By Mr. ROBB:

S. 911. A bill to authorize the Secretary to issue a certificate of documentation with appropriate endorsement for employment in the coastwise trade of the United States for the vessel *Sea Mistress;* to the Committee on Commerce, Science, and Transportation.

By Mr. KOHL:

S. 912. A bill to amend the Internal Revenue Code of 1986 with respect to the eligibility of veterans for mortgage revenue bond financing, and for other purposes; to the Committee on Finance.

By Mr. HATCH (for himself, Mr. INOUYE, Mr. MCCAIN, and Mr. BENNETT):

S. 913. A bill to amend section 17 of the Act of August 27, 1954 (25 U.S.C. 677p), relating to the distribution and taxation of assets and earnings, to clarify that distributions of rents and royalties derived from assets held in continued trust by the Government, and paid to the mixed-blood members of the Ute Indian tribe, their Ute Indian heirs, or Ute Indian legatees, are not subject to Federal or State taxation at the time of distribution, and for other purposes; to the Committee on Finance.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

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

By Mr. DOLE (for himself, Mr. DASCHLE, Mr. HELMS, Mr. WARNER, Mr. COVERDELL, Mr. THURMOND, Mr. MCCAIN, Mr. PRESSLER, Mr. ROBB, Mr. PELL, Mr. GRAHAM, Mrs. MURRAY, Mr. KEMPTHORNE, Mr. LEVIN, Mr. BRYAN, Mr. REID, Mr. KENNEDY, Mr. BRADLEY, Mr. COHEN, Mrs. KASSEBAUM, Mr. FORD, Mr. BINGAMAN, Mrs. BOXER, Mr. BUMPERS, Mrs. FEINSTEIN, Mr. GLENN, Mr. HARKIN, Mr. JOHNSTON, Mr. KOHL, Mr. LIEBERMAN, Mr. ROCKEFELLER, Mr. SARBANES, and Mr. NICKLES):

S. Res. 132. A resolution commending Captain O'Grady and U.S. and NATO Forces; considered and agreed to.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BRYAN (for himself and Mr. REID):

S. 903. A bill to designate the Nellis Federal Hospital in Las Vegas, NV, as the ''Mike O'Callaghan Military Hospital,'' and for other purposes; to the Committee on Armed Services.

THE MIKE O'CALLAGHAN MILITARY HOSPITAL DESIGNATION ACT OF 1995

Mr. BRYAN. Mr. President, it is my privilege today to introduce legislation to designate the Nellis Federal Hospital in Las Vegas, NV, as the ''Mike O'Callaghan Military Hospital.''

The Nellis Federal Hospital is a newly constructed joint venture hospital facility in Las Vegas, NV. The facility is operated jointly by the U.S. Department of Defense through the Nellis Air Force Base, and the U.S. Department of Veterans Affairs through the Las Vegas Veterans Affairs Outpatient Clinic.

This medical facility is the culmination of years of cooperative efforts between the Departments of Defense and Veterans Affairs to address the health care needs of both active duty military at Nellis Air Force Base and their families, and the rapidly increasing southern Nevada veterans population.

The Federal hospital, formally dedicated on July 8, 1994, was opened to patients on August 1, 1994. It was my pleasure to attend the July dedication of this remarkable joint facility. For Nellis Air Force Base, the Federal hospital provides base personnel access to a new medical facility to provide quality health care. For southern Nevada veterans, the Federal hospital represents their first permanent veterans inpatient hospital in the Las Vegas area. For many of these veterans, hospital care can now be provided in State, rather than in a different State hundreds of miles away from home.

This hospital will serve many Nevadans—those who, while serving at the Nellis Air Force Base, call Nevada their home temporarily, and those who, as retired veterans, call Nevada their home permanently.

It is, therefore, only appropriate to name this vital health care facility after a man who has served his country militarily with honor in three branches of the armed services; the Air Force, the Army, and the Marine Corps. A man who, as disabled veteran, is reminded every day of the sacrifice of that service. A man who has spent his entire career working tirelessly to make life a little bit better for all Nevadans

It is, therefore, truly a privilege for me to introduce this legislation today to name the Federal hospital for Mike O'Callaghan.

Mike O'Callaghan and I both have had the honor of serving the people of Nevada as their Governor. In fact, Governor O'Callaghan is one of only five two-term Governors in Nevada's history.

As Nevada's Governor, Mike O'Callaghan was a hands on worker. The lights in the Governor's office were always the first ones on, and the ones out when he was the occupant. He was always the man in charge, and he always got the job done for Nevadans.

Governor O'Callaghan is also a most compassionate, caring and sensitive human being, both in his instincts and in his actions. While Governor, he always worked for the underdog. For people who could not speak for themselves, Governor O'Callaghan was their voice. He made sure they were heard.

One of the highlights of his terms as Governor was passage of Nevada's fair housing law to ensure all Nevadans equal access to a home of their own. He understood how very important it is for people to have a place of their own to call home wherever they choose to live.

Governor O'Callaghan's military career began early. At 16 years of age, he enlisted in the U.S. Marine Corps to serve during the period ending in World War II.

During the Korean conflict, he served with both the Air Force and the Army. While in Korea, he was wounded in combat, forcing amputation of his left leg. His unflinching courage was recognized through the awarding of the Silver Star, the Bronze Star with Valor Device, and the Purple Heart.

Following his Army service in Korea, Governor O'Callaghan spent the next years as a teacher and journalist. He earned a master's degree at the University of Idaho. He then taught economics, government, and history in Henderson, NV, for several years. One of his students, my colleague, Senator HARRY REID, took those classes to heart.

In 1963, Governor O'Callaghan began his public service career when he became the first director of Nevada's Health and Welfare Department. He also served almost 2 years as a project manager for the Job Corps Conservation Centers.

His professional career continued in 1969 when Governor O'Callaghan founded a research-planning firm in Carson City, NV. He then started his political career entering the race for Nevada's Governor as a Democrat in 1970. He was reelected in 1974, winning by an overwhelming majority. He was also honored that year by Time Magazine as one of the Nation's top 200 promising young Americans. Instead of running for a third gubernatorial term, he retired from elected office in 1978.

Today, Governor O'Callaghan is currently the chairman and executive editor of the Las Vegas Sun. He continues to write provocative editorials on Nevada and national political issues, continuing always to speak for those without a voice.

He is also publisher of the Henderson Home News and the Boulder City News. He travels every year to Israel, where as a private citizen, he gives his time to help work on military tank maintenance.

His interest in the concerns of those currently serving in the military and in those who have already served their country has not waned. In recognition of that continued commitment, former Governor O'Callaghan was presented the Air Force Exceptional Service Award in 1982.

We in Nevada are proud to have the Nellis Federal Hospital in Las Vegas. To name the hospital after Mike O'Callaghan would commemorate not only his valuable personal contributions to Nevada, but would honor all those who answer the call of duty to their country.

By Mr. LUGAR:

S. 904. A bill to provide flexibility to States to administer and control the cost of the food stamp and child nutrition programs, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

THE NUTRITION ASSISTANCE REFORM ACT OF 1995

• Mr. LUGAR. Mr. President, most Americans now recognize the need to reform our welfare system. U.S. welfare policy has encouraged dependency,

has failed to encourage work effort, and has contributed to runaway entitlement spending.

These failures do not mean that we have been wrong to assist needy Americans. A just society makes provision for its less fortunate members.

But what is the best way to do that? What policies offer the best prospect of helping the needy to become independent? What are the unintended consequences of the modern welfare state? What is the cost of the culture of dependency?

These are questions with which we must grapple. Most accounts of the welfare reform debate focus solely on the prospect that someone's benefits will be reduced.

That is the wrong question. The right question is: What will happen if we refuse to reform welfare because we are afraid of the political consequences? How many more generations of dependency will we foster? How many people will fail to break out of the welfare trap who otherwise might have gotten jobs, or started businesses, or sent children to college?

Is compassion always and everywhere defined by spending more money?

Our society's compassion must now be reflected in tough choices, not blank checks. It is easy to write repetitive stories about cuts in benefits. More understanding is required to note the effect of changing incentives, encouraging work effort, and insisting on independence.

I chair the Committee on Agriculture, Nutrition, and Forestry, which has jurisdiction over the Food Stamp program and child nutrition spending. We are not the primary committee of jurisdiction on welfare matters, but the programs we oversee are a vital part of the Nation's social safety net.

Today, I am introducing legislation that represents my best effort at a consensus bill that reflects the range of views on our committees. That range is a broad one, comprising Senators who favor block grants and those who do not. Some committee members on both sides of the aisle and prepared for sharp reductions in nutrition spending, while other are not.

I was prepared to act boldly. I agreed with many of our Nation's Governors that the States deserve the change to try new approaches to delivering nutrition assistance.

The legislation I introduce today will not convert the Food Stamp Program to block grants. I made this decision consciously because I believe committee consensus is preferable to contention if the latter would divert us from the real issues.

Welfare reform should not, at the end of the day, be measured by whether or not it converts all programs to block grants. Block grants are a means, not an end.

Instead, I ask my colleagues to measure welfare reform proposals by these tests: Do they give States more freedom to try new approaches? Do they encourage work and responsibility? And do they reduce the runaway expenditure of taxpayer funds?

I hope Senators will agree that the bill I introduce today does all these things. First, it gives the States wider latitude to reform the Food Stamp Program. The bill allows States to try a variety of approaches to delivering benefits, structuring incentives and encouraging independence. Many current Federal requirements are ended, and States are granted more authority to modify the program in light of their unique circumstances. Under this bill, States could restrict eligibility for benefits, create work supplementation initiatives where food stamp benefits would be used to leverage job incentives, and undertake other reforms.

Second, the bill promotes work and responsibility. The bill will enforce strict work requirements, allow States to crack down on food stamp recipients who fail to pay child support or cooperate with the child support enforcement system, and put real sanctions on recipients who violate work requirements or voluntarily quit a job.

Finally, this legislation will reduce Federal spending. It is designed to achieve approximately the level of savings in the budget resolution approved by the Senate. This legislation will pay food stamp benefits based on 100 percent of the low-cost thrifty food plan, instead of the present 103 percent. It will also modify income deductions and asset tests used in calculating eligibility and benefit levels. The bill achieves savings in other nutrition programs while retaining the Federal responsibility for these programs. For example, the legislation will reduce subsidies for meals served in day care homes in upper- and middle-income areas.

Mr. President, a just nation does not cast its poor out on the street. But neither does it absolve them of personal responsibility. As we reform welfare programs, we must count the cost to both society and welfare recipients of retaining the old, failed system. That cost is too high. Instead, we must try new approaches and provide new incentives. Some may fail. But the greater failure of the old order is manifest.

We owe it to every American to try new approaches and question old ways. We must enter the new century as a nation whose watchword is independence, not dependency.

Mr. President, I ask unanimous consent that the test of the bill I introduce, along with a summary of its provisions, be printed in the RECORD.

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

S. 904

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

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Nutrition Assistance Reform Act of 1995''.

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

Sec. 1. Short title; table of contents.

TITLE I—FOOD STAMP PROGRAM

Sec. 101. Certification period.
Sec. 102. Treatment of minors.
Sec. 103. Optional additional criteria for separate household determinations.
Sec. 104. Adjustment of thrifty food plan.
Sec. 105. Definition of homeless individual.
Sec. 106. Earnings of students.
Sec. 107. Energy assistance.
Sec. 108. Deductions from income.
Sec. 109. Amount of vehicle asset limitation.
Sec. 110. Benefits for aliens.
Sec. 111. Disqualification.
Sec. 112. Caretaker exemption.
Sec. 113. Employment and training.
Sec. 114. Comparable treatment for disqualification.
Sec. 115. Cooperation with child support agencies.
Sec. 116. Disqualification for child support arrears.
Sec. 117. Permanent disqualification for participating in 2 or more States.
Sec. 118. Work requirement.
Sec. 119. Electronic benefit transfers.
Sec. 120. Minimum benefit.
Sec. 121. Benefits on recertification.
Sec. 122. Optional combined allotment for expedited households.
Sec. 123. Failure to comply with other welfare and public assistance programs.
Sec. 124. Allotments for households residing in institutions.
Sec. 125. Operation of food stamp offices.
Sec. 126. State employee and training standards.
Sec. 127. Expedited coupon service.
Sec. 128. Fair hearings.
Sec. 129. Income and eligibility verification system.
Sec. 130. Collection of overissuances.
Sec. 131. Termination of Federal match for optional information activities.
Sec. 132. Standards for administration.
Sec. 133. Work supplementation or support program.
Sec. 134. Waiver authority.
Sec. 135. Authorization of pilot projects.
Sec. 136. Response to waivers.
Sec. 137. Private sector employment initiatives.
Sec. 138. Reauthorization of appropriations.
Sec. 139. Reauthorization of Puerto Rico block grant.
Sec. 140. Simplified food stamp program.
Sec. 141. Effective date.

TITLE II—CHILD NUTRITION PROGRAMS

Subtitle A—Reimbursement Rates

Sec. 201. Termination of additional payment for lunches served in high free and reduced price participation schools.
Sec. 202. Value of food assistance.
Sec. 203. Lunches, breakfasts, and supplements.
Sec. 204. Summer food service program for children.
Sec. 205. Special milk program.
Sec. 206. Free and reduced price breakfasts.
Sec. 207. Conforming reimbursement for paid breakfasts and lunches.

Subtitle B—Grant Programs

Sec. 211. School breakfast startup grants.
Sec. 212. Nutrition education and training programs.
Sec. 213. Effective date.

Subtitle C—Other Amendments

Sec. 221. Free and reduced price policy statement.

Sec. 222. Summer food service program for children.
Sec. 223. Child and adult care food program.
Sec. 224. Reducing required reports to State agencies and schools.

TITLE III—REAUTHORIZATION

Sec. 301. Commodity distribution program; commodity supplemental food programs.
Sec. 302. Emergency food assistance program.
Sec. 303. Soup kitchens program.
Sec. 304. National commodity processing.

TITLE I—FOOD STAMP PROGRAM

SEC. 101. CERTIFICATION PERIOD.

Section 3(c) of the Food Stamp Act of 1977 (7 U.S.C. 2012(c)) is amended by striking ''Except as provided'' and all that follows and inserting the following: ''The certification period shall not exceed 12 months, except that the certification period may be up to 24 months if all adult household members are elderly, disabled, or primarily self-employed. A State agency shall have at least 1 personal contact with each certified household every 12 months.''.

SEC. 102. TREATMENT OF MINORS.

The second sentence of section 3(i) of the Food Stamp Act of 1977 (7 U.S.C. 2012(i)) is amended by striking ''(who are not themselves parents living with their children or married and living with their spouses)''.

SEC. 103. OPTIONAL ADDITIONAL CRITERIA FOR SEPARATE HOUSEHOLD DETERMINATIONS.

(a) IN GENERAL.—Section 3(i) of the Food Stamp Act of 1977 (7 U.S.C. 2012(i)) is amended by inserting after the second sentence the following: ''Notwithstanding the preceding sentences, a State may establish criteria that prescribe when individuals who live together, and who would be allowed to participate as separate households under the preceding sentences, shall be considered a single household, without regard to the purchase of food and the preparation of meals.''.

(b) CONFORMING AMENDMENT.—The second sentence of section 5(a) of the Act (7 U.S.C. 2014(a)) is amended by striking ''the third sentence of section 3(i)'' and inserting ''the fourth sentence of section 3(i)''.

SEC. 104. ADJUSTMENT OF THRIFTY FOOD PLAN.

The second sentence of section 3(o) of the Food Stamp Act of 1977 (7 U.S.C. 2012(o)) is amended—

(1) by striking ''shall (1) make'' and inserting the following: ''shall—

''(1) make'';

(2) by striking ''scale, (2) make'' and inserting ''scale;

''(2) make'';

(3) by striking ''Alaska, (3) make'' and inserting the following: ''Alaska;

''(3) make''; and

(4) by striking ''Columbia, (4) through'' and all that follows through the end of the subsection and inserting the following: ''Columbia; and

''(4) on October 1, 1995, and each October 1 thereafter, adjust the cost of the diet to reflect the cost of the diet, in the preceding June, and round the result to the nearest lower dollar increment for each household size, except that on October 1, 1995, the Secretary may not reduce the cost of the diet in effect on September 30, 1995.''.

SEC. 105. DEFINITION OF HOMELESS INDIVIDUAL.

Section 3(s)(2)(C) of the Food Stamp Act of 1977 (7 U.S.C. 2012(s)(2)(C)) is amended by inserting ''for not more than 90 days'' after ''temporary accommodation''.

SEC. 106. EARNINGS OF STUDENTS.

Section 5(d)(7) of the Food Stamp Act of 1977 (7 U.S.C. 2014(d)(7)) is amended by striking ''21'' and inserting ''19''.

SEC. 107. ENERGY ASSISTANCE.

(a) IN GENERAL.—Section 5(d) of the Food Stamp Act of 1977 (7 U.S.C. 2014(d)) is amended—

(1) by striking paragraph (11); and

(2) by redesignating paragraphs (12) through (16) as paragraphs (11) through (15), respectively.

(b) CONFORMING AMENDMENTS.—

(1) Section 5 of the Act (7 U.S.C. 2014) is amended—

(A) in subsection (k)(1)(A), by striking ''plan for aid to families with dependent children approved'' and inserting ''program funded''; and

(B) in subsection (m), by striking ''(d)(13)'' and inserting ''(d)(12)''.

(2) Section 2605(f) of the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8624(f)) is amended—

(A) by striking ''(f)(1) Notwithstanding'' and inserting ''(f) Notwithstanding'';

(B) in paragraph (1), by striking ''food stamps,''; and

(C) by striking paragraph (2).

SEC. 108. DEDUCTIONS FROM INCOME.

(a) IN GENERAL.—Section 5 of the Food Stamp Act of 1977 (7 U.S.C. 2014) is amended by striking subsection (e) and inserting the following:

''(e) DEDUCTIONS FROM INCOME.—

''(1) STANDARD DEDUCTION.—

''(A) IN GENERAL.—The Secretary shall allow a standard deduction for each household in the 48 contiguous States and the District of Columbia, Alaska, Hawaii, Guam, and the Virgin Islands of the United States of—

''(i) for fiscal year 1995, $134, $229, $189, $269, and $118, respectively;

''(ii) for fiscal year 1996, $132, $225, $186, $265, and $116, respectively;

''(iii) for fiscal year 1997, $130, $222, $183, $261, and $114, respectively;

''(iv) for fiscal year 1998, $128, $218, $180, $257, and $112, respectively;

''(v) for fiscal year 1999, $126, $215, $177, $252, and $111, respectively; and

''(vi) for fiscal year 2000, $124, $211, $174, $248, and $109, respectively.

''(B) ADJUSTMENT FOR INFLATION.—On October 1, 2000, and each October 1 thereafter, the Secretary shall adjust the standard deduction to the nearest lower dollar increment to reflect changes in the Consumer Price Index for all urban consumers published by the Bureau of Labor Statistics, for items other than food, for the 12-month period ending the preceding June 30.

''(2) EARNED INCOME DEDUCTION.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), a household with earned income shall be allowed a deduction of 20 percent of all earned income (other than income excluded by subsection (d)), to compensate for taxes, other mandatory deductions from salary, and work expenses.

''(B) EXCEPTION.—The deduction described in subparagraph (A) shall not be allowed with respect to determining an overissuance due to the failure of a household to report earned income in a timely manner.

''(3) DEPENDENT CARE DEDUCTION.—

''(A) IN GENERAL.—A household shall be entitled, with respect to expenses (other than excluded expenses described in subparagraph (B)) for dependent care, to a dependent care deduction, the maximum allowable level of which shall be $200 per month for each dependent child under 2 years of age and $175 per month for each other dependent, for the actual cost of payments necessary for the care of a dependent if the care enables a household member to accept or continue employment, or training or education that is preparatory for employment.

''(B) EXCLUDED EXPENSES.—The excluded expenses referred to in subparagraph (A) are—

''(i) expenses paid on behalf of the household by a third party;

''(ii) amounts made available and excluded for the expenses referred to in subparagraph (A) under subsection (d)(3); and

''(iii) expenses that are paid under section 6(d)(4).

''(4) DEDUCTION FOR CHILD SUPPORT PAYMENTS.—

''(A) IN GENERAL.—A household shall be entitled to a deduction for child support payments made by a household member to or for an individual who is not a member of the household if the household member is legally obligated to make the payments.

''(B) METHODS FOR DETERMINING AMOUNT.—The Secretary may prescribe by regulation the methods, including calculation on a retrospective basis, that a State agency shall use to determine the amount of the deduction for child support payments.

''(5) HOMELESS SHELTER DEDUCTION.—A State agency may develop a standard homeless shelter deduction, which shall not exceed $139 per month, for such expenses as may reasonably be expected to be incurred by households in which all members are homeless individuals but are not receiving free shelter throughout the month. A State agency that develops the deduction may use the deduction in determining eligibility and allotments for the households, except that the State agency may prohibit the use of the deduction for households with extremely low shelter costs.

''(6) EXCESS MEDICAL EXPENSE DEDUCTION.—

''(A) IN GENERAL.—A household containing an elderly or disabled member shall be entitled, with respect to expenses other than expenses paid on behalf of the household by a third party, to an excess medical expense deduction for the portion of the actual costs of allowable medical expenses, incurred by the elderly or disabled member, exclusive of special diets, that exceeds $35 per month.

''(B) METHOD OF CLAIMING DEDUCTION.—

''(i) IN GENERAL.—A State agency shall offer an eligible household under subparagraph (A) a method of claiming a deduction for recurring medical expenses that are initially verified under the excess medical expense deduction in lieu of submitting information or verification on actual expenses on a monthly basis.

