of 30 and produced an annual sales intake of $921,000. By hiring a private advertising firm and producing an annual catalog, Kittredge extended his market for decorative candles throughout New England and nationwide. Through his initiative, Yankee Candle is now the largest handcrafted candle company in the United States.

By 1983, it had become obvious that Yankee Candle had outgrown "the factory." With the aid of a Small Business Administration loan, Mr. Kittredge purchased a parcel of land in South Deerfield, MA, with ample room for development and ready highway access. Today, Yankee Candle has already undergone one expansion and is in the process of another. An attractive factory outlet store on the premises has drawn thousands of customers from across the Northeast. Mr. Kittredge's phenomenal success shows no sign of slowing down.

Michael Kittredge has neither sought his goals with blind adverturism nor has he shied away from adversity. Instead, he has simply pursued his market with a product and a plan. With determination, foresight, and a keen knowledge of his consumers' tastes, Mr. Kittredge has transformed a vision born on the backburners of a kitchen stove into the largest handcrafted candle operation in the United States. His vital combination of sound business sense and planning for the future has earned Michael Kittredge the respect and admiration of small businessmen in Massachusetts and throughout the Nation.

THE JAPANESE CULTURAL AND COMMUNITY CENTER OF NORTHERN CALIFORNIA [JCCCNC]

HON. SALA BURTON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1986

Mrs. BURTON of California. Mr. Speaker, it gives me great pleasure to tell my colleagues of the completion of the Japanese Cultural and Community Center of Northern California [JCCCNC].

Since the early 1970's, the members of the JCCCNC have been working toward the formation of a community facility. The redevelopment initiative of the western addition/Japantown area of San Francisco forced many of the established businesses and residents to relocate out of this location and thus, a concern to reestablish and foster the growth of a cultural and social institution, and to preserve and carry on the programs and activities for future generations became a major concern for the members of JCCCNC and other supporters and members of the Japantown community.

After years of dedicated planning and research, the JCCCNC members conducted a community-wide campaign in the spring of 1983 for the construction of a $3 million facility. Under the leadership of Yori Wada as the chair of the Center's Vision 80's Capital Campaign along with 150 volunteers, JCCCNC successfully raised close to $2 million in contributions, pledges, and foundation and public moneys.

The long awaited opening of the JCCCNC facility opened to the public during the annual cherry blossom festival last month. The facility is a two story building located on Sutter Street that houses various human service organizations such as billingual legal assistance, special services for seniors and immigrants and cultural and performing arts organizations. Their future plans are to complete the facility by creating a community hall/gymnasium for community meetings, recreational afterschool and summer programs for children and youth.

In continuation with their fundraising efforts, the JCCCNC will sponsor a Community Awards Dinner on May 17 honoring community leaders of all generations of Japanese ancestry. The honorees will be: Mr. Yasuo Abiko, former vice-president and english editor of the Nichi Bei Times; Archbishop Nitten Ishida, president of the Japanese American Religious Federation; Mr. Steve Nakajo, executive director of Kimochi, Inc.; Ms. Kay Okamoto, director of the Hamilton Senior Center Program; and Mr. Yukio Sekino, president of the Nichi Bei Kei.

I would personally like to congratulate and add my support for these individuals who will be honored at the JCCCNC dinner and to also commend the staff and the many volunteers and supporters of the JCCCNC project for their years of dedicated and committed service to preserve the unique history and heritage of Japanese Americans.

TRIBUTE TO JULIA AND NED R. ARNOLD

HON. GARY L. ACKERMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1986

Mr. ACKERMAN. Mr. Speaker, I rise today in tribute to Julia and Ned R. Arnold, who will be honored at a reception on May 22, 1986, for their support of Booth Memorial Medical Center of Flushing, NY.

Julia and Ned have served as community leaders in New York for over 40 years. Ned's civic involvement goes back to his participation in the Office of Price Administration during World War II, when he was one of only 12 representatives from the rubber industry. Since then, his actions have vividly demonstrated his belief that it is the responsibility of businessmen and all American citizens to take an active civic role.

Ned Arnold's achievements over the decades are too numerous to mention. He was a six-term president of the Queens Chamber of Commerce; he chaired the Queens Chapter of the Red Cross, and was on the executive

board of the New York City Red Cross; and he has been on the New York State Business Council. Throughout these and other activities, Ned Arnold has shown a remarkable conviction that one person can make a substantial difference to a community, city, or the great State of New York.

