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Senate

(Legislative day of Tuesday, October 10, 1995)

The Senate met at 10:15 a.m., on the expiration of the recess, and was called to order by the Honorable FRANK H. MURKOWSKI, a Senator from the State of Alaska.

PRAYER

The PRESIDING OFFICER. In the absence of the Chaplain, we will have a short prayer, which I will read.

Almighty God, Sovereign of this Nation and Lord of our lives, we trust in You. This Senate is constituted with the fundamental conviction that You govern the affairs of this Nation. The women and men of this Senate have been called to their responsibilities by You through the voice of the people of their States. They are here by Your appointment.

Now, in this sacred moment of prayer, we acknowledge our total dependence on You for the endowment of the gifts of wisdom and discernment for the discussions, debates, and decisions of this day. Here are our minds; think through them. Here are our wills; guide us to do Your will. Here are our hearts; set them aflame with renewed patriotism and deeper commitment. We press on to the challenges of this day, dedicated to work diligently for Your glory. Dear God, bless America, and to that end, bless the deliberations of this Senate today. In Your holy name. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore [Mr. THURMOND].

The legislative clerk read the following letter:

U.S. SENATE
PRESIDENT PRO TEMPORE,
Washington, DC, October 11, 1995.

To the Senate:

Under the provisions of Rule I, Section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable FRANK H. MURKOWSKI, a Senator from the State of Alaska, to perform the duties of the Chair.

STROM THURMOND,
President pro tempore.

Mr. MURKOWSKI thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDING OFFICER (Mr. CAMPBELL). The Senator from Mississippi, Senator COCHRAN, is recognized.

SCHEDULE

Mr. COCHRAN. Mr. President, for the information of Senators, this morning, there will be a period for morning business until the hour of 11:30 a.m. At that time, the Senate will resume consideration of S. 143, the Workforce Development Act. Approximately 3 hours and 45 minutes remain for debate on the bill, with several amendments remaining in order to the bill under the unanimous-consent agreement. Rollcall votes can, therefore, be expected throughout the day. The majority leader has indicated that the Senate is expected to complete action on S. 143 today and it is, therefore, possible that the Senate may begin consideration of the State Department reorganization bill, S. 908, during today's session.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. SIMON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of morning business, not to extend beyond the hour of 11:30, with Senators permitted to speak therein for up to 5 minutes each.

The Senator from Illinois is recognized.

NEEDLESS DIVISIONS IN OUR COUNTRY

Mr. SIMON. Mr. President, I just came from the ceremony held in the House Chamber. It was a marvelous ceremony, and I want to thank Senator THURMOND and Congressman SPENCE for putting it together.

Our colleague from Hawaii, Senator INOUYE, said something that I think is significant for this body and for the other. He said, ''You do not need to look to Los Angeles to see needless divisions in our country.'' He said, ''You can look right here at the House and the Senate.''

I think that is true. Each of us is partisan. I am proud to be a Democrat. Other colleagues are proud to be Republicans. But when we come here, sure, let us have differing opinions, but the excessive partisanship that is here, I think, discourages this country about our process. I think it harms both parties, and I think there is nothing finer that we could do at this point than to listen to our colleague, Senator INOUYE—in both political parties; I am not suggesting either one is better on this. We can work together more.

As I leave this body at the end of next year, my greatest regret is that I have seen this body deteriorate gradually over the years and become more and more partisan. That has not helped the American public. That has not helped the two-party system.

I see my colleague from Wyoming. He is going to seek the floor.

I yield the floor.

Mr. THOMAS addressed the Chair.

The PRESIDING OFFICER. The Senator from Wyoming is recognized.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

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WORKFORCE DEVELOPMENT ACT OF 1995

Mr. THOMAS. Mr. President, I rise this morning to speak in support of S. 143, the bill that is on the floor and will be on the floor later today, the job training bill.

Mr. President, I first want to commend Senator KASSEBAUM for the work she has done on this bill, and the others as well. I am not on that committee, but I am interested in this bill and what it seeks to do. I think it is symptomatic of the changes that need to be made in many of the programs, and it seeks to bring together 150, roughly, programs that have been designed over the years, each with a certain amount of merit, of course, and certainly each now with a constituency, and to bring those together and to seek to make them more efficient.

It seems to me, Mr. President, that one of the exciting things about this year in this Congress has been that there has been, for the first time in very many years, an opportunity to look at programs, to evaluate programs, to examine their purpose and then to see if indeed they are carrying out that purpose to see if there are better ways to do it and, perhaps as important as anything, to see if there is a way to shift those programs with more emphasis on the States and local government.

I come from a small State; I come from Wyoming. When I am in Washington, I live in Fairfax County, and there are twice as many people in Fairfax County as there are in the State of Wyoming. So we have a little different and unique need there for the kinds of programs. We still have a need for the programs, whether it be welfare or job training, but we need to have it tailored in a way that, I suspect, is quite different from that of Pittsburgh or New York City, and that is what this program is all about.

I think too often—and I am concerned about this, Mr. President—as we seek to make change—and I think voters want to make change; they said they want to make change in November 1994. Yet, of course, there are people who legitimately do not want to change and want to stay with the status quo. It is much easier to oppose change than it is to bring it about. So we find often those who are, for whatever the reason, opposed to change, saying, well, that is going to gut the program, that is going to do away with the program, and that is going to eliminate the help for the people who have been the beneficiaries of the program. And that is not true. That is not true in this program, it is not true in health care, it is not true in Medicare, and it is not true in welfare.

On the contrary, these programs are designed to bring to those beneficiaries a more efficient program to specifically deal with the needs where those folks live. It gets us away from that idea that one size fits all, away from the idea that Washington knows best. Instead, it moves the programs where the decisions can be made by local people who respond to local needs. So we have, in this case, lots of money—$20 billion—going in these 150 programs, and this is an effort to bring them together and to block grant many of them to the States so that the States can say, in effect, here is where we need that education money.

We do need change, Mr. President. There undoubtedly has been a strong feeling that the things that the Government is doing are not succeeding. We have more poverty now than we had 40 years ago. So it is hard to say that the programs that are designed to alleviate poverty have been workable. It is not a matter of not having spent enough money, in my judgment, but rather not spending it as efficiently as we can. I think there is an adage that we need to adhere to, and that is that you simply cannot expect things to continue by doing the same thing. You cannot expect different results by doing the same thing, which is basically what we have done.

So, Mr. President, I rise in strong support. I think we have a great opportunity to make some changes. This is a testing time. Probably the greatest test of representative government, when voters say, look, we are not happy with the way things are, we think we need to change them, the greatest test is to see whether that Government will indeed be responsive to that request for change. I am first to say how difficult it is. And in each year it gets increasingly difficult. As we have more programs and we have more money and we have more people involved in these programs, we have more people involved in bureaucracies, more people involved in lobbying, there is a great resistance to change. I think we have, for the first time in many years, the greatest opportunity to bring about that change.

We need to reduce bureaucracy. We need to increase the private sector involvement. We need, perhaps most of all, to increase the accountability, to measure productivity in these programs, and we can do this.

So, Mr. President, I urge my colleagues to move forward with this education bill, this training to work, S. 143. I urge that we pass it. I urge that we shift many of these funds and responsibilities to local government, to State government, so that they can, indeed, be oriented to the problems that we seek to fix.

The PRESIDING OFFICER. Under the previous order, the Senator from Virginia is recognized to speak for up to 20 minutes.

RACHEL SCHLESINGER

Mr. WARNER. Mr. President, today Senator NUNN and I will speak on behalf of Rachel Schlesinger who just passed on to her reward. She is the widow of Dr. Schlesinger, a mutual friend.

Mr. President, I was privileged to serve in the Department of Defense during the period of 1972–74 with the Secretary of Defense Schlesinger. At that time I had the privilege of learning to know and revere his lovely wife, Rachel, who just passed on.

She was a source of great strength to Dr. Schlesinger as he undertook the important posts of Director of Office of Management and Budget, Secretary of Defense, Director of the Central Intelligence Agency, and Secretary of Energy.

He has had one of the most remarkable public service careers of any living American. I worked with him in each of these assignments through the years and learned to know and to love his late wife.

She was a great source of strength to this fine public servant. I am doubtful he could have fulfilled these important posts without that source of strength given by his wife and his children.

I join today with my distinguished friend and colleague, the senior Senator from Georgia, [Mr. NUNN], who, likewise, through the years, learned to respect and admire Jim Schlesinger and his wife, Rachel.

Our prayers go to their family, and I express my gratitude for the friendship given me through the years by Mrs. Schlesinger. I yield the floor.

The PRESIDING OFFICER. The distinguished Senator from Georgia, [Mr. NUNN], is recognized.

TRIBUTE TO RACHEL MELLINGER SCHLESINGER

Mr. NUNN. Mr. President, I rise this morning to pay tribute to a wonderful lady and wonderful friend, Rachel Mellinger Schlesinger. Rachel died yesterday morning in Arlington, VA. Rachel was the wife of James Schlesinger, a remarkable public servant who served in Cabinet positions in three administrations.

In a real sense Rachel served as first lady of the Department of Defense, first lady of the Department of Energy, and first lady of the Central Intelligence Agency, when Jim Schlesinger held these important Cabinet posts.

Rachel was a remarkable and accomplished woman, by every measure. She was a talented musician. She was active in the mental health movement, historic preservation, and in the preservation of the rural lands that she loved so much. She was also founder and first chairman of the Ballston Symphony and a deacon in her church.

Rachel rarely involved herself in public issues. She always had her own convictions and opinions, but her capacity to deal with crisis was famous. She accompanied Jim to many distant places in connection with his work and on several occasions, by putting herself willingly in dangerous situations, she helped calm and reassure her friends and our friends around the world and our allies around the world.

On one occasion which reached public attention, Jim was then Chairman of

the Atomic Energy Commission. A Spartan missile warhead test was scheduled in the Aleutians, and there was widespread fear that it would cause an earthquake and a tidal wave known as a tsunami in that area. Rachel packed up her two daughters and her husband and moved them to the island where the test was to take place. The family's presence was widely publicized and calmed much of the alarm in that area.

Rachel traveled with Jim on an extended trip to Asia in 1975 when Jim became the first United States Secretary of Defense to visit Japan for many years. It was after the fall of Saigon, and there were widespread demonstrations. But the trip also generated an outpouring of support, due in no small part to Rachel Schlesinger's presence by Jim Schlesinger's side.

Rachel served as college editor of Mademoiselle magazine after graduation from Radcliffe with honors in American history and literature. After her marriage to Jim, she did some freelance writing for a time, but she soon devoted herself entirely to their growing family, and of course she was very, very proud of their eight wonderful and successful children. After their eight children had grown up, she became active again in charitable and cultural affairs. One of those eight, their daughter, Clara, served very ably in my office as an intern in 1985.

Rachel was a violinist with the Arlington Symphony since 1983. She was on the board of directors and on the executive committee of the symphony. She served on the overseers' committee of the Memorial Church at Harvard, was a deacon and Sunday school teacher at Georgetown Presbyterian Church, and distributed food on many, many occasions to the homeless over a large number of years.

Rachel was absolutely committed to mental health, and she worked closely with the National Alliance for the Mentally Ill, including testifying before the Congress. Rachel always retained her love of the land, from her childhood days on the family farm in Ohio. In the 1980's, she began to raise Christmas trees in the Shenandoah Valley, delivering them herself near Christmastime, including the delivery of several to the Nunn home just in time for our Christmas celebration.

Rachel's long battle with cancer is now over, but the memory of her rare spirit will comfort and sustain those she loved and cared for in a life of courage and a life of commitment.

I thank the Chair.

RACHEL SCHLESINGER

Mr. JOHNSTON. Mr. President, sadly we learned yesterday of the death of Rachel Mellinger Schlesinger, the wife of Jim Schlesinger and the mother of his eight children. On behalf of the Senate, I want to convey to Jim our deepest sympathy on the loss of his beloved companion of more than 40 years.

I also want to say something about Rachel who, quietly and without fanfare, did those good works that the Book of Proverbs praises. She genuinely did open her hands to the poor and reach out her hands to the needy, distributing sandwiches to the homeless and testifying before Congress on the problems of the mentally ill. Rachel was a gifted, energetic, and compassionate woman, but such a private person that few Americans know of her contributions to the quality of our community life. I would like to take this opportunity to express our appreciation of what she did for us.

Rachel Line Mellinger was born on a farm in Springfield, OH, and always considered herself a country girl. She loved gardening, and in the 1980's, she bought a farm in the Shenandoah Valley to raise Christmas trees which she delivered personally to satisfied customers and delighted children. Thanks to her interest in the preservation of historic sites and rural land, Americans will have more of both to enjoy in times to come.

Like Thomas Jefferson, a fellow Virginia farmer, she was a talented writer and musician. She played the violin, not only for her own pleasure, but to give pleasure to others. She played with the Arlington Symphony Orchestra for 12 years and served on its board of directors. She was the founder and first chair of the Ballston Pops, a May festival which she originally organized 10 years ago.

She was active in the community both publicly and privately. She served as deacon of the Georgetown Presbyterian Church and on the overseers committee of the Memorial Church at Harvard, but on Sundays she could be found in the Sunday school where she taught classes. She was active in the mental health movement, and worked with the National Alliance for the Mentally Ill.

We all know that in public life, public service can be hard on families. Jim Schlesinger served in Cabinet positions in three administrations. Rachel Schlesinger also served, in strength and dignity, preserving the privacy of her children and supporting her husband with the warmth of her presence. It is not an exaggeration to say that in all the agencies in which her husband served, she was universally loved.

Rachel Mellinger Schlesinger was a wonderful person, wise, kind, and thoughtful, who did good and not harm all the days of her life. She will be missed.

Mr. President, I was please to be able to see her 3 days ago and can report that in her last days she was cheerful and reassuring to all of those around her. She will be greatly missed. I yield the floor.

THE POLITICS OF FEAR

Mr. GRAMS. Mr. President, my Minnesota office is located in the town of Anoka, the Halloween capital of the world.

For most of my neighbors there, a good scare means nothing more than a Halloween visit to a haunted house, or maybe a roller coaster ride at the amusement park, or an evening in front of the TV watching old horror movies. So who would have ever guessed that, in 1995, the list of ways to give somebody a good scare would include handing them a letter from their U.S. Congressman.

There is a campaign of fear and misinformation being waged around us, Mr. President, and I come to the floor today to share with you my absolute contempt for it, and my sincere sympathy for its innocent victims.

The perpetrators? My colleagues in the minority party, in both Chambers, who are sinking to new lows as they fight desperately against the tide of public opinion that came crashing down on them last November.

Their victims? Senior citizens, who have done nothing to deserve this kind of treatment, except, apparently, to grow old.

Let me tell you about one of those victims.

She is 91 years old, and for the last couple of years, she has lived in a nursing home in the town of Cambridge, MN.

Her name is Ethel Grams, and she is my grandmother. My grandmother received a letter, delivered right to her nursing home bed, from her Representative in the House. And I am appalled that older Americans, who are among the most vulnerable in society, are being subjected to these kinds of scare tactics, fear-mongering, and blatant, self-serving distortions.

The letter is about Medicare, and is sprinkled—liberally—with inflammatory phrases like drastic cuts and benefits coming under attack.

Her Congressman writes of Republicans, quote ''coercing seniors into health plans'' and ''herding as many seniors as possible into managed health care programs.''

''Republicans in Congress are proposing to cut Medicare by $270 billion over the next 7 years,'' he writes, ''in order to pay for a tax cut of $245 billion for the wealthiest of Americans—those making over $350,000 a year.''

Those assertions would be laughable if they were not so serious.

Mr. President, imagine suggesting to a 91-year-old woman, bedridden in a nursing home, that her health care plan is under attack, that with Republicans in the majority, the medical benefits she is relying upon will be slashed.

What is she supposed to think? How could she not be scared?

I cannot speak for every senior citizen, but I know how much it frightened my grandmother.

Unfortunately, this is not the only example of the damage being spread through this campaign of fear.

Another of my colleagues has mailed out his own letter to seniors, at taxpayer's expense, and portions of it were printed recently in the St. Paul Pioneer Press and Dispatch.

This Congressman wrote of drastic cuts and proclaimed that ''the GOP plan in Congress would force seniors to give up their personal doctor.''

''Millions of seniors would be forced into managed care programs. * * * While older Americans pay more for Medicare,'' he wrote, ''the privileged will pay less in taxes, with some receiving lavish tax breaks.''

Newsweek aptly labels the Democrats' campaign as ''Medi-Scare'' in a cover story last month. Let me quote a paragraph for you:

> ''Democrats depict the GOP's Medicare plan as a bloodthirsty attack on the elderly. ''More people will die,'' declares a hysterical new ad from the AFL–CIO. ''And it's only for the sake of tax cuts for the rich,'' says Democrat Ed Markey of Massachusetts.

''That's hyperbole, for sure,'' writes Newsweek.

It is more than hyperbole. Anywhere else, this would be labeled, at best, a blatant distortion of the truth and the State attorneys general would be called in to investigate.

In Washington, we call the practice spin control. This is the only city I know where once a lie is repeated three times, it is accepted by most as being a fact.

Mr. President, it is time we hold our colleagues accountable for their misrepresentations, and, beginning today, that is what I intend to do.

They say our plan to preserve Medicare, cuts benefits to seniors—I say ''show me.'' They say the majority of our tax cuts will go to the rich—I say ''show me.''

They say we are forcing seniors to give up their doctors—I say ''show me.'' But I know they cannot, because the facts say otherwise.

Fact No. 1: We have to reform Medicare to ensure quality health care for our seniors at a cost we can honestly afford. Unless we do, there are only two options.

Either the Medicare hospital insurance trust fund, which has provided health care services for 37 million Americans, will go out of business, bankrupt in 7 years, or we can raise taxes on our seniors and working families by $388 billion over the next 7 years.

That is the option the Democrats have chosen seven times over the past three decades—they have reduced benefits and raised taxes.

But going to the taxpayers for more money is the easy way out, and Americans have said ''enough.'' They are demanding reform, not higher taxes.

Fact No. 2: We are going to save Medicare by increasing spending, but at a slower rate not with the dangerous cuts breathlessly predicted by the Democrats.

Medicare spending under the Republican plan will increase by 40 percent, from $4,800 per beneficiary this year to $6,700 in the year 2002.

Like Americans do every month around their kitchen tables, we have set a budget we can afford, and then decided the best way to deliver the benefits.

We are not promising benefits and then raising taxes again and again to pay for them.

Fact No. 3: Medicare reform has no connection at all to our efforts to provide tax relief to the middle-class taxpayers, the working families who so desperately need it.

With or without tax cuts, Medicare is in severe financial trouble. Even President Clinton, who has been virtually absent during the Medicare debate, realizes that.

In fact, the budget he proposed last June combined slowing the growth in Medicare spending with $110 billion in tax cuts.

The Washington Post addressed the attempt to link tax relief and Medicare reform in a September 25 editorial:

> The Democrats have fabricated the Medicare-tax cut connection because it is useful politically. It allows them to attack and to duck responsibility both at the same time. We think it's wrong.

Fact No. 4: The vast majority of the tax relief in the Republican budget is directed right where it is needed most—to middle-class American families.

Every family with children will benefit from the $500 per child tax credit, and more than 85 percent of the children eligible for it live in families with incomes at or below $75,000.

These families are not the privileged or the wealthiest of Americans. They are average folks who are struggling to meet their tax burden while trying to make a good life for themselves.

Those are the facts, Mr. President. They are an honest attempt to look at the options, the costs, and the consequences—we are not taking some figures and then blatantly distorting them and proclaiming them as truth.

If my colleagues want to write and distribute fiction, they ought to label it as such and sell it through the Book of the Month Club.

The taxpayer-financed fiction like the letter received by my grandmother—and similar letters received by hundreds of thousands of other senior citizens—must come to an end.

Government does have the power to do good, but the minority party undermines everyone's credibility when it preaches the politics of fear.

I suggest the next time someone wants to scare a senior citizen, they should invite over a willing relative and pop in a videotape of ''Frankenstein'' or ''The Silence of the Lambs.''

Do not threaten the security of strangers, and do not prey on their fears, because it is immoral and it is wrong, and it should be shame on them, Mr. President.

I yield the floor.

WALTER T. STEWART

Mr. HATCH. Mr. President, I rise to pay tribute to an exemplary citizen from the State of Utah, Walter T. Stewart, and to recognize his extraordinary service to our Nation in World War II.

It is my privilege and honor to report that Walter Stewart is being awarded the Distinguished Service Cross, our Nation's second highest military medal, for his extraordinary heroism and gallantry in the most decorated military battle in U.S. history.

At that time, he was a 25-year-old pilot with the 330th Bombardment Squadron, 93rd Bombardment Group, based in the North African city of Benghazi, Libya. A dedicated veteran of the air war, Stewart had already flown 30 dangerous bomber missions.

Walter Stewart was skilled and he as courageous. Although only a first lieutenant, he was selected as deputy force leader of a large formation of B–24 heavy bombers assigned to attack the Ploesti oil refineries in Nazi-occupied Romania in a massive low-level assault. The target, 1,200 miles in distance from Libya, was so vital to the Third Reich that it was the most heavily defended stronghold in Europe, well exceeding the defenses of Berlin itself.

On August 1, 1943, Stewart's combat unit fearlessly spearheaded the enormous on-rush of 176 American heavy bombers over the Romanian countryside. As the attacking force neared its target, murderous antiaircraft fire erupted from a fully alerted and prepared enemy. The 93rd Bombardment Group heroically pressed on in its attack, defying extremely heavy fire from hundreds of enemy guns and cannons.

Only minutes from the target, the force leader's bomber and wingman were shot down in flames, and it fell to Lieutenant Stewart to take command at this perilous moment. Under his leadership, the attacking force swept over the target in waves, at roof-top altitude, and inflicted devastating damage upon its. As the lead aircraft, Lieutenant Stewart's B–24 Utah Man, dropped the first bomb on target.

Utah Man sustained heavy battle damage and became separated from the rest of the attacking force. Utah Man had been hit with hundreds of shells and bullets, sustained damage to its cockpit instruments, and was heavily leaking fuel. Yet, Lieutenant Stewart skillfully piloted Utah Man over the long and perilous route over rugged alpine mountains and across the Mediterranean Sea back to its home base in North Africa. Lieutenant Stewart's crew suffered no casualties.

On that August day in 1943, 310 men of the 93rd Bombardment Group died, 185 were taken prisoner, and 150 were wounded. Fifty-four aircraft never returned.

Sadly, that was a fate that eventually befell Utah Man as well. In November 1943, after Water Stewart's reassignment to the United States, Utah

Man and its crewmen would be lost over Bremen, Germany.

Lieutenant Stewart's coolness under fire, excellent judgment under pressure, courageous determination to reach the target, and his magnificent and inspiring leadership were of paramount value in the accomplishment of this dangerous mission. His service was such as to reflect great credit upon himself, the crew members of Utah Man, his home State of Utah, the University of Utah—his affinity for his alma mater is reflected in the name of his plane, his church, and his country.

Today, Walter Stewart is a highly cherished member of his church and community, an enormously respected businessman and farmer, a former missionary, a musician, the husband of 51 years to his beloved wife Ruth, a devoted father to his 5 children, and a loving grandfather to his 23 grandchildren.

Today, as in 1943, Walter Stewart exemplifies the American qualities of courage, hard work, integrity, and faith.

I am proud to serve citizens like Walter Stewart in the Senate and proud to call my colleagues attention to this man's distinguished service to our country. I am delighted that he is finally to be awarded this significant military honor.

THE 50TH ANNIVERSARY OF THE END OF WORLD WAR II

Mr. DOLE. For the information of all Senators, the proceedings from this morning's joint meeting to commemorate the 50th anniversary of the end of World War II will be printed under the record of House proceedings. The cost of printing the transcripts of speeches for the records of both Chambers is prohibitively expensive. I urge my colleagues who were unable to attend to take special notice of this tribute to Americans who selflessly served their country.

THE BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, before discussing today's bad news about the Federal debt, how about another go, as the British put it, with our pop quiz. Remember? One question, one answer.

The question: How many millions of dollars does it take to add up a trillion dollars? While you are thinking about it, bear in mind that it was the U.S. Congress that ran up the Federal debt that now exceeds $4.9 trillion.

To be exact, the total Federal debt—down to the penny—stands at $4,969,404,416,914.25, of which, on a per capita basis, every man, woman, and child in America owes $18,863.94.

Mr. President, back to our pop quiz, how many million in a trillion: There are a million million in a trillion.

The PRESIDING OFFICER. Who seeks recognition?

Mr. NUNN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. INHOFE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. FRIST). Without objection, it is so ordered.

JOB CORPS AMENDMENTS

Mr. INHOFE. Mr. President, this afternoon we are going to be discussing some of the amendments to the current Job Corps Program. One of those amendments will be offered by Senators SPECTER and SIMON in a bipartisan fashion.

There is something that is unique about this program. I have had some personal experiences with the Job Corps Program formerly as mayor of the city of Tulsa. We were able to use the participants of this program in doing massive public works within our city. Somehow none of this ever shows up to the credit of the Job Corps Program.

While I am the strongest supporter of virtually every element of the Contract With America, I do believe that there are some areas where we should give serious consideration to allowing a program to exist where it can breathe more freely across State lines, and this just might be the case as opposed to sending it in block grants back to the States.

The construction industry is an industry that, First, is cyclical and, second, varies from State to State. One of the problems that exists right now in the construction industry is that it is very difficult to find young people who will go into the construction industry, into carpentry, into masonry, some of these areas where perhaps the future does not look as glamorous as it would in some type of highly skilled or high-technology position. As a result of that, many people do not choose this except when there is a building boom going on.

One of the problems we have is that nationwide we could have a building boom in Pennsylvania and there could be a slump in Oklahoma. By the time you gear up to the boom in Pennsylvania, it could be in a slump again. Consequently, it has worked quite well to have these programs in a national scope where they do provide for a ready supply of skilled labor jobs, carpentry jobs, masonry jobs, and jobs that are critical to the building industry.

It is my understanding that the Specter-Simon amendment will not be scored, and if that is the case I would urge some of my conservative colleagues to give serious consideration to supporting the Specter-Simon amendment.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. SPECTER. Mr. President, I ask unanimous consent that further proceedings under the quorum call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

GOALS 2000

Mr. SPECTER. Mr. President, I have sought recognition to discuss further legislation which I introduced yesterday to amend Goals 2000 to make some changes which may satisfy a number of States which are concerned about excessive Federal intrusion under Goals 2000.

It is my view that there are no excessive intrusions at the present time. But in order to eliminate any concern about that issue, it was my thought that legislation might ease the concerns of some in the country who think there are too many intrusions.

The House of Representatives, in the Labor, Health and Human Services and Education appropriations bill, has eliminated the funding for the Goals 2000 Program. President Clinton has asked for an appropriation of $750 million and the Appropriations Subcommittee, which I chair, which includes funding for Department of Education, has recommended an appropriation slightly more than one-half of what the President has requested. This is because of the overall budget constraints.

But as we move forward in the legislative process and look ultimately to a conference with the House of Representatives, it is my view that we can ease many concerns, regarding Goals 2000, by a number of amendments which are incorporated into my proposed legislation, and at the same time make moneys available to a number of States which have not taken the funding.

Last year, two States, New Hampshire and Virginia, declined to participate in the Goals 2000 Program, and this year notice has been given by Montana and Alabama that they will not be participating.

The Labor-HHS-Education Subcommittee held a hearing on September 12, 1995 to bring together Secretary Riley and Mr. Ovide Lamontagne, who is the chairman of the Board of Education of the State of New Hampshire, to consider the matter before we had the markup by the subcommittee. At that time, a number of suggestions were made which might bridge the gap.