''(ii) METHOD.—The method described in clause (i) shall—

''(I) be designed to minimize the burden for the eligible elderly or disabled household member choosing to deduct the recurrent medical expenses of the member pursuant to the method;

''(II) rely on reasonable estimates of the expected medical expenses of the member for the certification period (including changes that can be reasonably anticipated based on available information about the medical condition of the member, public or private medical insurance coverage, and the current verified medical expenses incurred by the member); and

''(III) not require further reporting or verification of a change in medical expenses if such a change has been anticipated for the certification period.

''(7) EXCESS SHELTER EXPENSE DEDUCTION.—

''(A) IN GENERAL.—A household shall be entitled, with respect to expenses other than expenses paid on behalf of the household by a third party, to an excess shelter expense deduction to the extent that the monthly amount expended by a household for shelter exceeds an amount equal to 50 percent of monthly household income after all other applicable deductions have been allowed.

''(B) MAXIMUM AMOUNT OF DEDUCTION.—

''(i) PRIOR TO SEPTEMBER 30, 1995.—In the case of a household that does not contain an elderly or disabled individual, during the 15-month period ending September 30, 1995, the excess shelter expense deduction shall not exceed—

''(I) in the 48 contiguous States and the District of Columbia, $231 per month; and

''(II) in Alaska, Hawaii, Guam, and the Virgin Islands of the United States, $402, $330, $280, and $171 per month, respectively.

''(ii) AFTER SEPTEMBER 30, 1995.—In the case of a household that does not contain an elderly or disabled individual, during the 15-month period ending December 31, 1996, the excess shelter expense deduction shall not exceed—

''(I) in the 48 contiguous States and the District of Columbia, $247 per month; and

''(II) in Alaska, Hawaii, Guam, and the Virgin Islands of the United States, $429, $353, $300, and $182 per month, respectively.

''(C) STANDARD UTILITY ALLOWANCE.—

''(i) IN GENERAL.—In computing the excess shelter expense deduction, a State agency may use a standard utility allowance in accordance with regulations promulgated by the Secretary, except that a State agency may use an allowance that does not fluctuate within a year to reflect seasonal variations.

''(ii) RESTRICTIONS ON HEATING AND COOLING EXPENSES.—An allowance for a heating or cooling expense may not be used in the case of a household that—

''(I) does not incur a heating or cooling expense, as the case may be;

''(II) does incur a heating or cooling expense but is located in a public housing unit that has central utility meters and charges households, with regard to the expense, only for excess utility costs; or

''(III) shares the expense with, and lives with, another individual not participating in the food stamp program, another household participating in the food stamp program, or both, unless the allowance is prorated between the household and the other individual, household, or both.

''(iii) MANDATORY ALLOWANCE.—

''(I) IN GENERAL.—A State agency may make the use of a standard utility allowance mandatory for all households with qualifying utility costs if—

''(aa) the State agency has developed 1 or more standards that include the cost of heating and cooling and 1 or more standards that do not include the cost of heating and cooling; and

''(bb) the Secretary finds that the standards will not result in an increased cost to the Secretary.

''(II) HOUSEHOLD ELECTION.—A State agency that has not made the use of a standard utility allowance mandatory under subclause (I) shall allow a household to switch, at the end of a certification period, between the standard utility allowance and a deduction based on the actual utility costs of the household.

''(iv) AVAILABILITY OF ALLOWANCE TO RECIPIENTS OF ENERGY ASSISTANCE.—

''(I) IN GENERAL.—Subject to subclause (II), if a State agency elects to use a standard utility allowance that reflects heating or cooling costs, the standard utility allowance shall be made available to households receiving a payment, or on behalf of which a payment is made, under the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8621 et seq.) or other similar energy assistance program, if the household still incurs out-of-pocket heating or cooling expenses in excess of any assistance paid on behalf of the household to an energy provider.

''(II) SEPARATE ALLOWANCE.—A State agency may use a separate standard utility allowance for households on behalf of which a payment described in subclause (I) is made, but may not be required to do so.

''(III) STATES NOT ELECTING TO USE SEPARATE ALLOWANCE.—A State agency that does not elect to use a separate allowance but makes a single standard utility allowance available to households incurring heating or cooling expenses (other than a household described in subclause (I) or (II) of subparagraph (C)(ii)) may not be required to reduce the allowance due to the provision (directly or indirectly) of assistance under the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8621 et seq.).

''(IV) PRORATION OF ASSISTANCE.—For the purpose of the food stamp program, assistance provided under the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8621 et seq.) shall be considered to be prorated over the entire heating or cooling season for which the assistance was provided.''.

(b) CONFORMING AMENDMENT.—Section 11(e)(3) of the Act (7 U.S.C. 2020(e)(3)) is amended by striking ''Under rules prescribed'' and all that follows through ''verifies higher expenses''.

SEC. 109. AMOUNT OF VEHICLE ASSET LIMITATION.

The first sentence of section 5(g)(2) of the Food Stamp Act of 1977 (7 U.S.C. 2014(g)(2)) is amended by striking ''through September 30, 1995'' and all that follows through ''such date and on'' and inserting ''and shall be adjusted on October 1, 1996, and''.

SEC. 110. BENEFITS FOR ALIENS.

Section 5(i) of the Food Stamp Act of 1977 (7 U.S.C. 2014(i)) is amended—

(1) in the first sentence of paragraph (1)—

(A) by inserting ''or who executed such an affidavit or similar agreement to enable the individual to lawfully remain in the United States,'' after ''respect to such individual,''; and

(B) by striking ''for a period'' and all that follows through the period at the end and inserting ''until the end of the period ending on the later of the date agreed to in the affidavit or agreement or the date that is 5 years after the date on which the individual was first lawfully admitted into the United States following the execution of the affidavit or agreement.''; and

(2) in paragraph (2)—

(A) in subparagraph (C)(i), by striking ''of three years after entry into the United States'' and inserting ''determined under paragraph (1)''; and

(B) in subparagraph (D), by striking ''of three years after such alien's entry into the United States'' and inserting ''determined under paragraph (1)''.

SEC. 111. DISQUALIFICATION.

(a) IN GENERAL.—Section 6(d) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)) is amended by striking ''(d)(1) Unless otherwise exempted by the provisions'' and all that follows through the end of paragraph (1) and inserting the following:

''(d) CONDITIONS OF PARTICIPATION.—

''(1) WORK REQUIREMENTS.—

''(A) IN GENERAL.—No physically and mentally fit individual over the age of 15 and under the age of 60 shall be eligible to participate in the food stamp program if the individual—

''(i) refuses, at the time of application and every 12 months thereafter, to register for employment in a manner prescribed by the Secretary;

''(ii) refuses without good cause to participate in an employment and training program under paragraph (4), to the extent required by the State agency;

''(iii) refuses without good cause to accept an offer of employment, at a site or plant not subject to a strike or lockout at the time of the refusal, at a wage not less than the higher of—

''(I) the applicable Federal or State minimum wage; or

''(II) 80 percent of the wage that would have governed had the minimum hourly rate under section 6(a)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)) been applicable to the offer of employment;

''(iv) refuses without good cause to provide a State agency with sufficient information to allow the State agency to determine the employment status or the job availability of the individual;

''(v) voluntarily and without good cause—

''(I) quits a job; or

''(II) reduces work effort and, after the reduction, the individual is working less than 30 hours per week; or

''(vi) fails to comply with section 20.

''(B) HOUSEHOLD INELIGIBILITY.—If an individual who is the head of a household becomes ineligible to participate in the food stamp program under subparagraph (A), the household shall, at the option of the State agency, become ineligible to participate in the food stamp program for a period, determined by the State agency, that does not exceed the lesser of—

''(i) the duration of the ineligibility of the individual determined under subparagraph (C); or

''(ii) 180 days.

''(C) DURATION OF INELIGIBILITY.—

''(i) FIRST VIOLATION.—The first time that an individual becomes ineligible to participate in the food stamp program under subparagraph (A), the individual shall remain ineligible until the later of—

''(I) the date the individual becomes eligible under subparagraph (A);

''(II) the date that is 1 month after the date the individual became ineligible; or

''(III) a date determined by the State agency that is not later than 3 months after the date the individual became ineligible.

''(ii) SECOND VIOLATION.—The second time that an individual becomes ineligible to participate in the food stamp program under subparagraph (A), the individual shall remain ineligible until the later of—

''(I) the date the individual becomes eligible under subparagraph (A);

''(II) the date that is 3 months after the date the individual became ineligible; or

''(III) a date determined by the State agency that is not later than 6 months after the date the individual became ineligible.

''(iii) THIRD OR SUBSEQUENT VIOLATION.—The third or subsequent time that an individual becomes ineligible to participate in the food stamp program under subparagraph (A), the individual shall remain ineligible until the later of—

''(I) the date the individual becomes eligible under subparagraph (A);

''(II) the date that is 6 months after the date the individual became ineligible;

''(III) a date determined by the State agency; or

''(IV) at the option of the State agency, permanently.

''(D) ADMINISTRATION.—

''(i) GOOD CAUSE.—

''(I) STANDARD.—The Secretary shall determine the meaning of good cause for the purpose of this paragraph.

''(II) PROCEDURE.—A State agency shall determine the procedure for determining whether an individual acted with good cause for the purpose of this paragraph.

''(III) ADEQUATE CHILD CARE.—In this paragraph, the term 'good cause' includes the lack of adequate child care for a dependent child under the age of 12.

''(ii) VOLUNTARY QUIT.—

''(I) STANDARD.—The Secretary shall determine the meaning of voluntarily quitting for the purpose of this paragraph.

''(II) PROCEDURE.—The Secretary shall determine the procedure for determining whether an individual voluntarily quit for the purpose of this paragraph.

''(iii) DETERMINATION BY STATE AGENCY.—Subject to clauses (i) and (ii), a State agency shall determine—

''(I) the meaning of any term in subparagraph (A);

''(II) the procedures for determining whether an individual is in compliance with a requirement under subparagraph (A); and

''(III) whether an individual is in compliance with a requirement under subparagraph (A).

''(iv) STRIKE AGAINST THE GOVERNMENT.—For the purpose of subparagraph (A)(v), an employee of the Federal Government, a State, or a political subdivision of a State, who is dismissed for participating in a strike against the Federal Government, the State, or the political subdivision of the State shall be considered to have voluntarily quit without good cause.

''(v) SELECTING A HEAD OF HOUSEHOLD.—

''(I) IN GENERAL.—For the purpose of this paragraph, the State agency shall allow the household to select any adult parent of a child in the household as the head of the household if all adult household members making application under the food stamp program agree to the selection.

''(II) TIME FOR MAKING DESIGNATION.—A household may designate the head of the household under subclause (I) each time the household is certified for participation in the food stamp program, but may not change the designation during a certification period unless there is a change in the composition of the household.

''(vi) CHANGE IN HEAD OF HOUSEHOLD.—If the head of a household leaves the household during a period in which the household is ineligible to participate in the food stamp program under subparagraph (B)—

''(I) the household shall, if otherwise eligible, become eligible to participate in the food stamp program; and

''(II) if the head of the household becomes the head of another household, the household that becomes headed by the individual shall become ineligible to participate in the food stamp program for the remaining period of ineligibility.''.

(b) CONFORMING AMENDMENT.—

(1) The second sentence of section 17(b)(2) of the Act (7 U.S.C. 2026(b)(2)) is amended by striking ''6(d)(1)(i)'' and inserting ''6(d)(1)(A)(i)''.

(2) Section 20 of the Act (7 U.S.C. 2029) is amended by striking subsection (f) and inserting the following:

''(f) DISQUALIFICATION.—An individual or a household may become ineligible under section 6(d)(1) to participate in the food stamp program for failing to comply with this section.''.

SEC. 112. CARETAKER EXEMPTION.

Section 6(d)(2) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)(2)) is amended by striking subparagraph (B) and inserting the following: ''(B) a parent or other member of a household with responsibility for the care of (i) a dependent child under the age of 6 or any lower age designated by the State agency that is not under the age of 1, or (ii) an incapacitated person;''.

SEC. 113. EMPLOYMENT AND TRAINING.

(a) IN GENERAL.—Section 6(d)(4) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)(4)) is amended—

(1) in subparagraph (A)—

(A) by striking ''Not later than April 1, 1987, each'' and inserting ''Each'';

(B) by striking ''and approved by the Secretary''; and

(C) by striking ''program in gaining skills, training, or experience'' and inserting ''program, but not a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.), in gaining skills, training, work, or experience'';

(2) in subparagraph (B)—

(A) in the matter preceding clause (i)—

(i) by inserting ''with terms and conditions set by a State agency'' after ''means a program''; and

(ii) by striking the colon at the end and inserting the following: '', except that the State agency shall retain the option to apply employment requirements prescribed under this subparagraph to a program applicant at the time of application:'';

(B) in clause (i), by striking ''with terms and conditions'' and all that follows through ''time of application'';

(C) in clause (iv)—

(i) by striking subclauses (I) and (II); and

(ii) by redesignating subclauses (III) and (IV) as subclauses (I) and (II), respectively; and

(D) in clause (vii), by striking ''As approved'' and all that follows through ''other employment'' and inserting ''Other employment'';

(3) in subparagraph (D)—

(A) in clause (i), by striking ''to which the application'' and all that follows through ''30 days or less'';

(B) in clause (ii), by striking ''but with respect'' and all that follows through ''child care''; and

(C) in clause (iii), by striking '', on the basis of'' and all that follows through ''clause (ii)'' and inserting ''the exemption continues to be valid'';

(4) in subparagraph (E), by striking the third sentence;

(5) in subparagraph (G)—

(A) by striking ''(G)(i) The State'' and inserting ''(G) The State''; and

(B) by striking clause (ii);

(6) in subparagraph (H), by striking ''(H)(i) The Secretary'' and all that follows through ''(ii) Federal funds'' and inserting ''(H) Federal funds'';

(7) in subparagraph (I)(i)—

(A) in the matter preceding subclause (I), by inserting ''not'' after ''paragraph,''; and

(B) in subclause (II), by striking '', or was in operation,'' and all that follows through ''Social Security Act'' and inserting the following: ''), except that no such payment or reimbursement shall exceed the applicable local market rate'';

(8)(A) by striking subparagraphs (K) and (L); and

(B) by redesignating subparagraphs (M) and (N) as subparagraphs (K) and (L), respectively; and

(9) in subparagraph (K) (as redesignated by paragraph (8)(B))—

(A) by striking ''(K)(i) The Secretary'' and inserting ''(K) The Secretary''; and

(B) by striking clause (ii).

(b) FUNDING.—Section 16(h) of the Act (7 U.S.C. 2025(h)) is amended by striking ''(h)(1)(A) The Secretary'' and all that follows through the end of paragraph (1) and inserting the following:

''(h) FUNDING OF EMPLOYMENT AND TRAINING PROGRAMS.—

''(1) IN GENERAL.—

''(A) AMOUNTS.—To carry out employment and training programs, the Secretary shall reserve for allocation to State agencies from funds made available for each fiscal year under section 18(a)(1) the amount of—

''(i) for fiscal year 1996, $77,000,000;

''(ii) for fiscal year 1997, $80,000,000;

''(iii) for fiscal year 1998, $83,000,000;

''(iv) for fiscal year 1999, $86,000,000; and

''(v) for fiscal year 2000, $89,000,000.

''(B) ALLOCATION.—The Secretary shall allocate the amounts reserved under subparagraph (A) among the State agencies using a reasonable formula (as determined by the Secretary) that gives consideration to the population in each State affected by section 6(n).

''(C) REALLOCATION.—

''(i) NOTIFICATION.—A State agency shall promptly notify the Secretary if the State agency determines that the State agency will not expend all of the funds allocated to the State agency under subparagraph (B).

''(ii) REALLOCATION.—On notification under clause (i), the Secretary shall reallocate the funds that the State agency will not expend as the Secretary considers appropriate and equitable.

''(D) MINIMUM ALLOCATION.—Notwithstanding subparagraphs (A) through (C), the Secretary shall ensure that each State agency operating an employment and training program shall receive not less than $50,000 in each fiscal year.''.

(c) REPORTS.—Section 16(h) of the Act (7 U.S.C. 2025(h)) is amended—

(1) in paragraph (5)—

(A) by striking ''(5)(A) The Secretary'' and inserting ''(5) The Secretary''; and

(B) by striking subparagraph (B); and

(2) by striking paragraph (6).

SEC. 114. COMPARABLE TREATMENT FOR DISQUALIFICATION.

(a) IN GENERAL.—Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2015) is amended by adding at the end the following:

''(i) COMPARABLE TREATMENT FOR DISQUALIFICATION.—

''(1) IN GENERAL.—If a disqualification is imposed on a member of a household for failure of that member to perform an action required under a Federal, State, or local law relating to welfare or a public assistance program, the State agency may impose the same disqualification on the member of the household under the food stamp program.

''(2) APPLICATION AFTER DISQUALIFICATION PERIOD.—A member of a household disqualified under paragraph (1) may, after the disqualification period has expired, apply for benefits under this Act and shall be treated as a new applicant.''.

(b) STATE PLAN PROVISIONS.—Section 11(e) of the Act (7 U.S.C. 2020(e)) is amended—

(1) in paragraph (24), by striking ''and'' at the end;

(2) in paragraph (25), by striking the period at the end and inserting ''; and''; and

(3) by adding at the end the following:

''(26) the guidelines the State agency uses in carrying out section 6(i).''.

(c) CONFORMING AMENDMENT.—Section 6(d)(2)(A) of the Act (7 U.S.C. 2015(d)(2)(A)) is amended by striking ''that is comparable to a requirement of paragraph (1)''.

SEC. 115. COOPERATION WITH CHILD SUPPORT AGENCIES.

Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2015) (as amended by section 114) is further amended by adding at the end the following:

''(j) CUSTODIAL PARENT'S COOPERATION WITH CHILD SUPPORT AGENCIES.—

''(1) IN GENERAL.—At the option of a State agency, subject to paragraphs (2) and (3), no natural or adoptive parent or other individual (collectively referred to in this subsection as 'the individual') who is living with and exercising parental control over a child under the age of 18 who has an absent parent shall be eligible to participate in the food stamp program unless the individual cooperates with the State agency administering the program established under part D of title IV of the Social Security Act (42 U.S.C. 651 et seq.)—

''(A) in establishing the paternity of the child (if the child is born out of wedlock); and

''(B) in obtaining support for—

''(i) the child; or

''(ii) the individual and the child.

''(2) GOOD CAUSE FOR NONCOOPERATION.—Paragraph (1) shall not apply to the individual if good cause is found for refusing to cooperate, as determined by the State agency in accordance with standards prescribed by the Secretary in consultation with the Secretary of Health and Human Services. The standards shall take into consideration circumstances under which cooperation may be against the best interests of the child.

''(3) FEES.—Paragraph (1) shall not require the payment of a fee or other cost for services provided under part D of title IV of the Social Security Act (42 U.S.C. 651 et seq.).

''(k) NON-CUSTODIAL PARENT'S COOPERATION WITH CHILD SUPPORT AGENCIES.—

''(1) IN GENERAL.—At the option of a State agency, subject to paragraphs (2) and (3), a putative non-custodial parent of a child under the age of 18 (referred to in this subsection as 'the individual') shall not be eligible to participate in the food stamp program if the individual refuses to cooperate with the State agency administering the program established under part D of title IV of the Social Security Act (42 U.S.C. 651 et seq.)—

''(A) in establishing the paternity of the child (if the child is born out of wedlock); and

''(B) in providing support for the child.

''(2) REFUSAL TO COOPERATE.—

''(A) GUIDELINES.—The Secretary, in consultation with the Secretary of Health and Human Services, shall develop guidelines on what constitutes a refusal to cooperate under paragraph (1).

''(B) PROCEDURES.—The State agency shall develop procedures, using guidelines developed under subparagraph (A), for determining whether an individual is refusing to cooperate under paragraph (1).

''(3) FEES.—Paragraph (1) shall not require the payment of a fee or other cost for services provided under part D of title IV of the Social Security Act (42 U.S.C. 651 et seq.).

''(4) PRIVACY.—The State agency shall provide safeguards to restrict the use of information collected by a State agency administering the program established under part D of title IV of the Social Security Act (42 U.S.C. 651 et seq.) to purposes for which the information is collected.''.

SEC. 116. DISQUALIFICATION FOR CHILD SUPPORT ARREARS.

Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2015) (as amended by section 115) is further amended by adding at the end the following:

''(l) DISQUALIFICATION FOR CHILD SUPPORT ARREARS.—

''(1) IN GENERAL.—At the option of a State agency, except as provided in paragraph (2), no individual shall be eligible to participate in the food stamp program as a member of any household during any month that the individual is delinquent in any payment due under a court order for the support of a child of the individual.

''(2) EXCEPTIONS.—Paragraph (1) shall not apply if—

''(A) a court is allowing the individual to delay payment; or

''(B) the individual is complying with a payment plan approved by a court or the State agency designated under part D of title IV of the Social Security Act (42 U.S.C. 651 et seq.) to provide support for the child of the individual.''.

SEC. 117. PERMANENT DISQUALIFICATION FOR PARTICIPATING IN 2 OR MORE STATES.

Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2015) (as amended by section 116) is further amended by adding at the end the following:

''(m) PERMANENT DISQUALIFICATION FOR PARTICIPATING IN 2 OR MORE STATES.—An individual shall be permanently ineligible to participate in the food stamp program as a member of any household if the individual is found by a State agency to have made, or is convicted in Federal or State court of having made, a fraudulent statement or representation with respect to the place of residence of the individual in order to receive benefits simultaneously from 2 or more States under the food stamp program.''.