Julia and Ned will be honored this week not just for these accomplishments, but for all that they have done for Booth Memorial Medical Center. The Arnolds have been actively involved in the growth and success of Booth Memorial since its opening in 1957. Ned has worked on the advisory council since that year, and has served as president of that council. He has also taken part in many of the other day-to-day activities that have made Booth Memorial such a well-regarded medical center.

Julia has been active in the women's auxiliary, and has taken part in much of her husband's excellent work on behalf of Booth Memorial. Most recently, the Julia and Ned R. Arnold Health Education Fund, established by the family to further the hospital's growth, is sponsoring an exciting lecture program called, "The Broadcast Series," which features members of the media speaking on health-related topics.

Mr. Speaker, it is men and women such as Ned and Julia Arnold who make our open, participatory society work. Without them, we would be faced with a choice of a big brother-like governmental control and anarchy. The Julia and Ned Arnolds of this world are the people to reach out and make certain that our communities work.

Mr. Speaker, I call now on all of my colleagues in the U.S. House of Representatives to join me in wishing the best of luck to Julia and Ned Arnold, as they are honored for their contributions to Booth Memorial Medical Center and the Greater Queens Community.

TRIBUTE TO DR. ERNST KATZ

HON. HOWARD L. BERMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1986

Mr. BERMAN. Mr. Speaker, I rise today to pay tribute to an outstanding member of my community, Dr. Ernst Katz. Dr. Katz is the conductor and founder of the Junior Philharmonic Orchestra of California. Dr. Katz's motto, since he founded this group in 1937, has been "Give Youth a Chance To Be Heard." Each year, young musicians from all areas in southern California audition for the opportunity to be one of its 110 members. On May 28, 1986, the Junior Philharmonic will be celebrating its 49th anniversary and the 100th anniversary of the Statue of Liberty with a concert gala.

The Junior Philharmonic is unique in that it is the only orchestra in the world which is completely noncommercial, not subsidized by the Government, does not solicit contributions, does not charge audition or membership fees, and has volunteered hundreds of performances raising more than $9 million for charities. The orchestra is supported entirely by its founder-conductor, Dr. Katz, who has dedicated himself to the youth and music of America. For these reasons, and because of his work in the training and development of young musicians, Dr. Katz and the Junior Philharmonic have been honored by Presidents of the United States, Members of Congress, Governors of California, the California Legislature, and the county and city of Los Angeles.

Many world-famous composers and musicians have appeared with the Junior Philharmonic and are honorary members of the orchestra. They include Jerome Kern, Oscar Straus, Sigmund Romberg, David Rose, Meredith Willson, Ernest Gold, Ferde Grofe, Frederick Loewe, Richard and Robert Sherman, Alan and Marilyn Bergman, Dimitri Tiomkin, Rudolf Friml, Jose Iturbi, and Isaac Stern.

A number of alumni of the Junior Philharmonic Orchestra have become professional musicians and are now members of symphony orchestras throughout the world. Others have chosen different fields of endeavor and have raised families and built careers in law, medicine, business, and education. All, however, have had a unique experience because of their membership in the Junior Philharmonic, an experience which shaped and enriched their lives.

It is my honor to join with my colleagues and the Junior Philharmonic Orchestra in saluting Dr. Ernst Katz, an invaluable resource to his community and a truly remarkable human being.

KILDEE HONORS FLINT NORTHERN HIGH SCHOOL DISTINGUISHED FELLOW AWARD WINNERS

HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1986

Mr. KILDEE. Mr. Speaker, I rise today to bring to the attention of my colleagues and the Nation a special recognition ceremony that will be held Wednesday, May 21, 1986, in Flint, MI, honoring several Flint Northern High School Distinguished Fellow award winners. These gifted and multitalented honorees have been selected from Northern alumni as a result of their many and significant achievements. Augustus Calloway, Jr., Sidney Davidson, Barbara Forker, Fred Henny, Roy Sandstrom, and Birney Van Benschoten will be the first recipients of this highly coveted award.