Again, I wish to emphasize my own personal view that there are not excessive strings, but in order to satisfy any concerns, we are seeking to move in a number of directions.

One of them would be to eliminate the National Education Standards and Improvement Council, which was designed to certify national and State standards. Some view this as a national school board, which I do not think it is, but the Secretary of Education, Richard Riley, thought we

might eliminate it and still maintain the central thrust of the legislation; and that is that there ought to be some standards and goals, but to let the States establish their own standards and goals.

This program, Goals 2000, was very carefully crafted after a 1983 report by then-Secretary of Education Terrell Bell, a very conservative educator, who found something we all know: That the American educational system is in a state of disarray.

Some schools are very good, like the high school I went to in Russell, KS, with 400 people, small classes, a good debating team, and a first-rate education. Notwithstanding other distinguished universities which I have attended—the University of Oklahoma, the University of Pennsylvania, Yale Law School—I think my best educational days were in high school, which underscores, at least my view, that some schools are very good. It also emphasizes the importance of elementary school.

But educational standards across the country are in a state of disrepair. Remedial action is necessary. Some of the items coming out of our subcommittee involve experimentation with privatization to take over the public school system, not competing with private school systems, but trying to eliminate the bureaucracies in schools in cities like Washington, DC, or in Baltimore, MD, Boston, MA, Hartford, CT, some schools in Florida.

I am not saying that privatization is the answer, or the charter school concept, which is also a program contained in the bill coming out of my subcommittee. But I think it is clear that the basic concept of goals is a valid one; that there ought to be a measurement, illustratively into the 4th year, at the end of the 8th year, at the end of the 12th year, but they do not have to be necessarily Federal standards.

I compliment a distinguished legislator in the State of New Hampshire, the Honorable Neals Larson, who is the chairman of the house of representatives education committee. Representative Larson is trying very, very hard to see to it that New Hampshire would accept funding under Goals 2000 in its current form.

Candidly, I agree with Representative Larson that there are no strings attached which are intrusive and that, if you take a look at other Federal funding for the disadvantaged, for school to work, that it is not unusual to have some articulation of standards. But notwithstanding all of that, let us see if we cannot move ahead and find a way to accommodate those who may have a contrary view.

The PRESIDING OFFICER. Under a previous order, time is limited to 5 minutes and time has expired.

Mr. SPECTER. Mr. President, I ask unanimous consent to be permitted to proceed for 2 additional minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SPECTER. I thank the Chair. Mr. President, stated very briefly, and the statement which was submitted yesterday will amplify these comments, this legislation will eliminate the requirement that the Secretary of Education approve and review State plans. Secretary Riley has been very accommodating and cooperative. He has expressed some concerns about this legislation. There may be others who will have concerns, others who were involved in the original Goals 2000 legislation, and we will make an effort to work with them on those concerns.

As a result of a public meeting which I participated in at Nashua High School back on September 9, an interesting thought was advanced, and that is to have funds go directly to local school boards for those States which decline to accept Goals 2000 funds.

Mr. Ovide Lamontagne, the chairman of the New Hampshire State Board of Education, thought that was an idea which would be acceptable. I am not suggesting that he made a final commitment to it, but at least from his point of view, it had merit subject to the power of the State to intervene if something extraordinary was done which was contrary to the State's views.

So, Mr. President, I urge my colleagues to take a look at the legislation as a way to amend Goals 2000, as a way of seeking an adjustment and accommodation with the House on the appropriations process and encouraging States which are not now entering into compliance with the ultimate view that we have to better the education of school children in America.

I thank the Chair and yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mrs. KASSEBAUM. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

WORK FORCE DEVELOPMENT ACT OF 1995

The PRESIDING OFFICER. Under the previous order, the Senate will resume consideration of S. 143, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 143) to consolidate Federal employment training programs and create a new process and structure for funding the programs, and for other purposes.

The Senate resumed consideration of the bill.

Pending:

Kassebaum amendment No. 2885, in the nature of a substitute.

Ashcroft amendment No. 2893 (to amendment No. 2885), to establish a requirement that individuals submit to drug tests, and to ensure that applicants and participants make full use of benefits extended through work force employment activities.

Mrs. KASSEBAUM. Mr. President, I ask unanimous consent that the pending Ashcroft amendment be set aside for the consideration of the amendment being offered by Senator SPECTER and Senator SIMON.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2894 TO AMENDMENT NO. 2885

(Purpose: To maintain a national Job Corps Program, carried out in partnership with States and communities)

Mr. SPECTER. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Pennsylvania [Mr. SPECTER], for himself, Mr. SIMON, Mr. HATCH, and Mr. JOHNSTON, proposes an amendment numbered 2894 to amendment No. 2885.

Mr. SPECTER. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The text of the amendment is printed in today's RECORD under Amendments Submitted.)

Mr. SPECTER. Mr. President, in the interest of time—and I understand my distinguished cosponsor, Senator SIMON, will be arriving in the Chamber shortly—I will proceed with some of the opening considerations.

This is a carefully crafted amendment which builds upon the work of the distinguished chairman of the committee, Senator KASSEBAUM. It is responsive to concerns raised by the General Accounting Office to maintain the Job Corps Program in its current structural form with reforms addressing many of the needs identified by Senator KASSEBAUM and the GAO report.

In my capacity as chairman of the appropriations subcommittee which has the responsibility for funding Job Corps, I have been intimately familiar with the operation of Job Corps. During the 15 years that I have been in the U.S. Senate, I have been an advocate for its implementation and have worked to secure funding of almost $1.1 billion for the program.

It is my view, after seeing the application of the Job Corps in my home State of Pennsylvania and in other States, after working assiduously with my former colleague, Senator Heinz, for the opening of a major Job Corps center in Pittsburgh and having seen the successful implementation of the other three Job Corps centers in Pennsylvania, that the current requirements operating as a Federal program ought to be maintained.

I appreciate the general concept of block grants, but it is a concern of

mine that we may be going too far on the block grant concept at the outset, especially at a time when we have given the States great authority on welfare reform. To lump the funds for Job Corps with the other block grants which are being given to the States, in my judgment, is an open invitation to have these very important funds on job training diverted to other purposes.

There is no question about the need for a well-trained American work force, and there is no question about the importance of people having the ability to find jobs. If there is one core answer for the problems of crime, it is that people are able to hold a job and support themselves. I have long been interested in providing early intervention including education, job training, and realistic rehabilitation for juveniles and for first-time offenders. I believe that Job Corps goes a long way toward achieving that objective.

The legislation Senator SIMON and I have crafted and introduced here incorporates many of, if not most of, the remedies which have been proposed by Senator KASSEBAUM, such the provision regarding zero tolerance on drugs, alcohol, and violence. We have also responded to integrating the Job Corps into the overall work force development scheme, which is part of Senator KASSEBAUM's legislation.

This amendment works on issues identified by Senator KASSEBAUM, by strengthening State and local ties to the Job Corps, and by requiring that any plans to operate a center be submitted to the Governor for comment and review prior to submission to the Secretary of Labor. This allows for the integration of local interests of the Governor, but not total discretion to abolish the Job Corps or to abolish the great strides which have been made in so many Job Corps centers.

The amendment also requires screening and selection procedures for participating at-risk youth to be implemented through local partnerships and community organizations with the local work force development corps and one-stop career centers, again being responsive to concerns raised by Senator KASSEBAUM.

The Specter-Simon amendment relies on Chairman KASSEBAUM's national audit approach, but we submit that measure calls for the closing of five poorly performing centers by September 30, 1997, and five more by September 30 of the year 2000. We do allow discretion to the Secretary of Labor regarding this important provision which will allow him to close additional centers after an appropriate audit.

In essence, Mr. President, what we are looking at here is very extensive work done by the Committee on Labor and Human Resources under the direction of my distinguished colleague from Kansas. The GAO has identified certain problems which this Senator acknowledges to be true. But in the context of block grants being made this year beyond welfare such as with Medicaid, it is my judgment and the judgment of the other cosponsors, and I think a large part of the Senate, that we ought not go too far too fast.

The Job Corps has been an effective program that ought to be corrected, but we ought not allow the States to abolish the program at their own discretion. I have total confidence in my State of Pennsylvania. However, there are other States where that kind of confidence does not exist.

Now, Mr. President, without really trying to filibuster or speak at any undue length, I note the arrival of my distinguished colleague, Senator SIMON. However, first I yield to my distinguished colleague from Utah, Senator HATCH, 4 minutes.

Mr. HATCH. Thank you. Mr. President, I rise in support of the amendment offered by my colleagues, Senators SPECTER and SIMON, to maintain the Job Corps as a national program.

Now I have to say that I understand what the distinguished Senator from Kansas is trying to do and I generally support her on this bill.

With regard to Job Corps, I really do not believe it can work unless it is a national program, because much of the Job Corps Program depends upon the in-resident training. People coming to the actual Job Corps centers, living there, many of these kids culturally deprived, economically deprived, child abuse, kids that are in real trouble. This is the only program that works or that we have, in essence, for hard-core unemployed youth, and it does work. It is expensive. On the other hand, not nearly as expensive as if these kids wind up on welfare or wind up in the drug culture or wind up in the criminal culture of our society.

As my colleagues know, Utah is the home of two outstanding Job Corps centers. Wever Basin is a conservation center that is consistently rated in the top 10 centers; Clearfield Jobs Corps Center is run under contract by the Management Training Corps of Ogden, UT, which has a long and stellar history of managing Job Corps programs throughout the United States and has been named contractor of the year by the Labor Department. We are very proud of Utah's contribution to the Job Corps Program.

The Job Corps itself is unique. It is unlike education and training programs offered under the Job Training Partnership Act which I helped to author, the Carl Perkins Vocational Act, which I also worked on, or any other Federal initiative. First of all, it is geared to those young people who have failed in traditional settings and whose traditional support systems and often their own families have failed them.

Second, the Job Corps is primarily, as I said, a residential program. It is designed specifically to get these young people out of the streets, off the streets, and out of harm's way, away from the influences of gangs and drugs and violence. Job Corps centers can provide clean, structured, positive, environments, and they do.

For many young people, it makes little sense for them to spend 8 hours a day in a constructive learning situation only to return at 5 p.m. to abusive homes, pressure from unenlightened peers, or the temptations of drugs and alcohol.

Frankly, it would be hard for me to support the Job Corps if it were only another job training program. I think I would have great difficulty. I cannot justify $1 billion to duplicate something that States and local governments are already doing.

On that score, I think the Senator from Kansas is absolutely right. We need consolidation, and we need more State and local flexibility.

We learned during last year's debate on the crime bill we have over 150 separate job training and youth development programs, all having differing sets of regulations, reporting requirements, and so forth.

That is a waste of bureaucracy, pure and simple. I want to commend the Labor and Human Resources Committee for putting together this bill to do something about it. This is a commonsense solution to the proliferation of programs and to the needless expenditure of time and resources just to keep up with the paperwork.

But the Job Corps is not just another program. Its residential capability makes it different, and I believe the current national administration of Job Corps is necessary to promote both continuity and accountability. For that reason, I support the Specter-Simon amendment.

Another reason for supporting this amendment is it deals honestly and forthrightly with some of the legitimate criticisms that have been raised about Job Corps.

Again, I commend Senator KASSEBAUM for holding thorough oversight hearings on the Job Corps. The results of these hearings as well as the reports from the General Accounting Office and the Labor Department inspector general have identified specific areas in which Job Corps must improve.

No program should be immune from congressional inquiry. Any program that is doing its job effectively should welcome such hearings. Should this amendment carry, I encourage the Labor Department to continue its scrutiny of the program in its efforts to improve the identified areas.

Those of us who support this amendment to maintain Job Corps as a national program need to make it clear that this is not a hands-off Job Corps vote or license for business as usual. On the contrary, if Job Corps remains a national program, it remains subject to national oversight, including continual progress reports by the GAO and the Labor Department inspector general.

In this case, however, the way to address these issues is not throwing the baby out with the bath water. The Specter-Simon amendment makes many important reforms in the Job Corps.

For starters, the amendment ties the Job Corps more closely to the integrated job training system being created by S. 143. This only makes sense. Without making Job Corps a State program, we can make sure that Job Corps programs are coordinated with other State and local efforts. We can also utilize the one-stop career centers to make the Job Corps option more available to young people who could benefit from it.

Again, I want to thank Senators SPECTER and SIMON for providing more input for State Governors on this amendment. I believe this change will not only solidify cooperation, but will also be an additional check on Job Corps contractors.

I am also encouraged by the codification of Job Corps' guidelines concerning behavior by corps members. The zero-tolerance policy on drugs, alcohol, and violence must be strictly enforced. Of course, it means nothing if it is not.

By including these provisions in this amendment, we are giving congressional weight to the efforts of the Department of Labor and individual Job Corps contractors and center directors to ensure the state of Job Corps centers. Nothing less than the viability of the residential center concept is at stake.

In short, this is a we-mean-business provision. Students who want to turn their lives around should not have to confront the same negative influences in Job Corps as they left on the streets behind them.

Finally, the amendment requires the closure of the 10 worst performing centers. We have too many needs and too little money to continue to prop up consistently poor performing centers. The costs of operating Job Corps centers will continue to go up along with everything else. We must make tough decisions about where to make cuts.

It seems to me that one obvious place to look is the bottom rung of the performance ladder. While I applaud the efforts DOL made to enforce performance standards, there are still centers that have such a long way to go—that it is more economical to close them than to conserve resources to maintain program quality at other centers.

Mr. President, I believe the Specter-Simon amendment is a balanced response to the criticisms that have been raised about the program, as well as desirable of maintaining the Job Corps as a national program. I urge Senators to support the amendment.

Mr. SPECTER. I thank my distinguished colleague from Utah, and inquire how much time remains on our side.

The PRESIDING OFFICER. Ten minutes and thirty seconds remain.

Mr. SPECTER. I yield to my distinguished colleague from Illinois, Senator SIMON.

Mr. SIMON. Mr. President, I thank my colleague from Pennsylvania and I thank him for sponsoring this amendment and I appreciate the comments of Senator HATCH.

Mr. SPECTER. May I inquire of my colleague from Illinois how much time he intends to take? We have had some requests from other Senators.

Mr. SIMON. If my colleague can give me 5 minutes, that will be great.

Mr. SPECTER. Five minutes? Fine.

Mr. SIMON. Mr. President, first of all, we are not talking about the Sunday school class of Our Savior's Lutheran Church at Carbondale, IL. We are talking about a marginal group of young people: 79 percent high school dropouts, 73 percent have never been employed before. While they have problems, they have been improving.

This is the placement rate for the Job Corps. For those who criticize it and say only 36 percent graduate, those figures are also gradually going up. I point out, U.S. News & World Report just came out with the best colleges and universities in the Nation and I notice that Wichita State University, a great school in my colleague's State, had a 30-percent graduation rate. That is not an abysmal rate, when you take a look at what is happening. With the placement rate, it is not only that you get over 70 percent placed in jobs, it is also that 79 percent—interestingly the same percentage; these are high school dropouts—79 percent of the employers speak very highly of these young people who are marginal, who have really been struggling.

In 1991 the National Commission on Children, a bipartisan body of 34 members wrote, ''We recommend that the Job Corps component of JTPA be expanded over the next decade''—not cut back, as this will do, without this amendment—''be expanded over the next decade to increase participation from its present level of approximately 62,000 a year to approximately 93,000 a year.''

In 1993, the Milton Eisenhower Foundation, commemorating the 25th anniversary of the National Advisory Commission on Civil Disorders—listen to what they have to say, the Milton Eisenhower foundation.

Next to Head Start, the Job Corps appears to be the second most successful across-the-board American prevention program ever created for high-risk kids.

What we are being asked to do is automatically cut back on 25 Job Corps centers and then block grant. There are areas where block grants make sense, but this is sure not one of them. Most States have no experience whatsoever in this field. Here we know we have a program that is working, is being commended by a great many people.

I will have printed in the RECORD a letter signed by Peter Brennan, Secretary of Labor under the Nixon administration, Dick Schubert, Deputy Secretary of Labor under both the Nixon and Ford administration, Bill Usery, Secretary of Labor under the Ford administration, Ray Marshall, Secretary of Labor under the Carter administration, Frank C. Casillas, Assistant Secretary of Labor under the Reagan administration, Malcolm Lovell Jr., Assistant Secretary for Manpower under the Nixon administration, and Under Secretary of Labor under the Reagan administration, Roger Semarad, Assistant Secretary of Labor under the Reagan administration—all them saying we ought to keep the Job Corps.

I ask unanimous consent to have that printed in the RECORD at this point.

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

[From the Washington Times, Letters to the Editor]

KILLING JOB CORPS WILL PUT YOUNG AT JEOPARDY

Job Corps is our country's successful national residential, educational and job-training program for at-risk youth. The Workplace Development Act (S.143) puts Job Corps' future, and the young people it serves, in jeopardy.

If passed, it will close 25 centers and turn over operations of this most comprehensive program to the states. In 30 years, no state has successfully operated such a program. The legislation ignores Job Corps' solid track record and poses a risky alternative.

This bill, which was amended to the welfare reform bill (H.R.4) is in sharp contract to all other proposed consolidation recommendations.

Four million young people in the United States need of basic education, job skills and job-placement assistance only Job Corps offers. Most youths who enroll in Job Corps have inadequate education. Most do not have the skills or attitudes needed to find and keep good jobs. All are from poor families.

As the largest, most comprehensive and cost-effective program of its kind, Job Corps is a solution for disadvantaged youths between the ages of 16 and 24. Seven out of 10 graduates enter jobs or pursue further education. Job Corps should remain a national program because it works, is accessible, cost-efficient, accountable and helps communities.

The American public, Congress and the Clinton administration should be proud of Job Corps. We implore the members of Congress from other sides of the aisle to continue support for Job Corps as a distinct national program.

PETER J. BRENNAN,
Secretary of Labor, Nixon Administration, New York.

DICK SHUBERT,
Deputy Secretary of Labor, Nixon/Ford Administration, Washington.

W.J. USERY, Jr.,
Secretary of Labor, Ford Administration, Washington.

RAY MARSHALL,
Secretary of Labor, Carter Administration, Austin, TX.

FRANK C. CASILLAS,
Assistant Secretary of Labor, Reagan Administration, Chicago.

MALCOLM R. LOVELL JR.,
Assistant Secretary for Manpower, Nixon Administration, Under Secretary of Labor, Reagan Administration, Washington.

ROGER SEMARAD,
Assistant Secretary of Labor, Reagan Administration, Leesburg, VA.

Mr. SIMON. Mr. President, I think the evidence is just overwhelming that we should not put the Job Corps on the chopping block. This is a program that has some difficulties because you are

dealing with marginal young people, but it works. And when we have a program that works we ought to be expanding it and not cutting back on it.

I urge my colleagues to accept the amendment that Senator SPECTER and I have introduced. I think it is in the national interest.

I yield the floor.

The PRESIDING OFFICER. The Senator from Kansas.

Mrs. KASSEBAUM. Mr. President, I yield 7 minutes to the Senator from Ohio.

The PRESIDING OFFICER (Mr. ASHCROFT). The Senator from Ohio.

Mr. DEWINE. Mr. President, I rise today very reluctantly to oppose the amendment from my friends from Pennsylvania and Illinois and Utah. I say reluctantly because I totally agree with their objectives and I totally agree with their analysis of what is one of the gravest problems this country faces and that is the growing number of young people in this country who are literally growing up in a society that is separate from the rest of us.

Someone has come up with the term ''at-risk youth.'' You see these at-risk youth when you go into a Job Corps center site, as I have in Dayton, OH, or in Cincinnati or in Cleveland. You talk to these kids—really not kids, young adults—and you find they have grown up in a family where there is one parent, that one parent may be an alcoholic or drug addict, where no one in the family has worked for years—where no one has in the neighborhood, really. They do not seem to know anybody in the neighborhood who has worked. That is not true in every case, but it is not atypical.

The thing we have to keep in mind, though, is when we go into a Job Corps site and see these young people, for every one you see in a Job Corps site there are 10, 100, maybe 1,000, maybe 10,000 more out there in every one of our States, so we are just seeing a small number of these individuals.

So I applaud the purpose of this amendment but I differ in the approach. We looked at this issue at length in the Labor Committee. The committee adopted an amendment that I offered that ensures that approximately 40 percent of the money that will be spent at the State level will be spent for these at-risk youth and that we will not allow the States to cream off the top, to just help those young people who are between jobs, to help just those in the middle class, but that the States will be required —the total package provides $2.1 billion that has to be spent on the at-risk youth.

Now we move to the question how do we spend this money the most effectively? There are those who look at Job Corps and say, ''Do away with it.'' They cite the statistics of crime, drug abuse, lack of any definable results or quantitative results. There are others who say very eloquently, ''The Job Corps does work and we have to have a residential facility.'' I believe the Senator from Kansas, who chairs our committee, has come up with a very rational compromise and it is a middle position. It is a position, I believe, that marries the best of both worlds.

What does it do? It says we understand there are problems with the Job Corps. We are going to try to fix those. It says, of the 111 or so Job Corps sites—we have eight more coming on, that makes 119—we are going to take 25, the worst, in an objective measure, and those will be eliminated. But the rest will stay in existence.

I want Members who are listening back in their offices to keep this in mind. They will continue and they will continue under the authority and the power of the States. Any State that might lose a Job Corps site—25. For example, let us say Ohio might lose one. It may. I do not know. But that money would continue to flow to the State and that money would have to be spent for at-risk youth. It could not be creamed off. It could not be used by the State for any other purpose but to target this at-risk youth. That, to me, is very, very significant.

I think it is important to point out exactly where this bill stands now. As a result of the amendment that I offered and other changes that were made, and the good work of the chairman, the Workforce Development Act now targets $2.1 billion of the funding on Jobs Corps and other education and training programs directly on the problems of at-risk youth.

States have to spend roughly 40 percent of job training dollars in this bill on the at-risk youth problem. They cannot cream off the easy part for the job training problem. They have to tackle the tough cases.

The bill provides us a framework based initially on a residential concept for Job Corps. But it requires that a major portion of this money be targeted at this at-risk youth population.

I believe that this legislation now represents a rational compromise. In this compromise, States must target the at-risk youth population. But along with this requirement, or mandate, they are given flexibility—flexibility that I think is essential if we are to empower the States and to encourage the States to develop a full-fledged program for at-risk youth.

States should not be in a position to turn and say, ''Well, the at-risk youth is the Federal Government's problem. The at-risk youth is what we have Job Corps for.'' I do not think so. I think it is much better if it is integrated to the State's entire program to deal with all of the at-risk youth in the State.

This compromise keeps most Job Corps centers in place. But it shifts control of the centers to the States to promote a greater focus on local jobs. The goal of the compromise is to make sure States see helping at-risk youth as an integral, very significant part of their mission.

The specific issue of the future of the Job Corps Program is of great concern to myself and my colleague from Pennsylvania and other Members on the floor. Some people, as I said, want to abolish Job Corps. Some want to keep it with the status quo and make some minor changes. I believe the compromise that we have come up with will actually rescue Job Corps and start it down the path of truly fixing it.

It is clear that many of these at-risk youth that I have talked about will continue to need the kind of residential education that Job Corps provides. I think we need to keep that option open. That is why Job Corps was not abolished in this compromise. That is why the Labor Committee bill provides for a great deal of flexibility in how this fund for at-risk youth will be used. Indeed, the bill cures what has been one of the major complaints about the Job Corps program in the past—the fact that Job Corps is a nationally administered program that does not respond to the needs of the local labor markets. I will come back to that in a moment.

One of the key insights into a recent American political discourse is that we need to rebuild the sense of community. My friend from Indiana, Senator COATS, has talked about that. He has spoken eloquently on the need to rebuild the ties that make for a successful civil society.

But let us look at a typical Job Corps experience. A young woman or young man from Detroit, MI, may be sent to a Job Corps Center in Dayton, OH, and that Job Corps Center in Dayton, OH, may be run by a contractor from Utah. Then when that young man or that young woman goes out to find a job, the agency that is charged with helping that person find a job may be based in Atlanta, GA. You lose the sense of community which I think most people truly understand is essential if the person in the Job Corps is not only going to be trained but if they are going to have a real job afterward, 6 months or 12 months later, because that is the true test of whether it works or not.

The problem with the current system is that very few people involved in this process have any real ties to the local community or to the particular young adult being trained.

This is an extremely disjointed process, not a focused, locally oriented approach. More often than not, the young person does not remain in the community where a Job Corps center is. The person quite naturally tends to go home. I think a truly successful Job Corps Program should look at that young person not just as another client who is shipped somewhere, but as a member of the local community.

That is why streamlining the job training program into block grants to the States is how we have done it in this bill. We have also decided to shift the Job Corps Program to the States. There is a much greater chance that Job Corps will succeed in rescuing an at-risk youth if that program is tapped

into a local community—local youth, local employers, and local jobs. The Job Corps needs to be part of a focused, comprehensive, locally oriented system. I think that is very, very important.

So let me conclude by saying, Mr. President, that everyone on this floor—as I look around at all the Members—has a great concern about at-risk youth. The only issue today is how we best serve these at-risk youth.

I believe that the continuation of Job Corps—and an improved Job Corps providing for residential services but integrated into a State system—is really the only way that we can go. It is a rational approach. It is a rational compromise. I think it has a much greater chance of success than continuing the current system.

So, I ask my colleagues—again, I say this quite reluctantly—to defeat this amendment and assure them that when they look at this bill they will find it is a bill that has considered at-risk youth, and not only has considered at-risk youth but has put a star behind that term, and say we care, we care about the at-risk youth in this society, and that this Congress, this Senate, is not going to forget about them but, even more importantly, the States are not either.

Thank you very much, Mr. President.

Mr. PELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. SPECTER. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. Twelve minutes and thirty seconds.

Mr. SPECTER. I yield 3 minutes to my distinguished colleague from Rhode Island with whom I served for many years on the authorizing committee, and who knows the subject very well.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. PELL. Mr. President, I thank my colleague.

Mr. President, when the subject of Job Corps was being discussed on the Senate floor at an earlier time, I spoke about solutions to,

> The important problems and challenges facing our young people: the need for originality and new ideas; the need for knowledge to combat ignorance; and, above all, the need for broadening the horizons for youth, so that each young man and young woman in the United States can develop the best of his or her talents in a climate of maximum opportunity.

I delivered those remarks in March 1964 during debate on President Johnson's poverty program, which created, among others, the Job Corps Program. Thirty-one years later, the problems and challenges are surprisingly, and unfortunately, the same. I doubt any of my colleagues would disagree with the importance of allowing our young people to develop to the best of their ability.

For many, colleges and universities are the places they go to develop their talents; still others find vocational schools or service in our Armed Forces to be the place. Regrettably, Mr. President, there remain some young men and women who do not even know what their talent is.

They are referred to as poverty youth. In reality, they are young Americans who, through no fault of their own, lack the skills needed to get an education or find a job.

It is for these people that Job Corps was created, has flourished, and must continue. It is just as important today as it was 34 years ago to do all we can to look for new ideas to old problems; to replace ignorance with knowledge; and most important, allow all of our young people, no matter who they are, where they live, or how much they make, to discover their special talent and go on to develop that talent.

This is why I am a cosponsor of and will vote for the Simon-Specter amendment. I am pleased the amendment calls for a review and closing of any centers that are not serving their students. I am also pleased about the strong emphasis the amendment places on community involvement. The hearings held by the Senate Labor and Human Resources Committee certainly pointed out the strong, positive impact an involved community can have on the success of a Job Corps Center. Most important, I am pleased that the Simon-Specter amendment keeps the Job Corps Program as a national program. This, I feel, is vital.