SEC. 118. WORK REQUIREMENT.

(a) IN GENERAL.—Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2015) (as amended by section 117) is further amended by adding at the end the following:

''(n) WORK REQUIREMENT.—

''(1) DEFINITION OF WORK PROGRAM.—In this subsection, the term 'work program' means—

''(A) a program under the Job Training Partnership Act (29 U.S.C. 1501 et seq.);

''(B) a program under section 236 of the Trade Act of 1974 (19 U.S.C. 2296); or

''(C) a program of employment or training operated or supervised by a State or political subdivision of a State that meets standards approved by the Governor of the State, including a program under section 6(d)(4) other than a job search program or a job search training program under clause (i) or (ii) of section 6(d)(4)(B).

''(2) WORK REQUIREMENT.—No individual shall be eligible to participate in the food stamp program as a member of any household if, during the preceding 12 months, the individual received food stamp benefits for not less than 6 months during which the individual did not—

''(A) work 20 hours or more per week, averaged monthly; or

''(B) participate in and comply with the requirements of a work program for 20 hours or more per week, as determined by the State agency.

''(3) EXCEPTION.—Paragraph (2) shall not apply to an individual if the individual is—

''(A) under 18 or over 50 years of age;

''(B) medically certified as physically or mentally unfit for employment;

''(C) a parent or other member of a household with a dependent child; or

''(D) otherwise exempt under section 6(d)(2).

''(4) WAIVER.—

''(A) IN GENERAL.—On the request of a State agency, the Secretary may waive the applicability of paragraph (2) to any group of individuals in the State if the Secretary makes a determination that the area in which the individuals reside—

''(i) has an unemployment rate of over 8 percent; or

''(ii) does not have a sufficient number of jobs to provide employment for the individuals.

''(B) REPORT.—The Secretary shall report the basis for a waiver under subparagraph (A) to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall become effective on July 1, 1996.

SEC. 119. ELECTRONIC BENEFIT TRANSFERS.

Section 7 of the Food Stamp Act of 1977 (7 U.S.C. 2016) is amended by adding at the end the following:

''(j) ELECTRONIC BENEFIT TRANSFERS.—

''(1) APPLICABLE LAW.—

''(A) IN GENERAL.—Disclosures, protections, responsibilities, and remedies established by the Federal Reserve Board under section 904 of the Electronic Fund Transfer Act (15 U.S.C. 1693b) shall not apply to benefits under this Act delivered through any electronic benefit transfer system.

''(B) DEFINITION OF ELECTRONIC BENEFIT TRANSFER SYSTEM.—In this paragraph, the term 'electronic benefit transfer system' means a system under which a governmental entity distributes benefits under this Act or other benefits or payments by establishing accounts to be accessed by recipients of the benefits electronically, including through the use of an automated teller machine or an intelligent benefit card.

''(2) CHARGING FOR ELECTRONIC BENEFIT TRANSFER CARD REPLACEMENT.—

''(A) IN GENERAL.—A State agency may charge an individual for the cost of replacing a lost or stolen electronic benefit transfer card.

''(B) REDUCING ALLOTMENT.—A State agency may collect a charge imposed under subparagraph (A) by reducing the monthly allotment of the household of which the individual is a member.''.

SEC. 120. MINIMUM BENEFIT.

The proviso in section 8(a) of the Food Stamp Act of 1977 (7 U.S.C. 2017(a)) is amended by striking '', and shall be adjusted'' and all that follows through ''$5''.

SEC. 121. BENEFITS ON RECERTIFICATION.

Section 8(c)(2)(B) of the Food Stamp Act of 1977 (7 U.S.C. 2017(c)(2)(B)) is amended by striking ''of more than one month''.

SEC. 122. OPTIONAL COMBINED ALLOTMENT FOR EXPEDITED HOUSEHOLDS.

Section 8(c) of the Food Stamp Act of 1977 (7 U.S.C. 2017(c)) is amended by striking paragraph (3) and inserting the following:

''(3) OPTIONAL COMBINED ALLOTMENT FOR EXPEDITED HOUSEHOLDS.—A State agency may provide to an eligible household applying after the 15th day of a month, in lieu of the initial allotment of the household and the regular allotment of the household for the following month, an allotment that is the aggregate of the initial allotment and the first regular allotment, which shall be provided in accordance with section 11(e)(3) in the case of a household that is not entitled to expedited service or in accordance with paragraphs (3) and (9) of section 11(e) in the case of a household that is entitled to expedited service.''.

SEC. 123. FAILURE TO COMPLY WITH OTHER WELFARE AND PUBLIC ASSISTANCE PROGRAMS.

Section 8 of the Food Stamp Act of 1977 (7 U.S.C. 2017) is amended by striking subsection (d) and inserting the following:

''(d) REDUCTION OF PUBLIC ASSISTANCE BENEFITS.—

''(1) IN GENERAL.—If the benefits of a household are reduced under a Federal, State, or local law relating to welfare or a public assistance program for the failure to perform an action required under the law or program, for the duration of the reduction—

''(A) the household may not receive an increased allotment as the result of a decrease in the income of the household to the extent that the decrease is the result of the reduction; and

''(B) the State agency may reduce the allotment of the household by not more than 25 percent.

''(2) OPTIONAL METHOD.—In carrying out paragraph (1), a State agency may consider, for the duration of a reduction referred to under paragraph (1), the benefits of the household before the reduction as income of the household after the reduction.''.

SEC. 124. ALLOTMENTS FOR HOUSEHOLDS RESIDING IN INSTITUTIONS.

Section 8 of the Food Stamp Act of 1977 (7 U.S.C. 2017) is amended by adding at the end the following:

''(f) ALLOTMENTS FOR HOUSEHOLDS RESIDING IN INSTITUTIONS.—

''(1) IN GENERAL.—In the case of an individual who resides in a homeless shelter, or in an institution or center for the purpose of a drug or alcoholic treatment program, described in the last sentence of section 3(i), a State agency may provide an allotment for the individual to—

''(A) the institution as an authorized representative for the individual for a period that is less than 1 month; and

''(B) the individual, if the individual leaves the institution.

''(2) DIRECT PAYMENT.—A State agency may require an individual referred to in paragraph (1) to designate the shelter, institution, or center in which the individual resides as the authorized representative of the individual for the purpose of receiving an allotment.''.

SEC. 125. OPERATION OF FOOD STAMP OFFICES.

Section 11 of the Food Stamp Act of 1977 (7 U.S.C. 2020) is amended—

(1) in subsection (e)—

(A) by striking paragraph (2) and inserting the following:

''(2)(A) that the State agency shall establish procedures governing the operation of food stamp offices that the State agency determines best serve households in the State, including households with special needs, such as households with elderly or disabled members, households in rural areas with low-income members, homeless individuals, households residing on reservations, and households in which a substantial number of members speak a language other than English.

''(B) In carrying out subparagraph (A), a State agency—

''(i) shall provide timely, accurate, and fair service to applicants for, and participants in, the food stamp program;

''(ii) shall permit an applicant household to apply to participate in the program on the same day that the household first contacts a food stamp office in person during office hours;

''(iii) shall consider an application filed on the date the applicant submits an application that contains the name, address, and signature of the applicant; and

''(iv) may establish operating procedures that vary for local food stamp offices to reflect regional and local differences within the State;'';

(B) in paragraph (3)—

(i) by striking ''shall—'' and all that follows through ''provide each'' and inserting ''shall provide each''; and

(ii) by striking ''(B) assist'' and all that follows through ''representative of the State agency.'';

(C) by striking paragraph (14) and inserting the following:

''(14) the standards and procedures used by the State agency under section 6(d)(1)(D) to determine whether an individual is eligible to participate under section 6(d)(1)(A);''; and

(D) by striking paragraph (25) and inserting the following:

''(25) a description of the work supplementation or support program, if any, carried out by the State agency under section 16(b).''; and

(2) in subsection (i)—

(A) by striking ''(i) Notwithstanding'' and all that follows through ''(2)'' and inserting the following:

''(i) APPLICATION AND DENIAL PROCEDURES.—

''(1) APPLICATION PROCEDURES.—Notwithstanding any other provision of law,''; and

(B) by striking ''; (3) households'' and all that follows through ''title IV of the Social Security Act. No'' and inserting a period and the following:

''(2) DENIAL AND TERMINATION.—Other than in a case of disqualification as a penalty for failure to comply with a public assistance program rule or regulation, no''.

SEC. 126. STATE EMPLOYEE AND TRAINING STANDARDS.

Section 11(e)(6) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(6)) is amended—

(1) by striking ''(A)''; and

(2) by striking subparagraphs (B) through (E).

SEC. 127. EXPEDITED COUPON SERVICE.

Section 11(e)(9) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(9)) is amended—

(1) in subparagraph (A)—

(A) by striking ''five days'' and inserting ''7 business days''; and

(B) by inserting ''and'' at the end;

(2) by striking subparagraphs (B) and (C);

(3) by redesignating subparagraph (D) as subparagraph (B); and

(4) in subparagraph (B) (as redesignated by paragraph (3)), by striking '', (B), or (C)''.

SEC. 128. FAIR HEARINGS.

Section 11 of the Food Stamp Act of 1977 (7 U.S.C. 2020) is amended by adding at the end the following:

''(p) WITHDRAWING FAIR HEARING REQUESTS.—A household may withdraw, orally or in writing, a request by the household for a fair hearing under subsection (e)(10). If the withdrawal request is an oral request, the State agency shall provide a written notice to the household confirming the request and providing the household with an opportunity to request a hearing.''.

SEC. 129. INCOME AND ELIGIBILITY VERIFICATION SYSTEM.

Section 11 of the Food Stamp Act of 1977 (7 U.S.C. 2020) (as amended by section 128) is further amended by adding at the end the following:

''(q) STATE VERIFICATION OPTION.—Notwithstanding any other provision of law, a State agency shall not be required to use an income and eligibility verification system established under section 1137 of the Social Security Act (42 U.S.C. 1320b–7).''.

SEC. 130. COLLECTION OF OVERISSUANCES.

(a) IN GENERAL.—Section 13 of the Food Stamp Act of 1977 (7 U.S.C. 2022) is amended—

(1) by striking subsection (b) and inserting the following:

''(b) COLLECTION OF OVERISSUANCES.—

''(1) IN GENERAL.—Except as otherwise provided in this subsection, a State agency shall collect any overissuance of coupons issued to a household by—

''(A) reducing the allotment of the household;

''(B) withholding unemployment compensation from a member of the household under subsection (c);

''(C) recovering from Federal pay or a Federal income tax refund under subsection (d); or

''(D) any other means.

''(2) COST EFFECTIVENESS.—Paragraph (1) shall not apply if the State agency demonstrates to the satisfaction of the Secretary that all of the means referred to in paragraph (1) are not cost effective.

''(3) HARDSHIPS.—A State agency may not use an allotment reduction under paragraph (1)(A) as a means collecting an overissuance from a household if the allotment reduction would cause a hardship on the household, as determined by the State agency.

''(4) MAXIMUM REDUCTION ABSENT FRAUD.—If a household received an overissuance of coupons without any member of the household being found ineligible to participate in the program under section 6(b)(1) and a State agency elects to reduce the allotment of the household under paragraph (1)(A), the State agency shall reduce the monthly allotment of the household under paragraph (1)(A) by the greater of—

''(A) 10 percent of the monthly allotment of the household; or

''(B) $10.

''(5) PROCEDURES.—A State agency shall collect an overissuance of coupons issued to a household under paragraph (1) in accordance with requirements established by the State agency for providing notice, electing a means of payment, and establishing a time schedule for payment.''; and

(2) in subsection (d)—

(A) by striking ''as determined under subsection (b) and except for claims arising from an error of the State agency,'' and inserting '', as determined under subsection (b)(1),''; and

(B) by inserting before the period at the end the following: ''or a Federal income tax refund as authorized by section 3720A of title 31, United States Code''.

(b) CONFORMING AMENDMENT.—Section 11(e)(8) of the Act (7 U.S.C. 2020(e)(8)) is amended—

(1) by striking ''and excluding claims'' and all that follows through ''such section,''; and

(2) by inserting before the semicolon at the end the following: ''or a Federal income tax refund as authorized by section 3720A of title 31, United States Code''.

SEC. 131. TERMINATION OF FEDERAL MATCH FOR OPTIONAL INFORMATION ACTIVITIES.

(a) IN GENERAL.—Section 16(a) of the Food Stamp Act of 1977 (7 U.S.C. 2025(a)) is amended—

(1) by striking paragraph (4); and

(2) by redesignating paragraphs (5) through (8) as paragraphs (4) through (7), respectively.

(b) CONFORMING AMENDMENT.—Section 16(g) of the Act (7 U.S.C. 2025(g)) is amended by striking ''an amount equal to'' and all that follows through ''1991, of'' and inserting ''the amount provided under subsection (a)(5) for''.

SEC. 132. STANDARDS FOR ADMINISTRATION.

(a) IN GENERAL.—Section 16 of the Food Stamp Act of 1977 (7 U.S.C. 2025) is amended by striking subsection (b).

(b) CONFORMING AMENDMENTS.—

(1) The first sentence of section 11(g) of the Act (7 U.S.C. 2020(g)) is amended by striking ''the Secretary's standards for the efficient and effective administration of the program established under section 16(b)(1) or''.

(2) Section 16(c)(1)(B) of the Act (7 U.S.C. 2025(c)(1)(B)) is amended by striking ''pursuant to subsection (b)''.

SEC. 133. WORK SUPPLEMENTATION OR SUPPORT PROGRAM.

Section 16 of the Food Stamp Act of 1977 (7 U.S.C. 2025) (as amended by section 132(a)) is further amended by inserting after subsection (a) the following:

''(b) WORK SUPPLEMENTATION OR SUPPORT PROGRAM.—

''(1) DEFINITION.—In this subsection, the term 'work supplementation or support program' means a program in which, as determined by the Secretary, public assistance (including any benefits provided under a program established by the State and the food stamp program) is provided to an employer to be used for hiring and employing a new employee who is a public assistance recipient.

''(2) PROGRAM.—A State agency may elect to use amounts equal to the allotment that would otherwise be allotted to a household under the food stamp program, but for the operation of this subsection, for the purpose of subsidizing or supporting jobs under a work supplementation or support program established by the State.

''(3) PROCEDURE.—If a State agency makes an election under paragraph (2) and identifies each household that participates in the

food stamp program that contains an individual who is participating in the work supplementation or support program—

''(A) the Secretary shall pay to the State agency an amount equal to the value of the allotment that the household would be eligible to receive but for the operation of this subsection;

''(B) the State agency shall expend the amount paid under subparagraph (A) in accordance with the work supplementation or support program in lieu of providing the allotment that the household would receive but for the operation of this subsection;

''(C) for purposes of—

''(i) sections 5 and 8(a), the amount received under this subsection shall be excluded from household income and resources; and

''(ii) section 8(b), the amount received under this subsection shall be considered to be the value of an allotment provided to the household; and

''(D) the household shall not receive an allotment from the State agency for the period during which the member continues to participate in the work supplementation or support program.

''(4) OTHER WORK REQUIREMENTS.—No individual shall be excused, by reason of the fact that a State has a work supplementation or support program, from any work requirement under section 6(d), except during the periods in which the individual is employed under the work supplementation or support program.

''(5) MAXIMUM LENGTH OF PARTICIPATION.—A work supplementation or support program may not allow the participation of any individual for longer than 6 months, unless the Secretary approves a longer period.''.

SEC. 134. WAIVER AUTHORITY.

Section 17(b)(1)(A) of the Food Stamp Act of 1977 (7 U.S.C. 2026(b)(1)(A)) is amended—

(1) by striking ''benefits to eligible households, including'' and inserting the following: ''benefits to eligible households. The Secretary may waive the requirements of this Act to the extent necessary to conduct a pilot or experimental project, including a project designed to test innovative welfare reform, promote work, and allow conformity with other Federal, State, and local government assistance programs, except that a project involving the payment of benefits in the form of cash shall maintain the average value of allotments for affected households as a group. Pilot or experimental projects may include''; and

(2) by striking ''The Secretary may waive'' and all that follows through ''sections 5 and 8 of this Act.''.

SEC. 135. AUTHORIZATION OF PILOT PROJECTS.

The last sentence of section 17(b)(1)(A) of the Food Stamp Act of 1977 (7 U.S.C. 2026(b)(1)(A)) is amended by striking ''1995'' and inserting ''2000''.

SEC. 136. RESPONSE TO WAIVERS.

Section 17(b)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2026(b)(1)) is amended by adding at the end the following:

''(C) RESPONSE TO WAIVERS.—

''(i) RESPONSE.—Not later than 60 days after the date of receiving a request for a waiver under subparagraph (A), the Secretary shall provide a response that—

''(I) approves the waiver request;

''(II) denies the waiver request and explains any modification needed for approval of the waiver request;

''(III) denies the waiver request and explains the grounds for the denial; or

''(IV) requests clarification of the waiver request.

''(ii) FAILURE TO RESPOND.—If the Secretary does not provide a response under clause (i) not later than 60 days after receiving a request for a waiver, the waiver shall be considered approved.

''(iii) NOTICE OF DENIAL.—On denial of a waiver request under clause (i)(III), the Secretary shall provide a copy of the waiver request and the grounds for the denial to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.''.

SEC. 137. PRIVATE SECTOR EMPLOYMENT INITIATIVES.

Section 17 of the Food Stamp Act of 1977 (7 U.S.C. 2026) is amended by adding at the end the following:

''(m) PRIVATE SECTOR EMPLOYMENT INITIATIVES.—

''(1) ELECTION TO PARTICIPATE.—

''(A) IN GENERAL.—Subject to the other provisions of this subsection, a State may elect to carry out a private sector employment initiative program under this subsection.

''(B) REQUIREMENT.—A State shall be eligible to carry out a private sector employment initiative under this subsection only if not less than 50 percent of the households that received food stamp benefits during the summer of 1993 also received benefits under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) during the summer of 1993.

''(2) PROCEDURE.—A State that has elected to carry out a private sector employment initiative under paragraph (1) may use amounts equal to the food stamp allotments that would otherwise be allotted to a household under the food stamp program, but for the operation of this subsection, to provide cash benefits in lieu of the food stamp allotments to the household if the household is eligible under paragraph (3).

''(3) ELIGIBILITY.—A household shall be eligible to receive cash benefits under paragraph (2) if an adult member of the household—

''(A) has worked in unsubsidized employment in the private sector for not less than the preceding 90 days;

''(B) has earned not less than $350 per month from the employer referred to in subparagraph (A) for not less than the preceding 90 days;

''(C)(i) is eligible to receive benefits under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.); or

''(ii) was eligible to receive benefits under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) at the time the member first received cash benefits under this subsection and is no longer eligible for the State program because of earned income;

''(D) is continuing to earn not less than $350 per month from the employment referred to in subparagraph (A); and

''(E) elects to receive cash benefits in lieu of food stamp benefits under this subsection.

''(4) EVALUATION.—A State that operates a program under this subsection for 2 years shall provide to the Secretary a written evaluation of the impact of cash assistance under this subsection. The State agency shall determine the content of the evaluation.''.

SEC. 138. REAUTHORIZATION OF APPROPRIATIONS.

The first sentence of section 18(a)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2027(a)(1)) is amended by striking ''1995'' and inserting ''2000''.

SEC. 139. REAUTHORIZATION OF PUERTO RICO BLOCK GRANT.

The first sentence of section 19(a)(1)(A) of the Food Stamp Act of 1977 (7 U.S.C. 2028(a)(1)(A)) is amended by striking ''$974,000,000'' and all that follows through ''fiscal year 1995'' and inserting the following: ''$1,143,000,000 for each of fiscal years 1995 and 1996, $1,182,000,000 for fiscal year 1997, $1,223,000,000 for fiscal year 1998, $1,266,000,000 for fiscal year 1999, and $1,310,000,000 for fiscal year 2000''

SEC. 140. SIMPLIFIED FOOD STAMP PROGRAM.

(a) IN GENERAL.—The Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.) is amended by adding at the end the following:

''SEC. 24. SIMPLIFIED FOOD STAMP PROGRAM.

''(a) ELECTION.—Subject to subsection (c), a State agency may elect to carry out a Simplified Food Stamp Program (referred to in this section as a 'Program') under this section.

''(b) OPERATION OF PROGRAM.—

''(1) IN GENERAL.—If a State agency elects to carry out a Program, within the State or a political subdivision of the State—

''(A) a household in which all members receive assistance under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) shall automatically be eligible to participate in the Program; and

''(B) subject to subsection (e), benefits under the Program shall be determined under rules and procedures established by the State under—

''(i) a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.);

''(ii) the food stamp program; or

''(iii) a combination of a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) and the food stamp program.

''(2) SHELTER STANDARD.—The State agency may elect to apply 1 shelter standard to a household that receives a housing subsidy and another shelter standard to a household that does not receive the subsidy.

''(c) APPROVAL OF PROGRAM.—

''(1) STATE PLAN.—A State agency may not operate a Program unless the Secretary approves a State plan for the operation of the Program under paragraph (2).

''(2) APPROVAL OF PLAN.—

''(A) IN GENERAL.—The Secretary shall approve any State plan to carry out a Program if the Secretary determines that the plan—

''(i) complies with this section; and

''(ii) would not increase Federal costs incurred under this Act.

''(B) DEFINITION OF FEDERAL COSTS.—In this section, the term 'Federal costs' does not include any Federal costs incurred under section 17.

''(d) INCREASED FEDERAL COSTS.—

''(1) DETERMINATION.—

''(A) IN GENERAL.—The Secretary shall determine whether a Program being carried out by a State agency is increasing Federal costs under this Act.