Over the years, these graduates of Northern have consistently and brilliantly demonstrated their skilled proficiency in their chosen careers. The late Augustus Calloway, Jr. was a member of the first graduating class of Flint Northern in 1929 and enjoyed great success in his career with Michigan Bell. His many titles and awards attest to his benevolent spirit of giving to help those less fortunate then himself. Prof. Sidney Davidson's illustrious career personifies the goals of even the most ambitious of aspiring accountants. His rich and diverse involvement in accounting, economics, and finance has propelled him to the forefront of American business, education, and government. At the top of the health, physical education, and recreation fields, Dr. Barbara E. Forker has succeeded in continually meeting and surpassing her ambitious career objectives. She is currently the distinguished professor and head of physical education and leisure studies at Iowa State University. Dr. Fred Henny has greatly distinguished himself in the field of oral surgery. Now residing in Birmingham, MI, Dr. Henny's thirst for excellence brought him to the pinnacle of success as an oral surgeon. His outstanding career culminated with his position as associate chairman of oral and maxillofacial surgery at Sinai Hospital in Detroit. As the product engineer for the X-1 supersonic airplane, Mr. Roy Sandstrom became part of aviation history when Chuck Yeager piloted the Sandstrom-engineered aircraft and broke the sound barrier in 1947. A first class engineer, Roy Sandstrom never listened to those who said it could not be done. Professor Birney Van Benschoten's preeminent career in the field of law has brought forth many honors and a long trail of great success. Professor Van Benschoten is currently serving as the adjunct professor of International law at Amherst.

Mr. Speaker, the collective success of this highly distinguished group of Americans is astounding. These Distinguished Fellow award winners of Flint Northern High School have set the highest of standards for their fellow alumni to follow. I take great pride and I am extremely honored to have had the opportunity to pay tribute to these awe-inspiring graduates of Flint Northern High School.

RETIREMENT OF GEN. WILLIAM R. RICHARDSON

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1986

Mr. SKELTON. Mr. Speaker, I take the floor today to pay tribute and announce to my colleagues the retirement of an outstanding military officer, Gen. William R. Richardson, who is stepping down as the commanding general of the U.S. Army Training and Doctrine Command [TRADOC].

He has held a wide variety of important command and staff positions culminating in his current assignment in Fort Monroe, VA. Other key posts held recently include dual responsibility as deputy commanding general of TRADOC and the commanding general of the U.S. Army Combined Arms Center at Fort Leavenworth, KS; and deputy chief of staff for operations and plans at Army Headquarters, Washington, DC.

After graduation from the U.S. Military Academy in 1951, General Richardson was commissioned as a second lieutenant. His military education includes completion of the infantry basic and advanced officer courses, the U.S. Army Command and General Staff College, and the Industrial College of the Armed Forces.

Awards and decorations which General Richardson has received include the Distinguished Service Medal, the Silver Star (with one Oak Leaf Cluster), the Legion of Merit (with two Oak Leaf Clusters), and the Distin-

guished Flying Cross. He has also been awarded the Bronze Star Medal (with three Oak Leaf Clusters), several Air Medals, the Army Commendation Medal (with two Oak Leaf Clusters), and the Purple Heart.

Mr. Speaker, I feel certain that all the Members join me in praising this distinguished American soldier for his many years of dedicated service to his country, and in wishing General Richardson and his wife, the former Mary Bailey, and their three sons, William, Jr., David, and John all the best in the many years to come.

TRIBUTE TO DR. WILLIAM T. CARTY

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1986

Mr. LAGOMARSINO. Mr. Speaker, it is a privilege for me to pay tribute today to a distinguished citizen from my district, Dr. William T. Carty. As a scholar, educator, and administrator, Dr. Carty has dedicated his entire adult life insuring that thousands of students received quality educations to equip them with the skills necessary to lead successful lives.

Thirty-six years ago Dr. Carty received his doctor of education degree and began working as a teacher. Since then he has served the education field as an instructor, a principal, and he will retire this year from 25 years as the Superintendent of the Carpinteria Unified School District.

Throughout his carreer he has set an example as an educational leader by vigorously continuing his own education. After receiving his doctorate he returned to the university 6 years later to do postgraduate work in the field of psychology and pupil personnel services. In 1981 he returned to take computer literacy courses.

As a young, man Dr. Carty was a volunteer in the U.S. Navy and fought in the Pacific Theater. He was awarded a one battle star and a commendation for bravery. Within the educational field he has received awards for administrative and academic excellence, and is a member of various academic boards.

Dr. Carty has been a leading member in a Carpinteria community. He has worked with the Red Cross, United Way, Crippled Children's Fund. He has also been in the local chamber of commerce and a church member. His outstanding participation in the community illustrates his sincere concern for its growth and prosperity.