My only lingering regret, Mr. President, is that my own State of Rhode Island is one of four States which so far does not have a Job Corps Center of its own. I continue to hope that this omission can be addressed in the context of strengthening and improving the program.

I yield the floor.

Mrs. KASSEBAUM. Mr. President, I would like to yield 7 minutes to the Senator from Nebraska.

Mr. KERREY. Mr. President, I rise in opposition to this amendment. I believe the intent to preserve the Job Corps is a good intent. The Job Corps in the main has been a program that has had a substantial amount of success. However, the purpose of S. 143, of this piece of legislation, is to give not just the States more flexibility but provide, for the first time, taxpayers with a real system of accountability, requiring States to develop a plan, present benchmarks for that plan and suffer monetary penalties if they do not meet the objectives under the plan.

This says we are not just going to block grant money back to the States and allow them to willy-nilly spend the money. This legislation creates, for the first time, an accountable system and allows Governors and people in the States to preserve their Job Corps Program, but it says that we are going to transfer primary responsibility for any Job Corps Center to the State in which the Job Corps Center is located.

States rather than the Federal Government under this legislation, we believe, are in the best position to manage and operate these centers and, most important, to integrate them with their statewide work force development system.

I would actually make the case that this is a good area for us to begin to consider what kind of swaps we might be able to work with the States entirely. We are not only talking about giving the States responsibility. We are collecting a lot of taxpayer money here and shipping it back to the States to do a function that I believe is largely something that the States do better than the Federal Government anyway, which is to work with small business, to work with big business, to work with educational institutions to try to develop programs that will help individuals acquire skills they need to either get in the work force for the first time, which is typically what Job Corps does, or to acquire the skills to enable them to move up the economic ladder.

I actually would love to get into a debate, into a discussion as we talk about shifting more power back to the States about whether we want to not just shift power back to the States but whether we want to shift all funding responsibilities. I think it was a mistake for us to block grant, for example, Medicaid and give Medicaid back to the States under a block grant program. I did not support the welfare bill because I do not think income maintenance programs can be run by the States. But some kind of a swap as we are trying to decide what does the Federal Government do well and what do the States do well it seems to me to be appropriate rather than just assuming that everything ought to be shifted back to the States.

Some things the Federal Government does quite well. One of them, however, Mr. President, I do not believe is in the area of job training and economic development. There I believe very strongly the States should be given the principal responsibility and be given not just flexibility but as long as they are asking us for tax dollars that we on behalf of our taxpayers need to hold them accountable for what is going on.

Again, this legislation, S. 143, as I said yesterday when I spoke on it, is one of the very small number—in fact, I only have two on my list right at the moment—of changes in the law where I am certain a couple of years from now people on the street in Nebraska are going to come up and say, ''You know, that work force development legislation, I have a job today because of that. I am earning $5,000 more a year because of that. My family survived as a consequence of that legislation.''

This piece of legislation will produce real change that people will appreciate at the local level, where they are asking increasingly, what is this Congress all about? What are you doing that is relevant to our lives?

The other one, I point out again for emphasis, is S. 1128, the health insurance reform legislation. Mr. President,

25 million Americans will benefit if we end the practice of excluding people on the basis of preexisting conditions and allow people to port their insurance from one job to another.

Last year, in the debate over health care, it seemed no one was for that, and this year it has become popular to suggest it; 25 million Americans benefit from that. Again, by coincidence, it is sponsored by the Senator from Kansas and the Senator from Massachusetts. S. 143, like S. 1128, will enable you in townhall meetings to have people stand up and say: This one made a difference in my life. My family is stronger; my income is higher; I have that job; I have adjusted to the marketplace; I have skills and am able to do things I was not able to do before.

So those who are wondering whether or not you are voting against Job Corps, you are not voting against Job Corps by voting against this amendment. Job Corps is still alive under S. 143. We do not kill Job Corps with this proposal.

I have a letter—I suspect all my colleagues do—with a very impressive list of many of my friends here in Washington, DC, advocacy groups urging me to vote for this amendment. I will vote against this amendment and say to my friends and those at-risk youths I believe the States will in fact do a much better job.

We have a Job Corps facility in Nebraska. My guess is my Governor is going to say it does a good job; they are going to integrate it into their plan; they are not going to shut down the Job Corps Program in Crawford, NE, but they are going to integrate it into their development program. If it fails to do the job, Mr. President, they will know that they cannot come back to Washington and have the Congress bail them out. They will know if they do not do the job, they will have to turn to their legislature and their own Governor and try to make a losing program still get funding by the taxpayers.

So I believe this amendment should be defeated because I think it actually undercuts long-term the support for the Job Corps Program. It is much more likely that this particular piece of legislation does the right kind of empowering, does empower people at the local level, empowers small business to participate in economic development markets, enables us to turn to taxpayers and say these 90 different job training programs have been consolidated into one and we have tough requirements for benchmarking and tough requirements for standards. You know that you are going to get your money's worth in this program and much more likely that taxpayers will be satisfied as well.

Perhaps most important for me, S. 143 is going to empower people at the local level to get involved, trying to figure out what we can do to make sure that half of the graduating class that goes directly into the work force has the skills that the market says they need in order to get a job.

Increasingly, I talk to citizens who say: We are cut out of it; we do not seem to have much power, much opportunity. We try to get to our school boards to get help but we are not able to.

Mr. President, I request 2 additional minutes.

Mrs. KASSEBAUM. I yield the Senator 2 minutes.

Mr. KERREY. I say in conclusion, Mr. President, I think the amendment is well intended and I understand there is strong support for the Jobs Corps. I have been a strong supporter of Job Corps as well. But it is much more likely to survive if the taxpayers say: We are getting our money's worth if it is integrated into the State plan for job training and economic development.

So I hope my colleagues who support Job Corps will oppose this amendment and make sure that S. 143 does in fact empower the people at the local level.

Mr. SPECTER. Will my colleague yield for a question on my time?

I just have one very brief question. I inquire of my colleague from Nebraska if he would see a difference between the Job Corps in a State like Nebraska, administered by a Governor like Governor KERREY, or a State like Ohio, by my distinguished colleague, Senator DEWINE, compared to some of the other States in the United States where with a block grant we might not be so confident that we have Job Corps maintained?

Mr. KERREY. It is entirely possible that you are going to get situations where Governors are less friendly to the Job Corps than I would be or he might be, I say to the Senator from Pennsylvania, but one of the things that I have a difficult time with in general when it comes to Federal programs is people at the local level say: We know this thing is not working but the power to determine whether it survives reverts back to Washington.

And again I wish to say for emphasis there are some things that I do not want to shift to the States. I do not want to shift income maintenance to the States. I do not want to shift Medicaid to the States. I would like to empower people to make more decisions when it comes to health care, empower them to make more decisions. I do not want the Federal bureaucracies to control all the decisions, but when it comes to job training and economic development I really see it as a State role.

I would love to get into a discussion of how we get a swap with the States taking over things that are Federal responsibilities but saying to them where it is a State responsibility, you are going to be required to come up with your own money.

I would say to the Senator from Pennsylvania as well——

The PRESIDING OFFICER. The time has expired.

Mr. KERREY. I know from my own State of Nebraska, when people campaign for the office of Governor—I suspect it is similar to Pennsylvania—the No. 1 question they have to answer is, What are you going to do to create jobs?

The PRESIDING OFFICER. The Senator's time has expired.

Mr. KERREY. Economic development is so important, no Governor is going to get away with shutting down a Job Corps center that is doing a good job.

Mr. SPECTER. I ask unanimous consent that Senator HARKIN be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, I would like to yield myself 7 minutes on the bill. And then I will yield 5 minutes on the bill to the Senator from Iowa.

I want to speak in support of the amendment. I must say I was in such agreement with my good friend, Senator KERREY, yesterday, and I am at difference with him today. We are talking about the same subject matters. But I very much appreciate his longstanding interest in terms of the training programs that have been developed out of the Human Resources Committee under the leadership of Senator KASSEBAUM.

I want to also pay tribute to Senator DEWINE, although I differ with him on this issue as well. He has spent an enormous amount of time as a Lieutenant Governor and in our committee in working across the partisan lines to bring focus and attention to at-risk youth in this country and has made it one of his priorities. I think all of us that care about the issue of at-risk youth are very much in his debt at this time and look forward to working with him down the road on other ways that we can be more effective.

Mr. President, I urge the Senate to support the Job Corps amendment. The committee bill on this issue is a classic case of throwing out the baby with the bathwater. I strongly support the basic purpose of the bill, which is to consolidate the current overlapping and often confusing array of Federal job training and job education programs. But it makes no sense to eliminate the Job Corps, which is a program that is not broken and does not need this kind of fixing. The Job Corps is a Federal program that works, and it deserves to remain a Federal program. It works extremely effectively to bring hope and opportunity into the lives of tens of thousands of disadvantaged young men and women every year. And it works extremely cost effectively as well.

A study in the 1980's found that the Job Corps saves $1.46 in future costs for crime and welfare for every $1 invested in the program. And there have been more than 200 IG reviews of the Job Corps Program, and they have been overwhelmingly in support of the Job Corps Program over the period of these last 30 years.

I will just quote briefly the IG report of 1991 where it says, ''85 percent of the investment in Job Corps resulted in

participants receiving measurable benefits.'' The GAO report of 1995: ''Job Corps is serving its intended population. Employers who hire Job Corps students were satisfied with the students' work habits and technical training.''

Mr. President, the Job Corps has its problems, like any social program, dealing with the difficult challenges of assisting disadvantaged youth and helping them to become productive and responsible citizens. We can deal with the program's problems. No one is trying to sweep them under the rug. But it would be very wrong and highly counterproductive to use these problems as a pretext to turn the entire Job Corps over to the States and abandon the many positive features that far outweigh the problems in this innovative Federal program.

Any fair assessment of the Job Corps demonstrates its success. The Job Corps is a unique residential program that provides education and training for at-risk youth. It is national in scope. A third of Job Corps participants are enrolled in centers outside their own States. That means Job Corps can offer a real choice to young men and women about the kind of careers they want. If the Job Corps center in their State does not provide that kind of training, they can enroll in a center in another State that does. If we fragment this national focus and turn the Job Corps into 50 separate programs, at the option of each State, the obvious advantage of this impressive national capability will be lost.

There is no question that Job Corps has succeeded in fulfilling its mission. In 1994, 73 percent of all the Job Corps participants were placed in jobs, joined the military, or went on to some form of further education. I will point out, in response to points that were made earlier about the issues of accountability for the Job Corps that included in the Specter-Simon amendment, there are required evaluations which look at placement rates, verified after 13 weeks, learning gains, placement wages, dropout rates, enrollees obtaining GED's—all different assessments and evaluations of the programs so that we will have a closer review of the success of the programs and also its challenges.

Finally, there is talk by some opponents of Job Corps of eliminating excessive Federal bureaucracy. The total bureaucracy consists of a grand total of about 190 officials. Some bureaucracy. It should be obvious to everyone that three to four officials per State cannot manage the Job Corps if we turn the program over to the States. The committee bill is a prescription for increased Job Corps bureaucracy, not reduced bureaucracy.

For all these reasons I urge the Senate to save the Job Corps. This is a vote for a Federal program that works. It is a vote for hope and jobs and opportunity for young men and women across the country who need our help the most. For them Job Corps is a lifeline. The Senate should preserve it, not cut it off.

Mr. President, I yield 7 minutes to the Senator from Iowa.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. I thank the Senator for yielding me this time off the bill. I did want to support the amendment and be a cosponsor of the amendment because I feel so strongly that Job Corps has done an outstanding job. There have been problems. Yes, there have been problems. I believe that we have addressed those problems. I believe this amendment addresses those problems.

But just to arbitrarily close 25 centers around the United States and then to turn this back over to the States with almost no benchmarks at all, I think would be the death knell for Job Corps, and it would be the end of it. Job Corps, as has been stated so many times, I am sure, by people who have spoken on the floor of the Senate here, Job Corps serves our most disadvantaged youth. These are not young people who have gone through high school and gotten good grades, maybe got a job; these are hardcore, unemployed, disadvantaged youths. To close them down would be a big mistake.

Despite the disadvantages of the youths that come into this program, the program has succeeded. The last comprehensive study of Job Corps found each $1 invested returns a $1.46. Last year, 73 percent of Job Corps students found jobs or entered higher education after leaving the centers. I challenge any State-run job training program to match that kind of figure. You cannot find it anywhere—73 percent. Now, they may place them, but in the Job Corps center that we have in Iowa, 95 percent of those found jobs with an average hourly wage of $6.20 an hour, and not minimum wage, more than minimum wage.

We have a Job Corps center in Denison, IA. I have to tell you, Mr. President, when this thing first started in Iowa, the Job Corps center, they took over an old junior college that had gone under. When it first started in Denison—Denison is a small community, community of about 6,700 people—when they thought about this Job Corps center there and they were going to bring these inner-city kids in and kids who had been on drugs, there was a public outcry, and it just about did not succeed in being located in Denison.

Finally, some cooler heads prevailed. They opened it up. And I can tell you, Mr. President, it has so much support in Denison and the surrounding countryside you cannot believe it. I know my friend from Nebraska was saying that we have got to get more local level involvement. You cannot get more local level involvement than what you have in the Denison, IA, Job Corps Center and, I daresay, a lot of other Job Corps centers around the country because they work closely with businesses in the community.

They are taught by people with skills in different occupations. They go out and work among people, so they get to understand what it is like to be in the work force. And the people in the Denison area have supported it overwhelmingly since it has come in. Five hundred kids a year go through there. And I might add it is one of the handful of centers that provides child care for students.

The child development center there opened in 1993. It allows parents to keep their children with them while they are enrolled in training programs. So a young mother, maybe with one or two kids, can come there, go through the program and keep her children with her. Children from 6 months to 2 years are in a developmental child care program. And at the Denison Job Corps Center, for children 3 to 5, we have a Head Start Program.

So, again, it is fully integrated with developmental for early childhood, Head Start, and allow these kids to stay there with their parents.

As I said, Job Corps in Denison is the third largest employer. It has 121 full-time employees and a $3.4 million annual payroll. And the center gives back to the community. It makes civic contributions. They built a new press box at the high school athletic field. The kids went out and built it. They contributed to the community. They built a new stage for the Donna Reed Performing Arts Festival that we have annually to commemorate the hometown of Donna Reed.

So, again—I do not know—when I hear people say that we need more local involvement, you cannot get more local involvement than what we have in the Job Corps Center in Denison, IA. We talk about turning it back to the States so they do not come to the Federal Government when they get in trouble. The fact is, under the bill, if you turn it back to the States with almost no benchmarks, they would not run to the Federal Government because there is nothing for them to meet.

But under the amendment, we set up benchmarks, we set up strict guidelines on drug usage and that type of thing, and we make sure that they meet certain stringent guidelines. So we have, I believe, addressed the problems that we have confronted in some Job Corps centers.

I am not going to stand here and say every Job Corps center has been the epitome of correctness and that they have been run right. But to just take a blunt meat-ax approach and cut them out is, I believe, the wrong way to go. I believe this amendment is the right way to go. It solves the problems. It keeps the centers going. It, indeed, closes 10, but not the 25, and it sets up the strict guidelines we need to make sure we do not have these problems in the future.

I urge those who want to make sure that we instill in these young people

family values and a work ethic so they can get out of the environment they are in and put them in a new work environment in a community, you cannot beat the Job Corps for what they are doing. It is one of the best investments we have ever made. I certainly hope we do not do away with it, and I support the amendment wholeheartedly.

Mr. McCONNELL. Mr. President, if the distinguished sponsor of the bill, Senator KASSEBAUM, would yield, I would like to ask her a few questions about the impact this bill would have on Kentucky. Would the Senator yield for some questions?

Mrs. KASSEBAUM. Yes, I would be happy to yield.

Mr. McCONNELL. Our State has six Job Corps Centers. These centers currently receive a total of approximately $51 million annually to operate. Does this bill target any of the Kentucky facilities for closure?

Mrs. KASSEBAUM. This bill does not target any particular facility, in Kentucky or elsewhere, for closure.

Mr. McCONNELL. The bill does provide that 25 centers will be closed over a 2-year period. How will the decisions on closure be made.

Mrs. KASSEBAUM. The bill mandates that there be a national audit, over a 2-year period, of all Job Corps Centers, and that the national board make recommendations, based on objective performance criteria, to the Secretary of Labor. The national board will recommend that the 10 worst performing centers be closed in the first year after the audit, and that 15 additional poorly performing centers be closed in the following year.

Mr. McCONNELL. Will particular States, for example, with a disproportionate number of centers compared to the State's population, be targeted for closures?

Mrs. KASSEBAUM. No, there is no national formula established in this bill, based on geographic or population considerations. For allocating Job Corps funds, the only factors will be performance related. In fact, section 161(c) specifically provides that each State will continue to receive the same amount of funds for Job Corps even if any of the States' centers are closed. In that case, the State could then use those funds for other at-risk youth activities.

Among the factors that will be examined to determine the closure of centers are: Whether the center has experienced high incidents of criminal or violent activity; the physical condition of the facility; the degree to which the center has State and local support; and the costs of the center compared to other centers.

Mr. McCONNELL. I thank the Senator from Kansas for her explanation.

Mrs. KASSEBAUM. I appreciate the interest of the Senator from Kentucky in the impact of this bill upon his State. And, I would point out that, in the section of the bill dealing with other training programs, the State of Kentucky, according to the Congressional Research Service, will receive more funds than it currently receives. The reason for this is that the bill alters the funding formula for job training programs, and based on the new formula, Kentucky should receive a 4.2 percent increase in job training funds.

Mr. McCONNELL. I thank the Senator for her assistance.

Mrs. MURRAY. Mr. President, I speak today in support of the Simon-Specter amendment to the Workforce Development Act, which seeks to save one of America's most important programs—Job Corps.

For over three decades, the Job Corps has received bipartisan support and has created a tradition of success. In this time, Job Corps has empowered 1.6 million of America's disadvantaged youth to become responsible, tax-paying citizens.

Job Corps has proved its worth as a time-tested national program for at-risk youth. it is the only program offering a unique combination of residential education, support services, job training, and placement services.

This amendment reflects inspector general and Department of Labor testimony and General Accounting Office data that do not suggest or recommend State block granting as a means to improve Job Corps accountability.

The Workforce Development Act, as it currently exists, would close 25 Job Corps centers, one-fourth of the total Job Corps network. This represents an abandonment of $500 million in Federal facilities and the loss of thousands of jobs. The act would also currently end universal access to Job Corps for students and creates State restrictions for Job Corps programs.

The Specter-Simon amendment takes a much more rational approach to Job Corps consolidation. The amendment would simply close 10 Job Corps centers—5 by 1997 and 5 more by the year 2000, providing weaker performing centers time to improve. It would preserve Job Corps as a national program and protects national partnerships that provide essential support, training and job placement services along with universal access to Job Corps for all eligible at-risk youth, regardless where they reside.

Last year, 73 percent of Job Corps students found jobs with an average wage of $5.50 or returned to higher education after leaving the program. These numbers speak volumes about the success of the Job Corps Program.

Mr. President, I urge my colleagues to seek out Federal programs within each of their States that have proven track records. This is clearly one of those programs that has year-in and year-out provided the necessary direction of millions of disadvantaged young Americans.

I applaud the work of my colleagues—Senators SIMON and SPECTER, for their leadership, which strives to maintain a program so vital in each of our States. I believe this amendment will improve a Job Corps Program already demonstrating continued success.

Mrs. KASSEBAUM. Mr. President, I would like to lay out in some detail why I have reached the conclusion that something is seriously wrong with the Job Corps Program.

I know this program has broad bipartisan support. The Secretary of Labor has called Job Corps the crown jewel of all Federal training programs. We have a Job Corps Center in Kansas, and I initially supported that effort.

I strongly support the concept of a program that truly helps at-risk youth finish their high school education, obtain marketable job skills and get a job on which they can build a career. But Job Corps, as it is not operated by the Department of Labor, falls far short of delivering on those promises.

For years, Job Corps has claimed it places 80 percent of its participants in jobs, the military, or in higher education. I was surprised to learn, however, that half of the students dropped out in their first 6 months. Despite the fact that more than 50 percent of the students find their own jobs, Job Corps claims the majority of those dropouts as successful placements.

I also learned that Job Corps is by far the most expensive job training program operated by the Federal Government, with a budget of $1.2 billion. That translates to a cost of $23,000 for each student placement, far more than the average State college tuition.

A year ago last June, I asked for a briefing by the Department of Labor inspector general, which has been monitoring Job Corps regularly for the last several years. One of the most troubling of the inspector general's findings was Job Corps' extremely high dropout rates. One-third of new trainees drop out within the first 90 days and, as I said, 50 percent leave within 6 months.

The IG also found that only 12 percent of students were being placed in jobs requiring the skills they learned in the program. The vast majority of jobs found by Job Corps graduates were low-paying, low-skill positions.

The inspector general also questioned Job Corps' claimed placement rate of 80 percent. The IG found the actual number was closer to 60 percent. However, even this number is misleading because a job placement is defined by Job Corps as being on the job for only 20 hours.

In addition to poor performance and high dropout rates, the IG found very little accountability for Job Corps operators. The Department of Labor rarely took action to improve or upgrade centers that performed poorly year after year after year.

The inspector general also told me about an aspect of Job Corps about which, up until that time, I knew very little about. In addition to operating Job Corps Centers, the program also contracts out to employers and labor unions for advanced training programs for Job Corps graduates.

The inspector general examined one of these advanced training programs

for computer skills and found the cost to be almost $37,000 per student. Yet, the contractor placed only 9 percent of the students in jobs using the data processing skills they learned in the program.

Almost half of the program's students dropped out and were not placed. Nearly one-fourth of so-called successful placements last less than a year in the job. And yet, Mr. President, this contractor had his contract renewed without competitive bidding.

In fact, none of these advanced training contracts—worth over $40 million—are subject to competitive bidding. Again, we found poor performance and little accountability within Job Corps.

On October 4, 1994, the first oversight hearing in more than a decade on Job Corps was held by the Senate Labor and Human Resources Committee, and then-Chairman KENNEDY, at my request.

The essence of the testimony presented by the Department of Labor was that Job Corps was still an extremely successful program with minor problems. Reports of violence in the centers were dismissed as minor occurrences blown out of proportion.

Yet following the oversight hearing, I began to receive disturbing phone calls and letters from parents, former Job Corps students and Job Corps employees about the violence that existed throughout the program.

On December 13, 1994, Job Corps provided me with information on serious incidents of violence and drug use on Job Corps centers. I was told that 23 homicides were committed by Job Corps students between 1992 and 1994.

For the same period, there were nearly 300 sexual assaults, 993 incidents of violence, and 416 serious drug-related incidents, all taking place on Job Corps centers.

Worst of all, according to Job Corps' own figures, the program admitted 4,520 students with a criminal record, and 9,678 students with a history of psychological or emotional problems.

Mr. President, this flies in the face of the statute, which requires that Job Corps enrollees be screened in order to prevent admission of students who will disrupt the program. It seems this requirement is routinely ignored.

In January of this year, the Labor and Human Resources Committee held two days of oversight hearings to examine performance, accountability and the incidence of violence at Job Corps sites.

Only days before the hearings, a 19-year-old girl was murdered by three other Job Corps students just outside the fence of the Knoxville Job Corps center. The police described the murder as ''ritualistic.''

Testimony at the hearing confirmed the pervasiveness of violence and lack of discipline throughout the program. The most compelling witnesses were the students themselves. Rhonda Wheeler lasted 10 days at the McKinney Job Corps Center in Texas.

> As for the violence on center, I saw twelve fights in the ten days I was there . . . I went to clerical class because that was one of my choices. Five minutes after I got there, two students started punching each other. Both were bleeding and one student picked up a typewriter and threw it at the other . . . Illegal drugs were rampant at McKinney . . . It was another one of those things that was part of the atmosphere of the place.

Fred Freeman, Jr., a former student at the Woodstock Job Corps center in Maryland, made this statement:

> The second night I got my ''blanket party.'' This was standard treatment for new guys. A blanket party for those not familiar with the term is when you are sleeping in your bunk, somebody suddenly throws a blanket over you, and eight to ten guys take turns punching and kicking you. I told the residential advisor after it happened. He said he would report it, but nothing ever happened.

Two weeks later, Freeman said:

> Someone turned out the lights in the room and I was kicked and punched by him and his buddies. About 20 guys jumped me, and I got kicked from head to toe. After they left, my roommate took me down to the duty officer and they took me to Baltimore County Hospital. I had two cracked ribs and my right temple was swollen up like a balloon . . . No one got disciplined for the incident.

Shortly thereafter, the Knoxville Job Corps center was ordered closed by the Department of Labor. The McKinney Job Corps center was also closed, thanks in no small part to the compelling testimony of the young witnesses before the Committee.

Following the hearings, the Department of Labor agreed to take action to strictly enforce a One-strike-and-your-out policy on violence and drug use. Job Corps also identified, in conjunction with the inspector general, more than 25 Job Corps centers considered to be problem centers due to violence and consistent low performance.

While the new policy has helped, I am sorry to say the violence continues. About 6 weeks ago, a 20-year-old Job Corps student in Oklahoma was murdered by two of his classmates.

Last June, the General Accounting Office released the results of a study I requested they conduct of Job Corps. These results only reinforced the inspector general's earlier conclusions. Mr. President, I think the title of the report speaks for itself: ''High Costs and Mixed Results Raise Questions About Program's Effectiveness.''

The GAO reviewed outcomes for nearly 2,500 students terminees from six Job Corps centers. This is some of what they found:

Nearly 70 percent of the students dropped out before completing vocational training. Of the 30-percent who graduated with a job skill, nearly two-thirds found no work or found a low-paying, no skill job.

The percentage of students obtaining jobs that matched their training was only 13 percent. This corroborates the IG's earlier findings. GAO also found that half of the graduates who do get jobs only lasted two months or less at first job.

Mr. President, I know that Job Corps is circulating information to show that their performance has recently improved. My colleagues should be aware that none of the recent figures have been independently audited, and if their past records are any indication, Job Corps numbers are unreliable at best, intentionally misleading at worst.

The GAO also found that national training contractors who get paid substantial sums for finding students jobs, accounted for only 3 percent of all job placements. They also questioned the current Job Corps policy of awarding nine major national training contracts—at a cost of $41 million annually—without competitive bidding.

The report also noted that 84 percent of Job Corps vocational training is in construction, a field in which the number of job openings have steadily declined.

Mr. President, why are we spending tens of million of dollars for training for jobs that don't exist? It is little wonder Job Corps' placement rate is so low. We do a great disservice to our youth if we give them the expectation of a job where none really exists.

The inspector general continues to question the improper use of millions of dollars spent by Job Corps contractors, including some of those awarded contracts on a sole source basis.

Some of the costs these contractors claimed were identified by the IG to include: liquor and dry cleaning bills for more than $100,000; travel to China and South America by the president of one group; The son of the contractor's college tuition; $500,000 for an office in Tokyo; $300 a night rooms in resort hotels; and excessive salary increases and bonuses for company executives.

More recently, the inspector general found that Job Corps was forced to write off nearly $1.76 million owed by terminated students during program years 1992 to 1994. The write-offs were partly the result of job placement bonus payments to students which later proved to be nonexistent.

Mr. President, I could go on and on with more facts and figures. But I think the case for reform is clear. Even more compelling than the facts and figures are the complaints I have received from students and staff across the program, as recently as this past weekend.