''(B) NO EXCLUDED HOUSEHOLDS.—In making a determination under subparagraph (A), the Secretary shall not require the State agency to collect or report any information on households not included in the Program.

''(C) ALTERNATIVE ACCOUNTING PERIODS.—The Secretary may approve the request of a State agency to apply alternative accounting periods to determine if Federal costs do not exceed the Federal costs had the State agency not elected to carry out the Program.

''(2) NOTIFICATION.—If the Secretary determines that the Program has increased Federal costs under this Act for any fiscal year, the Secretary shall notify the State agency not later than January 1 of the immediately succeeding fiscal year.

''(3) RETURN OF FUNDS.—

''(A) IN GENERAL.—If the Secretary determines that the Program has increased Federal costs under this Act for a 2-year period, including a fiscal year for which notice was

given under paragraph (2) and an immediately succeeding fiscal year, the State agency shall pay to the Treasury of the United States the amount of the increased costs.

''(B) ENFORCEMENT.—If the State agency does not pay an amount due under subparagraph (A) on a date that is not later than 90 days after the date of the determination, the Secretary shall reduce amounts otherwise due to the State agency for administrative costs under section 16(a).

''(e) RULES AND PROCEDURES.—

''(1) IN GENERAL.—Except as provided by paragraph (2), a State may apply—

''(A) the rules and procedures established by the State under—

''(i) the State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.); or

''(ii) the food stamp program; or

''(B) the rules and procedures of 1 of the programs to certain matters and the rules and procedures of the other program to all remaining matters.

''(2) STANDARDIZED DEDUCTIONS.—The State may standardize the deductions provided under section 5(e). In developing the standardized deduction, the State shall give consideration to the work expenses, dependent care costs, and shelter costs of participating households.

''(3) REQUIREMENTS.—In operating a Program, the State shall comply with—

''(A) subsections (a) through (g) of section 7;

''(B) section 8(a), except that the income of a household may be determined under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.);

''(C) subsections (b) and (d) of section 8;

''(D) subsections (a), (c), (d), and (n) of section 11;

''(E) paragraph (3) of section 11(e), to the extent that the paragraph requires that an eligible household be certified and receive an allotment for the period of application not later than 30 days after filing an application;

''(F) paragraphs (8), (9), (12), (17), (19), (21), and (27) of section 11(e);

''(G) section 11(e)(10) or a comparable requirement established by the State under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.); and

''(H) section 16.''.

(b) STATE PLAN PROVISIONS.—Section 11(e) of the Act (7 U.S.C. 2020(e)) (as amended by section 114(b)) is further amended—

(1) in paragraph (25), by striking ''and'' at the end;

(2) in paragraph (26), by striking the period at the end and inserting ''; and''; and

(3) by adding at the end the following:

''(27) the plans of the State agency for operating, at the election of the State, a program under section 24, including—

''(A) the rules and procedures to be followed by the State to determine food stamp benefits;

''(B) how the State will address the needs of households that experience high shelter costs in relation to the incomes of the households; and

''(C) a description of the method by which the State will carry out a quality control system under section 16(c).''.

(c) CONFORMING AMENDMENTS.—

(1) Section 8 of the Act (7 U.S.C. 2017) (as amended by section 124) is further amended—

(A) by striking subsection (e); and

(B) by redesignating subsection (f) as subsection (e).

(2) Section 17 of the Act (7 U.S.C. 2026) (as amended by section 137) is further amended—

(A) by striking subsection (i); and

(B) by redesignating subsections (j) through (m) as subsections (i) through (l), respectively.

SEC. 141. EFFECTIVE DATE.

Except as otherwise provided in this title, this title and the amendments made by this title shall become effective on October 1, 1995.

TITLE II—CHILD NUTRITION PROGRAMS

Subtitle A—Reimbursement Rates

SEC. 201. TERMINATION OF ADDITIONAL PAYMENT FOR LUNCHES SERVED IN HIGH FREE AND REDUCED PRICE PARTICIPATION SCHOOLS.

(a) IN GENERAL.—Section 4(b)(2) of the National School Lunch Act (42 U.S.C. 1753(b)(2)) is amended by striking ''except that'' and all that follows through ''2 cents more''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall become effective on July 1, 1996.

SEC. 202. VALUE OF FOOD ASSISTANCE.

(a) IN GENERAL.—Section 6(e)(1) of the National School Lunch Act (42 U.S.C. 1755(e)(1)) is amended by striking subparagraph (B) and inserting the following:

''(B) ADJUSTMENTS.—

''(i) IN GENERAL.—The value of food assistance for each meal shall be adjusted each July 1 by the annual percentage change in a 3-month average value of the Price Index for Foods Used in Schools and Institutions for March, April, and May each year.

''(ii) ADJUSTMENTS.—Except as otherwise provided in this subparagraph, in the case of each school year, the Secretary shall—

''(I) base the adjustment made under clause (i) on the amount of the unrounded adjustment for the preceding school year;

''(II) adjust the resulting amount in accordance with clause (i); and

''(III) round the result to the nearest lower cent increment.

''(iii) ADJUSTMENT ON JANUARY 1, 1996.—On January 1, 1996, the Secretary shall round the value of food assistance referred to in clause (i) to the nearest lower cent increment.

''(iv) ADJUSTMENT FOR 1996–97 SCHOOL YEAR.—In the case of the school year beginning July 1, 1996, the value of food assistance shall be the same as the value of food assistance for the school year beginning July 1, 1995, rounded to the nearest lower cent increment.

''(v) ADJUSTMENT FOR 1997–98 SCHOOL YEAR.—In the case of the school year beginning July 1, 1997, the Secretary shall—

''(I) base the adjustment made under clause (i) on the amount of the unrounded adjustment for the value of food assistance for the school year beginning July 1, 1995;

''(II) adjust the resulting amount to reflect the annual percentage change in a 3-month average value of the Price Index for Foods Used in Schools and Institutions for March, April, and May for the most recent 12-month period for which the data are available; and

''(III) round the result to the nearest lower cent increment.''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall become effective on January 1, 1996.

SEC. 203. LUNCHES, BREAKFASTS, AND SUPPLEMENTS.

(a) IN GENERAL.—Section 11(a)(3)(B) of the National School Lunch Act (42 U.S.C. 1759a(a)(3)(B)) is amended—

(1) by designating the second and third sentences as subparagraphs (C) and (D), respectively; and

(2) by striking subparagraph (D) (as so designated) and inserting the following:

''(D) ROUNDING.—Except as otherwise provided in this paragraph, in the case of each 12-month period, the Secretary shall—

''(i) base the adjustment made under this paragraph on the amount of the unrounded adjustment for the preceding 12-month period;

''(ii) adjust the resulting amount in accordance with subparagraph (C); and

''(iii) round the result to the nearest lower cent increment.

''(E) ADJUSTMENT ON JANUARY 1, 1996.—On January 1, 1996, the Secretary shall round the rates and factor referred to in subparagraph (A) to the nearest lower cent increment.

''(F) ADJUSTMENT FOR 24-MONTH PERIOD BEGINNING JULY 1, 1996.—In the case of the 24-month period beginning July 1, 1996, the national average payment rates for paid lunches, paid breakfasts, and paid supplements shall be the same as the national average payment rate for paid lunches, paid breakfasts, and paid supplements, respectively, for the 12-month period beginning July 1, 1995, rounded to the nearest lower cent increment.

''(G) ADJUSTMENT FOR 12-MONTH PERIOD BEGINNING JULY 1, 1998.—In the case of the 12-month period beginning July 1, 1998, the Secretary shall—

''(i) base the adjustments made under this paragraph for—

''(I) paid lunches and paid breakfasts on the amount of the unrounded adjustment for paid lunches for the 12-month period beginning July 1, 1995; and

''(II) paid supplements on the amount of the unrounded adjustment for paid supplements for the 12-month period beginning July 1, 1995;

''(ii) adjust each resulting amount in accordance with subparagraph (C); and

''(iii) round each result to the nearest lower cent increment.''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall become effective on January 1, 1996.

SEC. 204. SUMMER FOOD SERVICE PROGRAM FOR CHILDREN.

(a) IN GENERAL.—Section 13(b) of the National School Lunch Act (42 U.S.C. 1761(b)) is amended—

(1) by striking ''(b)(1)'' and all that follows through the end of paragraph (1) and inserting the following:

''(b) SERVICE INSTITUTIONS.—

''(1) PAYMENTS.—

''(A) IN GENERAL.—Except as otherwise provided in this paragraph, payments to service institutions shall equal the full cost of food service operations (which cost shall include the costs of obtaining, preparing, and serving food, but shall not include administrative costs).

''(B) MAXIMUM AMOUNTS.—Subject to subparagraph (C), payments to any institution under subparagraph (A) shall not exceed—

''(i) $2 for each lunch and supper served;

''(ii) $1.20 for each breakfast served; and

''(iii) 50 cents for each meal supplement served.

''(C) ADJUSTMENTS.—Amounts specified in subparagraph (B) shall be adjusted each January 1 to the nearest lower cent increment in accordance with the changes for the 12-month period ending the preceding November 30 in the series for food away from home of the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics of the Department of Labor. Each adjustment shall be based on the unrounded adjustment for the prior 12-month period.''; and

(2) by striking paragraph (4).

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall become effective on January 1, 1996.

SEC. 205. SPECIAL MILK PROGRAM.

(a) IN GENERAL.—Section 3(a) of the Child Nutrition Act of 1966 (42 U.S.C. 1772(a)) is amended by striking paragraph (8) and inserting the following:

''(8) ADJUSTMENTS.—

''(A) IN GENERAL.—Except as otherwise provided in this paragraph, in the case of each school year, the Secretary shall—

''(i) base the adjustment made under paragraph (7) on the amount of the unrounded adjustment for the preceding school year;

''(ii) adjust the resulting amount in accordance with paragraph (7); and

''(iii) round the result to the nearest lower cent increment.

''(B) ADJUSTMENT ON JANUARY 1, 1996.—On January 1, 1996, the Secretary shall round the minimum rate referred to in paragraph (7) to the nearest lower cent increment.

''(C) ADJUSTMENT FOR 1996–97 SCHOOL YEAR.—In the case of the school year beginning July 1, 1996, the minimum rate shall be the same as the minimum rate for the school year beginning July 1, 1995, rounded to the nearest lower cent increment.

''(D) ADJUSTMENT FOR 1997–98 SCHOOL YEAR.—In the case of the school year beginning July 1, 1997, the Secretary shall—

''(i) base the adjustment made under paragraph (7) on the amount of the unrounded adjustment for the minimum rate for the school year beginning July 1, 1995;

''(ii) adjust the resulting amount to reflect changes in the Producer Price Index for Fresh Processed Milk published by the Bureau of Labor Statistics of the Department of Labor for the most recent 12-month period for which the data are available; and

''(iii) round the result to the nearest lower cent increment.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall become effective on January 1, 1996.

SEC. 206. FREE AND REDUCED PRICE BREAKFASTS.

(a) IN GENERAL.—Section 4(b) of the Child Nutrition Act of 1966 (42 U.S.C. 1773(b)) is amended—

(1) in the second sentence of paragraph (1)(B), by striking '', adjusted to the nearest one-fourth cent'' and inserting ''(as adjusted pursuant to section 11(a) of the National School Lunch Act (42 U.S.C. 1759a(a))''; and

(2) in paragraph (2)(B)(ii)—

(A) by striking ''nearest one-fourth cent'' and inserting ''nearest lower cent increment for the applicable school year''; and

(B) by inserting before the period at the end the following: '', and the adjustment required by this clause shall be based on the unrounded adjustment for the preceding school year''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall become effective on July 1, 1996.

SEC. 207. CONFORMING REIMBURSEMENT FOR PAID BREAKFASTS AND LUNCHES.

(a) IN GENERAL.—The last sentence of section 4(b)(1)(B) of the Child Nutrition Act of 1966 (42 U.S.C. 1773(b)(1)(B)) is amended by striking ''8.25 cents'' and all that follows through ''Act)'' and inserting ''the same as the national average lunch payment established under section 4(b) of the National School Lunch Act (42 U.S.C. 1753(b))''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall become effective on January 1, 1996.

Subtitle B—Grant Programs

SEC. 211. SCHOOL BREAKFAST STARTUP GRANTS.

Section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773) is amended by striking subsection (g).

SEC. 212. NUTRITION EDUCATION AND TRAINING PROGRAMS.

Section 19(i)(2)(A) of the Child Nutrition Act of 1966 (42 U.S.C. 1788(i)(2)(A)) is amended by striking ''$10,000,000'' and inserting ''$7,000,000''.

SEC. 213. EFFECTIVE DATE.

The amendments made by this subtitle shall become effective on October 1, 1996.

Subtitle C—Other Amendments

SEC. 221. FREE AND REDUCED PRICE POLICY STATEMENT.

(a) SCHOOL LUNCH PROGRAM.—Section 9(b)(2) of the National School Lunch Act (42 U.S.C. 1758(b)(2)) is amended by adding at the end the following:

''(D) FREE AND REDUCED PRICE POLICY STATEMENT.—A school shall not be required to submit a free and reduced price policy statement to a State educational agency under this Act unless there is a substantive change in the free and reduced price policy of the school. A routine change in the policy of a school, such as an annual adjustment of the income eligibility guidelines for free and reduced price meals, shall not be sufficient cause for requiring the school to submit a policy statement.''.

(b) SCHOOL BREAKFAST PROGRAM.—Section 4(b)(1) of the Child Nutrition Act of 1966 (42 U.S.C. 1773(b)(1)) is amended by adding at the end the following:

''(E) FREE AND REDUCED PRICE POLICY STATEMENT.—A school shall not be required to submit a free and reduced price policy statement to a State educational agency under this Act unless there is a substantive change in the free and reduced price policy of the school. A routine change in the policy of a school, such as an annual adjustment of the income eligibility guidelines for free and reduced price meals, shall not be sufficient cause for requiring the school to submit a policy statement.''.

SEC. 222. SUMMER FOOD SERVICE PROGRAM FOR CHILDREN.

(a) PERMITTING OFFER VERSUS SERVE.—Section 13(f) of the National School Lunch Act (42 U.S.C. 1761(f)) is amended—

(1) by striking ''(f) Service'' and inserting the following:

''(f) NUTRITIONAL STANDARDS.—

''(1) IN GENERAL.—Service''; and

(2) by adding at the end the following:

''(2) OFFER VERSUS SERVE.—At the option of a local school food authority, a student in a school under the authority that participates in the program may be allowed to refuse not more than 1 item of a meal that the student does not intend to consume. A refusal of an offered food item shall not affect the amount of payments made under this section to a school for the meal.''.

(b) REMOVING MANDATORY NOTICE TO INSTITUTIONS.—Section 13(n)(2) of the Act is amended by striking ''and its plans and schedule'' and inserting ''except that the Secretary may not require a State to submit a plan or schedule''.

SEC. 223. CHILD AND ADULT CARE FOOD PROGRAM.

(a) PAYMENTS TO SPONSOR EMPLOYEES.—Paragraph (2) of the last sentence of section 17(a) of the National School Lunch Act (42 U.S.C. 1766(a)) is amended—

(1) by striking ''and'' at the end of subparagraph (B);

(2) by striking the period at the end of subparagraph (C) and inserting ''; and''; and

(3) by adding at the end the following:

''(D) in the case of a family or group day care home sponsoring organization that employs more than 1 employee, the organization does not base payments to an employee of the organization on the number of family or group day care homes recruited, managed, or monitored.''.

(b) IMPROVED TARGETING OF DAY CARE HOME REIMBURSEMENTS.—

(1) RESTRUCTURED DAY CARE HOME REIMBURSEMENTS.—Section 17(f)(3) of the Act is amended by striking ''(3)(A) Institutions'' and all that follows through the end of subparagraph (A) and inserting the following:

''(3) REIMBURSEMENT OF FAMILY OR GROUP DAY CARE HOME SPONSORING ORGANIZATIONS.—

''(A) REIMBURSEMENT FACTOR.—

''(i) IN GENERAL.—An institution that participates in the program under this section as a family or group day care home sponsoring organization shall be provided, for payment to a home of the organization, reimbursement factors in accordance with this subparagraph for the cost of obtaining and preparing food and prescribed labor costs involved in providing meals under this section.

''(ii) TIER I FAMILY OR GROUP DAY CARE HOMES.—

''(I) DEFINITION.—In this paragraph, the term 'tier I family or group day care home' means—

''(aa) a family or group day care home that is located in a geographic area, as defined by the Secretary based on census data, in which at least 50 percent of the children residing in the area are members of households whose incomes meet the eligibility standards for free or reduced price meals under section 9;

''(bb) a family or group day care home that is located in an area served by a school enrolling elementary students in which at least 50 percent of the total number of children enrolled are certified eligible to receive free or reduced price school meals under this Act or the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.); or

''(cc) a family or group day care home that is operated by a provider whose household meets the eligibility standards for free or reduced price meals under section 9 and whose income is verified by a sponsoring organization under regulations established by the Secretary.

''(II) REIMBURSEMENT.—Except as provided in subclause (III), a tier I family or group day care home shall be provided reimbursement factors under this clause without a requirement for documentation of the costs described in clause (i), except that reimbursement shall not be provided under this subclause for meals or supplements served to the children of a person acting as a family or group day care home provider unless the children meet the eligibility standards for free or reduced price meals under section 9.

''(III) FACTORS.—Except as provided in subclause (IV), the reimbursement factors applied to a home referred to in subclause (II) shall be the factors in effect on the date of enactment of this subclause.

''(IV) ADJUSTMENTS.—The reimbursement factors under this subparagraph shall be adjusted on August 1, 1996, July 1, 1997, and each July 1 thereafter, to reflect changes in the Consumer Price Index for food at home for the most recent 12-month period for which the data are available. The reimbursement factors under this subparagraph shall be rounded to the nearest lower cent increment and based on the unrounded adjustment for the preceding 12-month period.

''(iii) TIER II FAMILY OR GROUP DAY CARE HOMES.—

''(I) IN GENERAL.—

''(aa) FACTORS.—Except as provided in subclause (II), with respect to meals or supplements served under this clause by a family or group day care home that does not meet the criteria set forth in clause (ii)(I), the reimbursement factors shall be $1 for lunches and suppers, 30 cents for breakfasts, and 15 cents for supplements.

''(bb) ADJUSTMENTS.—The factors shall be adjusted on July 1, 1997, and each July 1 thereafter, to reflect changes in the Consumer Price Index for food at home for the most recent 12-month period for which the data are available. The reimbursement factors under this item shall be rounded down to the nearest lower cent increment and based on the unrounded adjustment for the preceding 12-month period.

''(cc) REIMBURSEMENT.—A family or group day care home shall be provided reimbursement factors under this subclause without a requirement for documentation of the costs described in clause (i), except that reimbursement shall not be provided under this subclause for meals or supplements served to the children of a person acting as a family or group day care home provider unless the children meet the eligibility standards for free or reduced price meals under section 9.

''(II) OTHER FACTORS.—A family or group day care home that does not meet the criteria set forth in clause (ii)(I) may elect to be provided reimbursement factors determined in accordance with the following requirements:

''(aa) CHILDREN ELIGIBLE FOR FREE OR REDUCED PRICE MEALS.—In the case of meals or supplements served under this subsection to children who are members of households whose incomes meet the eligibility standards for free or reduced price meals under section 9, the family or group day care home shall be provided reimbursement factors set by the Secretary in accordance with clause (ii)(III).

''(bb) INELIGIBLE CHILDREN.—In the case of meals or supplements served under this subsection to children who are members of households whose incomes do not meet the eligibility standards, the family or group day care home shall be provided reimbursement factors in accordance with subclause (I).

''(III) INFORMATION AND DETERMINATIONS.—

''(aa) IN GENERAL.—If a family or group day care home elects to claim the factors described in subclause (II), the family or group day care home sponsoring organization serving the home shall collect the necessary income information, as determined by the Secretary, from any parent or other caretaker to make the determinations specified in subclause (II) and shall make the determinations in accordance with rules prescribed by the Secretary.

''(bb) CATEGORICAL ELIGIBILITY.—In making a determination under item (aa), a family or group day care home sponsoring organization may consider a child participating in or subsidized under, or a child with a parent participating in or subsidized under, a federally or State supported child care or other benefit program with an income eligibility limit that does not exceed the eligibility standard for free or reduced price meals under section 9 to be a child who is a member of a household whose income meets the eligibility standards under section 9.

''(cc) FACTORS FOR CHILDREN ONLY.—A family or group day care home may elect to receive the reimbursement factors prescribed under clause (ii)(III) solely for the children participating in a program referred to in item (bb) if the home elects not to have income statements collected from parents or other caretakers.

''(IV) SIMPLIFIED MEAL COUNTING AND REPORTING PROCEDURES.—The Secretary shall prescribe simplified meal counting and reporting procedures for use by a family or group day care home that elects to claim the factors under subclause (II) and by a family or group day care home sponsoring organization that serves the home. The procedures the Secretary prescribes may include 1 or more of the following:

''(aa) Setting an annual percentage for each home of the number of meals served that are to be reimbursed in accordance with the reimbursement factors prescribed under clause (ii)(III) and an annual percentage of the number of meals served that are to be reimbursed in accordance with the reimbursement factors prescribed under clause (iii)(I), based on the family income of children enrolled in the home in a specified month or other period.

''(bb) Placing a home into 1 of 2 or more reimbursement categories annually based on the percentage of children in the home whose households have incomes that meet the eligibility standards under section 9, with each such reimbursement category carrying a set of reimbursement factors such as the factors prescribed under clause (ii)(II) or subclause (I) or factors established within the range of factors prescribed under clause (ii)(II) and subclause (I).