The retirement of this distinguished citizen, dedicated family man and educational role model is a loss to Carpinteria. He will be missed by all who have been touched by his professionalism, leadership and personal involvement. He leaves behind a legacy of excellence that will provide a challenge and an example to his successor.

HONORING CHRIS GELLEPIS OF THE UNITED STEELWORKERS OF AMERICA, DISTRICT 39

HON. ESTEBAN EDWARD TORRES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1986

Mr. TORRES. Mr. Speaker, I ask my colleagues in Congress to join me in honoring the service and dedication of Chris Gellepis.

On June 1, 1986, Mr. Gellepis will be retiring as a key staff representative for the United Steelworkers of America. He has served for over 39 years in the labor movement. As an advocate for workers rights, Mr. Gellepis has firmly represented unions in contract negotiations, grievance procedures, arbitration conflicts, and organizing drives. He was appointed legislative coordinator to represent the steelworkers in the Greater Los Angeles area until his retirement this year.

Mr. Gellepis is a native of South San Francisco and attended the University of California, Berkeley for 3½ years. He worked as a shift chemist for Bethlehem Steel for 6 years and was appointed to the staff of the Steelworkers of America, AFL-CIO, in 1947.

As the legislative coordinator for the steelworkers, Mr. Gellepis worked hard to promote civil and workers rights. His efforts helped produce legislation protecting and benefiting all the citizens of California. He also improved techniques for voter registration, voter education and get-out-the-vote drives. He is recognized as a leader in coordinating labor and community groups for voter education and registration drives.

Mr. Speaker, I want to commend the dedication and commitment Mr. Chris Gellepis has given to the labor movement. He has been an unselfish trade unionist and involved citizen. His leadership has furthered economic and social justice for all working Americans and their families. I wish him all the best on his well-deserved retirement.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Tuesday, May 20, 1986, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

MAY 21

9:00 a.m.

Special on Aging

To hold hearings to review nursing home care services.

SD-628

9:30 a.m.

Appropriations

Commerce, Justice, State, the Judiciary, and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1987 for the U.S. Information Agency, and the National Endowment for Democracy.

S-146, Capitol

Armed Services

Strategic and Theater Nuclear Forces Subcommittee

To resume hearings on S. 2199, authorizing funds for fiscal year 1987 for the Department of Defense, focusing on the Federal Emergency Management Agency, and to discuss nuclear reactor safety issues.

SR-222

Banking, Housing, and Urban Affairs

Financial Institutions and Consumer Affairs Subcommittee

To hold hearings on S. 2421, proposed Fair Credit Card Act of 1986.

SD-538

Judiciary

Patents, Copyrights and Trademarks Subcommittee

Business meeting, to mark up S. 1739, to legalize the home taping of copyrighted music and other audio material in exchange for a royalty on audio recording equipment.

SR-485

Select on Intelligence

To hold closed hearings on intelligence matters.

SH-219

10:00 a.m.

Agriculture, Nutrition, and Forestry

To hold hearings on the nominations of Peter C. Myers, of Missouri, to be Deputy Secretary of Agriculture, and Christopher Hicks, of Maryland, to be General Counsel, Department of Agriculture.

SR-332

Energy and Natural Resources

Business meeting, to resume markup of S. 2427, to improve the administration of the Federal coal leasing program.

SD-366

Judiciary

To resume hearings on S. 2160 and S. 2022, bills to clarify and improve the analysis of mergers under the antitrust laws.

SD-226

Labor and Human Resources

To hold oversight hearings on strategies to reduce hunger in America.

SD-430

Small Business

Business meeting, to mark up S. 2147, to extend the authorization for nonprofit organizations operated in the interest of handicapped and blind individuals to receive procurement contracts under the Small Business Act, and H.R. 2787, to extend through fiscal year 1988 SBA Pilot Programs under section 8 of the Small Business Act.

SR-428A

Joint Economic
Economic Resources, Competitiveness, and Security Economics Subcommittee
To hold hearings to review the effects of legal and illegal immigration on the U.S. economy.
2220 Rayburn Building

11:00 a.m.
Foreign Relations
Business meeting, to consider pending calendar business.
SD-419

2:00 p.m.
Judiciary
To hold hearings on pending nominations.
SD-226

Rules and Administration
Business meeting, to consider pending calendar business.
SR-301

MAY 22

10:00 a.m.
Joint Economic
Economic Resources, Competitiveness, and Security Economics Subcommittee
To continue hearings to review the effects of legal and illegal immigration on the U.S. economy.
2220 Rayburn Building