Let me conclude with an excerpt of a letter I received from a Job Corps recruiter, dated August 1 of this year. He writes:

> I could not morally, ethnically or consciously send my friend's children and community members of Northeastern Wisconsin to these (Job Corps) centers and expect them not to be harmed physically and emotionally. . . .
>
> . . . All in all, the program is very dysfunctional and mismanaged at all levels of operation. It needs to be reorganized. The best way of doing this is to block grant it to the states. Let the states have responsibility for assisting young adults into the program—the states have a stronger commitment in helping become productive and well-

rounded individuals. This is not happening under such a mismanaged oversized federal bureaucracy . . .

Mr. President, the amendment of the Senator from Pennsylvania will only perpetuate a national program that has clearly gone awry. I urge my colleagues to support true reform of the Job Corps Program, and reject the Specter amendment.

Mr. DOMENICI. Mr. President, I must reluctantly oppose the Specter amendment. This is clearly a difficult vote for many of us, particularly for those of us who strongly support Job Corps, because I know there will be many who argue that a vote against the Specter amendment represents a vote against the Job Corps Program. I want to make it very clear that my vote should not in any way be interpreted as a lack of support for the Job Corps Program. Quite the contrary is true. I have been a strong supporter of local Job Corps programs, and I believe my vote only reinforces that support.

Job Corps is our Nation's oldest, largest, and most comprehensive residential training and education program for unemployed and under-educated youth. It is also one of the best-loved Federal programs we have in place, and it has had strong bipartisan support over the past three decades. I have heard all the accolades showered on Job Corps here on the floor. I join my fellow Senators in their praises and I share in their endorsement of the program.

However, as Senator KASSEBAUM has pointed out, over the past decade, Job Corps has fallen short of its promise. At any one time, Job Corps serves around 44,000 young men and women at a cost of around $23,000 per individual. That is a hefty investment. For the most part, it has been a worthwhile investment. But as hearings have shown, and as the Department of Labor and the inspector general have reported, there is increasing evidence that the program is not meeting the needs of students or remaining fully accountable to the taxpayer.

Clearly, reform is in order. Both sides of the aisle acknowledge this, the administration acknowledges this, and even Job Corps, I think, would acknowledge this. And I think Senator KASSEBAUM and Senator SPECTER largely agree on how we go about improving the program. For example, both require a zero tolerance policy on drugs, alcohol and violence. Both require an external audit to determine which centers are not operating efficiently and closes those that perform poorly. Both require increased community participation and integration into the State's overall workforce development system.

I also want to make it clear that the underlying bill language does not eliminate Job Corps. Nor does it eliminate or reduce the funding for the program. Both the Specter amendment and the underlying bill acknowledge the role of the Job Corps Program, and there is certainly no intention of abolishing the program.

However, there is one major disagreement between the underlying bill and the Specter amendment. While the Specter amendment maintains the Federal oversight of the program, the Kassebaum bill places management for the program where it belongs: with the local communities.

In New Mexico, we have two outstanding Job Corps Centers, one in Albuquerque and one in Roswell. I have visited these centers, and I have seen first hand the kind of work they do. They each have a no-nonsense approach to placement and training, and they get results. They each have a proven record of success, and I anticipate they will continue with this track record under a statewide workforce development system.

I know local Job Corps have expressed concern that if we turn management over to the States, their administrative costs will go through the ceiling. The Department of Labor, for example, has estimated that the number of full-time staff will increase by 6.1 full-time administrative staff per center, and that annual administrative expenses will increase by $650,301 per center.

Frankly, Mr. President, I don't think the Department of Labor is giving these centers enough credit. New Mexico's Job Corps Centers can do a better job than that. New Mexico's Job Corps Centers already actively seek strong community involvement. With increased local activity and control, our local centers can manage themselves more efficiently and can make an already successful program even better. But the Department of Labor would have us believing otherwise.

If I sound as if I have high expectations of New Mexico's Job Corps Center, it is because I do. Are my expectations unrealistic? I don't think so. If Job Corps is truly made an integral part of the statewide system—and if our Governors seek the input of Job Corps Administrators when developing their State plans, as I believe they will—I think the returns will be enormous.

I have full confidence that New Mexico's centers will continue in their remarkable records of success. When they have shown such promise, such a commitment to these young men and women, and have shown that their programs do make a difference, I think it would be a shame not to let them take control of their own programs. Why must we continue to insist that Federal management of the program is necessary to maintain the integrity of the program? Again, let's give our local centers a little credit.

I do not believe this program marks the end of Job Corps. If anything, I believe it marks a new beginning for a program with a great deal of potential. My vote today reflects my commitment to ensuring that Job Corp lives up to that potential by sending the decision-making home and into the hands of those who have shown that they can produce results: the local communities.

Mr. President, I want to thank New Mexico's Job Corps Centers for all their input during this debate, especially the input of Sue Stevens, program director of admissions and placement. I want them to know that my vote reflects my full confidence in their abilities to continue Job Corps' tradition of excellence in New Mexico.

The PRESIDING OFFICER. Who yields time?

Mrs. KASSEBAUM. Mr. President, how much time is remaining on my side?

The PRESIDING OFFICER. The Senator from Kansas has 3 minutes and 30 seconds; the Senator from Pennsylvania has 2 minutes and 30 seconds.

Mrs. KASSEBAUM. I yield myself 10 minutes on the bill.

The PRESIDING OFFICER. The Senator from Kansas.

Mrs. KASSEBAUM. Mr. President, I would like to answer some of the questions that have come up during the course of this debate, but first I would like to thank the Senator from Ohio for an excellent statement on exactly why the language that is in the bill answers the concerns that we have for the population being served by Job Corps centers. This is one of the reasons I must oppose the amendment offered by Senator SPECTER and Senator SIMON.

What is of concern to us is the at-risk youth population. The Job Corps is not on the chopping block. The same amount of funding will go for Job Corps centers. The Denison center in Iowa is an excellent Job Corps center, and there is not any reason to believe that operation will necessarily change, except it will be under the responsibility of the State instead of the Federal Government. This means the State can contract with a private contractor to continue running the center or any center that is being run by a private contractor. That does not change for those centers.

As to the question about whether a Governor will be responsive, any Governor worth his salt is going to care about the population of his or her State. Certainly, the most vulnerable population is the one that we are trying to reach with improving and building on what was started with the Job Corps Program. The Job Corps was an excellent idea and is an excellent purpose still.

But, Mr. President, I hear over and over again that this is a very difficult group of young people to train and we should not expect a high success rate. I could not disagree with this view more. I think we do a disservice to the very young people that we are wanting to reach, and we are sending them a message that somehow they are at risk and this is the best they can do. When we fail to challenge at-risk youth we peg them by saying that the best they can do are menial jobs. Many times that is where they ultimately end up after

spending time in the Job Corps Program, and we will never help them to move toward a better future.

I will be glad to yield in just a moment.

Mr. HARKIN. I just have one question.

Mrs. KASSEBAUM. Mr. President, I feel very strongly that in our desire to try and improve upon the record of the Job Corps centers. We are really wanting to say that we need to be able to look at a different delivery service that will help us meet a growing population, at-risk youth, and which I think can be held to greater success by stronger accountability.

Frankly, I think it is rather patronizing to suggest that these children cannot be motivated and accept the kind of discipline that they need to have to be higher achievers. We must do better, and we can do better.

Father Cunningham of Detroit, MI, who runs a program called Focus Hope, and has done a superb job with that program, takes inner-city youth from Detroit and turns them into machinists and engineers. He has a remediation program which increases the math and reading levels of at-risk youth at the third and fourth grade levels in 7 weeks. It can be done. I have seen other programs that do the same thing. He has a 6-month machinist training program that places graduates in jobs, often on an auto assembly line in Detroit earning $12 to $15 an hour to start. He has created a university-level school of engineering to train these same at-risk youth to be engineers at Chrysler and Ford and General Motors.

How has he done that? He does that by challenging them to be the best that they can be, by really making sure that they themselves are going to be self-disciplined enough to care about the program and strong work requirements that they have to meet.

That is what the Job Corps is supposed to be all about. I think we have seen a population that has changed since the beginning of the Job Corps Program, and we need to recognize that change and provide some of the requirements that will allow it to be what it should be.

I feel very strongly that we must recognize that we are falling short of the promise that the Job Corps Program has made. At a cost of almost $23,000 per student each year taxpayers are not getting their money's worth. More importantly, the at-risk youth for whom the program was designed are all too often being left empty handed as well.

The placement rate was mentioned by the Senator from Iowa. Different figures will meet different facts. Maybe it is 73 percent; maybe it is a much lower rate. But the important thing is that the placement rate in the Job Corps Program right now is being based on finding a job for 20 hours. If a person finds a job for 20 hours, that then is the placement rate on which that percentage is based. I do not think that is really the kind of figure that we need to strive for and I think we do a real disservice to the youth who are in the program.

In short, I feel strongly the Job Corps must change. Rather than leaving assistance for these vulnerable young men and women in the hands of the Federal Government, as the amendment before us offered by Senator SPECTER and Senator SIMON would do, S. 143 would return the program to where I believe it best belongs—the community.

I suggest, again, what S. 143 does not do, because there have been many myths that have gone around about what would be accomplished under the Workforce Development Act. It does not eliminate the Job Corps, and it is not just another job training program. It does not eliminate residential capability. That is entirely a decision that would be made by the Governor, and my guess is that where there is a residential program that is going well it will be maintained.

It does not reduce funding for the Job Corps, and Senator SPECTER, the chairman of the Appropriations Subcommittee for these funds, has always maintained a strong support funding level for Job Corps. It is in a section of a bill for at-risk youth. And if that amount of money is not used on the Job Corps center, as designed for use by the State, it stays with the at-risk youth program. It cannot be used somewhere else. As the Senator from Ohio says, it puts a star behind the at-risk youth, which is where we want to focus. It does not prohibit the use of Job Corps centers by private contractors. It will not prevent well-run centers from operating. It will not prevent construction of newly proposed centers. It does not prevent a State from recruiting nonresident students. It links Job Corps centers to the community and statewide training systems established under the bill. It gives States, not the Federal Government, the primary responsibility for the operation of the Job Corps centers. It eliminates wasteful national contracting abuses documented extensively by the GAO and the inspector general. It closes the 25 consistently poor-performing centers as determined by an independent audit. It establishes strong antiviolence and antidrug policies at the Job Corps centers and reforms the entire program by returning Job Corps to local control, which I believe can be and is a proven recipe for success.

I just suggest, Mr. President, that we sometimes have to be willing to be innovative and take some risks. This is not to, in any way, diminish the concept or the idea of the Job Corps program. It was a great concept when it was initiated. I believe it continues to have merit. I suggest that we are in a different time, with a different at-risk population of youth today that need to be addressed in a different way. It is not the same young men and women today that need assistance that were once there when the program started. We have to be willing to change it here and provide some different guidance to make it a more constructive, successful program.

Mr. President, I reserve any time that I may have remaining.

I yield the floor.

Mr. SPECTER. Mr. President, how much time remains on my side?

The PRESIDING OFFICER. The Senator from Pennsylvania has 2 minutes 30 seconds remaining.

Mr. SPECTER. I yield 1 minute 15 seconds to my cosponsor.

Mr. SIMON. Mr. President, someone said this does not kill the Job Corps. It sure severely wounds it. I have not had a letter from a single Governor saying we want to do this. Yet, the Job Corps in Denison, IA, and Golconda, IL, across State lines, takes care of people. That will not happen anymore.

Look at the language of the bill:

> The State shall use a portion of the funds made available through the allotment to maintain the center . . .

A portion. That means 5 percent, 50 percent. Mostly, these are residential right now. You can be sure if the State can save that money and use it for some other purpose, they are going to knock out those residential centers. Make no mistake about it, if you vote against the Specter-Simon amendment, you are voting to severely wound the Job Corps.

Mr. KENNEDY. Mr. President, I know the proponents of the amendment wanted to speak last, so I will yield myself 2 minutes on the bill.

Mr. President, the reason for the job Corps is probably more urgent today than at any other time. We set national priorities. We said the Head Start and other national programs are a national priority. We take the title I program for young people to try and bring them up, to try to make sure they are going to be competitive in our public education system. I think if we look around this country, these are the individuals that, without at least a helping hand, are going to fall into the class of the criminal element in our society.

This is the last best chance. The only problem I have with the Senator from Kansas is when she says we have problems and therefore we ought to take this rather dramatic step which, as I think the Senator from Illinois points out, can really undermine or end the program.

We say, let us do the evaluation and strengthen the program, let us build on this program, let us find out what needs to be done and deal with its particular problems. That is what this issue is. Are we going to give a focus and attention to the young people of this country that need focus and attention the most? I believe that is what is behind this amendment. I hope that it will be accepted.

I yield 2 minutes to the Senator from Pennsylvania.

(Mr. GORTON assumed the Chair.)

Mr. SPECTER. I thank my colleague from Massachusetts.

Mr. President, I agree with my distinguished colleague from Kansas when she says that we have a different group of youth. But I say that the differences in our society today from when the Job Corps was established, simply underscores the need for intensive job training and intensive care and intensive effort be made to see that the young people in America are trained to hold jobs and do not require welfare or enter the crime cycle.

My colleague and cosponsor from Illinois puts his finger on a key point, and that is that under a changed position of the bill there would be only an obligation to use a portion of the funds. Although we have $1.1 billion allocated, that really is not too much.

Mr. President, the four Job Corps centers which are available in my home State of Pennsylvania have done really an outstanding job. I had occasion to visit the Job Corps training center in Denison, IA—an outstanding job. My able staffer, Craig Higgins, has visited Job Corps centers across the country and finds an outstanding job. It is true that there are some that need to be closed. Our bill, in a more modulated way, provides for closure of 10 Job Corps centers, plus more closures if it is determined, after an audit, that more ought to be closed.

I believe that in an era where we are looking to block grants, we ought to proceed with a bit of caution, and that a program like Job Corps, with remedial reform measures, as suggested by GAO and Senator KASSEBAUM, will enable Job Corps to complete this very important function.

Mr. President, I ask unanimous consent that at this point a letter to me from the National Job Corps Coalition, setting forth an impressive list of sponsors be printed in the RECORD; that a letter from the Pennsylvania Job Corps Leadership Coalition, with a recitation of a considerable number of student success stories, as compiled by the Pennsylvania Job Corps Leadership Coalition, be printed in the RECORD; that an open letter to Congress from the Secretaries of Labor and Assistant Secretaries endorsing the Job Corps center be printed in the RECORD; that a letter from Mayor Tom Murphy of the city of Pittsburgh be printed in the RECORD.

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

NATIONAL JOB CORPS COALITION,
NATIONAL HEADQUARTERS,
Washington, DC, October 6, 1995.

Hon. ARLEN SPECTER,
Hart Senate Office Building,
Washington, DC.

DEAR SENATOR SPECTER: On behalf of the more than 70 undersigned organizations representing business, labor, non-profit, advocacy and volunteerism, we are writing to express our collective and strong support for the Job Corps amendment that you and Senator Simon will offer during consideration of S. 143, the Workforce Development Act.

This amendment reflects 3 decades of solid bipartisan support for Job Corps and its tradition of success. Over the past 30 years, Job Corps has empowered more than 1.6 million of America's dis-advantaged youth to become responsible, tax-paying citizens.

We support the Specter-Simon Job Corps amendment because it preserves Job Corps as America's time tested national program for at-risk youth. It is the only program offering a unique combination of residential education, support services, job training and placement services. The amendment incorporates reforms suggested by the Inspector General, Department of Labor, Congressional testimony and General Accounting Office data. It should be noted that none of these reports and studies have recommended a state block grant approach as a means to improve or strengthen Job Corps' performance or accountability.

We are encouraged that the amendment preserves universal access to all eligible at-risk youth in need of Job Corps comprehensive services—regardless of where they live. Additionally, the amendment will continue to provide these youth access to strong national and regional labor markets for job placement. Overall, the Specter-Simon amendment codifies the strongest reforms to the program in Job Corps history. We support these reform efforts.

Senator Specter, we appreciate that you recognize that S. 143, as currently drafted, is counter to all other evaluations, recommendations and reforms offered in the spirit of helping young people through Job Corps. Your amendment will maintain Job Corps so that another 1.6 million youth will be able to participate in our nation's most effective residential education and training program.

Respectfully,

LAVERA LEONARD, ED.D.,
Chair, National Job Corps Coalition.

ORGANIZATIONS COMMITTED TO SUPPORT THE SPECTER-SIMON JOB CORPS AMENDMENT

AFL–CIO Appalachian Council; AFL–CIO International Brotherhood of Painters and Allied Trades; AFL–CIO International Union of Operating Engineers; AFL–CIO National Maritime Union of America; AFL–CIO United Auto Workers; Alpha Kappa Alpha Sorority, Inc.; American Youth Policy Forum; Association of Jewish Family & Children's Agencies; Bread for the World; Career Systems Development Corporation; Cavillo and Associates; Center for Law & Social Policy; Cherokee Nation of Oklahoma; Child Welfare League of America, Inc.; Children's Defense Fund; Chugash Development Corporation; Coalition on Human Needs; Commonwealth of Puerto Rico; Council of Jewish Federations; Coyne American Institute; Dau, Walker & Associates; Dynamic Education Systems, Inc.; and DMJM/HTB.

Education Management Corporation; Empire State Organization of Youth Employment Services; Fresh Air Fund; FEGS—New York City; General Electric Government Services; Grand Rapids Public Schools; Home Builders Institute, the educational arm of the National Association of Home Builders; International Masonry Institute; ITT Job Training Services, Inc.; Jobs for Youth—Boston; Jobs for Youth—New York; Joint Action in Community Service; League of United Latin American Citizens; Management and Training Corporation; The MAXIMA Corporation; MINACT, Inc.; National Assocation of Child Care Resource and Referral Agencies.

National Child Labor Committee; National Association of Social Workers; National Congress of American Indians; National Youth Employment Coalition; National Urban League; Operative Plasterers and Cement Masons International; Opportunities Industrialization Centers for America; Pacific Education Foundation; Puerto Rico Volunteer Youth Corps; Res-Care, Inc.; Teledyne Economic Development Company; Texas Educational Foundation; The EC Corporation; Training and Development Corporation; Training and Management Resources; Transportation Communications International Union; Tribal Council of the Confederated Salish and Kootenai Tribes of the Flathead Indian Reservation; and Tuskegee University.

United Brotherhood of Carpenters and Joiners of America; U.S. Conference of Mayors; U.S. Department of Agriculture—Forest Service; U.S. Department of the Interior—Bureau of Reclamation; U.S. Department of the Interior—Fish and Wildlife; U.S. Department of the Interior—National Park Service; U.S. Department of Labor; University of Nevada—Reno; Utah Youth Employment Coalition; Vinnell Corporation; Wackenhut Educational Services, Inc.; Women Construction Owners and Exces.; Women in Community Service; American G.I. Forum Women; Church Women United; National Council of Catholic Women; National Council of Jewish Women; National Council of Negro Women; YWCA of U.S.A.; YWCA of Los Angeles; and Youth Build USA.

PENNSYLVANIA JOB CORPS
LEADERSHIP COALITION,
Edwardsville, PA, October 5, 1995.

Sen. ARLEN SPECTER,
Hart Senate Office Building,
Washington, DC.

DEAR SENATOR SPECTER: I write on behalf of the Pennsylvania Job Corps Leadership Coalition to applaud your efforts to save Job Corps. The Amendment you and Senator Simon are cosponsoring is testimony to your support of this one-of-a-kind program. It is also a credit to your leadership and vision, as you have forged a bipartisan alliance that institutes reforms but retains Job Corps' national mission.

The PJCLC continues to be adamantly opposed to the Job Corps provisions of the Workforce Development Act (S. 143) as its passage would be detrimental to the Commonwealth of Pennsylvania and its four Job Corps campuses. S. 143 mandates the closure of 25 centers, but exempts those states with one or no centers. The burden of center closures would fall disproportionately on states with more than one center, such as ours. State management would force an untested Pennsylvania administrative system to operate the most complex and challenging of programs for at-risk youth.

The failure of your amendment would constitute a national tragedy as thousands of young people would be deprived of the opportunity that is Job Corps. Its passage will mean the chance of the American Dream for millions more. Thousands of Pennsylvanians stand tall in their support of the Specter/Simon Amendment to S. 143. Thank you for your unwavering commitment to and steadfast support of Pennsylvania and America's Job Corps.

Sincerely,

ERIC S. LERNER,
Chair.

PENNSYLVANIA STUDENT SUCCESS STORIES

Anthony R. Bowling, 25, graduate of the Keystone Job Corps Center.—Anthony is the first black police officer hired in Hazleton, PA. After graduating from Job Corps, he earned an associate's degree in criminal justice from Luzerne Community College, where he was named to the Dean's list.

Mark Berry, 25, graduate of the Philadelphia Job Corps Center.—Mark completed his training in business-clerical and is now employed as a computer analyst for PNC Bank

in Philadelphia. He earns $25,000 a year. He attends college in the evenings, and he's majoring in business management. He wants to eventually operate his own computer programming business.

Etta Jones, 20, graduate of the Keystone Job Corps Center in Drums.—During her year-and-a-half stay in Job Corps, Etta earned her GED and enrolled in Luzerne County Community College through the Job Corps center's partnership with the college. She earned an associate's degree in human services. Now she works with mentally challenged individuals at the Allegheny Valley Schools. Her goal is to become a supervisor in the near future.

Delroy Bolton, 18, graduate of the Pittsburgh Job Corps Center.—Delroy trained in carpentry for his year-and-a-half in Job Corps. He served as president of student government. Now, he is employed as a carpentry apprentice for A&B Contractors in Pittsburgh.

Robert Hunt, 18, graduate of the Pittsburgh Job Corps Center.—Robert, a very recent Job Corps graduate, described himself before Job Corps as ''a menace to his neighborhood.'' After nine months in the program, he says: ''I am a better person. I will continue to be a positive person.'' He earned his GED through Job Corps and was vice president of the student government. He is now employed as a maintenance technician with ICF Corporation in Philadelphia.

Shao Xu, 28, graduate of the Keystone Job Corps Center in Drums.—Shao earned an associate degree in architectural engineering. He is currently a student at Temple University in Philadelphia completing a degree in architecture.

Crystal Mouzon, 22, graduate of the Philadelphia Job Corps Center.—Crystal is now employed as a secretary earning $18,000 a year. ''I'm a positive role model for the first time in my life,'' she said.

Grant Johnson, 20, graduate of the Red Rock Job Corps Center.—Grant trained in landscaping and is currently employed as a groundskeeper for Ninety Four, Inc. in Wilkes-Barre, PA.

Abby Eisenbach, 17, graduate of the Red Rock Job Corps Center.—Abby trained in building and apartment maintenance and is currently employed as a carpenter for Eric Anjkar, a custom wall builder. Abby's residential advisor described her as a ''young woman with extremely low self-esteem from a troubled family who needed the structure Job Corps provided.'' While in Job Corps, Abby earned her GED. She was a dorm leader, a Big Sister, and a member of the Student Government.

AN OPEN LETTER TO CONGRESS: KEEP JOB CORPS A NATIONAL PROGRAM

Job Corps is our country's most successful job training and education program for at-risk youths because it is a national program. The Workforce Development Act (S. 143), puts Job Corps' future in jeopardy. If passed, it will close 25 centers and turn operations of our nation's most challenging residential education and job training program over to the States. In 30 years, no state has successfully operated such a program. The legislation ignores Job Corps' solid track record of success and invites a risky and tenuous future.

This bill is in sharp contrast to all other job training consolidation recommendations including the House of Representatives CAREERS Act of 1995, which has strong bipartisan support.

Four million young people in the U.S. are in need of the basic education, job skills and job placement assistance only offered by Job Corps. Most youth who enroll in Job Corps have inadequate education. Most do not have the skills or attitudes needed to find and keep good jobs. All are from poor families.

Job Corps is a solution for them. Over the years, Job Corps has helped 1.6 million young men and women become self-sufficient citizens. Job Corps is the nation's oldest, largest, most comprehensive and cost-effective residential education and training program for disadvantaged youth between the ages of 16 and 24. Seven out of 10 graduates get jobs or enter further education. Job Corps works. Job Corps should remain a national program because: Job Corps is cost-effective.

Job Corps is a public-private partnership that ensures consistently good residential education and training services for young people. Residential services are among the most complex services offered to youth. Few states have the expertise or desire to take on this challenge.

Job Corps returns $1.46 for every dollar invested in it through increased taxes paid by graduates and decreased costs of crime, incarceration and welfare.

Job Corps uses economies of scale to offer comprehensive services, including basic education, job training, counseling, social skills training, medical care, and leadership training. All this costs just $65 a day per student.

Job Corps is accountable. No other job training program is so rigorously monitored. Job Corps is evaluated on national, regional, and local levels, by the private and public sectors, and by the Inspector General and Government Accounting Office.

Job Corps is also fiscally accountable to America's taxpayers. Those who complete the Job Corps program boost their earnings by 15 percent. While in Job Corps, young people jump an average of two grade levels. They are most likely to complete high school and attend college.

Job Corps is accessible. Job Corps has always been available to all eligible youth.

If the Workforce Development Act of 1995 passes, local youth will not have equal access to Job Corps. All young people in need of Job Corps' comprehensive services should have the opportunity to succeed—like millions before them—regardless of state boundaries. Job Corps graduates should also be able to continue crossing state lines to take advantage of strong job markets.

Job Corps is a part of its community. Job Corps centers work for youth and for their communities. Job Corps students across the U.S. have completed more than $42 million in construction and service projects for their communities, including flood and disaster relief.

The American public, Congress and Administration should be proud of Job Corps. We implore the Members of Congress from both sides of the aisle to continue your support for Job Corps as a distinct national program.

PETER J. BRENNAN,
Secretary of Labor, Nixon Administration.
W.J. USERY, Jr.,
Secretary of Labor, Ford Administration.
RAY MARSHALL,
Secretary of Labor, Carter Administration.
FRANK C. CASILLAS,
Assistant Secretary of Labor, Reagan Administration.
MALCOLM R. LOVELL, Jr.,
Assistant Secretary for Manpower, Nixon Administration, Under Secretary of Labor, Reagan Administration.
DICK SCHUBERT,
Deputy Secretary of Labor, Nixon/Ford Administration.
ROGER SEMORAD,
Assistant Secretary of Labor, Reagan Administration.

CITY OF PITTSBURGH,
Pittsburgh, PA, September 1, 1995.

Hon. ARLEN SPECTER,
U.S. Senate, Hart Senate Office Building, Washington, DC.

DEAR SENATOR SPECTER: I understand that the Senate will be taking up Senator Dole's welfare reform package (H.R. 4) in the next few weeks. I am writing to express my concerns about the decision to incorporate Senator Kassebaum's workforce development consolidation legislation into this package.

First, as you know, I support efforts to consolidate our nation's training and employment programs. Members of the Pittsburgh Private Industry Council, appointed by me, assure me that clients, service providers and employers will all benefit from a more coherent workforce development system.

I do not believe, however, that welfare reform provides an adequate context in which to address workforce development consolidation. Although many welfare recipients receive services, employment and training programs benefit a much broader clientele. In order to ensure their diverse needs are considered, workforce development legislation deserves its own forum.

Such a forum would provide you and your colleagues with the opportunity to analyze the provisions of the Workforce Development Act in depth. At least two aspects require attention. First, local governance is still an issue. Although the legislation refers to local workforce development boards, there is no guarantee that these employer-driven boards will continue to play a strong role in the planning and implementation of employment and training programs. Having worked closely with the Pittsburgh Private Industry Council, I understand the extent of expertise and experience that members bring.