''(cc) Such other simplified procedures as the Secretary may prescribe.

''(V) MINIMUM VERIFICATION REQUIREMENTS.—The Secretary may establish any necessary minimum verification requirements.''.

(2) GRANTS TO STATES TO PROVIDE ASSISTANCE TO FAMILY OR GROUP DAY CARE HOMES.—Section 17(f)(3) of the Act is amended by adding at the end the following:

''(D) GRANTS TO STATES TO PROVIDE ASSISTANCE TO FAMILY OR GROUP DAY CARE HOMES.—

''(i) IN GENERAL.—

''(I) RESERVATION.—From amounts made available to carry out this section, the Secretary shall reserve $5,000,000 of the amount made available for fiscal year 1996.

''(II) PURPOSE.—The Secretary shall use the funds made available under subclause (I) to provide grants to States for the purpose of providing—

''(aa) assistance, including grants, to family and day care home sponsoring organizations and other appropriate organizations, in securing and providing training, materials, automated data processing assistance, and other assistance for the staff of the sponsoring organizations; and

''(bb) training and other assistance to family and group day care homes in the implementation of the amendments to subparagraph (A) made by section 574(b)(1) of the Family Self-Sufficiency Act of 1995.

''(ii) ALLOCATION.—The Secretary shall allocate from the funds reserved under clause (i)(II)—

''(I) $30,000 in base funding to each State; and

''(II) any remaining amount among the States, based on the number of family day care homes participating in the program in a State in 1994 as a percentage of the number of all family day care homes participating in the program in 1994.

''(iii) RETENTION OF FUNDS.—Of the amount of funds made available to a State for a fiscal year under clause (i), the State may retain not to exceed 30 percent of the amount to carry out this subparagraph.

''(iv) ADDITIONAL PAYMENTS.—Any payments received under this subparagraph shall be in addition to payments that a State receives under subparagraph (A) (as amended by section 134(b)(1) of the Family Self-Sufficiency Act of 1995).''.

(3) PROVISION OF DATA.—Section 17(f)(3) of the Act (as amended by paragraph (2)) is further amended by adding at the end the following:

''(E) PROVISION OF DATA TO FAMILY OR GROUP DAY CARE HOME SPONSORING ORGANIZATIONS.—

''(i) CENSUS DATA.—The Secretary shall provide to each State agency administering a child and adult care food program under this section data from the most recent decennial census survey or other appropriate census survey for which the data are available showing which areas in the State meet the requirements of subparagraph (A)(ii)(I)(aa). The State agency shall provide the data to family or group day care home sponsoring organizations located in the State.

''(ii) SCHOOL DATA.—

''(I) IN GENERAL.—A State agency administering the school lunch program under this Act or the school breakfast program under the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.) shall provide data for each elementary school in the State, or shall direct each school within the State to provide data for the school, to approved family or group day care home sponsoring organizations that request the data, on the percentage of enrolled children who are eligible for free or reduced price meals.

''(II) USE OF DATA FROM PRECEDING SCHOOL YEAR.—In determining for a fiscal year or other annual period whether a home qualifies as a tier I family or group day care home under subparagraph (A)(ii)(I), the State agency administering the program under this section, and a family or group day care home sponsoring organization, shall use the most current available data at the time of the determination.

''(iii) DURATION OF DETERMINATION.—For purposes of this section, a determination that a family or group day care home is located in an area that qualifies the home as a tier I family or group day care home (as the term is defined in subparagraph (A)(ii)(I)), shall be in effect for 3 years (unless the determination is made on the basis of census data, in which case the determination shall remain in effect until more recent census data are available) unless the State agency determines that the area in which the home is located no longer qualifies the home as a tier I family or group day care home.''.

(4) CONFORMING AMENDMENTS.—Section 17(c) of the Act is amended by inserting ''except as provided in subsection (f)(3),'' after ''For purposes of this section,'' each place it appears in paragraphs (1), (2), and (3).

(c) DISALLOWING MEAL CLAIMS.—The fourth sentence of section 17(f)(4) of the Act is amended by inserting ''(including institutions that are not family or group day care home sponsoring organizations)'' after ''institutions''.

(d) ELIMINATION OF STATE PAPERWORK AND OUTREACH BURDEN.—Section 17 of the Act is amended by striking subsection (k) and inserting the following:

''(k) TRAINING AND TECHNICAL ASSISTANCE.—A State participating in the program established under this section shall provide sufficient training, technical assistance, and monitoring to facilitate effective operation of the program. The Secretary shall assist the State in developing plans to fulfill the requirements of this subsection.''.

(e) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall become effective on the date of enactment of this Act.

(2) IMPROVED TARGETING OF DAY CARE HOME REIMBURSEMENTS.—The amendments made by paragraphs (1), (3), and (4) of subsection (b) shall become effective on August 1, 1996.

SEC. 224. REDUCING REQUIRED REPORTS TO STATE AGENCIES AND SCHOOLS.

Section 19 of the National School Lunch Act (42 U.S.C. 1769a) is amended by striking subsection (c) and inserting the following:

''(c) REPORT.—Not later than 1 year after the date of enactment of the Family Self-Sufficiency Act of 1995, the Secretary shall—

''(1) review all reporting requirements under this Act and the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.) that are in effect, as of the date of enactment of the Family Self-Sufficiency Act of 1995, for agencies and schools referred to in subsection (a); and

''(2) provide a report to the Committee on Economic and Educational Opportunities of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate that—

''(A) describes the reporting requirements described in paragraph (1) that are required by law;

''(B) makes recommendations concerning the elimination of any requirement described in subparagraph (A) because the contribution of the requirement to program effectiveness is not sufficient to warrant the paperwork burden that is placed on agencies and schools referred to in subsection (a); and

''(C) provides a justification for reporting requirements described in paragraph (1) that are required solely by regulation.''.

TITLE III—REAUTHORIZATION

SEC. 301. COMMODITY DISTRIBUTION PROGRAM; COMMODITY SUPPLEMENTAL FOOD PROGRAMS.

(a) REAUTHORIZATION.—The first sentence of section 4(a) of the Agriculture and Consumer Protection Act of 1973 (Public Law 93–86; 7 U.S.C. 612c note) is amended by striking ''1995'' and inserting ''2000''.

(b) ADMINISTRATIVE FUNDING.—Section 5(a)(2) of the Act (Public Law 93–86; 7 U.S.C. 612c note) is amended by striking ''1995'' and inserting ''2000''.

SEC. 302. EMERGENCY FOOD ASSISTANCE PROGRAM.

(a) REAUTHORIZATION.—The first sentence of section 204(a)(1) of the Emergency Food Assistance Act of 1983 (Public Law 98–8; 7 U.S.C. 612c note) is amended by striking ''1995'' and inserting ''2000''.

(b) PROGRAM TERMINATION.—Section 212 of the Act (Public Law 98–8; 7 U.S.C. 612c note) is amended by striking ''1995'' and inserting ''2000''.

(c) REQUIRED PURCHASES OF COMMODITIES.—Section 214 of the Act (Public Law 98–8; 7 U.S.C. 612c note) is amended—

(1) in the first sentence of subsection (a), by striking ''1995'' and inserting ''2000''; and

(2) in subsection (e), by striking ''1995'' each place it appears and inserting ''2000''.

SEC. 303. SOUP KITCHENS PROGRAM.

Section 110 of the Hunger Prevention Act of 1988 (Public Law 100–435; 7 U.S.C. 612c note) is amended—

(1) in the first sentence of subsection (a), by striking ''1995'' and inserting ''2000''; and

(2) in subsection (c)(2)—

(A) in the paragraph heading, by striking ''1995'' and inserting ''2000''; and

(B) by striking ''1995'' each place it appears and inserting ''2000''.

SEC. 304. NATIONAL COMMODITY PROCESSING.

The first sentence of section 1775(2)(A) of the Agriculture and Food Act of 1981 (7 U.S.C. 1431e(2)(A)) is amended by striking ''1995'' and inserting ''2000''.

SENATE AGRICULTURE COMMITTEE WELFARE REFORM PROVISIONS

MORE AUTHORITY AND FLEXIBILITY FOR STATES

The bill gives states more freedom and choice in administering the Food Stamp program. The bill will:

Allow states to operate a simplified and state-designed Food Stamp program for cash welfare recipients, as long as federal costs do not increase.

Let states tighten the definition of a ''household'' so that people living under a single roof could be considered one household. For example, under current law, unmarried couples may qualify for more Food Stamp benefits than a married couple—in effect, a ''marriage penalty.''

Delete laws that micromanage state Food Stamp administration. Such laws now go so far as to specify when to use boldface type in Food Stamp applications and require USDA review of local office hours.

Allow states to recover over-issued Food Stamp benefits immediately.

PROMOTING WORK, RESPONSIBILITY AND STATE REFORM INITIATIVES

The bill encourages responsible behavior, empowers the states to pursue innovative welfare reforms, and reduces federal spending. The bill will:

Ensure Food Stamp benefits do not increase when a recipient's welfare benefits are reduced for violating welfare rules.

Allow states to operate work support programs in which the value of Food Stamp benefits is paid to an employer who hires a welfare recipient and passes on the benefit to the employee as part of wages. Such systems encourage movement from welfare to work.

Allow a limited number of states to offer Food Stamp benefits in cash to recipients who have been working at least three months.

Strengthen child support enforcement by allowing states to require that custodial parents cooperate with enforcement agencies, and to disqualify from benefits a parent who is in arrears on court-ordered child support. Also allow states to disqualify non-custodial parents who refuse to cooperate in child support and paternity proceedings.

Give states more ability to undertake welfare reform demonstration projects where they might restrict or reduce Food Stamp benefits. Impose a strict 60-day time limit for USDA to respond to state proposals for welfare reform. The state's request is automatically approved if USDA does not respond.

Sanction any adult who voluntarily quits a job while on Food Stamps. Require that individuals who violate Food Stamp work requirements be disqualified from benefits for mandatory minimum periods, with states able to disqualify for longer periods if they choose.

Exempt Food Stamp benefits delivered through Electronic Benefit Transfer from Regulation E, which limits cardholder liability if cards are lost or stolen.

Establish a new work requirement for non-elderly, able-bodied adults without dependents, generally requiring them to work or be in job training within six months, or lose Food Stamp eligibility.

Require that anyone age 21 or younger who lives with his or her parents must be considered part of the parents' household.

Reduce the rate of growth in Food Stamp spending by revising the way benefits are calculated. Currently, benefits are 103 percent of a ''thrifty food plan'' reflecting a low-cost diet. The bill would pay benefits at 100 percent of the thrifty food plan, the same formula used until 1989.

Reduce the ''standard deduction,'' an amount automatically subtracted from applicants' income to determine eligibility and benefits.

Repeal scheduled increases in the maximum value of automobiles that may be owned by persons who wish to collect Food Stamp benefits. Count energy assistance as income when determining Food Stamp eligibility.

Discourage Food Stamp receipt by legal aliens. Extend the length of time for which a person who sponsors a legal alien must, in effect, be financially responsible for the alien.

IMPROVING CHILD NUTRITION PROGRAMS AND CONTAINING COSTS

The bill retains child nutrition programs at the federal level but reduces excessive federal regulation. The bill will:

Reduce statutory paperwork burdens on local school districts and states. The bill deletes several provisions that micromanage states' administration of the Child and Adult Care Food Program and requires a survey to find more reporting requirements that can be eliminated.

Conform federal reimbursement rates for breakfasts served to non-poor children with those for lunches. Freeze for two years the reimbursement rate for meals and snacks served to non-poor children, and federal assistance in the form of commodities.

Reduce the subsidies for middle- and higher-income children in family day care homes.

End an extra and unsupported subsidy paid to schools which serve a high percentage of free and reduced-price meals. Bring summer food program reimbursements more into line with school reimbursement rates.●

By Mr. AKAKA:

S. 905. A bill to provide for the management of the airplane over units of the National Park System, and for other purposes; to the Committee on Commerce, Science, and Transportation.

THE NATIONAL PARKS AIRSPACE MANAGEMENT ACT OF 1995

● Mr. AKAKA. Mr. President, today I am reintroducing legislation I offered last year, but in simpler and improved form, that is designed to mitigate the impact of commercial air tour flights over units of the National Park System. The National Parks Airspace Management Act of 1995 would create a new statutory framework for minimizing the environmental effects of air tour activity on park units.

Briefly, my bill would: specify the respective authorities of the National Park Service and the Federal Aviation Administration [FAA] in developing and enforcing park overflight policy; establish a process for developing individualized airspace management plans at parks experiencing significant commercial air tour activity; provide for the designation of those parks which did not experience commercial air tour activity as of January 1, 1995 as flight-free parks; establish a new, single standard governing the certification and operation of all commercial air tour operators that conduct flights over national parks; require a variety of safety measures, such as improved aircraft markings, maintenance of accurate aeronautical charts, installation of flight monitoring equipment, and an air tour database; and, establish a National Park Overflight Advisory Council.

As my colleagues are aware, aircraft overflights of noise-sensitive areas such as national parks have been increasing in scope and intensity for a number of years, sparking significant public debate and controversy about the safety and environmental impact of such activity. The focus of much of the debate, and much of the controversy, has been the commercial air tour sightseeing industry, which has experienced explosive growth in some areas, most notably at the Grand Canyon and in my own State of Hawaii.

The air tour industry has become a $500 million business nationwide. Fully half of that revenue is generated by the 800,000 flightseers who annually view the Grand Canyon area by aircraft. In 1994, the Hawaii air tour industry, which is centered around tours of Haleakala and Hawaii Volcanoes National Parks, provided tours to more than 500,000 passengers, generating approximately $75 million in revenues.

Apart from parks in Arizona and Hawaii, significant commercial air tour activity has also been developing in such widely dispersed locations as Glacier National Park in Montana, the Utah national parks, Mount Rushmore in South Dakota, and the Statute of Liberty and Niagara Falls in New York. In fact, at Great Smoky Mountains National Park, commercial air tour overflights have fostered such opposition that the State of Tennessee has passed legislation to restrict such flights.

Thus, the problems that my bill attempts to address are national, not merely local, in scope and interest. I would venture to say that every Member of this body has, or will soon have, a park in his or her State that is impacted to a greater or lesser degree by commercial air tour operations.

Mr. President, the legislation I am offering is not the first attempt to deal with this issue through legislation. In 1987, Congress passed the National Parks Overflights Act, Public Law 100–91, which established certain flight restrictions at three parks which were experiencing heavy air traffic. Flights below-the-rim at Grand Canyon were permanently banned and Special Federal Aviation Regulation [SFAR] was established creating flight-free zones and air corridors. The act established less stringent temporary altitude restrictions for Yosemite in California and Haleakala in Hawaii.

The act also required that a comprehensive study be conducted by the Park Service, with FAA input, to determine appropriate minimum altitudes for aircraft overflying national parks. Completed and submitted to Congress in September 1994, the study evaluated the impact of aircraft noise on the safety of park system users and on park values and offered numerous recommendations to Congress and the administration on ways to mitigate the effects of aircraft noise, including incentives to encourage use of quiet aircraft technology, flight-free zones and flight corridors, altitude restrictions, noise budgets, and limits on times of air tour operations.

Unfortunately, the minimum altitude restrictions mandated by Public Law 100–91 have not fully addressed the noise and safety problems at Grand Canyon, Yosemite, and particularly Haleakala, given the explosive growth in air tour activity at these parks. And, of course, the act did not establish mitigation measures for other parks experiencing high levels of air traffic. And, to date, none of the noise and safety mitigation measures recommended by the Park Overflights Study have been implemented.

Since October 1, 1988, there have been 139 air tour accidents in the United States, resulting in 117 fatalities. It saddens me to report that my home State of Hawaii has experienced a disproportionately high number of these tragedies. During that period, 34 of those accidents occurred in Hawaii, resulting in 35 fatalities.

Concern over the high incidence of air tour accidents in Hawaii's skies compelled the FAA, in March 1994, to initiate a comprehensive review of the operations and maintenance practices of the Hawaii air tour industry. This review culminated in the implementation of an emergency regulation—SFAR–71—which imposed numerous safety measures upon Hawaii's commercial air tour operators, including a 1,500-foot above-ground-level minimum altitude restriction. To date, the FAA's emergency rulemaking actions generally appear to have been effective in providing short-term solutions to many of the safety problems associated with commercial air tour operations in Hawaii.

Similarly, in 1992, when the FAA implemented SFAR–50–2 governing airspace over Grand Canyon National Park, a significant improvement in air safety was effected there also. Unfortunately, however, short-term, emergency measures such as SFAR's 71 and 50–2 have not, and cannot be expected to, addressed the full range of safety problems that have attended the explosive growth of the commercial air tour industry in this country.

In addition to safety issues, the rapid growth of the air tour industry has fostered environmental concerns as well, largely centering on noise problems. The Clinton administration has made a good faith effort to address the noise and environmental impacts of commercial air tour overflights through existing regulatory authorities and mechanisms. The interagency working group formed in 1993 by Secretary Babbitt and Secretary Peña has demonstrated that limited cooperation between the FAA and Park Service is attainable in addressing this issue.

Nevertheless, while some progress has been made, the pace has been painfully slow and tangible results so far are not readily evident. In the meantime, the number of air tour flights has continued to grow, serving to exacerbate existing environmental and safety problems. This experience has shown us that only Congress, through legislation, can produce lasting, effective policy on this matter.

The simple truth is, the complex problems associated with park overflights cannot be fully resolved administratively. This is largely due to the fact that the FAA and the Park Service, the two agencies with the greater responsibility in this area, are governed by vastly different statutory mandates. On the one hand, the FAA is responsible for the safety and efficiency of air commerce; on the other, the Park Service is charged with protecting and preserving park resources. At some point—in this case the regulation of airspace over noise sensitive areas—their interests are mutually incompatible. Only by modifying or clarifying their statutory responsibilities with respect to the management of park airspace can the two Federal agencies be expected to work together to address the overflights problem.

Mr. President, the legislation I am proposing today would address this and other barriers to the development of a comprehensive park overflights policy. My bill deals with the commercial air tour overflights issue in a national context, since the safety and environmental concerns which are being debated so vociferously in Hawaii are being echoed at park units scattered throughout the National Park System.

At the outset, my bill establishes a finding that National Park Service policy recognizes the importance of natural quiet as a resource to be conserved and protected in certain park units. Toward that end, my bill creates a new statutory framework for minimizing the environmental effects of air tour activity on units throughout the National Park System.

The bill articulates a regulatory scheme under which the Park Service and the FAA are required to work in tandem to develop operational policies with respect to the overflights problem. It provides for joint administration in many areas while clearly denoting the FAA's primacy on matters related to safety and air efficiency and the Park Service's lead role in identifying the resources to be protected and the best means of protecting them.

The bill requires the development, with public involvement, of individually tailored park airspace management plans for units significantly affected by overflight activity, as determined by the director of the Park Service. It calls for good faith negotiations between commercial air tour operators and both the Park Service and the FAA to reach agreement on flights over park areas.

It provides for the Park Service to recommend to the FAA the designation of individual units as flight-free parks for those units which, as of January 1, 1995, experienced no overflights by commercial air tour operators and where air tour flights would be incompatible with or injurious to the purposes or values of those parks.

It also mandates the development by the FAA or a generic operational rule for commercial air tour operations at all units of the National Park System, subject to modification at individual park units based on negotiations among air tour operators, the FAA, and the Park Service.

My legislation requires the FAA to implement a single standard, through a new subpart of part 135, title 14, Code of Federal Regulations, for certifying commercial air tour operators. Such a uniform standard, which has been recommended by the National Transportation Safety Board [NTSB], will substantially enhance safety by providing essential consistency in such areas as pilot qualifications, training, and flight and duty time limitations.

It mandates commercial air tour safety initiatives recommended by the

NTSB and others, including the installation of a flight monitoring system and the use of identification markings unique to a commercial air tour operator, the development of aeronautical charts which reflect airspace management provisions with respect to individual park units, and the development of a national data base on air tour operations.

Last but by no means least, the bill establishes a National Park Overflight Advisory Council which would provide advice and recommendations to the Park Service and the FAA on all issues related to commercial air tour flights over park units and serve as a national forum for interest groups—including representatives of the air tour industry and the environmental community—to constructively exchange views.

It is significant to note that my bill will not affect emergency flight operations, general aviation, military aviation, or scheduled commercial passenger flights that transit National Park System units. Furthermore, recognizing the special needs for air travel in Alaska, this bill will not affect the management of park units or aircraft operations over or within park units in the State of Alaska.

Mr. President, I believe that the legislation I am offering today will give us the tools to minimize the adverse effects of commercial air tour flights on park resources as well as on the ground visitor experience, while at the same time enhancing the safety of such flights. I believe it is a balanced measure that, through extensive opportunity for public involvement, attempts to accommodate the legitimate concerns of all park users, including air tour operators and passengers. Indeed, I strongly believe that under certain well-regulated conditions, air tourism provides an important service to millions of elderly, disabled, or other visitors who might otherwise never enjoy the wonders of our national parks.

Nevertheless, my bill's central premise is that the 367 park units of the National Park System were created because of their exceptional natural or cultural significance to the American people. All of the provisions of the National Parks Airspace Management Act are therefore designed with the protection of park resources as their essential, if not exclusive, goal. For it is self-evident that a park whose values have corrupted is a park ultimately not worth visiting, by air or land.

Thank you, Mr. President. I urge my colleagues to support this measure.

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

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

S. 905

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''National Parks Airspace Management Act of 1995''.

SEC. 2. FINDINGS.