MAY 29

9:30 a.m.
Joint Economic
Economic Resources, Competitiveness, and Security Economics Subcommittee
To resume hearings to review the effects of legal and illegal immigration on the U.S. economy.
2359 Rayburn Building

JUNE 3

9:30 a.m.
Commerce, Science, and Transportation
Business meeting, to consider pending calendar business.
SR-253

Energy and Natural Resources
To hold oversight hearings on the implementation of the Public Utility Regulatory Policies Act (P.L. 95-617).
SD-366

Finance
To hold hearings on S. 2331, to assure the quality of inpatient hospital services and post-hospital services furnished under the Medicare program, and related matters.
SD-215

10:00 a.m.
Environment and Public Works
To hold hearings on the expansion of the Pavilion at the Old Post Office Building in the District of Columbia.
SD-406

Governmental Affairs
Energy, Nuclear Proliferation and Government Processes Subcommittee
To hold joint hearings with the Committee on Labor and Human Resources' Subcommittee on Aging on statistical policy with regard to older Americans.
SD-430

Labor and Human Resources
Aging Subcommittee
To hold joint hearings with the Committee on Governmental Affairs' Subcommittee on Energy, Nuclear Proliferation and Government Processes on statistical policy with regard to older Americans.
SD-430

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for fossil energy and clean coal technology.
SD-192

JUNE 4

9:30 a.m.
Appropriations
Commerce, Justice, State, the Judiciary, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Departments of Commerce, Justice, and State, the Judiciary, and certain related agencies.
S-146, Capitol

10:00 a.m.
Commerce, Science, and Transportation
Merchant Marine Subcommittee
To hold hearings on S. 1935, to provide for certain vessels to be documented under the laws of the United States to entitle them to engage in domestic coastwise trade.
SR-253

Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

Labor and Human Resources
To hold oversight hearings to review the imposition of user fees in FDA approval procedures for new drugs.
SD-430

JUNE 5

9:30 a.m.
Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To hold hearings on S. 2256, to remove certain requirements relating to reservations of funds for special alternative instructional programs and transitional bilingual educational programs.
SD-430

10:00 a.m.
Energy and Natural Resources
To resume oversight hearings on the implementation of the Public Utility Regulatory Policies Act (P.L. 95-617).
SD-366

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the National Edowment for the Arts, and the Institute of Museum Services.
SD-192

JUNE 9

10:00 a.m.
Energy and Natural Resources
To hold oversight hearings on clean coal technology development and strategies of acid rain control
SD-366

JUNE 10

9:30 a.m.
Environment and Public Works
Environmental Pollution Subcommittee
To hold oversight hearings on ozone depletion, the greenhouse effect, and climate change.
SD-406

10:00 a.m.
Energy and Natural Resources
To continue oversight hearings on clean coal technology development and strategies for acid rain control.
SD-366

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Office of the Secretary and Office of the Solicitor, Department of the Interior.
SD-192

JUNE 11

9:30 a.m.
Environment and Public Works
Environmental Pollution Subcommittee
To continue oversight hearings on ozone depletion, the greenhouse effect, and climate change.
SD-406

10:00 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

Labor and Human Resources
To hold hearings on efforts to improve the health status of children.
SD-430

JUNE 12

9:30 a.m.
Energy and Natural Resources
Public Lands, Reserved Water and Resource Conservation Subcommittee
To hold hearings on S. 2204, to permit the use of park entrance, admission, and recreation use fees for the operation of the National Park System, and S. 2130, to preserve, protect and revitalize the National Park System.
SD-366

Select on Indian Affairs
To hold hearings on S. 830, to expand Indian education programs to include Native Hawaiians.
SR-485

10:00 a.m.
Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To resume joint oversight hearings with the House Committee on Education and Labor's Subcommittee on Elementary, Secondary and Vocational Education on illiteracy in America.
2175 Rayburn Building

JUNE 16

1:00 p.m.
Energy and Natural Resources
Energy Research and Development Subcommittee
To hold oversight hearings on the second waste repository site selection under the Department of Energy's Office of Civilian Radioactive Waste Management.
SD-366

JUNE 17

9:00 a.m.
Environment and Public Works
Nuclear Regulation Subcommittee
To hold hearings on S. 1235 and S. 2291, bills to promote more effective and ef-

ficient nuclear licensing and regulation.
SD-406

9:30 a.m.
Energy and Natural Resources
Public Lands, Reserved Water and Resource Conservation Subcommittee
To hold hearings on S. 2055, to establish the Columbia Gorge National Scenic Area.
SD-366