Second, the legislation contains a provision that jeopardizes the future of Job Corps. The Pittsburgh Job Corps center is vital to the region. Since 1972, it has provided opportunities for disadvantaged youth to develop the attitudes and skills required for productive employment. Given the high rate of unemployment, particularly among African-Americans, employment and training programs like Job Corps represent a critical component of our economic development strategy.

The proposed legislation would transfer governance of Job Corps to the states without providing any incentives for continued operation. Furthermore, twenty-five unspecified centers would be closed. In light of the evidence demonstrating Job Corp's success with at-risk populations, these measures are unjustified and should be stricken.

In summary, I urge you to support efforts to decouple the Workforce Development Act from H.R. 4. If these efforts are not successful, I request your assistance in ensuring that my concerns about local governance and the future of the Job Corps program are addressed.

Thank you for your attention.

Sincerely,

TOM MURPHY,
Mayor.

Mr. SPECTER. I urge my colleagues to support this amendment. I reserve the remainder of my time.

The PRESIDING OFFICER. Twenty-five seconds remain.

Mrs. KASSEBAUM. How much time remains on my side?

The PRESIDING OFFICER. There are 3 minutes 30 seconds remaining.

Mrs. KASSEBAUM. I yield briefly to the Senator from Ohio.

Mr. DEWINE. Mr. President, I would like to respond to the Senator from Illinois and the Senator from Pennsylvania. They are absolutely correct in what they read. But the rest of the story is that all of that money, in that area, that title, has to be spent for at-risk youth. So it is not a question of the State being able to take part of that money and divert it over here for some other purpose. You cannot even use it for some other purpose that has to do with job training. It has to specifically be targeted at at-risk youth. To me, that is the significant part.

I yield the floor.

Mrs. KASSEBAUM. Mr. President, I appreciate the observation made by the Senator from Ohio. He is exactly correct. In the section of the bill that is ''At Risk Youth'' there is an authorization for $2.1 billion, of that, $1.1 billion is for Job Corps.

If there are any savings to be found in Job Corps with the elimination of extra administration layers that money stays with the at-risk program in this section.

I cannot stress enough that those centers being well run will continue to be well run. I appreciate the Senator from Pennsylvania saying that the intensive training and intensive care are things that we would all want to accomplish with these initiatives.

I believe strongly that it can be better done by the State than by the Federal Government at this point in time. I hope that my colleagues would oppose the Specter-Simon amendment.

I yield the floor and yield my time back.

The PRESIDING OFFICER. There are 25 seconds remaining.

Mr. KENNEDY. Mr. President, I understand that it is the desire of the leader to conclude the debate on this and then move to the conclusion of the Ashcroft amendment, of which there was a 20-minute time.

I yield the floor.

Mr. SPECTER. Mr. President, I ask unanimous consent that a memorandum to me from Craig Higgins and Jim Sourwine be printed in the RECORD, as well as a table on the impact of the Job Corps in Pennsylvania.

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

MEMORANDUM

OCTOBER 10, 1995.

To: Senator Specter.

From: Craig Higgins and Jim Sourwine.

Re: Staff visits to Job Corps Centers.

As per your direction, outlined below is a description of staff visits to Job Corps centers.

TIMBERLAKE JOB CORPS CENTER

January 1990, staff visited the Timberlake Job Corps Center outside of Estacada, Oregon. Estacada is a small town located high in the Cascade mountains about 2 hours from Portland, Oregon. It is a Civilian Conservation Corps center operated by the Forrest Service serving about 250 students annually. The strength of their training programs was in forestry related jobs, however, they did offer vocational training in some construction trades, culinary arts and building maintenance. What was most striking was that the majority of the students were not from Oregon, but from large urban areas, such as Detroit, Chicago and Los Angeles. Most of the kids had been uprooted from their ''street life'' in the city and been transported high in the mountains of the Northwest to study and receive vocational training. There was nothing else to do but to study. The nearest town was 8 miles down the mountain and was not much more than a gas station, a country store, and a post office. Therefore, according to the staff, the kids worked hard to finish their training so they could get back to ''civilization.'' Additionally, the staff reported most of the students who completed their training did not return home to the big cities, but found jobs in the Northwest.

The Kassebaum bill establishes Job Corps as a state-based program and would eliminate the possibility of students from Chicago or Detroit from receiving training from a center in Oregon, Pennsylvania or Arizona. For some kids, being far from the home environment is just what they need.

WOODSTOCK JOB CORPS CENTER

In 1988 or 1989, staff visited the Woodstock Job Corps Center located in Randallstown, Maryland. This was a large center which served approximately 500 students annually. The majority of the students came from the Baltimore/Washington area. The bulk of the training offered was in the construction trades and the culinary arts. This was a clean, well organized, center on property which had once been a monastery. Center staff reported having good ties with local businesses in the construction trades, which made job placement once the training was completed easier. The one problem identified was the difficulty in getting to jobs in suburban communities due to the lack of transportation.

At the time of the visit, Center staff reported that while there were discipline problems, they were controllable and were not unexpected given the size of the center and the severely disadvantaged population they served. In recent years, however, the Center has had more serious problems with violence.

IMPACT OF JOBS CORPS IN PENNSYLVANIA

[Data for Program Year 1994 (July 1, 1994–June 30, 1995)]

	In percent—		
	Total overall placement rate (all terminees)	Placement rate job training match	Average hourly wage
Keystone JCC	74.8	68.0	$5.61
Philadelphia JCC	90.4	61.0	6.28
Pittsburgh JCC	74.8	47.9	5.37
Red Rock JCC	80.1	66.5	5.53
Pennsylvania Composite rates	80.0	60.9	5.70
National rates	73.0	47.0	6.16

Note: Pennsylvania provided service for approximately 3,000 at-risk youth of which 65% were from Pennsylvania and 35% were from other states. Students average 2 grade level gains in an average of 7.5 months.

Mr. SPECTER. Mr. President, in conclusion I say that Congress has oversight; the committee, chaired by the distinguished Senator from Kansas, can correct any problems which arise. When they do arise from time to time, that action can be taken.

I very much think we ought to keep this Job Corps with the corrections, but keep it a national program.

The PRESIDING OFFICER. All time on the amendment has expired.

Mr. SPECTER. I ask unanimous consent that Senator PELL be added as an original cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT

Mrs. KASSEBAUM. Mr. President, I ask unanimous consent to lay aside the pending amendment offered by Senator Specter; that the Senate resume consideration of the Ashcroft amendment numbered 2893; that there be 20 minutes of debate equally divided in the usual form on that amendment, to be followed by 4 minutes equally divided for debate on the Specter amendment, to be followed by a vote on or in relation to the Specter amendment; further, that following that debate there be an additional 4 minutes debate on the Ashcroft amendment numbered 2893, to be followed by a vote on or in relation to the Ashcroft amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2893

The PRESIDING OFFICER. The clerk will report the Ashcroft amendment.

The legislative clerk read as follows:

The Senator from Missouri [Mr. ASHCROFT] proposes an amendment numbered 2893.

Mr. ASHCROFT. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The text of the amendment is located in the RECORD of Tuesday, October 10, 1995.)

Mr. ASHCROFT. Mr. President, I thank the Senator for providing this time for explanation and debate regarding the amendment I have proposed.

The amendment which I have proposed is an amendment which would allow us to target and focus our scarce job training resources on individuals who would be most likely to use those resources effectively, most likely to benefit from training.

The amendment requires random drug testing for all job training applicants. The number of the individuals tested and the frequency would be left to the localities. The amendment would also ask the States to test participants in the program based on a standard of reasonable suspicion. If an applicant or participant tested positive they could reapply after 6 months from the date of disqualification but they must show for reapplication that they passed a drug test within the last 30 days.

Mr. President, as the chart behind me indicates, 89 percent of all the manufacturers test for drug utilization; 88

percent of all people in the transportation industry. It is true that in the financial services sector only 47 percent of employers test for drugs. The fact of the matter is, however, we are not in the business of developing mutual fund managers. We are talking about applicants and participants who will seek jobs in major industries like manufacturing and transportation.

Mr. President, it seems to me that if we have a scarce resource, we ought to focus it on individuals who will be able to get jobs at the conclusion of the program. Those individuals who are going to be placed are the ones who are drug-free.

Let us not perpetuate the myth that you can travel down the road of drug utilization and job development at the same time. You cannot. The truth of the matter is if you want a job, you are going to have be drug-free. These are the facts, and to suggest otherwise is both inaccurate and inappropriate.

So a vote ''yes'' for this amendment is a vote for the belief that a finite resource should be focused on individuals who are employable.

Are we interested in saving millions of dollars for the taxpayers? That is what the American people have asked us to do. Why should we spend thousands of dollars to train individuals who are going to hit this wall? Do we want to reduce the $140 billion companies lose to drug-addicted workers every year?

The PRESIDING OFFICER. The Senator has used 6 minutes.

Mr. ASHCROFT. I yield myself another minute and 30 seconds.

The National Institute on Drug Abuse indicates that $140 billion a year is lost in this country from theft, loss of productivity, accidents, and absenteeism related to drug use. Let us send a clear message that drug use is incompatible with the kind of productive employment necessary to our survival.

I think an intelligent policy is to say that we should have a random drug testing policy. Random testing will send a clear signal that drug utilization and job training are incompatible. A message that the Congress has failed to send in the past, but that we can and should send today.

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

Mr. KENNEDY. The amendment offered by the Senator from Missouri would require applicants and participants in job training programs to submit to drug testing. I am opposed to the amendment because it represents an unwarranted and unprecedented intrusion into the privacy of the thousands of ordinary Americans who use job training services.

In addition, the amendment is a costly and unfunded Federal mandate. One of the innovations of this job training bill is the degree of flexibility it gives States and localities. The Ashcroft amendment is completely out of step with that goal.

Drug testing has an important role in certain job training settings, just as it has in certain workplace settings. But the proposal by the Senator from Missouri is overbroad, excessively expensive, and an example of the intrusive Federal policy role that this bill is designed to combat.

The vast majority of the people who will use the job training services authorized in this bill are upstanding citizens, not criminals. They are displaced defense workers. They are blue collar workers who have been laid off as a result of a factory closing. They are professionals seeking to improve their skills in specialized fields.

The Ashcroft amendment says to these people: If you want this assistance to try to improve your skills and obtain employment, you have to agree to submit to a Government test for possible drug abuse. I do not believe that the privacy of ordinary citizens hoping to improve their job skills should be routinely invaded in this intrusive manner.

The Government uses drug testing today for airline pilots, train conductors, and other employees involved in sensitive public safety tasks. If programs funded by this bill train people in sensitive jobs, there is nothing that would prohibit drug testing.

But routinely testing of everyone is too extreme. We do not do it in other programs, and we should not do it in this one.

We do not drug-test people seeking Government assistance in financing a mortgage; we do not drug-test flood or earthquake victims applying for disaster relief; we do not drug-test crime victims seeking assistance from the Federal Office of Victim Services; we do not drug-test farmers seeking crop subsidies.

We do not drug-test corporate executives seeking overseas marketing assistance from the Commerce Department.

Why are job training recipients singled out for this stigma? No case has been made that this population is more susceptible to drug abuse than the population at large.

The amendment offered by the Senator from Missouri requires drug testing in two situations. First, every applicant to a job training program is subject to testing on a random basis. Second, participants in training programs are subject to testing based on reasonable suspicion of drug use. Both random basis and reasonable suspicion are undefined concepts. They raise the specter that excessive distinctions will be made based on stereotypes and prejudices.

As we have often been told, Washington does not have all the answers. We should not replace one set of Federal mandates with another set of Federal mandates. This bill is designed to maximize local flexibility, but the Ashcroft amendment goes in the opposite direction.

Indeed, the Ashcroft amendment would actually preempt some State laws. A number of State legislatures have addressed the circumstances under which drug testing can be utilized, but the Ashcroft amendment would actually override the considered judgments of those legislative bodies and put in place a one-size-fits-all Federal mandate.

Drug testing on the scale contemplated by this amendment would be enormously expensive. By some estimates, 1 million Americans use the job training services included in this bill. The Department of Health and Human Services estimates that the average cost of a drug test is about $35.

That means it would cost $35 million each year to administer an average of one test to each person. Either this amendment saddles local governments with a huge unfunded mandate, or it eats up a large portion of the Federal funds made available under this bill.

It is also important to note that drug testing technology is not infallible. Depending upon the type of testing technology that is used, as many as 4 percent of all drug tests result in false positives. That means that if a million drug tests are administered, some 40,000 Americans might be inaccurately labeled as drug users.

Of course there are often opportunities for appeals and confirmation tests and retests. But we should think long and hard before we adopt this amendment and subject tens of thousands of ordinary, law-abiding Americans to the Kafka-esque nightmare of being falsely accused of drug use.

The amendment requires those who test positive for drugs to obtain drug treatment. But who will pay for treatment? Right now, only a third of the Americans who need substance abuse treatment receive it because insurance coverage and public funding are inadequate. At the very moment that we debate this proposal, the Appropriations Committees of Congress are poised to slash Federal support for drug treatment. The House has already passed a bill that cuts Federal spending on drug treatment and prevention by 23 percent.

In light of that fiscal reality, it makes no sense to institute a massive new Government drug testing program.

Perhaps the intent of the Ashcroft amendment is to require local governments or job training programs themselves to pay for the treatment of those who test positive. That would at least guarantee that treatment is available, but it would cause the price tag of this amendment to reach an even more prohibitive level.

Finally, the amendment is objectionable because it may deter people who need job training services from seeking them. The threat of an intrusive drug test may put off drug users and non-drug users alike. We want to encourage people to improve their skills. We want to encourage the unemployed to become employed. We should not erect barriers to the services authorized in this bill.

Job training programs do not need the Federal Government to tell them

how to deal with drug abuse. They have the tools they need. Where drug testing is appropriate, it will occur. But a sweeping Federal mandate is completely unnecessary and excessively expensive, and I urge the Senate to reject this amendment.

Mr. President, this amendment is a complete conflict with the whole spirit of the legislation. Rather than the Federal Government and Congress setting the rules, leave this up to the States and local communities.

I have concerns about the privacy issue, concerns about the cost issue, preempting State laws, the whole issues on quality control for random tests and what the circumstances are, what the definitions would be for reasonable suspicion. There are all kinds of reasons.

Mr. President, 6 years ago we had a very similar amendment. It was focused on welfare recipients. We say we have scarce resources and we need to be careful with our spending. But simply because they are on welfare should we require drug testing? The Senate said no and that amendment was soundly defeated.

I do not know what it is about the workers of this country. The Senator has in effect said that the displaced Raytheon workers who built the Patriot missile ought to be required to take some kind of a test.

In this legislation, under the national activities, if there are hurricanes, as we have just had, there will be members of communities in south Florida who will be eligible for help and assistance. What does the Ashcroft amendment say? You have to go out and take a drug test. If you are going to have people take a drug test, what about farmers? Are we going to say, because we have had national disasters, you are going to have to go out and get a drug test? We do not say that to the small business men and women. We do not say that to all the students in the country. We do not say that to all the people who are going to get generous tax breaks on mineral rights. We do not say that cattle growers who are going to get benefits from the Federal Government must take a drug test first. Why are we picking out workers in this country? Where is the case for it? Where is the justification? Where is the right to do that? Yesterday it was the people on welfare. Today it is the American workers. The case has not been made. It is a mandate to the various States and communities. You are going to be preempting the States.

If there is a justification, for example in terms of safety, if there is a justification in terms of security—like airline pilots and those who are in public transportation—they have the right to go ahead and do that now. There is no prohibition against them doing it now. There is no prohibition, if they set up training programs where public safety is at risk, that prohibits them from going ahead. We give that flexibility to the local community. So why should we superimpose a Federal mandate on it? It makes no sense. The case has not been met.

It may be a feel good amendment, but when we talk about scarce resources going to training—we see significant cuts in these programs in any event. And for the reasons the Senate soundly defeated a similar amendment just a few years ago, that targeted those individuals who are poor and needy and need some help and assistance, this amendment should be defeated as well. I do not think we ought to put at risk the workers of this country, who, generally because of the downsizing or because of mergers, are thrown off and become unemployed. It is clear that all they are trying to do is get into a training program and get a job, why should we threaten their rights of privacy.

I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time? The Senator from Missouri.

Mr. ASHCROFT. Mr. President, I regret the fact that not everyone in the Senate was in attendance last night when we debated these issues.

The Senator raises the question of why deal with job training? It is because reality is going to deal with job training applicants and participants on drugs. Mr. President, 89 percent of the employers will test for them in manufacturing; 88 percent in transportation. Why do we not move that test up and help people get started down the right path, instead of going through some kind of training and then being hit by this wall. We do not have that problem in farming. There is not going to be a drug test that keeps a farmer from selling his cattle. That issue is totally specious.

I do not know why we choose to discuss the welfare situation here, but we just passed a welfare bill that provides that States may suspend benefits to welfare recipients who test positive for drugs. I do not know what we did in 1986, but I know what we did in 1995 and that is part of the welfare reform measure we just passed.

The point is we do have scarce resources. Why waste them on individuals who are not going to be employable when they are through with the work training program? Since the resources are scarce, let us focus them on the individuals who are responsible enough, who care enough about their families, who care enough about their future to be able to benefit from the training program because they are not high on drugs. Let us not stick our heads in the sand, while someone else is sticking a needle in his arm.

Let us say if you have to be drug free to work then drug testing ought to be a fundamental part of your training. You have to learn to be drug free because that is the way the work force is going to survive. It is that simple.

Let us not perpetuate a myth that somehow you can go down the dual highway, one of the roads being drug utilization and the other road being job training or job seeking. The truth of the matter is, American industry is clear. Mr. President, 77 percent of all employers test for drugs, 89 percent in manufacturing, 88 percent in transportation.

We ought to send a signal loudly and clearly to individuals who are part of our training program. Part of your training is to adopt a lifestyle which will be productive and which will result in employability, not to persist in a lifestyle which will send you slamming into a wall of unemployment and despair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I yield myself 2 more minutes. The fact of the matter is, many of the defense-related industries require reasonable cause, not just suspicion or random selection, which the Senator has talked about here. I do not know why the Senator has a feeling that all displaced workers, like the 12,000 workers that were laid off when Chemical Bank and the Chase merged the other day in New York City, is where the problem is. Why is it that the Senator believes that workers are more at risk than farmers are? Than family-farmers are? Where is the justification to say the workers who work in the States of this country, that work in plants, work in small business—may even be a homemaker, because homemakers are included in here—where is the Senator's justification for it? It just is not there. We have asked for the justification. He has not been able to demonstrate it. And I fail to understand why we would single out those individuals.

Mr. ASHCROFT. Will the Senator yield?

Mr. KENNEDY. I yield.

Mr. ASHCROFT. I am pleased the Senator asked the question, because I have the answer. The farmer who gets assistance does not have to pass a drug test before he sells his cattle. But the employee who seeks training will have to pass a test before he can be hired. In the latter case, the benefit is denied, the benefit for which the training was undertaken. That is the answer to your question.

Mr. KENNEDY. Mr. President, I listened. I was prepared to yield. I fail to understand why the farmer who gets price subsidies, which are taxpayers' dollars, are not expected to have a drug test but our workers are. I am not out there to say every farmer who gets price supports ought to have this kind of test, because the case has not been made for any such test.

If we are going to say about farmers or small business men and women the case has not been made, then they should not be tested. Why are you going to say the workers ought to be? That is what the Senator is saying. You have not made the case that there is a requirement, you have not shone that there is a need for it, and you do not set any other kinds of standards.

You say, return this activity to the States. What are the States going to do? They are going to use the least expensive methods, which in many instances are the most faulty systems.

There are standards which are established and should be established when you are talking about public safety and transportation, which are going to provide for the safety and well-being, the lives of the public. There should be standards and there should be adequate inspection and investigation and tests when necessary. We support that. There is nothing in the bill that denies anybody the opportunity to do it. But to suddenly say to those workers who are going to be affected by national activities, because of the hurricane you are going to be tested, or the homemakers, you are going to be tested. The Senator has not made the case.

I just wonder why we ought to be doing that, let alone preempting, which the Senator would do, any of the State laws that provide protections in terms of privacy, or set requirements in terms of various standards. You are preempting a number of State laws that are in effect, and you are effectively running over those.

The case has not been made for it. If the States want to be able to do it, there is no prohibition under the Kassebaum amendment. If there is a need for it, desire for it, if it is necessary, you can do it. I do not think the justification has been made that we should do it for all of those covered by the bill.

The PRESIDING OFFICER. Who yields time? The Senator from Missouri has 1 minute 56 seconds, the Senator from Massachusetts, 3 minutes 12 seconds.

Mr. ASHCROFT. Mr. President, this is a simple amendment. We have a limited number of dollars we devote to job training. We can either train people regardless of whether they use drugs, or we can decide to train people who are drug-free. If we train people who are drug-free, there will more people who will get jobs than if we train both the drug free and abusers of illicit drugs. It seems to me, if our ultimate objective is to train people to be employed, we should train people who care enough about working that they are willing to put aside a lifestyle of drug addiction and abuse.

In the end, the reason this amendment is worthy of our consideration is that 77 percent of all firms test for drug use. So, we can continue to waltz people along in the sleepy myth that you can be on drugs and get a job or we can embrace the truth.

Why waste the $2,000 or $4,000 in training a person only to have them disqualified when they get finished with the training? That is the difference between the farmer. That is the difference between the welfare recipient. There is reality at the end of the training. It is called employment and you cannot get it if you are on drugs.

I urge the Members of this body to respond, to allocate our training funds to individuals who are drug-free. Thank you.

Mr. KENNEDY. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 3 minutes and 12 seconds.

Mr. KENNEDY. Mr. President, it is interesting that in the Senator's amendment it provides that if an individual applicant fails the drug test, they can seek treatment through a drug treatment program. How much does the Senator think will be allocated for drug treatment programs?

Mr. ASHCROFT. Mr. President, I am not sure how much is available in drug treatment programs. There are drug treatment programs.

Mr. KENNEDY. How much does the Senator allow in his amendment? Does he expect the drug treatment programs to be paid for out of this?

Mr. ASHCROFT. No. There are separate funds available in every jurisdiction for drug treatment programs, some of which are Federal funds and some of which are State funds.

Mr. KENNEDY. Does the Senator know what happened to those treatment programs in the appropriations bills this last year? They have been reduced by close to a quarter, Mr. President.

This amendment just does not make any sense.

I yield the remainder of my time.

AMENDMENT NO. 2894

The PRESIDING OFFICER (Mr. SANTORUM). There are 4 minutes remaining on amendment No. 2894 offered by the Senator from Pennsylvania, Senator SPECTER.

Who yields time?

Mr. KENNEDY. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator has 2 minutes. Senator KASSEBAUM has 2 minutes.

Mrs. KASSEBAUM. I would be prepared to yield back time.

Mr. SIMON. I will take 1 minute.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. SIMON. Mr. President, there is no question that without the Specter amendment, we severely wound Job Corps. It is the only program we have working with at-risk young people which is really working, and working effectively. When the legislation says they have to use a portion of the money that we give to them to maintain Job Corps centers, they can use this for parole agents. It is revenue sharing with the States. It really is important. If you believe in helping at-risk young people in our Nation, pass this, the Specter-Simon amendment.

The PRESIDING OFFICER. Who yields time?

Mrs. KASSEBAUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Kansas.

Mrs. KASSEBAUM. Mr. President, I want to say in closing that I think we have had a good debate on the pros and cons of the needs of the Job Corps Program and at-risk youth.

I suggest that this debate is about whether the Federal Government should continue in the same way as it has in running the Job Corps programs, or whether the States can do a better job. Can the local community be more involved and bring about a greater sense of accountability and responsibility for helping this very vulnerable population, which with the right set of guidelines and expectations can achieve more than it has done.

I urge my colleagues to vote against the Specter-Simon amendment, and to be willing to invest in trying to achieve even greater success with the Job Corps Program.

I yield back any time that I have remaining,

Mr. President, I ask for the yeas and nays on the Specter-Simon amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Pennsylvania. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. LOTT. I announce that the Senator from Maine [Mr. COHEN] is absent due to a death in the family.

Mr. FORD. I announce that the Senator from New York [Mr. MOYNIHAN] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 57, nays 40, as follows:

[Rollcall Vote No. 485 Leg.]

YEAS—57

Akaka	Feingold	Lieberman
Baucus	Feinstein	Mikulski
Bennett	Ford	Moseley-Braun
Biden	Glenn	Murkowski
Bingaman	Grassley	Murray
Boxer	Harkin	Pell
Bradley	Hatch	Pryor
Breaux	Hatfield	Reid
Bryan	Heflin	Robb
Bumpers	Hollings	Rockefeller
Burns	Inhofe	Santorum
Byrd	Inouye	Sarbanes
Campbell	Johnston	Shelby
Cochran	Kennedy	Simon
Conrad	Kerry	Snowe
Daschle	Kohl	Specter
Dodd	Lautenberg	Stevens
Dorgan	Leahy	Warner
Exon	Levin	Wellstone

NAYS—40

Abraham	Gorton	Mack
Ashcroft	Graham	McCain
Bond	Gramm	McConnell
Brown	Grams	Nickles
Chafee	Gregg	Nunn
Coats	Helms	Pressler
Coverdell	Hutchison	Roth
Craig	Jeffords	Simpson
D'Amato	Kassebaum	Smith
DeWine	Kempthorne	Thomas
Dole	Kerrey	Thompson
Domenici	Kyl	Thurmond
Faircloth	Lott	
Frist	Lugar	

NOT VOTING—2

Cohen	Moynihan

So the motion was agreed to.

Mr. SPECTER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. SIMON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2893

The PRESIDING OFFICER. Under the previous order, their will now be 4 minutes for debate on amendment No. 2893, offered by the Senator from Missouri [Mr. ASHCROFT].

Who yields time?

Mr. ASHCROFT addressed the Chair.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. ASHCROFT. Mr. President, I ask for order in the Chamber.

The PRESIDING OFFICER. The Senate will please come to order.

There will be 4 minutes of debate before the next vote. The Senator from Missouri.

Mr. ASHCROFT. Thank you, Mr. President. This amendment would provide for random drug testing for individuals in job training programs. The truth of the matter is that 89 percent of all manufacturers, 88 percent of all those in the transportation industry, 77 percent of all employers provide for drug testing prior to employment. If we expect for people who move through our job training programs to be really employable, we need to ask them to participate by getting drug free in the process. We need to send a clear signal that being on a track of drug use and job training or employability are incompatible and inconsistent tracks.

We have limited job training resources. We do not have enough to go around. Let us make sure that we use them well by saying that those individuals who are drug-free will be the individuals for whom we provide job training. To ask that individuals undergo random drug tests in job training is merely to reflect the reality of the marketplace where 89 percent of manufacturers will require it.

Let us not perpetuate a myth that somehow drugs are compatible with employment and that productivity and achievement are compatible with drugs. Let us say that we provide for random drug testing that will focus our job training resources on those who care enough to be drug free and will be employable upon the completion of the program.

I yield the remainder of my time.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I yield myself 1½ minutes.

Mr. President, there are job training programs where this kind of testing is appropriate. When we talk about public safety, when we talk about the airlines, when we talk about the railroads, that is appropriate and that is permitted under this bill.

Effectively, what this Senator is saying is that every worker in this country is somehow under the suspicion of drug usage. The case has not been made. The people eligible for these benefits are the people in Florida who suffered under Hurricane Opal. They are going to be the homemakers, they are going to be the displaced workers, they are going to be the 12,000 workers from Chemical Bank and Chase Bank squeezed out as a result of mergers.

The case has not been made. Random, there is no definition of random. Reasonable suspicion, there is no definition of what reasonable suspicion is. There is no definition of what the cost is, plus preempting the States.