The Congress makes the following findings:

(1) Commercial air tour flights over units of the National Park System (referred to in this Act as ''units'') may have adverse effects on the units. The flights may degrade the experiences of visitors to the affected areas and may have adverse effects on wildlife and cultural resources in those areas. A significant number of complaints about commercial air tour flights over certain areas under the jurisdiction of the National Park Service have been registered.

(2) Whereas resource preservation is the primary responsibility of the National Park Service, the agency continues to struggle to develop a policy that would achieve an acceptable balance between flights over units by commercial air tour operators and the protection of resources in the units and the experiences of visitors to the units.

(3) Whereas the mission of the Federal Aviation Administration is to develop and maintain a safe and efficient system of air transportation while considering the impact of aircraft noise, the agency continues to have difficulty adequately controlling commercial air tour flights over units.

(4) Significant and continuing concerns exist regarding the safety of commercial air tour flights over some units, including concerns for the safety of occupants of the flights, visitors to those units, Federal employees at those units, and the general public. The concern of the Congress over the effects of low-level flights on units led to the enactment, on August 18, 1987, of the Act entitled ''An Act to require the Secretary of the Interior to conduct a study to determine the appropriate minimum altitude for aircraft flying over national park system units'' (Public Law 100–91; 101 Stat. 674; 16 U.S.C. 1a–1 note). The Act requires the Director to identify problems associated with flights by aircraft in the airspace over units.

(5) Pursuant to the Act referred to in paragraph (4), on September 12, 1994, the Director submitted a report to Congress entitled ''Report On Effects Of Aircraft Overflights On The National Park System''. The National Park Service report concluded that, because the details of national park overflights problems are park-specific, no single altitude can be identified for the entire National Park System. The National Park Service report presented a number of recommendations for resolution of the problem, including—

(A) the development of airspace and park use resolution processes;

(B) the development of a single operational rule to regulate air tour operations;

(C) seeking continued improvements in safety and interagency planning related to airspace management; and

(D) the development of a Federal Aviation Administration rule to facilitate preservation of natural quiet.

(6) The policy of the National Park Service recognizes the importance of natural quiet as a resource to be conserved and protected in certain units. The National Park Services defines natural quiet as ''the natural ambient sound conditions found in certain units of the National Park Service'' and recognizes that visitors to certain units may reasonably expect quiet during their visits to those units established with the specific goal of providing visitors with an opportunity for solitude.

(7) The number of flights by aircraft over units has increased rapidly since the date of enactment of the Act referred to in paragraph (4) and, due to the high degree of satisfaction expressed by air tour passengers, as well as the economic impact of air tour operations on the tourist industry, the number of flights will likely continue to increase. A progression of aesthetic and safety concerns about low altitude flights have been associated with growth in commercial air tour traffic. As the number of flights continues to increase, the likelihood exists that there will be a concomitant increase in the number of conflicts regarding management of the airspace over the units.

(8) A need exists for a Federal policy to address the conflicts and problems associated with flights by commercial air tour aircraft in the airspace over units. A statutory process should be established to require the Secretary of Transportation and the Secretary of the Interior, acting through the Director, to work together to mitigate the impact of commercial air tour operations on units, or specific areas within units that are adversely affected by commercial air tour operations.

SEC. 2. DEFINITIONS.

For the purposes of this Act, the following definitions shall apply:

(1) ADMINISTRATOR.—The term ''Administrator'' means the Administrator of the Federal Aviation Administration.

(2) AGREEMENT.—The term ''agreement'' means an agreement entered into by a commercial air tour operator, the Director, and the Administrator under section 4(h) that provides for the application of relevant provisions of an airspace management plan for the unit concerned to the commercial air tour operator.

(3) AIR TOUR AIRCRAFT.—The term ''air tour aircraft'' means an aircraft (including a fixed-wing aircraft or a rotorcraft) that makes air tour flights.

(4) AIR TOUR FLIGHT.—The term ''air tour flight'' means a passenger flight conducted by air tour aircraft for the purpose of permitting a passenger to the flight to view an area over which the flight occurs.

(5) COMMERCIAL AIR TOUR AIRCRAFT.—The term ''commercial air tour aircraft'' means any air tour aircraft used by a commercial air tour operator in providing air tour flights for hire to the public.

(6) COMMERCIAL AIR TOUR OPERATOR.—The term ''commercial air tour operator'' means a company, corporation, partnership, individual, or other entity that provides air tour flights for hire to the public.

(7) COUNCIL.—The term ''Council'' means the National Park Overflight Advisory Council established under section 9.

(8) DIRECTOR.—The term ''Director'' means the Director of the National Park Service.

(9) FLIGHT-FREE PARK.—The term ''flight-free park'' means a unit over which commercial air tour operations are prohibited.

(10) UNIT.—The term ''unit'' means a unit of the National Park System.

SEC. 4. NATIONAL PARK AIRSPACE MANAGEMENT PLANS.

(a) IN GENERAL.—The Director and the Administrator shall, in accordance with this section, develop and establish a plan for the management of the airspace above each unit that is affected by commercial air tour flights to the extent that the Director considers the unit to be a unit requiring an airspace management plan.

(b) PLAN PURPOSE.—The purpose of each plan developed under subsection (a) is to minimize the adverse effects of commercial air tour flights on the resources of a unit.

(c) DEVELOPMENT OF AIRSPACE MANAGEMENT PLANS.—

(1) TREATMENT OF RELEVANT EXPERTISE.—In developing plans under subsection (a), the Administrator shall defer to the Director in matters relating to the identification and

protection of park resources, and the Director shall defer to the Administrator in matters relating to the safe and efficient management of airspace.

(2) NEGOTIATED RULEMAKING.—In developing a plan for a unit, the Director and the Administrator shall consider utilizing negotiated rulemaking procedures as specified under subchapter III of chapter 5 of title 5, United States Code, if the Director and the Administrator determine that the utilization of those procedures is in the public interest.

(d) COMMENT ON PLANS.—In developing a plan for a unit, the Director and the Administrator shall—

(1) ensure that there is sufficient opportunity for public comment by air tour operators, environmental organizations, and other concerned parties; and

(2) give due consideration to the comments and recommendations of the Council and the Federal Interagency Airspace/Natural Resource Coordination Group, or any successor organization to that entity.

(e) RESOLUTION OF PLAN INADEQUACIES.—If the Director and the Administrator disagree with respect to any portion of a proposed plan under subsection (a), the Director and the Administrator shall refer the proposed plan to the Secretary of the Interior and the Secretary of Transportation, and the Secretaries shall jointly resolve the disagreement.

(f) ASSESSMENT OF EFFECTS OF OVERFLIGHTS.—The Director and the Administrator may jointly conduct studies to ascertain the effects of low-level flights of commercial air tour aircraft over units that the Director and the Administrator consider necessary for the development of plans under subsection (a).

(g) PERIODIC REVIEW.—Not less frequently than every 5 years after the date of establishment of a plan under subsection (a), the Director and the Administrator shall review the plan. The purpose of the review shall be to ensure that the plan continues to meet the purposes for the plan. The Director and the Administrator may revise a plan if they jointly determine, based on that review, that the revision is advisable.

(h) FLIGHTS OVER UNITS COVERED BY PLANS.—

(1) AGREEMENT.—A commercial air tour operator may not conduct commercial air tour flights in the airspace over a unit covered by an airspace management plan developed under subsection (a) unless the commercial air tour operator enters into an agreement with the Director and the Administrator that authorizes such flights.

(2) CONTENTS.—An agreement under paragraph (1) shall—

(A) provide for the application of relevant provisions of the airspace management plan for the unit concerned to the commercial air tour operator; and

(B) to the maximum extent practicable, provide for the conduct of air tour flights by the air tour operator in a manner that minimizes the adverse effects of the air tour flights on the environment of the unit.

SEC. 5. FLIGHT-FREE PARKS.

For units that, as of January 1, 1995, experienced no overflights by commercial air tour operators, the Director, in consultation with the Administrator, shall—

(1) prescribe criteria to identify units where air tour flights by commercial air tour aircraft would be incompatible with or injurious to the purposes and values for which the units were established;

(2) identify any units that meet those criteria; and

(3) designate those units as ''flight-free park'' units.

SEC. 6. SINGLE OPERATIONAL RULE FOR COMMERCIAL AIR TOUR OPERATIONS.

(a) IN GENERAL.—Except as provided in subsection (b), the Administrator, after notice and hearing on the record, shall issue a regulation governing the operation of all air tour aircraft flights by commercial air tour operators over units.

(b) SEPARATE OPERATIONAL RULES.—

(1) IN GENERAL.—The Administrator may prescribe separate operational rules governing the conduct of flights by fixed-wing aircraft and by rotorcraft if the Administrator determines under subsection (a) that separate rules are warranted.

(2) DEVELOPMENT OF OPERATIONAL RULE.—In developing an operational rule under paragraph (1), the Administrator shall—

(A) consider whether differences in the characteristics and effects on the environment of fixed-wing aircraft and rotorcraft warrant the development of separate operational rules with respect to that craft;

(B) provide a mechanism for the Director to recommend individual units or geographically proximate groups of units to be designated as aerial sightseeing areas, as defined by section 92.01 of the Federal Aviation Administration Handbook, dated January 1992; and

(C) provide a mechanism for the Director to obtain immediate assistance from the Administrator in resolving issues relating to the use of airspace above units with respect to which the issues are of a critical, time-sensitive nature.

(d) EFFECT ON AGREEMENTS.—Nothing in this section is intended to preclude the Administrator, the Director, and a commercial air tour operator from entering into, under section 4(h), an agreement on the conduct of air tour flights by the air tour operator over a particular unit under different terms and conditions from those imposed by an operational rule promulgated under this subsection.

SEC. 7. AIRCRAFT SAFETY.

(a) DEVELOPMENT OF A SINGLE STANDARD FOR CERTIFYING COMMERCIAL AIR TOUR OPERATORS.—

(1) COMMENCEMENT OF RULEMAKING.—The Administrator shall initiate formal rulemaking proceedings (which shall include a hearing on the record) for the purpose of revising the regulations contained in part 135 of title 14, Code of Federal Regulations (relating to air taxi operators and commercial operators), to prescribe a new subpart to specifically cover all commercial air tour operators (as that term shall be defined by the Federal Aviation Administration under the subpart) that conduct commercial air tour flights over units.

(2) COVERED MATTERS.—The regulations prescribed under subsection (a) shall address safety and environmental issues with respect to commercial air tour flights over units. In prescribing the regulations, the Administrator shall attempt to minimize the financial and administrative burdens imposed on commercial air tour operators.

(b) AIRCRAFT MARKINGS.—

(1) REQUIREMENT.—Each operator of commercial air tour aircraft shall display on each air tour aircraft of the operator the identification marks described in paragraph (2).

(2) IDENTIFICATION MARKS.—The identification marks for the aircraft of a commercial air tour operator shall—

(A) be unique to the operator;

(B) be not less than 36 inches in length (or a size consistent with the natural configuration of the aircraft fuselage);

(C) appear on both sides of the air tour aircraft of the air tour operator and on the underside of the aircraft; and

(D) be applied to the air tour aircraft of the air tour operator in a highly visible color that contrasts sharply with the original base color paint scheme of the aircraft.

(c) AERONAUTICAL CHARTS.—The Administrator shall ensure that the boundaries of each unit and the provisions of the airspace management plan, operational rule, or Special Federal Aviation Regulation (SFAR), if any, with respect to each unit are accurately displayed on aeronautical charts.

(d) FLIGHT MONITORING SYSTEMS.—

(1) IN GENERAL.—The Administrator shall carry out a study of the feasibility and advisability of requiring that commercial air tour aircraft operating in the airspace over units have onboard an automatic flight tracking system capable of monitoring the altitude and ground position of the commercial air tour aircraft.

(2) DETERMINATION BY ADMINISTRATOR.—If the Administrator determines under the study required under paragraph (1) that the use of flight tracking systems in commercial air tour aircraft is feasible and advisable, the Administrator and the Director shall jointly develop a plan for implementing a program to monitor the altitude and position of commercial air tour aircraft over units.

(e) NATIONAL DATA BASE FOR COMMERCIAL AIR TOUR OPERATORS.—The Administrator shall—

(1) establish and maintain a data base concerning all commercial air tour aircraft operated by commercial air tour operators that shall be designed to provide data that shall be used in making—

(A) determinations of—

(i) the scope of commercial air tour flights; and

(ii) accident rates for commercial air tour flights; and

(B) assessments of the safety of commercial air tour flights; and

(2) on the basis of the information in the data base established under paragraph (1), ensure that each Flight Standards District Office of the Administration that serves a district in which commercial air tour operators conduct commercial air tour flights is adequately staffed to carry out the purposes of this Act.

SEC. 8. EXCEPTIONS.

(a) FLIGHT EMERGENCIES.—This Act shall not apply to any aircraft experiencing an inflight emergency, participating in search and rescue, firefighting or police emergency operations, carrying out park administration or maintenance operations, or complying with air traffic control instructions.

(b) FLIGHTS BY MILITARY AIRCRAFT.—This Act shall not apply to flights by military aircraft, except that the Secretary of Defense is encouraged to work jointly with the Secretary of Transportation and the Secretary of Interior in pursuing means to mitigate the impact of military flights over units.

(c) FLIGHTS FOR COMMERCIAL AERIAL PHOTOGRAPHY.—The Director and the Administrator shall jointly develop restrictions and fee schedules for aircraft or rotorcraft engaged in commercial aerial photography over units at altitudes that the Director and the Administrator determine will impact adversely the resources and values of affected units.

SEC. 9. NATIONAL PARK OVERFLIGHT ADVISORY COUNCIL.

(a) ESTABLISHMENT.—There is established a commission to be known as the ''National Park Overflight Advisory Council''.

(b) MEMBERSHIP.—

(1) IN GENERAL.—The Council shall be comprised of members from each of the following groups, appointed jointly by the Director and the Administrator:

(A) Environmental or conservation organizations, citizens' groups, and other groups with similar interests.

(B) The commercial air tour industry and organizations with similar interests.

(C) Representatives of departments or agencies of the Federal Government.

(D) Such other persons as the Administrator and the Director consider appropriate.

(c) DUTIES.—The Council shall—

(1) determine the effects of commercial air tour flights in the airspace over the units on the environment of the units;

(2) determine the economic effects of restrictions or prohibitions on the flights;

(3) solicit and receive comments from interested individuals and groups on the flights;

(4) develop recommendations for means of reducing the adverse effects of the flights on the units;

(5) explore financial and other incentives that could encourage manufacturers to advance the state-of-the-art in quiet aircraft and rotorcraft technology and encourage commercial air tour operators to implement the technology in flights over units;

(6) provide comments and recommendations to the Director and the Administrator under section 4;

(7) provide advice or recommendations to the Director, the Administrator, and other appropriate individuals and groups on matters relating to flights over units; and

(8) carry out such other activities as the Director and the Administrator jointly consider appropriate.

(d) MEETINGS.—The Council shall first meet not later than 180 days after the date of enactment of this Act, and shall meet thereafter at the call of a majority of the members of the Council.

(e) ADMINISTRATION.—

(1) COMPENSATION OF NON-FEDERAL MEMBERS.—Members of the Council who are not officers or employees of the Federal Government shall serve without compensation for their work on the Council, but shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service under section 5703(b) of title 5, United States Code, to the extent funds are available therefor.

(2) COMPENSATION OF FEDERAL MEMBERS.—Members of the Council who are officers or employees of the Federal Government shall serve without compensation for their work on the Council other than that compensation received in their regular public employment, but shall be allowed travel expenses, including per diem in lieu of subsistence, as authorized by law, to the extent funds are available therefor.

(f) REPORTS.—The Council shall annually submit to Congress, the Administrator, and the Director a report that—

(1) describes the activities of the Council under this section during the preceding year; and

(2) sets forth the findings and recommendations of the Council on matters related to the mitigation of the effects on units of flights of commercial air tour operators over units.

(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this section.

SEC. 10. EXEMPTION FOR STATE OF ALASKA.

Nothing in this Act shall affect—

(1) the management of units in the State of Alaska; or

(2) any aircraft operations over or within units in the State of Alaska.●

By Mr. BRADLEY:

S. 906. A bill to amend title 18, United States Code, to add multiple deaths as an aggravating factor in determining whether a sentence of death is to be imposed on a defendant, and for other purposes; to the Committee on the Judiciary.

THE DEATH PENALTY ACT OF 1995

● Mr. BRADLEY. Mr. President, I introduce a bill that will make multiple murders an aggravating factor in determining whether a sentence of death is justified.

Mr. President, on March 21, 1995, Christopher Green murdered four people and critically injured another in the robbery of a postal substation in my hometown of Montclair, NJ. Two postal workers, Ernest Spruill and Scott Walensky, and two customers, Robert Leslie and George Lomaga, were forced into a back room and made to lie down on the floor. They were then shot in the back of their heads multiple times at point blank range, execution-style, with a 9-millimeter Taurus semiautomatic pistol containing a 15-round capacity magazine. The magazine contained deadly, flesh-ripping Black Talon bullets which expand upon impact with human tissue. A third customer, David Grossman, entered the post office as the robbery was in progress. He was shot in the face. By the grace of God, however, he survived the attack.

Yesterday in Federal court Christopher Green admitted his guilt in intentionally murdering Ernest Spruill, Scott Walensky, Robert Leslie, and George Lomaga, and of attempting to kill David Grossman. He told the court that he had worked for the Montclair Post Office for parts of 1991, 1992, and 1993, and had dealings with the substation where the crime occurred. Mr. President, Christopher Green further admitted that he knew that the substation had minimal security measures in place, and that thousands of dollars in cash were kept at the substation. He also stated in court that he knew Ernest Spruill and Scott Walensky.

Mr. President, Christopher Green used a 9-millimeter Taurus semiautomatic pistol containing deadly Black Talon bullets. You may recall that Black Talon bullets produce razor-sharp, reinforced radial petals that expand upon impact into a mushroom or claw configuration, producing maximum tissue damage in the wake of the penetrating core. These bullets are designed for one purpose and that is to kill the intended target. Mr. President, Christopher Green admitted yesterday that he knew that the bullets that he possessed during the robbery—Black Talon bullets—had the propensity to inflict tremendous internal damage when he viciously murdered Ernest Spruill, Scott Walensky, Robert Leslie, and George Lomaga, and attempted to kill David Grossman.

Mr. President, for committing this horrible crime, Christopher Green will be sentenced to life in prison without the possibility of parole. While he will never walk the streets of America as a free citizen again, Mr. President, the U.S. attorney for the District of New Jersey expressed frustration that her ability to seek the death penalty in this case was limited because the death penalty statute does not list multiple murders as an aggravating factor.

Mr. President, the determination of whether the death penalty is to apply is made in a separate trial following conviction. A jury must unanimously find certain statutorily defined aggravating factors to justify the imposition of the death penalty. Where the commission of a homicide occurs, such factors include, among others; first, a previous conviction of a violent felony involving a firearm; second, two previous felony drug offense convictions; or third, the murder of high public officials, including the President, as noted by the U.S. attorney for the District of New Jersey, ''[i]nexplicably, multiple murder—even execution style murder—is not listed in the law as an aggravating factor.''

In order to fix this glaring limitation in Federal death penalty law, Mr. President, this bill would add multiple murders to the list of aggravating factors presently available to determine whether a sentence of death can be imposed on a defendant who commits homicide. When Christopher Green purchased the weapon used in this mass murder, police performed a background check and found that Green had no criminal record. Because he had no prior criminal record, the U.S. attorney was severely limited in her ability to seek the death penalty. This bill will therefore strengthen the death penalty law by providing that those who commit atrocious multiple murders will be prosecuted under the death penalty statute, irrespective of whether they have prior criminal records.

Mr. President, I believe that the death penalty should be available where an individual commits multiple murders. The senseless spiral of violence burns in many places. No one is immune. Indeed, the mass murders in Montclair occurred in a community that was described in the recent issue of New Jersey Monthly as ''a desirable community where parents feel safe allowing young children to ride their bicycles around town.'' Because of this epidemic of violence, every tool in our legal arsenal, including the death penalty, must be employed to make our communities safe.

Mr. President, the horror and devastation of violence impacts our communities in immeasurable ways. I was in Montclair recently, and I met with the widow of one of the victims. As I spoke with her, I saw the pain and despair in her eyes. I felt her anger, hurt, and confusion. Mr. President, her expressions communicated to me her yearning to understand exactly why this horrible event could claim her husband and devastate her life in this great country of ours. As I departed Montclair, Mr. President, I promised

her that I would continue to do everything in my power to return our communities to places where ''parents feel safe allowing young children to ride their bicycles around town.'' This bill, Mr. President, is one more installment of that promise.

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

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

S. 906

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

SECTION 1. MULTIPLE DEATHS AS AGGRAVATING FACTOR.

Section 3592(c) of title 18, United States Code, is amended by adding at the end the following new paragraph:

''(16) MULTIPLE DEATHS.—The death, or injury resulting in death, of more than 1 person, occurred during the commission of the crime.''.●

By Mr. MURKOWSKI (for himself, Mr. LEAHY, Mr. CAMPBELL, Mr. KYL, Mr. BROWN, Mr. GREGG, Mr. CRAIG, and Mr. DOMENICI):

S. 907. A bill to amend the National Forest Ski Area Permit Act of 1986 to clarify the authorities and duties of the Secretary of Agriculture in issuing ski area permits on National Forest System lands and to withdraw lands within ski area permit boundaries from the operation of the mining and mineral leasing laws; to the Committee on Energy and Natural Resources.