10:00 a.m.
Governmental Affairs
Energy, Nuclear Proliferation and Government Processes Subcommittee
To hold hearings on S. 525, to provide the Secretary of Health and Human Services the authority of conduct epidemiological studies of the health effects of radiation in places of employment.
SD-342

Labor and Human Resources
To resume hearings on S. 1804, to establish a program to provide development and incentive grants to States for enacting medical malpractice liability reforms.
SD-430

Select on Indian Affairs
To resume hearings on S. 902, to establish Federal standards for gaming activities on Indian lands.
SD-106

JUNE 18

10:00 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

Governmental Affairs
Civil Service, Post Office, and General Services Subcommittee
To hold joint hearings with the House Committee on Post Office and Civil Service on a Postal Rate Commission report on the use and abuse of the preferred mail rate.
SD-342

Labor and Human Resources
Business meeting, to consider pending calendar business.
SD-430

JUNE 19

9:30 a.m.
Energy and Natural Resources
To hold oversight hearings to review the impact of the explosion of the Soviet nuclear powerplant at Chernobyl on the domestic nuclear industry.
SD-366

10:00 a.m.
Small Business
To hold oversight hearings on the implementation of the Prompt Payment Act (P.L. 97-177).
SR-428A

JUNE 23

2:00 p.m.
Energy and Natural Resources
Energy Research and Development Subcommittee
To hold oversight hearings to review budget requests for the Department of Energy's Office of Energy Research and the Office of Environment, Health and Safety.
SD-366

JUNE 25

10:00 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

Labor and Human Resources
To hold hearings on the administration of the Mine Safety and Health Review Commission.
SD-430

JULY 17

9:30 a.m.
Finance
Social Security and Income Maintenance Programs Subcommittee
To hold joint hearings with the Committee on Labor and Human Resources' Subcommittee on Employment and Productivity on work and welfare issues.
SD-430

Labor and Human Resources
Employment and Productivity Subcommittee
To hold joint hearings with the Committee on Finance's Subcommittee on Social Security and Income Maintenance Programs on work and welfare issues
SD-430

10:00 a.m.
Energy and Natural Resources
Public Lands, Reserved Water and Resource Conservation Subcommittee
To hold hearings on S. 2412, to withdraw and reserve certain public lands.
SD-366

JULY 22

9:30 a.m.
Finance
Social Security and Income Maintenance Programs Subcommittee
To resume joint hearings with the Committee on Labor and Human Resources' Subcommittee on Employment and Productivity on work and welfare issues.
SD-430

Labor and Human Resources
Employment and Productivity Subcommittee
To resume joint hearings with the Committee on Finance's Subcommittee on Social Security and Income Maintenance Programs on work and welfare issues.
SD-430

JULY 29

10:00 a.m.
Labor and Human Resources
Employment and Productivity Subcommittee
To hold hearings to review the response for home health care services.
SD-430

JULY 30

10:00 a.m.
Labor and Human Resources
Business meeting, to consider pending calendar business.
SD-430

AUGUST 13

10:00 a.m.
Labor and Human Resources
To hold hearings to review the private sector initiatives in human services.
SD-430

SEPTEMBER 10

10:00 a.m.
Labor and Human Resources
To hold hearings to review the human resources impact on drug research and space technology.
SD-430

SEPTEMBER 16

10:00 a.m.
Labor and Human Resources
To hold hearings on pending nominations.
SD-430

SEPTEMBER 24

10:00 a.m.
Labor and Human Resources
Business meeting, to consider pending calendar business.
SD-430

CANCELLATIONS

MAY 20

9:30 a.m.
Judiciary
To hold hearings to examine the constitutionality of certain penalties imposed on individuals or companies which submit false claims to the Government.
SD-226

MAY 21

9:30 a.m.
Select on Intelligence
To hold closed hearings on intelligence matters.
SH-219

10:00 a.m.
Select on Indian Affairs
To hold oversight hearings on certain issues resulting from a decision of the 10th Circuit Court of Appeals in the case of the Ute Indian Tribe v. the State of Utah.
SD-562

2:00 p.m.
Labor and Human Resources
To hold hearings on the organ transplant task force report.
SD-430

JUNE 12

9:30 a.m.
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings on proposed legislation authorizing funds for programs of the Hazardous Materials Transportation Act.
SR-253