In the Kassebaum bill, if there is a desire and need for that kind of testing it can be done locally. Why should we have an additional Federal mandate that is going to interfere with the workers of this country? We do not require it of farmers who get various benefits. We do not require it of small businessmen. We do not require it of defense contractors. We do not require it in the timber industry or the mining industry or those who use the public lands for grazing, who all get benefits. Why should we say to the workers who have been displaced with downsizing or mergers that you are going to be subject to this random testing? It was tried 6 years ago.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. KENNEDY. I yield myself 30 seconds.

We had a similar amendment to do it for all welfare recipients. That was rejected overwhelmingly. For the same reason it was rejected for welfare recipients, we ought to reject it for the workers of this country.

I yield back the remainder of time.

The PRESIDING OFFICER. The question occurs on agreeing to amendment No. 2893. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. LOTT. I announce that the Senator from Maine [Mr. COHEN] is absent due to a death in the family.

Mr. FORD. I announce that the Senator from New York [Mr. MOYNIHAN] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 54, nays 43, as follows:

[Rollcall Vote No. 486 Leg.]

YEAS—54

Abraham	DeWine	Lott
Ashcroft	Dole	McCain
Baucus	Domenici	McConnell
Bennett	Faircloth	Murkowski
Biden	Feinstein	Nickles
Bingaman	Frist	Nunn
Bond	Glenn	Pressler
Bradley	Gorton	Reid
Brown	Gramm	Roth
Bryan	Grassley	Santorum
Burns	Gregg	Shelby
Byrd	Hatch	Simpson
Campbell	Heflin	Smith
Coats	Helms	Stevens
Cochran	Hutchison	Thomas
Coverdell	Inhofe	Thompson
Craig	Kyl	Thurmond
D'Amato	Lieberman	Warner

NAYS—43

Akaka	Hatfield	Mack
Boxer	Hollings	Mikulski
Breaux	Inouye	Moseley-Braun
Bumpers	Jeffords	Murray
Chafee	Johnston	Pell
Conrad	Kassebaum	Pryor
Daschle	Kempthorne	Robb
Dodd	Kennedy	Rockefeller
Dorgan	Kerrey	Sarbanes
Exon	Kerry	Simon
Feingold	Kohl	Snowe
Ford	Lautenberg	Specter
Graham	Leahy	Wellstone
Grams	Levin	
Harkin	Lugar	

NOT VOTING—2

Cohen	Moynihan

So the amendment (No. 2893) was agreed to.

Mrs. KASSEBAUM. I move to reconsider the vote.

Mr. ASHCROFT. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2895

(Purpose: To reduce the Federal labor bureaucracy)

Mrs. KASSEBAUM. Mr. President, on behalf of Senator GRAMM of Texas, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Kansas [Mrs. KASSEBAUM], for Mr. GRAMM proposes an amendment No. 2895.

Mrs. KASSEBAUM. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 201, strike lines 18 through 22 and insert the following:

(B) SCOPE.—

(i) INITIAL REDUCTIONS.—Not later than the date of the transfer under subsection (b), the Secretary of Labor and the Secretary of Education shall take the actions described in subparagraph (A) with respect to not less than ⅓ of the number of positions of personnel that relate to a covered activity.

(ii) SUBSEQUENT REDUCTIONS.—Not later than 5 years after the date of the transfer under subsection (b), the Secretary of Labor and the Secretary of Education shall take the actions described in subparagraph (A)—

(I) with respect to not less than 60 percent of the number of positions of personnel that relate to a covered activity, unless the Secretaries submit (prior to the end of such 5-year period) a report to Congress demonstrating why such actions have not occurred; or

(II) with respect to not less than 40 percent of the number of positions of personnel that relate to a covered activity, if the Secretaries make the determination and submit the report referred to in subclause (I).

(iii) CALCULATION.—For purposes of calculating, under this subparagraph, the number of positions of personnel that relate to a covered activity, such number shall include the number of positions of personnel who are separated from service under subparagraph (A).

Mrs. KASSEBAUM. This amendment pertains to provisions of S. 143 dealing with reductions in the Federal work force, as we consolidated offices at the Federal level to oversee the new work

force development system. This language was worked out with the Senator from Texas, and I believe it is acceptable on both sides.

Mr. KENNEDY. Mr. President, I urge the support of the amendment, which clearly is in focus with what the intention is for this legislation—that is, the reduction of personnel and manpower.

There has been a dramatic reduction in the period of the last 3 years. That flow line we expect to continue. This establishes some additional benchmark to be able to achieve it.

I think it is a reasonable amendment. I hope it would be accepted.

Mrs. KASSEBAUM. Mr. President, I urge adoption of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment No. 2895.

The amendment (No. 2895) was agreed to.

Mrs. KASSEBAUM. I move to reconsider the vote.

Mr. KENNEDY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mrs. KASSEBAUM. Mr. President, I would like to discuss the important issue of encouraging competition between the private and public sectors in the delivery of training and employment services at the State and local levels.

As you know, the Workforce Development Act consolidates nearly 100 separate education and job training programs into a single, universal work force development system through block grants to the States.

I want to commend the U.S. Chamber of Commerce, the National Association of Manufacturers, the National Federation of Independent Business, the National Alliance of Business, and other business groups for their efforts to help shape legislation to restructure the Nation's education and training system. These representatives of the business community are advocating a comprehensive work force development system that is market-based, customer-driven, and that gets results.

Would the Senate majority leader, my colleague from Kansas, please comment on the role of business in restructuring Federal training programs?

Mr. DOLE. Mr. President, I agree with the distinguished Senator from Kansas. America needs a work force that is trained for private sector occupations—especially those generated by small businesses and entrepreneurs—that will help ensure a competitive U.S. economy. I believe the system must be private sector driven to ensure it is flexibile and responsive to the evolving dynamics of the labor market, international competition, and technological advances over the coming years and decades.

I believe small business should be able to compete with the public sector in the delivery of training and employment services and in the operation of the one-stop centers. If the consolidation of Federal programs is to adequately reflect the realities of today's labor market, business—particularly small business—absolutely must play a lead role in ensuring workers are equipped with the skills needed by America's employers. Incorporating competition and free market principles into training services at the local level will also encourage public sector programs to operate more effectively. Opportunities for private-public sector competition in the implementation of local work force development plans is an area strongly pursued by U.S. business interests. In particular, I want to recognize the work by the U.S. Chamber of Commerce and the National Association of Manufacturers in this area and welcome their input in education and job training services on behalf of small business.

Does the distinguished chairman of the Senate Labor and Human Resources Committee agree on the unique role of small business?

Mrs. KASSEBAUM. Mr. President, the bill I introduced enables both local chambers and small businesses to compete with the public sector in the course of restructuring the Federal training system. I believe local chambers of commerce—in addition to small businesses—are uniquely positioned to operate one-stop centers and to serve as training providers. Today, local chambers are leading the way in many of the Nation's most innovative and effective work force development initiatives. I understand the U.S. Chamber of Commerce has undertaken a major initiative to mobilize local chambers of commerce to be in the vanguard in this effort to revolutionize training for America's private sector.

Similarly, regional and local affiliates of the National Association of Manufacturers serve as a strong intermediary source in bringing business, education and government leaders together at the State and community level to form meaningful and sustained work force development programs.

Mr. DOLE. Mr. President, I thank my colleague from Kansas for opening discussion on the important role that business brings to the table. With strong private sector input, efforts to turn primary responsibility for education programs to the State and local levels will hold much promise.

Mrs. KASSEBAUM. I appreciate the comments from the Senate majority leader on this important issue and I ask unanimous consent to have printed in the RECORD a letter from the chamber of commerce with an accompanying statement.

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

CHAMBER OF COMMERCE OF THE UNITED STATES OF AMERICA,

Washington, DC, October 5, 1995.

MEMBERS OF THE UNITED STATES SENATE: The U.S. Chamber of Commerce, representing 215,000 businesses, 3,000 state and local chambers of commerce, 1,200 trade and professional associations, and 73 American Chambers of Commerce abroad, urges your support for the Workforce Development Act (S. 143), which is scheduled for floor consideration on October 10.

The Workforce Development Act, sponsored by Senator Nancy Kassebaum (R-KS), contains many provisions that the Chamber supports. S. 143 would consolidate and decentralize roughly 100 federal education and training programs into a simpler, integrated block grant system for states. The bill also would enable small businesses and local chambers of commerce to compete with the public sector in the delivery of education and training services; recognize the important role of business in the design and implementation of the new system; and promote the effective use of technology and the development of labor-market information to orient education and training services.

In additional to these provisions, the Chamber is encouraged that the Workforce Development Act maintains the important goal of preparing students and workers for skills needed in the modern workplace. S. 143 aims to achieve this goal by adopting many new approaches to workforce development. Examples include promoting the use of vouchers rather than funding streams for institutions and programs; establishing user-friendly, one-stop delivery centers where individuals and employers can share and obtain relevant job information; opening the door to new measures of accountability rather than relying on the old measure of bureaucratic processes; and encouraging the creation of effective business-education partnerships.

Many, if not most, of these provisions are found in the Chamber's policy statement on restructuring the federal training and employment system. A copy of this statement is attached, for your review.

For American business, the knowledge and skills of employees are the critical factors for economic success and international competitiveness. The Workforce Development Act embodies language that can help achieve this end by creating a world-class workforce development system that is responsive to today's skill needs. Again, we urge your support for S. 143, and your opposition to any weakening amendments. Doing so will dramatically enhance the possibility of enacting meaningful workforce development legislation during the 104th Congress.

Sincerely,

R. BRUCE JOSTEN,
Senior Vice President,
Membership Policy Group.

STATEMENT ON RESTRUCTURING THE FEDERAL TRAINING AND EMPLOYMENT SYSTEM

The U.S. Chamber recognizes that America's training and employment system is inadequate to meet the demands of rapidly evolving technologies and intensifying global competition. The current system is fragmented and duplicative, and often fails to provide workers and employers with the fast and effective training and placement services they need. Equally compelling is the fact that growing numbers of workers are becoming permanently displaced through structural changes in government policy and corporate restructuring, as opposed to cyclical changes in the economy. These weaknesses in the existing work-to-work transition system need to be resolved.

The U.S. Chamber, therefore, supports restructuring the federal training and employment system to make it more responsive to the needs of dislocated workers and skill requirements of employers. To be effective, it is essential that the new system reflect the following principles:

The business community must be centrally involved in all phases of the restructured system's design, development, operation, and evaluation.

The new system must not impose any new federal mandates or regulatory burdens upon employers. It must not be financed through the creation of a new tax or an increase in any current tax on business.

The new system should assist workers in pursuing job search and placement assistance, career advancement, and a career change. Services must be delivered as promptly and effectively as possible to help employers make quicker and less costly connections with prospective employees. Training services must reflect the local and regional skill needs of employers.

Information regarding career and training services should be offered competitively at the local level. Service providers may include representatives of the private sector. The creation and governance of the streamlined system must be business led. Attempts should be made to factor in the education, employment and training programs of all federal agencies.

There must be sufficient state and local flexibility incorporated into the design and implementation of the new re-employment system. Provisions to maintain accountability and standards of quality at the state and local level should be a part of the national restructuring plan.

The current labor market information system must be strengthened and enhanced. Voluntary occupational skills standards should be integrated into this system, so dislocated workers can know exactly what types of skills they will need for certain occupations.

In addition to strengthening state and local flexibility, the private sector should be encouraged to compete for the delivery of education, employment and training services. One way to help spur local competition and encourage public sector programs to operate more efficiently is to put financial resources directly in the hands of individuals to pursue private or public sector postsecondary education and training. The overall goal should be to improve the learning and achievement of individuals and help them to succeed in the workplace of the 21st century.

Block grants are considered a viable mechanism for diminishing control from the federal government and increasing state and local flexibility. State and local workforce development plans emerging from the block grants must maintain the goal of preparing students and workers for skills needed in a high performance workplace. Appropriate performance and skill standards and accountability measures should be incorporated into state and local programs that emanate from the block grant system.

Mr. SIMON. Is it not your understanding that nonresidential programs for at-risk youth described under section 161(b) (2) and (3) of the bill, could be provided by local, community-based organizations?

Mrs. KASSEBAUM. Yes, of course. The States could elect to provide these services through such organizations or other organizations in the private sector.

AMENDMENT NO. 2896

(Purpose: To make amendments with respect to museums and libraries)

Mr. PELL. Mr. President, I send an amendment to the desk on behalf of Senator JEFFORDS and myself and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Rhode Island [Mr. PELL] for himself and Mr. JEFFORDS, proposes an amendment numbered 2896.

Mr. PELL. Mr. President, I ask unanimous consent reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The text of the amendment is printed in today's RECORD under ''Amendments Submitted.'')

Mr. PELL. Mr. President, the House of Representatives recently approved the Careers Act which contains extensive provisions regarding library services. This is the companion bill to the legislation we are now considering and the bill the House will bring to conference, Senate bill 143.

I am of the mind we should have library services provisions formally on the table when we go to conference with the House. Thus, the amendment now being offered would include the Institute of Museum and Library Services reauthorization as part of S. 143.

Those provisions stress the importance of both museums and libraries to literacy, economic development and most importantly, the work force development, all of which are relevant and important to the bill now under consideration.

Mr. President, I believe this amendment is or should be considered noncontroversial, and I urge its approval.

Mr. JEFFORDS. I rise today in support of the amendment offered by my distinguished colleague from Rhode Island, Senator PELL, and myself which would incorporate the Institute of Museum and Library Services as part of S. 143, the Workforce Development Act of 1995.

Libraries have been key players in developing literacy programs and it only makes sense to include the Institute for Museum and Library Services [IMLS] as part of this bill today. The problem of illiteracy is of great concern to me and I believe that we should not pass up this opportunity today to recognize the power and purpose that libraries have in dealing with this problem and finding solutions to it. Libraries have made a positive impact in communities throughout the Nation and have been instrumental in enhancing educational and lifelong learning opportunities. Because of its focus on literacy as well as workforce and economic development, I believe that ensuring that the IMLS is part of the S. 143 is an action which will benefit individuals in all of our States. The Pell/Jeffords amendment today represents a holistic and winning approach to lifelong learning.

Mr. President, I am especially pleased that the Artifacts Indemnity Act has been included as part of this amendment. The Indemnity Program, created in 1975, has been an extraordinarily successful program. I believe that there has been only one claim for a very modest amount of money since it first began 20 years ago. Over the years, I have had many opportunities to speak with museum directors who have shared with me their thoughts on the importance of this program along with frustrations regarding the difficulty they have had in getting insurance for their exhibitions to travel throughout the United States, or for bringing some of the great U.S. exhibitions to their region. In response to those conversations, an extension of the indemnity program for domestic exhibitions has been included. We have also moved administration of this program to the Institute of Museums and Library Services, which I believe is a sensible and logical change that will only enhance the program's successes.

So again, I would like to thank the Senator from Rhode Island for offering his assistance in crafting this amendment and look forward to its adoption.

Mrs. KASSEBAUM. Mr. President, I do not believe there is an objection on either side of the aisle regarding this amendment.

Mr. KENNEDY. The Senator is right. We appreciate the Senator bringing this to the attention of the Members. We hope it will be included.

Mrs. KASSEBAUM. I urge the adoption.

The PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment.

The amendment (No. 2896) was agreed to.

Mrs. KASSEBAUM. Mr. President, I move to reconsider the vote.

Mr. KENNEDY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2897

(Purpose: To make technical amendments)

Mrs. KASSEBAUM. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Kansas [Mrs. KASSEBAUM] proposes an amendment numbered 2897.

Mrs. KASSEBAUM. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On line 19, strike lines 5 through 14 and insert the following:

(35) WELFARE RECIPIENT.—The term ''welfare recipient'' means an individual who receives welfare assistance.

On page 50, strike lines 7 through 12 and insert the following:

viduals to participate in the statewide system; and

(N) followup services for participants who are placed in unsubsidized employment.

On page 65, lines 5 and 6, strike ''section 103(a)(1)'' and insert ''this subtitle for workforce employment activities''.

On page 69, line 10, strike ''and'' and insert a comma.

On page 69, line 14, strike ''and'' and insert ''or''.

On page 70, line 7, strike ''and'' and insert ''or''.

On page 70, line 14, strike ''and'' and insert ''or''.

On page 70, line 19, strike ''and'' and insert ''or''.

On page 70, line 20, strike ''to'' and insert ''for''.

On page 71, line 12, strike ''and'' and insert ''or''.

On page 71, line 21, strike ''and'' and insert ''or''.

On page 96, strike line 6 and insert the following:

(1) IN GENERAL.—

(A) NEGOTIATION AND AGREEMENT.—After a Governor submits

On page 96, between lines 13 and 14, insert the following:

(B) WORKFORCE EDUCATION ACTIVITIES.—In carrying out activities under this section, a local partnership or local workforce development board described in subsection (b) may make recommendations with respect to the allocation of funds for, or administration of, workforce education activities in the State involved, but such allocation and administration shall be carried out in accordance with sections 111 through 117 and section 119.

On page 108, strike lines 10 through 12 and insert the following:

(A) welfare recipients;

In subparagraph (B)(ii) of the matter inserted on page 114, after line 14, strike ''reduce'' and insert ''reduce by 10 percent''.

In subparagraph (C)(iii) of the matter inserted on page 114, after line 14, strike ''strategic plan of the State referred to in section 104(b)(2)'' and insert ''integrated State plan of the State referred to in section 104(b)(5)''.

After subparagraph (D) of the matter inserted on page 114, after line 14, insert the following:

(E) DEFINITION.—As used in this paragraph, the term ''portion of the allotment''—

(i) used with respect to workforce employment activities, means the funds made available under paragraph (1) or (3) of section 103(a) for workforce employment activities (less any portion of such funds made available under section 6 of the Wagner-Peyser Act (29 U.S.C. 49e)); and

(ii) used with respect to workforce education activities, means the funds made available under paragraph (2) or (3) of section 103(a) for workforce education activities.

On page 175, line 25, strike ''; and'' and insert a semicolon.

On page 176, line 2, insert ''and'' after the semicolon.

On page 176, between lines 2 and 3, insert the following:

(E) career development planning and decisionmaking;

On page 176, line 11, strike the period and insert '', including training of counselors, teachers, and other persons to use the products of the nationwide integrated labor market and occupational information system to improve career decisionmaking.''.

On page 184, lines 18 through 20, strike '', which models'' and all that follows through ''didactic methods''.

On page 222, line 10, strike ''from'' and insert ''for''.

On page 239, line 19, strike ''of'' and insert ''of the''.

On page 248, line 23, strike ''98-524'' and insert ''98–524''.

On page 250, line 11, strike ''and'' and insert ''and inserting''.

On page 255, line 25, add a period at the end.

On page 290, line 14, strike ''to'' and insert ''to the''.

On page 290, line 17, strike ''(a) IN GENERAL.—''.

Beginning on page 290, strike line 23 and all that follows through page 291, line 5.

On page 292, strike lines 9 through 12 and insert the following:

(a) IN GENERAL.—Section 3(a) of the Wagner-Peyser Act (29 U.S.C. 49b(a)) is amended to read as follows:

On page 293, strike lines 2 through 13 and insert the following:

tion.''.

On page 294, lines 9 through 14, strike ''subsection (b)'' and all that follows through ''(2)'' and insert ''subsection (b)(2)''.

On page 296, line 12, strike ''to'' and insert ''to the''.

On page 304, line 6, strike ''members' '' and insert ''member's''.

On page 309, lines 20 and 21, strike ''technologies'' and insert ''technologies,''.

On page 311, line 7, strike ''purchases'' and insert ''purchased''.

Mrs. KASSEBAUM. Mr. President, this is an amendment that bears technical and conforming amendments that I believe has been cleared on both sides of the aisle.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, we urge the acceptance of this amendment and appreciate the working out of the technical issues which have been included in this proposal.

We urge the Senate to accept it.

The PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment.

The amendment (No. 2897) was agreed to.

THE REPEAL OF THE MC KINNEY ACT PROVISIONS FOR HOMELESS CHILDREN AND YOUTH

Mr. DOMENICI. I would first like to thank Senator KASSEBAUM for her excellent work on this long-awaited legislation to improve the delivery of America's work force training and education programs. This is a mammoth task well done, and I look forward to final passage this morning. Let me say, however, that I have a serious concern about homeless children that I would like to clarify with the Senator.

The legislation before us in its present form repeals the McKinney Homeless Assistance Act provisions for the Homeless Children and Youth Program. I believe this is an oversight and I agree with the chairman's intent to repeal the McKinney Act job training provisions to include them in this much improved legislation for those purposes. Unfortunately, the repeal language includes a repeal of the program for homeless children. This critical program helps homeless children to enroll in and attend school.

Before the McKinney Homeless Assistance Act, almost half of all school aged homeless children were not in school at any given time. The very poor attendance was caused in large part by school policies that did not take into account the unique problems of homeless families.

Residency requirements, for example, often prevented homeless families from enrolling their children in school because by definition a homeless family did not have an address that could be used to prove residence in a district. Furthermore, because a number of shelters only allowed people to stay for 30 days at a time, homeless families were often forced to move from shelter to shelter.

If these shelters were zoned for different schools, as is often the case, the children were forced to transfer as frequently as the families moved. This is a most difficult hurdle for any family, and more so for homeless families. Frequent school changes impede rather than promote the education of homeless children. Transfer of records between schools slowed the process even more, often keeping children out of school for weeks at a time.

To address this problem, we created the Education for Homeless Children and Youth Program in the McKinney Act. This program for homeless children requires States and local governments to ease the types of barriers I have described and to improve the support mechanisms for homeless children in schools. This program also provides money to States to identify homeless students, ease transfers and placements, and provide tutoring and school supplies.

I am proud to say that this program has made a difference. Since 1987, school attendance by homeless children nationally has risen from 50 percent to 82 percent and continues to increase each year. These improvements occur despite the fact that the number of homeless children continues to rise with the number of homeless families, as reported by the U.S. Conference of Mayors.

For homeless children, education will be their best chance to break the cycle of poverty. This McKinney Act program ensures that homeless children will have access to that chance. Now is not the time to repeal this program.

I understand, Senator KASSEBAUM, that you have indicated your support for the continuation of the McKinney Act Education for Homeless Children and Youth Program. Since the technical language of S. 143 repeals this program along with job training for homeless adults, I also understand that it is your intention to revisit this matter in conference.

I hope the Senator can reassure me that it is not her intent to repeal the McKinney Act program for homeless children, and that she will work in conference to assure that the final bill contains explicit protections for homeless children so that the progress we have made in helping homeless children continues.

Mrs. KASSEBAUM. Yes, I support the McKinney Act program for homeless children, and I appreciate the effort of the Senator from New Mexico in bringing this matter to the attention of the Senate. I assure the Senator and the Senate that I will work in conference to protect this program for homeless children by accepting language to ensure its continuation. I thank the Senator on behalf of homeless children and their families. They

know the full benefits of this McKinney Act program for school placement and support and should have every assurance of its continuation.

NOTE

Due to a printing error, a statement by Senator HARKIN on page S14840 of the RECORD of October 10, 1995, appears incorrectly. The permanent RECORD will be corrected to reflect the following correct statement.

SUPPORT OF THE PROVISIONS PERTAINING TO INDIVIDUALS WITH DISABILITIES

Mr. HARKIN. Mr. President, as ranking member of the Subcommittee on Disability Policy, I would like to take a few minutes to discuss the applicability of S. 143, the Work Force Development Act, to individuals with disabilities.

I would like to compliment Senator KASSEBAUM, the sponsor of the legislation and chair of the Committee on Labor and Human Resources, and Senator FRIST, the chair of the Subcommittee on Disability Policy, for including specific provisions in S. 143 that will enhance our Nation's ability to address the employment-related needs of individuals with disabilities, including individuals with significant disabilities. I am particularly pleased that these provisions were developed on a bipartisan basis and enjoy the broad-based support of the disability community.

On January 10, 1995, the Labor Committee heard testimony from Tony Young, on behalf of the employment and training task force of the Consortium for Citizens With Disabilities. CCD urged the Senate to recognize the positive advances made in the 1992 amendments to the Rehabilitation Act of 1973 and to take a two-pronged approach to addressing the needs of individuals with disabilities in our jobs consolidation legislation. I am pleased that the Senate bill adopted this two-pronged approach.

Under prong one, S. 143 guarantees individuals with disabilities meaningful and effective access to the core services and optional services that are made available to nondisabled individuals in generic work force employment activities and to work force education activities described in the legislation, consistent with nondiscrimination provisions set out in section 106(f)(7) of the legislation, section 504 of the Rehabilitation Act of 1973, and title II of the Americans With Disabilities Act.

The commitment to ensuring meaningful and effective access to generic services for individuals with disabilities is critical. Advocates for individuals with disabilities have often expressed concern that many current generic job training programs such as JTPA have not met the needs of individuals with disabilities. Ensuring access to generic services is critical for many people with disabilities who can benefit from such services.

The promise of access to generic services is also illustrated through other provisions in S. 143. The purposes of the bill—(section 2(b))—include creating coherent, integrated statewide work force development systems designed to develop more fully the academic, occupational, and literacy skills of all segments of the population and ensuring that all segments of the work force will obtain the skills necessary to earn wages sufficient to maintain the highest quality of living in the world. The content of the State plan set out in section 104(c) of S. 143 must include information describing how the State will identify the current and future work force development needs of all segments of the population of the State. The term all is intended to include individuals with disabilities.

The accountability provisions in S. 143—(section 121(c)(4)—specify that States must develop quantifiable benchmarks to measure progress toward meeting State goals for specified populations, including at a minimum, individuals with disabilities.

Under S. 143, State vocational rehabilitation agencies must be involved in the planning and implementation of the generic system. For example, under section 104(d) of S. 143, the part of the State plan related to the strategic plan must describe how the State agency officials responsible for vocational rehabilitation collaborated in the development of the strategic plan. Under section 105(a) of S. 143, the work force development boards must include a representative from the State agency responsible for vocational rehabilitation and under section 118 of S. 143, local work force development boards must include one or more individuals with disabilities or their representatives.

Under prong two the current program of one-stop shopping for persons with disabilities, particularly those with severe disabilities, established under title I of the Rehabilitation Act of 1973, as amended most recently in 1992, is retained, strengthened, and made an integral component of the statewide work force development system.

The current vocational rehabilitation system has helped millions of individuals with disabilities over the past 75 years to achieve employment. Since the 1992 amendments, the number of individuals assisted in achieving employment each year has increased steadily. In fiscal year 1994, 203,035 individuals achieved employment, up 5.8 percent from fiscal year 1992, the year just prior to the passage of the amendments. Data for the first three quarters of fiscal year 1995 show a 8.4 percent increase in the number of individuals achieving employment as compared to the first three quarters for fiscal year 1994.

In fiscal year 1993, 85.7 percent of the individuals achieving employment through vocational rehabilitation were either competitively employed or self-employed. Seventy-seven percent of individuals who achieved employment as a result of the vocational rehabilitation program report that their own income is the primary source of support rather than depending on entitlement or family members.

The percent of persons with earned income of any kind increased from 21 percent at application to 90 percent at closure. The gain in the average hourly wage rate from application to the achievement of an employment outcome was $4.36 per person. Of the individuals achieving employment in fiscal year 1993, their mean weekly earnings at the time of their application to the program was $32.20, compared to $204.10 at closure, an average weekly increase of $164.90.

In 1993, the General Accounting Office [GAO] found that an individual who completed a vocational rehabilitation program was significantly more likely than an individual who did not complete the program of working for wages 5 years after exiting the program. In addition, the GAO found that individuals who achieved an employment outcome demonstrated four times the gain in wages compared to the other groups studied.