FOREST SERVICE LAND LEGISLATION

● Mr. MURKOWSKI. Mr. President, I am today introducing legislation to resolve a longstanding problem ski areas permittees on Forest Service land have encountered with the fee system the Forest Service developed to calculate their rental fees. This legislation creates a new and simplified ski area fee system to calculate rental fees for these ski areas for use of the national forest lands.

This same fee system legislation passed the Senate during the 102d Congress but time ran out before the legislation was considered in the House. This proposal was determined to be revenue neutral to the United States by the Congressional Budget Office. The ski area permittees support this proposal because it is revenue neutral and at the same time collects their fees utilizing a simplified formula that everyone can understand. The Forest Service manual and handbook currently contain over 40 pages of guidelines on the currently utilized fee system. Ski area permittees and the public have a significant difficulty understanding this system. The new fee system that will be created by this legislation is set out on one page and is easy for everyone to understand.

This legislation continues to receive bipartisan support and I hope that more Senators will join our effort to bring some common sense to how ski areas calculate their rental fees on the national forests. This legislation will reduce some of the management problems of the Forest Service. This simplification of the ski area fee system will eliminate the need for the Forest Service to apply and audit the complex rental fee system that they now have in their manual. The new fee system in this proposed legislation will reduce the fee system to a simple formula based on gross revenue of the ski area permittee and from clearly defined sources. Therefore there will be a significant reduction in the bookkeeping and administrative tasks for both the Forest Service and the ski areas.

I hope that hearing can be held soon on this legislation so that the new ski area fee system can be put in place as soon as possible. Simplification of this fee system is consistent with reinvention and downsizing the Federal Government.●

By Mr. LIEBERMAN:

S. 909. A bill to amend part I of title 35, United States Code, to provide for the protection of inventors contracting for invention development services; to the Committee on the Judiciary.

THE INVENTOR PROTECTION ACT OF 1995

● Mr. LIEBERMAN. Mr. President, today, I am introducing the Inventor Protection Act of 1995, which is intended to plug a leak in the longrunning pipeline of American ingenuity, and to make sure that inventors are free to pursue their dreams, without losing their money to conartists.

As Americans, we live in the most inventive society on Earth. From Franklin to Edison to Henry Ford and to Steven Jobs, we have a long tradition of dreamers, tinkerers and creators, working in basements and garages, motivated by the pervasive quest to build a better mousetrap. The very symbol of a new idea, which is the light bulb, is, of course, an American invention.

The Founding Fathers even recognized, as we sometimes forget, the importance of protecting the inventive spirit. In article I, section 8 of the Constitution of the United States, they empowered Congress to create a Federal patent system to promote the progress of science and useful arts.

Now, more than two centuries later, in an era of intense global competition, that mission has become even more important. We must do all we can to make sure good ideas get to market. Unfortunately, though, for too many inventors today, the path to commercialization is strewn with hazards.

It has been said that a person seeking to build a better mousetrap today will probably run into capital and material shortages, patent infringement lawsuits, work stoppages, product liability suits, and the omnipresent burden of taxes. But there is another threat out there, one that is as resilient and longstanding as the American spirit of ingenuity, and that threat is the American scam artist.

Each year thousands of inventors lose tens of millions of dollars to deceptive invention marketing companies that take advantage of their ideas and their dreams. Last year, as then-chairman of the Subcommittee on Regulation and Governmental Affairs, I held a hearing on the problems presented by the invention marketing industry. Witness after witness testified how dozens of companies, under broad claims of helping inventors, have actually set up schemes in which inventors spend thousands of dollars for services to market their invention—a service that companies regularly fail to provide. State and Federal laws have been vague and ineffective in this area, leaving consumers virtually helpless and lacking the information they need to make truly informed decision about how to develop and sell their idea.

To understand the scope of the problem, let me describe how the fraud works: These companies attract inventors through ads that include a toll-free number that an inventor calls to request an invention evaluation form. The inventor returns the form, which includes a full description of their designs, with the expectation that it will be evaluated by qualified experts.

In fact, according to hearing testimony by the FTC and the Patent and Trademark Office [PTO], no expert evaluation occurs. Instead, the form is referred to a salesperson who calls the inventor and tires to convince the inventor to purchase a product research report, which the inventor is led to believe will evaluate the patentability and commercial potential of the idea. The price for the product research report is generally around $500. Instead of an informative, indepth study, the inventor receives a boilerplate report of little value which invariably concludes that the idea is patentable. That statement typically is deceiving since almost any idea may be patented. However, the patent may merely protect the design of the idea, not the function or usefulness. Such a design patent is typically worthless in attempting to commercialize the product.

The next step in the scheme involves convincing the inventor to purchase patent and marketing services. Again, the services are useless and quite expensive. The average charge is $7,000 and ranges as high as $10,000. For this sum, the inventor routinely receives a few generic press releases about the idea and a brief mention in catalogs exhibited at various trade shows. In almost every case, this marketing plan is essentially worthless.

While there are no official figures available on how many people annually contract with invention marketers, one person who works at a legitimate nonprofit center that helps inventors testified that he estimates the number to exceed 25,000. Given an average cost of $7,000 for services that companies charge, that would represent a total of $175 million in revenue for these companies, with virtually no benefit to inventors.

The legislation that I propose to crack down on these scam artists is simple, yet stringent. It uses a multifaceted approach to separate the legitimate companies from the fraudulent and guarantee real protection for America's inventors.

To start with, I propose requiring invention marketing companies to register with the U.S. Patent and Trademark Office. This registration requirement would be fully funded by fees paid by these companies, and would take advantage of the existing structure already set up for registering attorneys to administer it. As a result, no new Federal spending would be necessary, nor would any new bureaucracy need be created.

The companies would also be required to provide a complete list of their officers so shady characters could not hide behind ever-changing corporate names. One former salesperson for an invention marketing company said his company changed names three times in less than 6 years: ''To evade consumer action, the MO was to frequently change company names * * * You forgot sometimes what company you are working for.'' Complaints against these companies will also be tracked.

In addition, my bill creates standards for contracts between inventors and invention developers to help inventors in making informed decisions about developers. One of these standards would require companies to attach a cover sheet to every contract that lists the number of applicants the company has rejected, which is usually very small, and the number of customers who have actually earned a profit from their inventions, which is also usually very small. If the invention marketing company fails to meet the guidelines set forth in the bill, customers can void these contracts, and even sue for damages in Federal court.

Mr. President, this legislation is just the type of law that Americans are clamoring for. It addresses a specific identified problem that can be best solved by the Federal Government and does so without creating a new bureaucracy. Although several States have passed legislation to address the problem, they have largely failed to wipe out this threat because the companies can simply move to States with weak laws and lax enforcement. Best of all, this legislation will not cost American taxpayers a cent; the entire burden will be covered by the registration fees called for in the bill.

I urge my colleagues to support this bill to ensure that inventors as well as their ideas are protected.

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

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

S. 909

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Inventor Protection Act of 1995''.

SEC. 2. INVENTION DEVELOPMENT SERVICES.

Part I of title 35, United States Code, is amended by adding after chapter 4 the following new chapter:

''CHAPTER 5—INVENTION DEVELOPMENT SERVICES

''Sec.
''51. Definitions.
''52. Contracting requirements.
''53. Standard provisions for cover notice.
''54. Reports to customer required.
''55. Mandatory contract terms.
''56. Remedies.
''57. Enrollment of invention developers.
''58. Records of complaints.
''59. Enrollment fee.
''60. Suspension or exclusion from enrollment.
''61. Unenrolled representation as invention developer.
''62. Rule of construction.

''§ 51. Definitions

''For purposes of this chapter, the term—

''(1) 'contract for invention development services' means a contract by which an invention developer undertakes invention development services for a customer;

''(2) 'customer' means any person, firm, partnership, corporation, or other entity who enters into a contract for invention development services;

''(3) 'invention developer' means any person, firm, partnership or corporation, who offers to perform or performs for a customer any act described under paragraph (4), except—

''(A) any department or agency of the Federal, State, or local government;

''(B) any nonprofit, charitable, scientific, or educational organization, qualified under applicable State law or described under section 170(b)(1)(A) of the Internal Revenue Code of 1986; or

''(C) any person duly registered and in good standing before the United States Patent and Trademark Office acting within the scope of that person's registration to practice before the United States Patent and Trademark Office; and

''(4) 'invention development services' means, with respect to an invention submitted by a customer, any act involved in—

''(A) evaluating the invention to determine its protectability as some form of intellectual property;

''(B) evaluating the invention to determine its commercial potential; or

''(C) marketing, brokering, licensing, selling, or promoting the invention or a product or service in which the invention is incorporated or used.

''§ 52. Contracting requirements

''(a)(1) Every contract for invention development services shall be in writing and shall be subject to the provisions of this chapter. A copy of the signed written contract shall be given to the customer at the time the customer enters into the contract.

''(2) If a contract is entered into for the benefit of a third party, such party shall be considered a customer for the purposes of this chapter.

''(b) The invention developer shall—

''(1) state in a written document, at the time a customer enters into a contract for invention development services, whether the usual business practice of the invention developer is to—

''(A) seek more than 1 contract in connection with an invention; or

''(B) seek to perform services in connection with an invention in 1 or more phases, with the performance of each phase covered in 1 or more subsequent contracts; and

''(2) supply to the customer a copy of the written document together with a written summary of the usual business practices of the invention developer including—

''(A) the usual business terms of contracts; and

''(B) the approximate amount of the usual fees of the invention developer or other consideration, that may be required from the customer for each of the services provided by the developer.

''(c)(1) Notwithstanding any contractual provision to the contrary, no payment for invention development services shall be required, accepted, or received until the expiration of a period of 5 business days beginning on the date on which the customer receives a copy of the contract for invention development services signed by the invention developer and the customer.

''(2) Delivery of a promissory note, check, bill of exchange, or negotiable instrument of any kind to the invention developer or to a third party for the benefit of the invention developer, irrespective of the date or dates appearing in such instrument, shall be deemed payment received by the invention developer on the date received for the purpose of this section.

''(d)(1) Until 5 business days after the payment described under subsection (c) is made, the parties shall have the option to refuse to enter into the contract as provided under paragraphs (2) and (3).

''(2) The customer may exercise the option by—

''(A) refraining from making payment to the invention developer; or

''(B) providing written notice of the refusal to the invention developer.

''(3) The invention developer may exercise the option by giving to the customer a written notice of the exercise of the option. The written notice shall become effective upon receipt by the customer.

''§ 53. Standard provisions for cover notice

''(a) Every contract for invention development services shall have a conspicuous and legible cover sheet attached with the following notice imprinted thereon in boldface type of not less than 12-point size:

'''YOU ARE NOT REQUIRED TO MAKE ANY PAYMENTS UNDER THIS CONTRACT UNTIL FIVE (5) BUSINESS DAYS AFTER YOU SIGN THIS CONTRACT AND RECEIVE A COMPLETED COPY OF IT.

'''THE TOTAL NUMBER OF INVENTIONS EVALUATED BY THE INVENTION DEVELOPER FOR COMMERCIAL POTENTIAL IN THE PAST FIVE (5) YEARS IS _____. OF THAT NUMBER, _____ RECEIVED POSITIVE EVALUATIONS AND _____ RECEIVED NEGATIVE EVALUATIONS.

'''IF YOU ASSIGN EVEN A PARTIAL INTEREST IN THE INVENTION TO THE INVENTION DEVELOPER, THE INVENTION DEVELOPER MAY HAVE THE RIGHT TO SELL OR DISPOSE OF THE INVENTION WITHOUT YOUR CONSENT AND MAY NOT HAVE TO SHARE THE PROFITS WITH YOU.

'''THE TOTAL NUMBER OF CUSTOMERS WHO HAVE CONTRACTED WITH THE INVENTION DEVELOPER IN THE PAST FIVE (5) YEARS IS _____. THE TOTAL NUMBER OF CUSTOMERS KNOWN BY THIS INVENTION DEVELOPER TO HAVE RECEIVED, BY VIRTUE OF THIS INVENTION DEVELOPER'S PERFORMANCE, AN AMOUNT OF MONEY IN EXCESS OF THE AMOUNT PAID BY THE CUSTOMER TO THIS INVENTION DEVELOPER IS _____. THE NAMES AND ADDRESSES OF SUCH CUSTOMERS, IF ANY, SHALL BE PROVIDED TO ANY PERSON REQUESTING IT.

'''THE OFFICERS OF THIS INVENTION DEVELOPER HAVE COLLECTIVELY OR

INDIVIDUALLY BEEN AFFILIATED IN THE LAST TEN (10) YEARS WITH THE FOLLOWING INVENTION DEVELOPMENT COMPANIES: (LIST THE NAMES AND ADDRESSES OF ALL PREVIOUS INVENTION DEVELOPMENT COMPANIES WITH WHICH THE PRINCIPAL OFFICERS HAVE BEEN AFFILIATED AS OWNERS, AGENTS, OR EMPLOYEES). YOU ARE ENCOURAGED TO CHECK WITH THE UNITED STATES PATENT AND TRADEMARK OFFICE, THE FEDERAL TRADE COMMISSION, YOUR STATE ATTORNEY GENERAL'S OFFICE, AND THE BETTER BUSINESS BUREAU FOR ANY COMPLAINTS FILED AGAINST ANY OF THESE COMPANIES.

'''YOU ARE ENCOURAGED TO CONSULT WITH AN ATTORNEY OF YOUR OWN CHOOSING BEFORE SIGNING THIS CONTRACT. BY PROCEEDING WITHOUT THE ADVICE OF A QUALIFIED ATTORNEY, YOU COULD LOSE ANY RIGHTS YOU MIGHT HAVE IN YOUR IDEA OR INVENTION.'.

''(b)(1) In addition to the requirements of subsection (a), every contract for invention development services shall contain the appropriate matter under paragraph (2) or (3).

''(2) For invention developers who are enrolled the contract shall contain the following:

'''(NAME OF INVENTION DEVELOPER) IS ENROLLED WITH THE COMMISSIONER OF PATENTS AND TRADEMARKS AND BEARS ENROLLMENT NUMBER ___. THE FACT THAT AN INVENTION DEVELOPER IS ENROLLED WITH THE COMMISSIONER OF PATENTS AND TRADEMARKS AS REQUIRED BY LAW IS NOT AN ENDORSEMENT OF THE INVENTION DEVELOPER NOR IS IT AN INDICATOR THAT THEY ARE AUTHORIZED BY THE COMMISSIONER TO REPRESENT APPLICANTS OR OTHER PARTIES BEFORE THE PATENT AND TRADEMARK OFFICE IN PATENT, TRADEMARK, OR OTHER MATTERS.'.

''(3) For invention developers who are not enrolled the contract shall contain the following:

'''(NAME OF INVENTION DEVELOPER) IS NOT ENROLLED WITH THE COMMISSIONER OF PATENTS AND TRADEMARKS AS AN INVENTION DEVELOPER. BY NOT SO ENROLLING, (NAME OF INVENTION DEVELOPER) HAS INDICATED THAT IT WILL NOT OFFER TO PERFORM OR PERFORM FOR A CUSTOMER ANY ACT INVOLVED IN FILING FOR AND OBTAINING PATENT, TRADEMARK, OF DESIGN PROTECTION.'.

''(c) The cover notice shall contain the items required under subsections (a) and (b) and the name, primary office address, and local office address of the invention developer, and may contain no other matter.

"§ 54. Reports to customer required

''With respect to every contract for invention development services, the invention developer shall deliver to the customer at the address specified in the contract, at least at quarterly intervals throughout the term of the contract, a written report that identifies the contract and includes—

''(1) a full, clear, and concise description of the services performed to the date of the report and of the services yet to be performed and names of all persons who shall perform the services; and

''(2) the name and address of each person, firm, or corporation to whom the subject matter of the contract has been disclosed, the reason for each and every disclosure, the nature of the disclosure, and copies of all responses received as a result of those disclosures.

"§ 55. Mandatory contract terms

''(a) Each contract for invention development services shall include in boldface type of not less than 12-point size—

''(1) the terms and conditions of payment and contract termination rights required under section 52;

''(2) a statement that the customer may avoid entering into the contract by not making a payment to the invention developer;

''(3) a full, clear, and concise description of the specific acts or services that the invention developer undertakes to perform for the customer;

''(4) a statement as to whether the invention developer undertakes to construct, sell, or distribute one or more prototypes, models, or devices embodying the invention of the customer;

''(5) the full name and principal place of business of the invention developer and the name and principal place of business of any parent, subsidiary, agent, independent contractor, and any affiliated company or person that may perform any of the services or acts that the invention developer undertakes to perform for the customer;

''(6) if any oral or written representation of estimated or projected customer earnings is given by the invention developer (or any agent, employee, officer, director, partner, or independent contractor of such invention developer) a statement of that estimation or projection and a description of the data upon which such representation is based;

''(7)(A) the name and address of the custodian of all records and correspondence relating to the contracted for invention development services, and a statement that the invention developer is required to maintain all records and correspondence relating to performance of the invention development services for that customer for a period of not less than 2 years after expiration of the term of the contract for invention development services; and

''(B) a statement that before destruction or disposal of the records and correspondence, the invention developer is required to notify the customer and make such records and correspondence available to the customer at a reasonable cost; and

''(8) a statement setting forth a time schedule for performance of the invention development services, including an estimated date by which performance of the invention development services is expected to be completed.

''(b) To the extent that the description of the specific acts or services affords discretion to the invention developer as to what specific acts or services shall be performed, the invention developer shall be deemed a fiduciary.

''(c) Records and correspondence described under subsection (a)(7) shall be made available to the customer or the representative of the customer for review and copying at the customer's reasonable expense on the invention developer's premises during normal business hours upon 7 days written notice.

"§ 56. Remedies

''(a)(1) Any contract for invention development services that does not comply with the applicable provisions of this chapter shall be voidable at the option of the customer.

''(2) Any contract for invention development services entered into in reliance upon any false, fraudulent, or misleading information, representation, notice, or advertisement of the invention developer (or any agent, employee, officer, director, partner or independent contractor of such invention developer) shall be voidable at the option of the customer.

''(3) Any waiver by the customer of any provision of this chapter shall be deemed contrary to public policy and shall be void and unenforceable.

''(4) Any contract for invention development services made by an unenrolled invention developer, as provided under section 57, shall be voidable at the option of the customer.

''(b)(1) Any customer who is injured by a violation of this chapter by an invention developer or by any false or fraudulent statement, representation, or omission of material fact by an invention developer (or any agent, employee, director, officer, partner or independent contractor of such invention developer) or by failure of an invention developer to make all the disclosures required under this chapter, may recover in a civil action against the invention developer (or the officers, directors, or partners of such invention developer) in addition to reasonable costs and attorneys' fees, the greater of—

''(A) $5,000; or

''(B) the amount of actual damages sustained by the customer.

''(2) Notwithstanding paragraph (1), the court may increase damages up to 3 times the amount awarded.

''(c) For the purpose of this section, substantial violation of any provision of this chapter by an invention developer or execution by the customer of a contract for invention development services in reliance on any false or fraudulent statements, representations, or material omissions shall establish a rebuttable presumption of injury.

"§ 57. Enrollment of invention developers

''(a) The Commissioner of Patents and Trademarks shall require invention developers that offer to perform or perform for a customer any act involved in filing for and obtaining utility, design, or plant patent or trademark protection to enroll annually with the Patent and Trademark Office. Invention developers that offer to perform or perform such acts through an agent, employee, officer, partner, or independent contractor shall also enroll.

''(b) The enrollment required under subsection (a) shall include disclosure of—

''(1)(A) the names and addresses of all principal officers of the invention developer; and

''(B) the names and principal place of business of all invention developers with which the principal officers have been affiliated during the 10-year period before the date of enrollment; and

''(2) require disclosure of any administrative, civil, or criminal action taken against the invention developer (or any officer, director, or partner of such invention developer) by any agent of Federal, State, or local government.

''(c) Subject to the approval of the Secretary of Commerce, the Commissioner may prescribe regulations that—

''(1) govern the conduct of invention developers and may require an invention developer, before enrollment, to demonstrate good reputation and necessary qualifications to render to customers or other persons valuable service, advice, and assistance in the invention development process;

''(2) provide which agents, employees, officers, partners, independent contractors or other individuals of an invention developer are required to enroll under subsection (a); and

''(3) provide—

''(A) what information and records held or retained by the invention developer shall be required to be made available to the Commissioner; and

''(B) the conditions under which such information and records shall be made available.

"§ 58. Records of complaints

''(a) The Commissioner shall make all complaints received by the Patent and

Trademark Office involving invention developers publicly available.

''(b) The Commissioner may request complaints relating to invention development services from any Federal or State agency and include such complaints in the records maintained under subsection (a).

''§ 59. Enrollment fee

''The Commissioner may establish reasonable fees to cover all costs and expenses to carry out the provisions of this chapter.

''§ 60. Suspension or exclusion from enrollment

''(a) The Commissioner may, after notice and opportunity for a hearing, suspend or exclude, either generally or in any particular case, from enrollment as an invention developer, any person, firm, partnership, or corporation—

''(1) demonstrated to be—

''(A) incompetent;

''(B) disreputable;

''(C) liable for gross misconduct; or

''(D) not in compliance with the regulations established under this chapter; or

''(2) who shall in any manner deceive, mislead, defraud, or threaten any customer.

''(b) The reasons for any such suspension or exclusion shall be duly recorded.

''(c) The United States District Court for the District of Columbia under such conditions and upon such proceedings as by rule determined by such court, may review the action of the Commissioner upon the petition of the invention developer so suspended or excluded.