I am also pleased to share with my colleagues the positive impact that vocational rehabilitation is having in my home State of Iowa. During fiscal year 1993–94, 5,717 Iowans with disabilities were rehabilitated through the Division of Vocational Rehabilitation Services [DVRS]. At referral to DVRS, 33 percent have weekly earnings; at closure the rate went to 98 percent. Average weekly earnings rose from $49.94 at referral to $229.45 at closure. In addition, the Iowa Department for the Blind provided 765 blind persons with vocational rehabilitation services. At closure the average weekly income was $352.00. Seventy-three percent of those rehabilitated found work in the competitive labor market, including work in occupations such as psychologist, tax accountant, teacher, food service, and radio repair.

Mr. President, as I explained previously in my remarks, under S. 143, title I of the Rehabilitation Act, as amended most recently in 1992, is not repealed; rather it is retained, strengthened, and made an integral component of the statewide work force development system.

For example, the findings and purposes section of title I of the Rehabilitation Act are amended to make it clear that programs of vocational rehabilitation are intended to be an integral component of a State's work force development system. Further, the amendments clarify that linkages between the vocational rehabilitation program established under title I of the Rehabilitation Act and other components of the statewide work force development system are critical to ensure effective and meaningful participation by individuals with disabilities in work force development activities.

Section 14 and section 106 of title I of the Rehabilitation Act pertaining to

evaluations of the program are amended to make it clear that, to the maximum extent appropriate, standards for determining effectiveness of the program must be consistent with State benchmarks established under the Work Force Development Act for all employment programs.

Provisions in the State plan under title I of the Rehabilitation Act of 1973 are also amended to include specific strategies for strengthening the vocational rehabilitation program as an integral component of the statewide work force development system established by the State. A cooperative agreement will be required to link the VR agency with the consolidated system. The cooperative agreement will address each State's unique system and will assure, for example, reciprocal referrals between the VR agency and the other components of the statewide system. The linkages will also assure that the staff at both agencies are adequately and appropriately trained. Most importantly, the linkages must be replicated at the local level so that the local office of the VR agency is working closely with the one-stop center in the community to make a seamless system of services a reality.

Many State vocational rehabilitation agencies, including the agency in Iowa, are already involved with efforts to link vocational rehabilitation with other components of the statewide system of work force development. The States that report the most success are those where the vocational rehabilitation agencies are involved in the consolidation efforts at the early planning stages. The other aspect that is critical to ensure success is the replication of cooperative agreements in local communities so that the VR counselors are working closely with the other job training programs in the statewide system.

In closing, Mr. President, I strongly support the provisions of S. 143 pertaining to individuals with disabilities. The bill ensures meaningful and effective access to the generic training and education programs. In addition, the amendments to the Rehabilitation Act of 1973 will strengthen and support the involvement of vocational rehabilitation in a State's seamless system of work force development while ensuring the continued integrity and viability of the current program.

Ms. MIKULSKI. Mr. President, I am pleased to support the Workforce Development Act. It confronts one of the most important issues affecting this Nation today—that is to make sure that America's work force is job ready for the 21st century.

Mr. President, I like this bill because it creates a one-stop delivery system for employment services. It recognizes the needs of dislocated workers; and it helps to streamline the job training process for everyone, including welfare recipients, by consolidating existing job training programs.

First, I like one-stop shopping, and I like streamlining the process. With this bill, States will be required to create one-stop career centers offering access to anyone who needs it. One-stop career centers mean more centralized services all in one place. They make the job training system more efficient and more effective.

Anyone who wants to can go to one location for job placement, job assistance, and job referral. One-stop centers link workers to the full range of services they will need, and I think that is great.

My State of Maryland is ahead of the game in creating one-stop centers. Maryland's one stop center in Columbia, MD is up and running and helping to make job training services easier and more efficient for all Maryland workers. It is an idea that I wholeheartedly support.

Second, Mr. President, I especially like the amendments to this bill that protect dislocated workers. Senator DODD has worked very hard to include a provision that creates a rapid response emergency fund for people affected by base closing, plant closing, and natural disasters.

In Maryland, we have seen tremendous job loss, plant closures, and company downsizing. According to the Baltimore Sun, Maryland could lose 20,000 to 50,000 Federal jobs in the next 5 years. That is a lot of jobs, a lot of people, and lot of families that will receive a big financial blow.

The Dodd amendment is very important to Maryland families who have lost income due to base closing—like Fort Richie, White Oak, David Taylor in Annapolis, and the Army Publications Distribution Center in Middle River.

These workers are men and women who have mortgages to pay, homes to heat, and other bills to pay in order to keep their families going. They need to know that their concerns were heard.

Further, Mr. President, Senator BREAUX and Senator DASCHLE have also offered an amendment to create vouchers for dislocated workers. The amendment further improves the bill by maximizing dislocated workers ability to chose what job training best fits their needs. They can make their own judgments and determine their own future.

I support the Dodd and Breaux amendments on behalf of all the Marylanders who have lost their jobs or who stand to lose their jobs today, tomorrow and in the future.

I am also pleased that we will continue our commitment to workers who have lost their jobs through changes in the international market.

I am talking about the importance of keeping our promises. Promises we made to protect workers from the possible effects of NAFTA and GATT.

I am pleased that this bill will not repeal the Target Adjustment Act, and instead preserves our responsibility to help dislocated workers. That is why I support Senator MOYNIHAN's amendment to take the Trade Adjustment Act out of this bill.

Third, Mr. President, the Senate recently considered welfare reform legislation. Welfare reform and the job training bill we consider today must work hand-in-hand.

If we want to be successful in keeping people off welfare, we must have in place a system that will allow people to change careers and change skills when the economy and technology forces them to.

I think that good job training programs are important to making welfare reform efforts successful. Welfare reform is about helping people get into jobs and stay jobs through job training and part-time work. This bill does that.

The one-stop centers created in this bill will allow welfare recipients to get the help they need to be job ready. They will get job counseling, skills assessment and other services all in one place. I believe that everyone can be well prepared, self sufficient and successful.

Finally, Mr. President, a lot of progress was made to improve this bill since the Labor Committee markup. I support the changes and the amendments improving the job training programs so that they operate more efficiently.

But, I am pleased that this bill does not repeal title V of the Older Americans Act, the Senior Employment Program.

When the Labor Committee considered this bill, I had very serious concerns about how it would impact on our seniors. I offered an amendment in committee to take the Senior Employment Program out of the block grant because it provides an important service to seniors in this country. And although my amendment lost in committee, the Senior Employment Program has been removed from the bill we consider today.

The Senior Employment Program provides over 100,000 seniors an opportunity for employment, community service, and self-reliance.

Throughout this Nation, the Senior Employment Program is essential to providing important community services. Libraries are kept open in Baltimore so children can read. Ailing older people and children receive care through child and adult day care. Seniors and homebound persons in Catonsville and Hagerstown receive nutritious meals at senior centers and through Meals-on-Wheels.

Mr. President, this program is based on the principles of personal responsibility, lifelong learning, and service to community. It is too important to seniors to be considered as part of this bill, and it should rightfully be considered as part of the Older American's Act reauthorization.

I would like to thank the Labor Committee chair, Senator KASSEBAUM, for

her willingness to work with me to remove the Senior Employment Program from this block grant.

Mr. President, I am all for the idea of one-stop shopping, streamlining and simplifying the job training process, providing assistance for job readiness, and promoting some state flexibility. I am supporting this bill because I believe that job training and education are vital to creating a productive work force.

I commend Senator KASSEBAUM and Senator KENNEDY for their work on this bill and I look forward to its passage.

Mr. ABRAHAM. Mr. President, today the Senate will complete its consideration of the Work Force Development Act, legislation which will reform the existing system of Federal job training programs. As a member of the Committee on Labor and Human Resources, I recommend this bill to my colleagues for three specific reasons.

This bill before us will reduce the size and scope of the Federal Government's bureaucracy by eliminating a number of ineffective or duplicative job training programs and, in addition, consolidating many others. This legislation will shift much of the resources and responsibility for operating the remaining programs to the States which are better capable of designing and running effective education and job training programs. Finally—and I believe most importantly—these reforms will help ensure that American workers have the necessary education and skills to compete successfully in the global economy our Nation faces as we enter the 21st century.

Before I elaborate on each of these important endeavors, let me first commend the Senator from Kansas, the chairman of the Senate Committee on Labor and Human Resources, for her dedication to this issue and for her efforts to develop this measure and bring it to the floor. This has been an area of longstanding interest for the chairman, and her staff along with all of the members of the committee have been working on this legislation the entire year. In fact, job training reform was the subject of the first hearings the Labor Committee held this session.

Mr. President, it also should be noted that the chairman and the committee staff have worked very closely with the Governors—Democrat and Republican alike—in developing a structure for this work force development system which will allow the necessary Federal oversight to ensure accountability for the States while still providing them with tremendous flexibility. As with welfare reform, this bill represents the advent of a renewed effort toward consultation and cooperation between the Federal Government and the States. This new Federal-State relationship is critical not only to making programs such as job training and welfare successful, but it is essential to solving many other problems confronting our society as well.

Mr. President, let me return to the accomplishments of this legislation. First is the issue of eliminating unnecessary duplication and bureaucracy among the existing Federal job training programs.

At last count, according to the Government Accounting Office, there are 163 separate Federal job training programs being run by 1 of 15 Federal agencies. Altogether, these programs cost taxpayers more than $20 billion a year. While those numbers alone are astounding, what is even more surprising is the incredible overlap and redundancy of many of these programs. For instance, there are at least 60 programs aimed at assisting the economically disadvantaged, including 34 programs designed to address literacy alone. To add to the confusion, many of these same programs have differing standards for assessing income and other eligibility criteria.

However, Mr. President, perhaps the most shocking aspect of the present Federal job training system is the near total lack of accountability. There is essentially no reliable record of results. Fewer than half of the sixty-two training programs scrutinized in a recent GAO investigation bothered to keep track of whether participants had obtained jobs following their training. And only a handful of those programs chose to evaluate whether the training that was provided proved integral to securing employment or whether the individual participant could have obtained the job without receiving the training in question.

Mr. President, these facts alone would warrant a dramatic overhaul of the Federal job training system with the goal of eliminating ineffective programs, consolidating programs with identical or similar constituencies and services, and creating a reliable measure of accountability. However, I believe we should go further. And in this bill, we do.

In the legislation which is before us, we give the States the resources and the responsibility to establish their own comprehensive, integrated statewide work force development systems. We allow each State to develop a network of education, job training and employment services which reflects their own unique needs and circumstances. Yet we also demand results from the States and have devised a means by which we can assure fairness, integrity, and results.

Why, Mr. President, is it so important that the States be given the responsibility for running these programs? There are two basic reasons. The first is efficiency. It should come as no surprise that any Federal job training system—responsible for serving all 50 States—would suffer from inordinate overlap and redundancy. The present system has 19 programs which target youth, as well as several programs serving each of a variety of constituencies, including veterans, seniors, dislocated workers, and displaced homemakers.

States, however, are better situated to determine the actual needs of particular constituencies—to the extent those needs differ from that of other individuals seeking assistance. And States are much more likely than the Federal Government to have an accurate assessment of the realistic job opportunities which exist within the State's economy. As Father Bill Cunningham of Detroit's fabulously successful Focus: Hope training program told the Labor Committee back in January: Before any job training program can be successful, we must understand the difference between simply providing jobs for people and that of providing capable and skilled persons to meet the job demands. That is a critical distinction, but one that is often overlooked.

Mr. President, a significant problem with the current system is that it is both diffuse and duplicative; individuals seeking assistance often have no idea of where to turn for the help they need. And the various outlets for services usually have no capability or network they can utilize to connect those individuals with particular needs with the services they require. The States are better suited to devise and operate a comprehensive, integrated system that will address these shortcomings while still remaining sensitive to local needs and problems. Whereas the current system generally creates an new program to address every exigent circumstance, States can create a central system which will meet a variety of needs and demands and serve a diverse array of clientele.

In the State of Michigan, we have already spent enormous time and effort creating our own statewide work force development system, one that we call Michigan Works! The Michigan Works! system utilizes an approach known as no wrong door. This concept means that through whatever point you access the State work force development system, you will either be directly provided or put in contact with any of the services you need.

Mr. President, this is the case:

If you are an adult on public assistance trying to get your high school equivalency degree so you can get a job; or

If you are working at a low skill, low wage job, and you are desiring to learn a trade or a skill which will allow you to find a better job and earn a better living to support you and your family; or

If you are a laid-off assembly line worker who wants to receive computer training or another high-technology skill to prepare you for the high-wage jobs that are increasingly the boon of our economy.

Regardless of who you are or where you enter the system, all the services you could possibly need are only a phone call away because Michigan Works! has instituted a 1–800 number to

facilitate access into its work force development system.

Mr. President, the second reason that States ought to be given control of these job training programs is one to which I have already alluded: namely, flexibility.

Each State has its own distinct demographic or economic concerns that require a unique approach, and Michigan is no different. However, Michigan must also take into consideration its geographical diversity as well. Michigan's southeastern and south central regions are primarily urban and suburban, whereas the western and northern portions of the Michigan's lower peninsula are predominantly rural. And the most obvious unique feature that Michigan has to contend with is the Upper Peninsula. While the Upper Peninsula is in many areas is essentially remote wilderness, there are still over 300,000 people living there. With the area economy linked as it is to agriculture and tourism, the unemployment rate during the winter months can be as high as 20 to 25 percent. And this is true as well for a number of areas in the northern portion of the Lower Peninsula.

Obviously, these contrasting areas will require vastly different approaches by the Michigan Works! system if the residents of these areas are all to be served adequately. It would not be logistically feasible or economically efficient for us to have every possible resource or service that a person in the Upper Peninsula might need available just around the corner. That is just not practical. So for Michigan it is imperative that options exist beyond the conventional notion of the one-stop career center, where all of the requisite services are available in one central location.

Michigan Works! envisions having several different service delivery options. One of these, the multiple points of entry would be ideal for the Upper Peninsula since it proposes to electronically link work force development agencies with service delivery providers and customers—even when all three may be separated geographically. Another option would possibly be ideal for the rural areas of the northern southern peninsula and among the smaller cities sprinkled throughout western Michigan. The hub and cluster model would contain a main center with several multiple points of entry throughout the given region to provide outreach and additional service delivery. These mechanisms could be combined with one-stop centers in our major urban areas to comprise Michigan's statewide work force development system. This array of options is possible precisely because of the flexibility afforded States in this legislation.

Finally, Mr. President, the most compelling reason I find for reforming our Federal job training system is the issue of our international economic competitiveness. To paraphrase the conclusion drawn in the committee report: Faced with increasingly stiff global competition, corporate restructuring, and continuing Federal budget deficits, our country cannot afford to support a job training system that wastes precious resources, fails to help train people for the jobs of tomorrow, and does not assist employers by providing a work force which meets their labor needs.

One of the criticisms of this bill is that it does not mandate the continuation of local work force development boards. While that is true, States are still required to institute some form of State-local partnership to promote adequate consultation and cooperation. And if States do establish local development boards, a majority of the members of these board must come from business and industry. Business must be a key, if not dominant, feature in the decisionmaking process in order for any work force development system to succeed. In Michigan, we are already committed to having local development boards, and we are committed to ensuring that the private sector is the dominant force on those panels.

Mr. President, to encourage States to establish local work force development boards, this bill offers such States an expanded array of permissible economic development activities for which they can utilize funds from their so-called flex account. These economic development activities represent the cutting edge of any truly innovative work force development system. They include:

Customized assessments of the skills of workers and an analysis of the skill needs of employers in the State;

Upgrading the skills of incumbent workers;

Productivity and quality improvement training programs for small- and medium-sized employers;

Recognition and use of voluntary, industry developed skill standards;

Training activities in companies that are developing modernization plans in conjunction with State industrial extension service offices; and

Onsite, industry specific training programs supportive of industrial and economic development.

Mr. President, I believe activities such as these are instrumental to any successful statewide work force development system. They are also exactly the type of policies which will improve our ability as a Nation to prosper in an increasingly competitive modern global economy. With the pace of advances made in technology and the increasing frequency with which American workers change jobs, it is of paramount importance that workers, businesses, and whole industries be able to adjust rapidly to such circumstances by bolstering existing training or learning new skills. Mr. President, now is the time to lay the ground work for such a capability and enhance our competitiveness heading into the next century. This bill represents a golden opportunity to accomplish this important objective.

In conclusion, Mr. President, I support this legislation because it accomplishes three of the primary goals I had in coming to Washington as a U.S. Senator. It eliminates Federal Government waste by reducing ineffective or duplicative programs—and the bureaucracy which oversees them. It gives to States, localities, and the private sector much stronger control over matters such as education, job training, and economic development. And last, I believe this legislation will produce a vastly improved American work force development system and, in turn, increase American competitiveness in the years to come.

It is for those reasons that I strongly support this legislation, and I sincerely hope that the vast majority of my colleagues will see fit to support it as well.

Mr. President, I ask unanimous consent that a brief description of eight different training programs which are part of the Michigan Works! system be entered in the RECORD.

If my colleagues will look they will see that these programs are very innovative and quite often address a particular constituency or a unique need. These are exactly the types of programs which I believe will prosper and proliferate under the legislation we are considering today.

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

EXAMPLES OF MICHIGAN WORK FORCE DEVELOPMENT PROGRAMS

EARN WHILE YOU LEARN (NOMINATING SPONSOR: THE JOB FORCE)

Provides opportunities for youth to develop modern employment skills while instilling a spirit of community service.

Students decide when, where, and how the project will proceed.

Uniqueness: 1994 NaCO Award for Excellence recipient (one of three nationally).

Results: 80 percent of the students suffered no learning loss; 60 percent increased their scores on the Michigan Assessment Test in either Math or Reading.

ACCELERATED TRAINING PROGRAMS (THE JOB FORCE)

Bay De Noc Community College, Michigan Works!, MESC, Delta/Schoolcraft ISD, and local employers have collaborated their strengths, talents and resources in a flexible, results-oriented education and training system.

Program has integrated and coordinated various local, State and Federal resources to offer accelerated training program to local residents that meet the demands of the employer community.

The first venture was for an accelerated machine tool program. The program lasts for 12 weeks. There are 9 students enrolled. Eighteen employers will be on the training site to interview prospective students for employment.

Efforts are underway for the recruitment for a new class beginning in August. It is anticipated that 20 students will be enrolled into this program.

MDS CAA/HEAD START/FAMILY SERVICE (THE JOB FORCE)

The Job Force and MDS CAA Head Start program have joined together in developing the Family Service Center (FSC).

FSC is a demonstration project which will strengthen the capacity of both agencies in addressing the problems of families reaching self-sufficiency as they relate to illiteracy, employability, and substance abuse.

FSC offers employability skills training, employment training positions, while coordinating with DSS programs.

Program evaluation has reported that FSC participating families exceeded control families in almost all employment preparation and job seeker behaviors.

TECHNOLOGY EDUCATION PROGRAM TITLE IIC (REGION II)

Participating agencies: Jackson ISD, Hillsdale ISD, and Lenawee ISD.

Exposes JTPA eligible youth in a process to better understand the utilization of various work-related problem solving technologies.

Goal: Arouse participant career interests and encourage the development of individual education and employment goals thereby resulting in continued school enrollment and attendance.

CHRISTIAN OUTREACH REHABILITATION AND DEVELOPMENT (BERRIEN/CASS/VAN BUREN CO. SDA'S)

Collaboration between several organizations utilizing JTPA's work experience program.

Assists the 21st Initiative Neighborhood Housing Program create safe, affordable high quality homes for purchase by low and moderate income families.

Provides hands-on job training of basic construction skills, work ethic and work maturity.

Results: 85.7 percent positive retention rate through June, 1995.

MEDICAL INSURANCE BILLING (MIB) (KALAMAZOO/ST. JOSEPH)

A training program that is employer driven based on high demand, high wages and excellent placement and retention rates.

Participating agencies: local hospital, Kalamazoo Valley Community College, private industry, Upjohn Institute, and the PIC.

The hospital initiated the MIB program by identifying a need existed.

Kalamazoo Valley CC developed a customized training program and hired trainers.

The MIB program included core instructors who were employed in the medical field.

Customer satisfaction surveys received after the first MIB training resulted in improvements and changes.

Within 5 weeks of completing the training, 54 percent of the participants were employed in a medical practice with an average wage over $7.50 /hr.

WORKPLACE INCUBATOR (THUMB AREA)

Workplace incubators are designed to provide a simulated workplace situation which (1) supports regular work experience habits; (2) supports exposure to varying occupational areas; and (3) supports the overall development of an individual's work ethic.

Operating within the county-based Vocational Technical Centers in each of the four counties of the SDA.

Significant roles in preparing individuals for the real ''world of work.''

Uniqueness—one of the unique features of the incubators is its cost effect/cost efficient method of promoting and utilizing collaborative partnerships.

Partnership between DSS, ISD's, CBO's, local health dept, community colleges, adult ed providers, Cooperative Extension, local literacy, area employers, numerous non-profit agencies, MESC, CMH, and MRS.

Results: incubators compliment all other job training activities by adding the ''real world of work'' flavor in a relatively compact period of time.

Incubators are a cost effective/cost efficient job training activity which can be tailored to suit the needs of any locale and/or target population, and can easily be assimilated into most job training curriculums.

WOMEN FIRST! (MACOMB/ST. CLAIR)

Began in Jan. 1993 as a model targeted at communities where a higher percentage of female heads of household are living below the poverty level.

Project was committed to resolving 100 percent of the barriers that prevented women from successfully completing training programs that would start them on the road to economic independence by jointly coordinating outreach, case management and follow-up support.

The project has exemplified what can be accomplished when two agencies work together on behalf of customers.

Joint outreach coordinated by the PIC and Macomb Co Community Services Agency.

Results: Exceeded planned enrollment. As of May, three women were still attending training and 76 percent of the women were employed as a result of the Women First program.

INDIAN POSTSECONDARY VOCATIONAL EDUCATION

Mr. BINGAMAN. Mr. President, I am interested in preserving the current policy and practice in the Carl Perkins Act for Indian postsecondary vocational institutions. During each of the last 6 years $4 million has been authorized and $2.9 million has been appropriated each year to provide some stability and base operational support for the nationally accredited tribal postsecondary vocational education institutions. Both the Crownpoint Institute of Technology in New Mexico and the United Tribes Technical College in North Dakota are currently supported with these funds. My concern is that this support not be abandoned in the legislation under consideration. I understand that the senior Senator from Arizona, who chairs the Committee of Indian Affairs, would also like to address this issue.

Mr. MCCAIN. Mr. President, I thank my colleague from New Mexico. I support the provisions in Senate bill 143 and would oppose any effort that would earmark funding for a specific Indian vocational institution, at the expense of all other Indian higher education institutions. I remind Senator BINGAMAN that the American Indian Higher Education Consortium, in a September 8, 1995, letter to him, strongly opposed such a proposal. I agree with them. To the extent there is less funding available for all 29 tribal postsecondary institutions throughout Indian Country in the coming fiscal years, the reductions should be shouldered by all of these schools in an equitable manner and in proportion to how the fiscal year 1995 funds were allocated. I know that this is the intention of my colleague from New Mexico. And, in fact, that is the intention of provisions that were developed by the Committee on Indian Affairs and that were incorporated into S. 143.

Mr. DOMENICI. Mr. President, I am pleased to join this discussion to clarify the intentions of The Workforce Development Act, S. 143, with regard to continued funding for Crownpoint Institute of Technology [CIT]. The fundamental concern we all have is that in replacing the Carl Perkins Act we are also potentially removing the only support CIT has for its basic operating expenses, and we clearly want to avoid this kind of financial disaster for CIT. The problem arises because CIT is the only tribally controlled community college or postsecondary vocational institute in Indian country that is not funded through the Department of the Interior. This odd situation is the result of the enabling legislation for Tribally Controlled Community Colleges that allows each tribe to have only one college. Since CIT and the Navajo Community College [NCC] are both on the Navajo Nation, only NCC qualifies for Interior funding under this act. CIT has relied on the Carl Perkins Act for its basic operating expenses, and receives no Interior Department funding. While fully supporting the block grant concept in this legislation, we want to assure the continuation of CIT and affirm the intention of this legislation to do so.

Mr. BINGAMAN. I thank the Senators. I have tried to maintain existing protections for the Crownpoint institution because of the important work it accomplishes. I do not want that to be at the expense of other fine tribal schools. And I thank the Senator from Arizona for clarifying that if there are funding reductions, they be applied proportionately to the tribal schools affected. I would ask the chairwoman of the Committee on Labor and Human Resources, Senator KASSEBAUM, whether she shares the views set forth by Senator MCCAIN?

Mrs. KASSEBAUM. I thank the Senators for their comments. I wish to associate myself with Senator MCCAIN's remarks in this regard. In a cooperative effort of our two committees, Senator MCCAIN and I developed these provisions with the intention that funding be authorized among the various tribal schools in proportion to the Federal allocations that they have received in prior years.

Mr. MCCAIN. Mr. President, I would like to additionally point out to the Senator from New Mexico that the House and Senate Committee report language reflects the intent that these funds should be distributed in the manner we have set forth.

Mr. BINGAMAN. I do thank the Senators for their remarks. It is my understanding then that if overall funding levels are maintained, the equivalent of the level of base operational support provided in fiscal year 1995 should be allocated to these Indian vocational education institutions. But if funding for these purposes is less than fiscal year 1995 levels, a lesser amount would

be distributed based on each school's share of the overall amount it received in 1995.

Mr. MCCAIN. That is my understanding.

Mr. BINGAMAN. Mr. President, I appreciate these clarifications and the commitment shown by Senators MCCAIN, KASSEBAUM, and DOMENICI.

REFORMING THE FEDERAL JOB TRAINING SYSTEM

Mr. WELLSTONE. Mr. President, I intend to vote for this job training legislation as an indication of my support for efforts to reform the Federal job training system into an integrated, comprehensive, State-based work force development system that serves the real needs of unemployed and underemployed workers. I believe the current system does need to be reformed, streamlined, and made more decentralized, and its performance must be measured more accurately. Though there are parts of this bill with which I still seriously disagree, I will vote today to move the process forward and send the bill into conference with the House.

We started this process several years ago when Democrats developed our own proposal to streamline the job training system. The scores of Federal programs, which spend over $20 billion annually, must be made more coordinated and more coherent, and must better meet the actual needs of job-seekers. On that we are all agreed.

We have come a long way from the original version of this bill that was put forth by Senator KASSEBAUM. The version we will vote on today, while still imperfect, is a more streamlined, more responsible piece of legislation than the one that was considered by the full Labor and Human Resources Committee some months ago.

The governance structure established by the original bill was unwieldy, unaccountable, and open to serious abuse, potentially giving quasi-private entities approval power over billions in Federal spending. It has been much improved, and now final authority and accountability rests with the Secretaries of Education and Labor, where it should be. There are still some refinements to be made in conference, including stronger accountability mechanisms and standards, to protect against potential abuses, but it is a marked improvement over the original proposal.

Since the House does not have such an unwieldy and convoluted governance structure, I hope the conferees will streamline and simplify it, making the lines of accountability clearer in the final bill. The provisions that require states to develop Statewide work force development plans, in consultation with local authorities, and that require benchmarking of their performance, with specific penalties if they have not performed well, have also been improved.