''§ 61. Unenrolled representation as invention developer

''Whoever, not being enrolled as an invention developer with the Patent and Trademark Office, holds himself out or permits himself to be held out as so enrolled, or as being qualified to provide invention development services, or provides invention development services shall be guilty of a misdemeanor and fined not more than $10,000 for each offense.

''§ 62. Rule of construction

''Except as expressly provided in this chapter, no provision of this chapter shall be construed to affect any obligation, right, or remedy provided under any other Federal or State law.''.

SEC. 3. TECHNICAL AND CONFORMING AMENDMENT.

The table of chapters for part I of title 35, United States Code, is amended by adding after the item relating to chapter 4 the following:

''5. Invention development services .... 51''.

SEC. 4. EFFECTIVE DATE.

(a) IN GENERAL.—Except as provided in subsection (b), this Act and the amendments made by this Act shall take effect 60 days after the date of the enactment of this Act.

(b) CERTAIN REQUIREMENTS.—The provisions of sections 53(b), 56(a)(4), 57, 59, 60, and 61 of title 35, United States Code (as added by section 2 of this Act) shall take effect 1 year after the date of the enactment of this Act.●

By Mr. CHAFEE (for himself, and Mr. BAUCUS):

S. 910. A bill to amend the Internal Revenue Code of 1986 to provide an election to exclude from the gross estate of a decedent the value of certain land subject to a qualified conservation easement, and to make technical changes to alternative valuation rules; to the Committee on Finance.

THE AMERICAN FARM AND RANCH PROTECTION ACT OF 1995

Mr. CHAFEE. Mr. President, a serious environmental problem facing the country today is the loss of open space to development. All across the country, farms, ranches, forests, and wetlands are forced to give way to the pressures for new office buildings, shopping malls, and housing developments.

America is losing over 4 square miles of land to development every day. In Rhode Island, over 11,000 acres of farmland have been lost to development since 1974. In many instances, this is simply the natural outgrowth of urbanization of our society. Other times it is the direct result of improper planning at the State and local levels.

But frequently, the pressure comes from the need to raise funds to pay estate taxes. For those families where undeveloped land represents a significant portion of the estate's total value, the need to pay the tax creates powerful pressure to develop or sell off part or all of the land or to liquidate the timber resources of the land. Because land is appraised by the Internal Revenue Service according to its highest and best use, and such use is often its development value, the effect of the tax is to make retention of undeveloped land difficult.

In addition, our current estate tax policy results in complicated valuation disputes between the donor's estate and the Internal Revenue Service. In many cases, the additional costs incurred as a result of these disagreements may cause a potential donor of a conservation easement to decide not to make the contribution.

These open spaces improve the quality of life for Americans throughout the great Nation and provide important habitat for fish and wildlife. The question is how do we conserve our most valuable resource during this time of significant budget constraints.

Mr. President, I think we need to restructure the Nation's estate tax laws to remove the disincentive for private property owners to conserve environmentally significant land. The American Farm and Ranch Protection Act, with I am introducing today along with Senator BAUCUS, will help to achieve this goal by providing an exemption from the estate tax for the value of land that is subject to a qualified, permanent conservation easement.

This bill is similar to legislation that we introduced last year. The principles involved in this bill have been endorsed by the Piedmont Envionmental Council, the National Audubon Society, the American Farm Bureau, the Land Trust Alliance, and the National Trust for Historic Preservation.

The bill excludes land subject to a conservation easement from the estate and gift taxes. Development rights retained by the family—most frequently the ability to use the property for a commercial purpose—remain subject to the estate tax.

In order to target the incentives under this bill to those areas that are truly at risk for development, the bill is limited to land that falls within a 50-mile radius of a metropolitan area, a national park or a national wilderness area.

Conservation easements, which are entirely voluntary, are agreements negotiated by landowners in which a restriction upon the future use of land is imposed in order to conserve those aspects of the land that are publicly significant. To qualify for the estate tax exemption under this bill, such easements must be perpetual and must be made to preserve open space, to protect the natural habitat of fish, wildlife or plants, to meet a governmental conservation policy, or to preserve an historical important land area.

I urge my colleagues to join me in this effort to save environmentally sensitive open spaces.

Mr. President, I ask unanimous consent that a copy of the bill and a brief explanation of the legislation be printed in the RECORD.

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

S. 910

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''American Farm and Ranch Protection Act of 1995''.

SEC. 2. TREATMENT OF LAND SUBJECT TO A QUALIFIED CONSERVATION EASEMENT.

(a) ESTATE TAX WITH RESPECT TO LAND SUBJECT TO A QUALIFIED CONSERVATION EASEMENT.—Section 2031 of the Internal Revenue Code of 1986 (relating to the definition of gross estate) is amended by redesignating subsection (c) as subsection (d) and by inserting after subsection (b) the following new subsection:

''(c) ESTATE TAX WITH RESPECT TO LAND SUBJECT TO A QUALIFIED CONSERVATION EASEMENT.—

''(1) IN GENERAL.—If the executor makes the election described in paragraph (4), then, except as otherwise provided in this subsection, there shall be excluded from the gross estate the value of land subject to a qualified conservation easement.

''(2) TREATMENT OF CERTAIN INDEBTEDNESS.—

''(A) IN GENERAL.—The exclusion provided in paragraph (1) shall not apply to the extent that the land is debt-financed property.

''(B) DEFINITIONS.—For purposes of this paragraph—

''(i) DEBT-FINANCED PROPERTY.—The term 'debt-financed property' means any property with respect to which there is an acquisition indebtedness (as defined in clause (ii)) on the date of the decedent's death.

''(ii) ACQUISITION INDEBTEDNESS.—The term 'acquisition indebtedness' means, with respect to debt-financed property, the unpaid amount of—

''(I) the indebtedness incurred by the donor in acquiring such property,

''(II) the indebtedness incurred before the acquisition of such property if such indebtedness would not have been incurred but for such acquisition,

''(III) the indebtedness incurred after the acquisition of such property if such indebtedness would not have been incurred but for such acquisition and the incurrence of such indebtedness was reasonably foreseeable at the time of such acquisition, except that indebtedness incurred after the acquisition of such property is not acquisition indebtedness

if incurred to carry on activities directly related to farming, ranching, forestry, horticulture, or viticulture, and

''(IV) the extension, renewal, or refinancing of an acquisition indebtedness.

''(3) TREATMENT OF RETAINED DEVELOPMENT RIGHT.—

''(A) IN GENERAL.—Paragraph (1) shall not apply to the value of any development right retained by the donor in the conveyance of a qualified conservation easement.

''(B) TERMINATION OF RETAINED DEVELOPMENT RIGHT.—If every person in being who has an interest (whether or not in possession) in such land shall execute an agreement to extinguish permanently some or all of any development rights (as defined in subparagraph (D)) retained by the donor on or before the date for filing the return of the tax imposed by section 2001, then any tax imposed by section 2001 shall be reduced accordingly. Such agreement shall be filed with the return of the tax imposed by section 2001. The agreement shall be in such form as the Secretary shall prescribe.

''(C) ADDITIONAL TAX.—Failure to implement the agreement described in subparagraph (B) within 2 years of the decedent's death shall result in the imposition of an additional tax in the amount of the tax which would have been due on the retained development rights subject to such agreement. Such additional tax shall be due and payable on the last day of the 6th month following the end of the 2-year period.

''(D) DEVELOPMENT RIGHT DEFINED.—For purposes of this paragraph, the term 'development right' means the right to establish or use any structure and the land immediately surrounding it for sale (other than the sale of the structure as part of a sale of the entire tract of land subject to the qualified conservation easement), or other commercial purpose which is not subordinate to and directly supportive of the activity of farming, forestry, ranching, horticulture, or viticulture conducted on land subject to the qualified conservation easement in which such right is retained.

''(4) ELECTION.—The election under this subsection shall be made on the return of the tax imposed by section 2001. Such an election, once made, shall be irrevocable.

''(5) CALCULATION OF ESTATE TAX DUE.—An executor making the election described in paragraph (4) shall, for purposes of calculating the amount of tax imposed by section 2001, include the value of any development right (as defined in paragraph (3)) retained by the donor in the conveyance of such qualified conservation easement. The computation of tax on any retained development right prescribed in this paragraph shall be done in such manner and on such forms as the Secretary shall prescribe.

''(6) DEFINITIONS.—For purposes of this subsection—

''(A) LAND SUBJECT TO A QUALIFIED CONSERVATION EASEMENT.—The term 'land subject to a qualified conservation easement' means land—

''(i) which is located in or within 50 miles of an area which, on the date of the decedent's death, is—

''(I) a metropolitan area (as defined by the Office of Management and Budget), or

''(II) a national park or wilderness area designated as part of the National Wilderness Preservation System (unless it is determined by the Secretary that land in or within 50 miles of such a park or wilderness area is not under significant development pressure),

''(ii) which was owned by the decedent or a member of the decedent's family at all times during the 3-year period ending on the date of the decedent's death, and

''(iii) with respect to which a qualified conservation easement is or has been made by the decedent or a member of the decedent's family.

''(B) QUALIFIED CONSERVATION EASEMENT.—The term 'qualified conservation easement' means a qualified conservation contribution (as defined in section 170(h)(1)) of a qualified real property interest (as defined in section 170(h)(2)(C)), except that clause (iv) of section 170(h)(4)(A) shall not apply, and the restriction on the use of such interest described in section 170(h)(2)(C) shall include a prohibition on commercial recreational activity.

''(C) MEMBER OF FAMILY.—The term 'member of the decedent's family' means any member of the family (as defined in section 2032A(e)(2)) of the decedent.

''(7) APPLICATION OF THIS SECTION TO INTERESTS IN PARTNERSHIPS, CORPORATIONS, AND TRUSTS.—The Secretary shall prescribe regulations applying this section to an interest in a partnership, corporation, or trust which, with respect to the decedent, is an interest in a closely held business (within the meaning of paragraph (1) of section 6166(b)).''

(b) CARRYOVER BASIS.—Section 1014(a) of such Code (relating to basis of property acquired from a decedent) is amended by striking the period at the end of paragraph (3) and inserting '', or'' and by adding after paragraph (3) the following new paragraph:

''(4) to the extent of the applicability of the exclusion described in section 2031(c), the basis in the hands of the decedent.''

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to estates of decedents dying after December 31, 1995.

SEC. 3. GIFT TAX ON LAND SUBJECT TO A QUALIFIED CONSERVATION EASEMENT.

(a) GIFT TAX WITH RESPECT TO LAND SUBJECT TO A QUALIFIED CONSERVATION EASEMENT.—Section 2503 of the Internal Revenue Code of 1986 (relating to taxable gifts) is amended by adding at the end the following new subsection:

''(h) GIFT TAX WITH RESPECT TO LAND SUBJECT TO A QUALIFIED CONSERVATION EASEMENT.—The transfer by gift of land subject to a qualified conservation easement shall not be treated as a transfer of property by gift for purposes of this chapter. For purposes of this subsection, the term 'land subject to a qualified conservation easement' has the meaning given to such term by section 2031(c), except that references to the decedent shall be treated as references to the donor and references to the date of the decedent's death shall be treated as references to the date of the transfer by the donor.''

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to gifts made after December 31, 1995.

SEC. 4. QUALIFIED CONSERVATION CONTRIBUTION IS NOT A DISPOSITION.

(a) QUALIFIED CONSERVATION CONTRIBUTION IS NOT A DISPOSITION.—Subsection (c) of section 2032A of the Internal Revenue Code of 1986 (relating to alternative valuation method) is amended by adding at the end the following new paragraphs:

''(8) QUALIFIED CONSERVATION CONTRIBUTION IS NOT A DISPOSITION.—A qualified conservation contribution (as defined in section 170(h)) by gift or otherwise shall not be deemed a disposition under subsection (c)(1)(A).

''(9) EXCEPTION FOR REAL PROPERTY IS LAND SUBJECT TO A QUALIFIED CONSERVATION EASEMENT.—If qualified real property is land subject to a qualified conservation easement (as defined in section 2031(c)), the preceding paragraphs of this subsection shall not apply.''

(b) LAND SUBJECT TO A QUALIFIED CONSERVATION EASEMENT IS NOT DISQUALIFIED.—Subsection (b) of section 2032A of such Code (relating to alternative valuation method) is amended by adding at the end the following subparagraph:

''(E) If property is otherwise qualified real property, the fact that it is land subject to a qualified conservation easement (as defined in section 2031(c)) shall not disqualify it under this section.''

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to contributions made, and easements granted, after December 31, 1995.

SEC. 5. QUALIFIED CONSERVATION CONTRIBUTION WHERE SURFACE AND MINERAL RIGHTS ARE SEPARATED.

(a) IN GENERAL.—Section 170(h)(5)(B)(ii) of the Internal Revenue Code of 1986 (relating to special rule) is amended to read as follows:

''(ii) SPECIAL RULE.—With respect to any contribution of property in which the ownership of the surface estate and mineral interests has been and remains separated, subparagraph (A) shall be treated as met if the probability of surface mining occurring on such property is so remote as to be negligible.''

(b) EFFECTIVE DATE.—The amendment made by this section shall apply with respect to contributions made after December 31, 1992, in taxable years ending after such date.

THE AMERICAN FARM AND RANCH PROTECTION ACT OF 1995

The American Farm and Ranch Protection Act protects family lands and encourages the voluntary conservation of farmland, ranches, forest land, wetlands, wildlife habitat, open space and other environmentally sensitive property. It enables farmers and ranchers to continue to own and work their land by eliminating the estate and gift tax burden that threatens the current generation of owners. The bill does this in the following ways:

By excluding from estate and gift taxes the value of land on which a qualified conservation easement has been granted if the land is located in or within a 50-mile radius of a metropolitan area, a National Park, or a wilderness area that is part of the National Wilderness Area System; and,

By clarifying that land subject to a qualified conservation easement can also qualify for special use valuation under Code section 2032A.

The bill also contains a number of safeguards to ensure that the benefits of the exclusion are not abused. These safeguards include the following:

The easement must be perpetual and meet the requirements of Code Section 170(h), governing deductions for charitable contributions of easements;

Easements retaining the right to develop the property for commercial recreational use would not be eligible, while other retained development rights would be taxed;

Land excluded from the estate tax would receive a carryover, rather than stepped-up, basis for purposes of calculating gain on a subsequent sale;

The land must have been owned by the decedent or a member of the decedent's family for at least 3 years immediately prior to the decedent's death; and,

The easement must have been donated by the decedent or a member of the decedent's family.

The bill would be effective for decedents dying after December 31, 1995.

By Mr. ROBB:

S. 911. A bill to authorize the Secretary to issue a certificate of documentation with appropriate endorsement for employment in the coastwise trade of the United States for the vessel *Sea Mistress*; to the Committee on Commerce, Science, and Transportation.

CERTIFICATION OF DOCUMENTATION LEGISLATION

● Mr. ROBB. Mr. President, I am introducing a bill today to authorize the Coast Guard to issue the appropriate endorsement for the vessel *Sea Mistress*—U.S. official number 696806—to engage in the coastwise trade. This legislation is necessary to resolve a lapse in the *Sea Mistress*'s chain of title.

The *Sea Mistress* was built in the United States in Louisville, KY, by Aluminum Cruisers, Inc. It is a 41-foot, high-speed houseboat, which is currently being refurbished in the United States for the excursion tourboat trade. In 1984, the Internal Revenue Service, seized the vessel to secure an unpaid tax debt incurred by the original owner of the vessel. This seizure has left a gap in the chain of title of the vessel. The Coast Guard has informed the owner of Occoquan Tours that if the gap is left unresolved, a coastwise endorsement cannot be issued for the vessel, even though the owner is a U.S. citizen and the vessel was built in the United States and is being refurbished locally.

The Congress passes a number of these technical bills every year. The *Sea Mistress* was part of a package of similar legislative waivers which passed the House of Representatives October of last year, but failed to be enacted prior to the end of the session. I'm introducing the bill today so that the Senate Commerce Committee may act upon it with the upcoming coastwise bill this session.●

By Mr. KOHL:

S. 912. A bill to amend the Internal Revenue Code of 1986 with respect to the eligibility of veterans for mortgage revenue bond financing, and for other purposes; to the Committee on Finance.

MORTGAGE REVENUE BOND FINANCING LEGISLATION

● Mr. KOHL. Mr. President, I introduce a modified version of legislation I introduced in February, S. 417, which will help Wisconsin and several other States, including Oregon, Texas, Alaska, and California, extend one of our most successful veterans programs to Persian Gulf war participants and others. This legislation will amend the eligibility requirements for mortgage revenue bond financing for State veterans housing programs.

Wisconsin uses this tax-exempt bond authority to assist veterans in purchasing their first home. Under rules adopted by Congress in 1984, this program excluded from eligibility veterans who served after 1977. This bill would remove that restriction.

Wisconsin and the other eligible States simply want to maintain a principle that we in the Senate have also strived to uphold—that veterans of the Persian Gulf war should not be treated less generously than those of past wars. This bill will make that possible.●

By Mr. HATCH (for himself, Mr. INOUYE, Mr. MCCAIN, and Mr. BENNETT):

S. 913. A bill to amend section 17 of the Act of August 27, 1954 (25 U.S.C. 677p), relating to the distribution and taxation of assets and earnings, to clarify that distributions of rents and royalties derived from assets held in continued trust by the Government, and paid to the mixed-blood members of the Ute Indian tribe, their Ute Indian heirs, or Ute Indian legatees, are not subject to Federal or State taxation at the time of distribution, and for other purposes; to the Committee on Finance.

THE MIXED BLOOD UTE INDIAN TAX STATUS ACT

Mr. HATCH. Mr. President, I am joined today by my colleagues, Senators INOUYE, MCCAIN, and BENNETT, to introduce a bill of great importance to the mixed-blood Utes, a native population of my home State of Utah.

This limited legislation will restore the tax status of the mixed blood Ute Indians with regard to proceeds received from a trust created by the Federal Government as agreed in a settlement between the Federal Government and the Ute Tribe in 1954.

Until recently, the Federal Government has respected the intent of Congress to exempt this income from Federal and State taxation. However, in a recent tenth circuit decision the court construed the intent of Congress as allowing the tax exemption on the settlement proceeds to lapse. This bill is necessary to clarify the legislative intent of Congress and reinstate the exemption.

In my view, it was the intent of Congress in the 1954 settlement to exempt from Federal and State taxation the income derived from the assets held in continued trust by the Federal Government for, and paid to, the mixed blood Ute Indians. This has been the law for nearly four decades and should remain the law.

Historically, with regard to all settlements between the Federal Government and numerous Indian nations, the proceeds from settlements have been exempt from Federal and State taxation. The mixed blood Ute Indians have been singled out and treated differently since the tenth circuit's decision. This bill clarifies the 1954 settlement and simply restores the tax status of the mixed blood Utes.

I believe all of my Senate colleagues will recognize this legislation as both fair and necessary. I am pleased to have the support of the chairman and ranking member of the Senate Indian Affairs Committee as well as my Utah colleague, Senator BENNETT. I urge all Senators to help us clarify this exemption.

ADDITIONAL COSPONSORS

S. 456

At the request of Mr. BRADLEY, the name of the Senator from Massachusetts [Mr. KERRY] was added as a cosponsor of S. 456, a bill to improve and strengthen the child support collection system, and for other purposes.

S. 644

At the request of Mr. CAMPBELL, the name of the Senator from Illinois [Mr. SIMON] was added as a cosponsor of S. 644, a bill to amend title 38, United States Code, to reauthorize the establishment of research corporations in the Veterans Health Administration, and for other purposes.

S. 770

At the request of Mr. DOLE, the name of the Senator from Georgia [Mr. COVERDELL] was added as a cosponsor of S. 770, a bill to provide for the relocation of the United States Embassy in Israel to Jerusalem, and for other purposes.

S. 798

At the request of Mr. CONRAD, the name of the Senator from Massachusetts [Mr. KENNEDY] was added as a cosponsor of S. 798, a bill to amend title XVI of the Social Security Act to improve the provision of supplemental security income benefits, and for the purposes.

SENATE JOINT RESOLUTION 34

At the request of Mr. SMITH, the name of the Senator from Maine [Ms. SNOWE] was added as a cosponsor of Senate Joint Resolution 34, a joint resolution prohibiting funds for diplomatic relations and most-favored-nation trading status with the Socialist Republic of Vietnam unless the President certifies to Congress that Vietnamese officials are being fully cooperative and forthcoming with efforts to account for the 2,205 Americans still missing and otherwise unaccounted for from the Vietnam war, as determined on the basis of all information available to the United States Government, and for other purposes.

SENATE RESOLUTION 132—COMMENDING CAPTAIN O'GRADY, AND U.S. AND NATO FORCES

Mr. DOLE (for himself, Mr. DASCHLE, Mr. HELMS, Mr. WARNER, Mr. COVERDELL, Mr. THURMOND, Mr. MCCAIN, Mr. PRESSLER, Mr. ROBB, Mr. PELL, Mr. GRAHAM, Mrs. MURRAY, Mr. KEMPTHORNE, Mr. LEVIN, Mr. BRYAN, Mr. REID, Mr. KENNEDY, Mr. BRADLEY, Mr. COHEN, Mrs. KASSEBAUM, Mr. FORD, Mr. BINGAMAN, Mrs. BOXER, Mr. BUMPERS, Mrs. FEINSTEIN, Mr. GLENN, Mr. HARKIN, Mr. JOHNSTON, Mr. KOHL, Mr. LIEBERMAN, Mr. ROCKEFELLER, Mr. SARBANES, and Mr. NICKLES) submitted the following resolution; which was considered and agreed to:

S. RES. 132

Whereas on June 2, 1995, Bosnian Serb forces using sophisticated surface to air missiles shot down a United States Air Force