The amended version of the bill retains Job Corps as a national program, with strict national oversight standards, a zero-tolerance drug policy, and other key reforms. For people in my State served by the HHH Job Corps Center in the Twin Cities, which serves hard-to-serve young people who might otherwise be effectively shut out of our social and economic life together, retaining and strengthening Job Corps, while providing for new guidelines and performance benchmarks, was a key step forward. We heard in the committee from young people who had been helped by the HHH Center's programs, and by others in Job Corps Programs throughout the country. Though some Job Corps centers are in need of reform, much of which is required by this bill, I believe strongly in the program and will continue to support it.

We have also fixed the outrageous provision in the original bill that would have repealed the Federal Trade Adjustment Assistance Program for workers dislocated by U.S. trade policies—including NAFTA and GATT. I was an original cosponsor of this amendment because those programs have served thousands of people in my State, providing both job training and income support assistance during interim periods while they looked for new jobs, and I did not believe we could go back on our word to provide workers with such aid. Even those who supported NAFTA made this commitment to help these workers, and it would have been truly outrageous if our amendment had not been approved. Since the House version of the bill does not repeal this program either, I am confident the final version of the bill will preserve it.

There were several other key improvements to the bill that were made during Senate consideration. The Senate's adoption of the amendment to set aside funds for a rapid response fund, administered by the Secretary of Labor, for workers dislocated by mass layoffs like plant closures, disasters, or other similar contingencies, was critically important. In addition to this provision, there should also be a mandate that States must serve dislocated workers; that is not in the current version of the bill, and should be included in conference. While some States, perhaps most, will likely serve these workers, there should be a guarantee in the bill that they be served.

The bill provides for at least some assistance to migrant workers, though as under current law far less than is actually needed for that often desperately poor and mobile population. It provides key job protections for people in State employment service offices, and requires health and safety, antidiscrimination, and other protections for job training program participants.

It mandates that States provide at least some level of summer youth job training assistance, though I remain very concerned that efforts to virtually gut the program's funding in the appropriations process may yet be successful, leaving hundreds of thousands of American youth without jobs during the summer in some of the most desperate inner-city neighborhoods of our Nation. But I have fought the first round of that fight on the rescissions bill, and the second round of that funding fight will come later this month.

The bill imposes a cap on the amount of job training funds that can be used by States for economic development activities, to ensure against their being used as just an economic development honey-pot that does not serve the primary purposes for which these Federal funds are intended—job retraining and reemployment. It also includes key provisions, which I insisted upon when the Labor Committee considered the bill, which require that representatives of veterans be given a seat on work force development boards, and be consulted along with other community leaders as State job training plans are developed. I am pleased that my efforts to include these provisions in the bill were successful.

As I have said, there are still serious problems with this bill. Overall, it makes substantial cuts in job training program funding, at precisely the time we should be maintaining adequate funding, investing in the character, skills and intellect of our people. While there may be some modest administrative savings from consolidating programs, I think that the huge savings estimated by some are wildly exaggerated, and are nowhere near the amounts cut in this bill. These reduced levels undermine our ability to provide American workers with the job training, education, and employment services they need to meet the needs of the next century.

It also moves us a step away from a Federal system which targets resources to those who most need it—dislocated workers, economically disadvantaged adults, and others—a trend which could prove disastrous if cash-strapped States decide they cannot afford to serve these populations. I am worried about that, and believe we in Congress will have to carefully monitor the program's implementation to ensure that those who are most in need are served by the States.

In addition, I think including education programs in a job training consolidation effort is a serious mistake. I worked hard at the beginning of this legislative process to keep programs like Perkins Vocational Education Program out of this bill. I believe that program in particular should maintain its focus as an education program instead of being swept into a job training bill.

Overall, this bill eliminates six separate education programs and turns them into a block grant to the States. The block grant funds are to be used for vocational education and adult education, but the bill sets no minimum level of funding for either function. We have worked hard to improve the Perkins program and to use it to help integrate vocational and academic education. By repealing Perkins we risk

taking several steps backward in those efforts.

This bill reduces funding for important education programs, including vocational education at the high school and college level. By reducing the Federal dollars allocated to education programs, and creating a block grant to serve both education and job training needs, we will likely divert much-needed funds from key education programs. I am hopeful that the education provisions of the bill will be overhauled in conference, and that some of the job training changes I have urged will also be addressed. I yield the floor.

Mrs. BOXER. Mr. President, today I am reluctantly voting for final passage of the Workforce Development Act, as amended by the Senate.

I believe several of these amendments were key to making the bill much more favorable to California. I say I support the bill reluctantly because I believe the overall 15-percent reduction in job training funding is unwise for this country and the cut in funding for California is unfair for my State still struggling out of an economic recession, repeated, disproportionate base closings, and downsizings and dislocations in defense and other industries.

Nevertheless, I will vote for the bill because I support the underlying program to consolidate our many separate job training programs, just as I supported the similar Democratic version in the last session of the Congress. As debate on this bill has shown, there is bipartisan interest in consolidating and reforming our job training programs to provide more flexibility to deal with our changing economy.

But there were some programs eliminated in the committee bill that I was pleased have been restored by the full Senate.

One of these was the Trade Adjustment Assistance Program. This program provides services to workers who lose their jobs as a result of competition from imported goods. It is a critical program to continue in the wake of the North American Free-Trade Agreement and the General Agreement on Tariffs and Trade. This program was restored to our job training program by the Moynihan amendment.

I also supported the amendment offered by Senator SIMON and Senator SPECTER, to keep the Job Corps Program a national program.

The committee bill would have turned the program over to the States as part of the block grant for job training. It would have been a State option to continue Job Corps.

Job Corps is one of the most successful programs to emerge from the efforts of Congress in the 1960's to attack the crisis in urban poverty and unemployment. Created in 1964, the Job Corps is the oldest, largest, and most comprehensive residential training and education program for young, unemployed, and undereducated youths ages 16–24.

In 1982 Job Corps was incorporated into the Republican-sponsored Job Training and Partnership Act, authored by then-Senator Dan Quayle. It was a good idea in 1964, it was a good idea in 1982, and it is still a good idea in 1995.

The Clinton administration has already addressed many of the problems often cited about the Job Corps. The Labor Department is imposing tougher performance standards, better screenings of participants and contractors, and other steps. Many of these reforms would be made law under the Specter-Simon Amendment.

This amendment would also weed out some of the weaker performing centers over the next 5 years. It would not abruptly close 25 centers—a quarter of the Job Corps, as the bill before us would do.

None of the six centers in California would be closed directly under the committee bill. California centers have not had problems in behavior and management that were targeted by the Inspector General.

However, two new centers for Long Beach and San Francisco were selected in 1994 to become operational in 1997. The Kassebaum bill would not authorize funds to operate these two new centers. This would be a particular blow for the Long Beach area, where the economy will suffer from the planned closing of the naval shipyard.

Last program-year about 3,700 students participated in Job Corps at six centers throughout California and more than 80 percent were placed in jobs, joined the military, or pursued further education—a rate higher than the national average.

Even if California agrees to continue to operate these centers under a State program—and that is not assured—the centers would still lose if the national program is eliminated. Job Corps trains students to get jobs in the national market, not just the region. Enrollees can choose centers across the country that best match their career plans. Nationwide Job Corps provides vocational training in more than 100 trades, including construction, marketing, mechanics, and agriculture.

Why replace one relatively small, cost-efficient bureaucracy to administer the program nationally with 50 separate bureaucracies in the States?

There are nearly 730,000 youth living in poverty in California, the most of any State and about 200,000 higher than the next highest State, Texas. There are an estimated 151,000 youths in California in need of Job Corps. There are only 3 youths in California enrolled in Job Corps for every 100 who need to be enrolled. Nationally, there are 18 enrolled for every 100 who need it.

In California, from 1980 to 1990 the unemployment among black teenagers rose from 26 to 31 percent, for Hispanic youth 16 to 21 percent and for white teenagers from 13 to 15 percent.

Mr. President, I have been acutely aware of the impact of the Job Corps in California since I was elected to the Senate.

The San Francisco Board of Supervisors in January 1993 passed a resolution on Job Corps which said in part:

> . . . The unwillingness of society to invest in disadvantaged young people results in high unemployment rates, discouragement, a disinvestment in society, and frustration, and the costs of the unwillingness to invest results in incalculable discouragement, suffering and violence throughout, in particular, the African-American, Hispanic, and other disadvantaged communities, as well as throughout the entire City of San Francisco . . .

The same can be said for Los Angeles, San Diego, San Bernardino, Sacramento and San Jose—the other cities in my State with centers which have provided more than $2 million in community-related services since 1989.

This is not a perfect bill, but the bipartisan action on the Senate floor has made it a better bill. The final version will not be known until the Senate works out its differences with a similar bill in the House. I will be watching that process and will reserve my support until I can see the final version.

One of the areas ripe for improvement will be to require the use of local workforce development boards. The Senate bill allows but does not mandate this key element in an effective delivery of job training services. These boards are essential to ensuring a meaningful leadership role for business and other private-sector representatives in the development and operation of employment and training programs. Their role would be similar to that of the private industry councils which serve now under the Job Training Partnership Act.

I urge the Senate conferees to support local oversight of job training services by requiring the local work force development boards.

FEDERAL GOVERNANCE STRUCTURE

Mr. KENNEDY. Mr. President, I support the purposes of this legislation but continue to have some real concerns about certain provisions in the bill. I am particularly concerned about the Federal governance structure mandated in the bill, including: the ambiguous relationships between the two secretaries; the unprecedented use of a board structure to run an operating agency; the composition of the proposed Federal partnership; and the drastic Federal staffing cuts. Each of these issues gives me great pause. Taken together, I fear that effectiveness of job training consolidation may be jeopardized.

Proponents offer two key reasons for such significant organizational change—the first is to save money, and the second is to provide better service. I do not believe that we will achieve either under the current proposal.

My colleague from Ohio has been a leader in the area of Government reform, and I would be interested in his observations on this issue.

Mr. GLENN. I share the concerns expressed by the senior Senator from

Massachusetts. The legislation before us proposes a Federal governance structure that is intended to maximize coordination between the Departments of Labor and Education in the oversight of education and training block grant funds. And it is intended to increase the private sector's influence on education and training policy through a national board. Although these are desirable goals, they would be achieved through a governance structure, including proposed staff reductions, that would be virtually unworkable because it violates several basic principles of organizational reform.

First, it violates the principle of establishing clear lines of authority, by creating a new ''Workforce Development Partnership'' within the Departments of Labor and Education under the direction of a national board. The Workforce Development Partnership, as it stands, is so unwieldy that I fear it may be unworkable, and the resulting disorder would undermine the promise of devolving greater responsibilities to the States. When you have accountability dispersed across two departments and one board, you really don't have accountability. Instead, you have confusion, ''passing the buck'' and a failure to solve problems.

Second, it violates the principle of matching functions and structures. Experience shows that boards are good at some things: venting a broad array of opinion; debating issues; formulating policy; and ensuring consensus for that policy. Boards are not good, however, at carrying out administrative and management responsibilities, in part because of the need to make quick decisions. This bill assigns various administrative and management responsibilities to the national board that it is least capable of carrying out. The board's failure to effectively carry out such administrative and management responsibilities could undermine the ability of the States to implement a new work force development system.

Third, it violates the principle that adequate resources should be provided to carry out a task, by specifying an arbitrary and significant staffing cut that is likely to undermine the critical Federal role in making the transition to the new work force development system. The drastic change required by this legislation raises enormous transition problems. Putting this into place will require considerable imagination, innovation, patience, and investment—of time and money.

This is very hard to do if one partner is crippled by arbitrary staffing cuts at the beginning. This bill does not envision a handsoff role for the Federal Government. It instead mandates a very important Federal role—particularly in the transition—with respect to assisting the States in establishing new innovative, performance-based systems; charting new work force development plans; creating one-stop shopping for individuals and employers; measuring the success of the system and integrating it with other efforts. A proper Federal role is the key to promoting accountability and efficiency and to ensuring that confusion at the Federal level will not undermine the ambitious goals of the work force development system.

I would like to illustrate the challenges of transition by focusing on grant closeout. Based on the Department of Labor's most recent major program closeout—the Comprehensive Employment and Training Act [CETA]—the closeout effort would likely take 2 to 3 years. Planning for the CETA closeout began in early 1982. Although CETA ceased operations on October 13, 1983, most related closeout activity was not completed until the end of 1985. Considerable resources were involved in bringing to an end the 10-year program in 470 localities. The Department's Office of Inspector General was also heavily involved, and in its 1984 semiannual report noted ''* * * it was necessary to devote tremendous audit resources to ensure the fiscal integrity of the closeout.''

This is not to say that some staffing cuts in the future may not be appropriate. Before specifying such cuts, however, we need to take heed of a simple lesson from the business world: successful reforms are goal-oriented and carefully planned. The first step is to ask what you are trying to accomplish. Moving boxes around on an organizational chart looks impressive and satisfies our desire for action. But it does not make for good policy. It would not achieve the desired results and would certainly impose a period of transitional chaos.

I thank the Senator from Massachusetts for raising these important issues.

Mr. KENNEDY. I think the Senator from Ohio has made it clear that restructuring, while desirable, has to be thoughtfully done. Restructuring in business and government shows that structure is secondary to mission in successful reform efforts. Restructuring requires careful planning. This bill puts the cart before the horse. The Federal partnership would begin with a cut, without careful consideration of what needs to be achieved at the Federal level and the staffing level required to carry out such activities.

I look forward to the conference where I hope we will have an opportunity to fix some of these problems.

Mrs. KASSEBAUM. Mr. President, I ask unanimous consent Senator ABRAHAM be added as a cosponsor to S. 143.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mrs. KASSEBAUM. Mr. President, I believe there are no further amendments.

Mr. KENNEDY. Mr. President, I know of none on our side.

FEDERAL GOVERNANCE STRUCTURE

Although I support this legislation and am voting for it, I continue to have concerns about various provisions in it. I am particularly concerned about the Federal governance structure mandated in the bill, including: The ambiguous relationship between the two Secretaries; the unprecedented use of a board structure to run an operating agency; the composition of the proposed Federal partnership; and the drastic Federal staffing cuts specified in the bill. Each of these issues is worthy of concern. Taken together, there is cause for this efforts to be dead on arrival, simply unable to operate.

Proponents offer two key reasons for such significant organizational change—the first is to save money, and the second is to provide better service. I do not believe that we will achieve either under the current proposal.

I would be interested in the observations on this issue of my distinguished colleague, Senator GLENN, who has been a leader in the area of governmental reform.

Mr. GLENN. I share the concerns of the Senator from Massachusetts [Mr. KENNEDY]. The legislation proposes a Federal governance structure that is intended to maximize coordination between the Department of Labor and Education in the oversight of education and training block grant funds, as well as increase the private sector's influence on education and training policy through a national board. Although these are desirable goals, they would be achieved through a governance structure, including proposed staff reductions, that would be virtually unworkable because it violates several basic principles of undertaking such organization reform.

First, it would violate the principle of establishing clear lines of authority, by creating a new work force development partnership within the Departments of Labor and Education under the direction of a national board. The work force development partnership, as it stands, is so unwieldy as to be devolving greater responsibilities to the States. You would have confusion, passing the buck, and a failure to solve problems.

Second, it would violate the principle of matching functions and structures. Experience shows that boards are good at some things: Venting a broad array of opinion; debating issues; making policy; and ensuring consensus for that policy. Boards are not good, however, at carrying out administrative and management responsibilities, in part because of the need to make quick decisions. This bill assigns various administrative and management responsibilities to the national board that it is least capable of carrying out. The Board's failure to carry out such administrative and management responsibilities effectively could undermine the ability of the States to implement a new work force development system.

Third, it would violate the principle of providing resources adequate for carrying out the task, by specifying an arbitrary one-third staffing cut that is likely to undermine the critical Federal role in making the transition to

the new work force development system. The drastic change required by this legislation raises enormous transition problems. It requires considerable imagination, innovation, patience, and investment—of time and money—to put in place.

This is very hard to do if one partner is crippled by arbitrary staffing cuts at the beginning. This bill does not envision a hands-off role for the Federal Government. It instead mandates a very important Federal role, particularly in the transition, with respect to assisting the States in establishing new, innovative, performance-based systems, charting new, work force development plans, creating one-stop shopping for individuals and employers, measuring the success of the system, and integrating it with other efforts. A proper Federal role is the key to promoting accountability and efficiency and to ensure that confusion at the Federal level will not undermine the ambitious goals of the work force development system.

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This is not to say that some Federal staffing cuts in the future may be not appropriate. Before specifying such cuts, however, we need to take heed of a simple lesson from the business world: Successful reforms are goal-oriented and carefully planned. The first step is to ask what you are trying to accomplish. Moving boxes around on an organizational chart looks impressive and satisfies our desire for action. But it does not make for good policy. It would not achieve the desired results and would certainly impose a period of transitional chaos.

Mr. KENNEDY. I think the Senator from Ohio has made it clear that restructuring, while desirable, has to be thoughtfully done. Restructuring requires careful planning. This bill puts the cart before the horse. The Federal partnership would begin with a cut, without careful consideration of what needs to be achieved at the Federal level and the staffing level required to carry out such activities.

I look forward to the conference and an opportunity to begin fixing these problems.

The PRESIDING OFFICER. The question is on agreeing to amendment No. 2885, as amended.

So the amendment (No. 2885), as amended, was agreed to.

The PRESIDING OFFICER. If there be no further amendments to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, and was read the third time.

Mrs. KASSEBAUM. Mr. President, I ask unanimous consent that the committee be immediately discharged from further consideration of H.R. 1617, the Senate proceed to its immediate consideration, that all after the enacting clause be stricken and the text of S. 143, as amended, be inserted in lieu thereof; further, that H.R. 1617 then be read for a third time and the Senate immediately proceed to vote on passage of the bill.

I further ask consent that following passage of H.R. 1617, the Senate insist on its amendment and request a conference with the House, and the Chair be authorized to appoint conferees on the part of the Senate, and S. 143 be placed back on the calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report.

The legislative clerk read as follows:

A bill (H.R. 1617) to consolidate and reform work force development and literacy programs and for other purposes.

Mrs. KASSEBAUM. Mr. President, I ask for the yeas and nays on final passage.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on the passage of H.R. 1617, as amended.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. LOTT. I announce that the Senator from Maine [Mr. COHEN] is absent due to a death in the family.

Mr. FORD. I announce that the Senator from New York [Mr. MOYNIHAN] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced, yeas 95, nays 2, as follows:

[Rollcall Vote No. 487 Leg.]

YEAS—95

Abraham	Chafee	Frist
Akaka	Coats	Glenn
Ashcroft	Cochran	Gorton
Baucus	Conrad	Graham
Bennett	Coverdell	Gramm
Biden	Craig	Grams
Bingaman	D'Amato	Grassley
Bond	Daschle	Gregg
Boxer	DeWine	Harkin
Bradley	Dodd	Hatch
Breaux	Dole	Hatfield
Brown	Domenici	Heflin
Bryan	Dorgan	Helms
Bumpers	Exon	Hollings
Burns	Faircloth	Hutchison
Byrd	Feingold	Inhofe
Campbell	Ford	Inouye
Jeffords	Mack	Roth
Johnston	McCain	Santorum
Kassebaum	McConnell	Sarbanes
Kempthorne	Mikulski	Shelby
Kennedy	Moseley-Braun	Simpson
Kerrey	Murkowski	Smith
Kerry	Murray	Snowe
Kohl	Nickles	Specter
Kyl	Nunn	Stevens
Lautenberg	Pell	Thomas
Leahy	Pressler	Thompson
Levin	Pryor	Thurmond
Lieberman	Reid	Warner
Lott	Robb	Wellstone
Lugar	Rockefeller	

NAYS—2

Feinstein	Simon

NOT VOTING—2

Cohen	Moynihan

So, the bill (H.R. 1617), as amended, was passed.

Mrs. KASSEBAUM. Mr. President, I move to reconsider the vote.

Mr. KENNEDY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mrs. KASSEBAUM. Mr. President, I send an amendment to the title to the desk and ask unanimous consent that it be considered and agreed to.

The PRESIDING OFFICER. Without objection, it is so ordered.

The title was amended so as to read:

A bill to consolidate Federal employment training, vocational education, and adult education programs and create integrated statewide workforce development systems, and for other purposes.

Mrs. KASSEBAUM. Mr. President, in approving the Workforce Development Act, I believe the Senate has taken a great step forward in reforming Federal work force development efforts. It truly is a major and innovative approach that I think will serve both our education and job training arenas with great success.

Arriving at this point has been a long and difficult endeavor. Wiping the slate clean, so to speak, has meant convincing those who have invested time in existing programs that there is a better way to accomplish their goals. Taking the next step in developing that better way has proven to be just as challenging.

Mr. President, I am convinced that the time and effort put into this legislation has been worth it. We now have a blueprint for a system in which the needs of all who require a job, job training and job training-related education can be addressed. It is a system where the States will have flexibility to fit their needs while being accountable to the public for the use of Federal funds. It is a system which creates incentives for the involvement of a true partnership among job training advocates, educators, the business community, and State governments.

It has taken a couple of years, if not more, to put this proposal together and many hearings and consultations and many individuals have made major contributions to this effort. It is not possible to name them all. However, I do want to acknowledge several of them.

In particular, I express my appreciation to the members of my staff who have worked on this legislation: Ted Verheggen, Carla Widener, Wendy Cramer, Bob Stokes, and Susan Hattan. Other staff of committee members on both sides of the aisle have also made significant contributions to this legislation. From the Republican staff, I would include Sherry Kaiman and Reg Jones with Senator JEFFORDS, Pat Morrissey and Carol Fox with Senator FRIST, Dwayne Sattler with Senator DEWINE, Rick Murphy with Senator GREGG, Don Trigg with Senator ASHCROFT, and Gregg Willhauck with Senator ABRAHAM.

On the Democratic side of the aisle, I would like to express appreciation particularly to Ellen Guiney, Libby Street, Sarah Fox, and Omer Waddles with Senator KENNEDY; David Evans and Kevin Wilson with Senator PELL; Suzanne Day with Senator DODD; Charlie Barrone with Senator SIMON; Bobby Silverstein and Bev Schroeder with Senator HARKIN. I also want to recognize the efforts of Liz Aldridge and Mark Sigurski, who produced the legislative language with many of the incarnations of this legislation. In some ways this perhaps is the most trying and difficult part of the bill.

A special thanks also goes to Rick Appling and Ann Lordaman, of the Congressional Research Service. The staff of the General Accounting Office, the leadership of the Republican Governors Workforce Development Task Force, and many individuals in the business and education communities also lent valuable support to this effort.

In closing, Mr. President, I would like to say a special word about Steve Spinner. Senator KENNEDY gave an eloquent tribute to Steve Spinner in his opening remarks as we started the debate on the Workforce Development Act. As a member of Senator KENNEDY's staff, he worked very closely with me and my staff in developing the work force training provisions of this bill. He cared very deeply about bringing about reform in this area and offered invaluable advice, assistance and suggestions based on his experience in the field. His dedication and professionalism earned him great respect on both sides of the aisle. Unfortunately, Steve died of cancer a few weeks ago. We deeply regret his loss and regret he was unable to see through an effort to which he had devoted so much time and talent.

I yield the floor.

Mr. KENNEDY. Mr. President, the good chairman of our committee was speaking with her heart and soul about the extraordinary work of Steve Spinner who spent an enormous amount of time and energy in the developing and shaping of this legislation. He died just 2 weeks ago, at a young age, but made a remarkable contribution, which, through this legislation, other good works will live on for a very considerable period of time. And because of his works, young and old will have a better opportunity to have a more hopeful life, a better chance to provide for their families.

We are, I think, all extremely fortunate to have the help and assistance of extraordinary, dedicated men and women who help us with our legislative duties, but more than that are highly motivated and incredibly gifted and talented in their profession and whose work is absolutely essential and invaluable in shaping legislation. Steve Spinner falls in that category, as well as so many others that Senator KASSEBAUM mentioned and that I will include.

But Steve Spinner was a rare, uncommon individual. And I think those of us who serve on that committee are mindful at this moment with the successful passage of the legislation, not just by the handful of votes which would have been sufficient to see its completion, but the extraordinary efforts to try to encompass the breadth of this body in terms of focusing and giving attention to the needs of those that will benefit from this legislation was really extraordinary. And I think to a great degree the fact that we have had such overwhelming support for this legislation was a real tribute to Steve and his efforts and energies over a long period of time. Others were certainly indispensable as that path went along, but I think Steve, all of us recognized, was someone who was very, very gifted.

I also would mention Steve's wife, Claire and daughter Elisa at this moment as well. Elisa is 4 years old, and Claire was a very lovely and wonderful, devoted companion.

Mr. President, the legislation which we voted on this afternoon is a culmination of a long, bipartisan effort to reexamine and refocus the Federal role in the education and training of America's workers. And this complex effort involves many separate decisions and judgments about the services that are most effective, the appropriate roles of the Federal, State, and local governments in job training and how best to ensure that available resources are targeted to those who need them the most.

Much of our debate over the last 2 days has been focused on those questions, and appropriately so. But as we face the vote on the final passage of the legislation, it was important to consider how much is at stake in this bill and how important this issue is to our country and to its future.

The challenges of creating a world-class work force are central to America's ability to compete successfully in the global economy. It is also central to our standard of living and the quality of life for all of our people. The economic indicators are sending a message that none of us can ignore. Corporate profits are up, productivity is increasing, but the wages of most Americans are not.

Since 1979, the national household income has increased, but almost all of that increase has gone to families in the top 20 percent. And 60 percent of American households have actually seen their family incomes in real dollars decrease. The gap in income between the most affluent and least affluent members of our society is greater today than at any time since records began to be kept after World War II. It far exceeds the gap in any other industrial nation in the world. And the gap is widening, not decreasing.

Many different factors have contributed to this problem, but one element in the picture stands out. Men and women who lack education and job skills are having the hardest time of all. Three-quarters of American workers are without 4-year college degrees. They have suffered the steepest drop in wages and benefits. At the start of the 1980's, a male college graduate typically earned 49 percent more than a male high school graduate. Today the differential is 85 percent. The evidence is overwhelming that one realistic way toward reversing that dangerous trend is to improve the education and training available to workers.

For every year of additional education or job training after high school, a worker's income increases by 6 to 12 percent. That is why the legislation we are considering today is so important. The Federal Government has had a long history of involvement in job training, from the manpower programs in the 1960's to CETA in the 1970's to the Job Training Partnership Act of the 1980's, and many other training programs administered by the Department of Labor or the Department of Education.

The record of success is clearly mixed. And what we are attempting to do at the Federal level today is a clear departure from what we have done in the past and taking us into new territory. Our past job training policy was based on the assumption that the vast majority of workers would acquire basic skills in schools and that these skills would enable young men and women to attain good jobs with decent wages and benefits and work productively in those jobs for the rest of their lives.

On this basis, Federal training programs focused on particular groups facing special barriers—the disadvantaged, the disabled, and in more recent years the dislocated worker. There was a clear recognition that members of these groups needed special assistance. But at the same time, it was assumed most workers were already in the mainstream and could succeed effectively on their own.

We have had a rude awakening. In the highly competitive global economy that has emerged in recent years, U.S. workers have been losing ground. And in the painful process of analyzing that decline, we have come to realize that on the issue of job training we have not been doing the job.

It is not just the disadvantaged, disabled, and dislocated who suffer from

inadequate education and training; it is a work-force-wide problem. Compared to other nations, we have clearly been underinvesting in the education and training of the vast majority of our workers. And American working families are paying a heavy price for that neglect.

Now for the first time we are looking at Federal training programs as part of a competitiveness strategy, central to the Nation's overall economic future. And that, in turn, has required us to broaden our outlook, to start seeing these issues in terms of the need for the kind of broader bipartisan reform we are recommending today.

In a sense, this bipartisan movement for reform began with Senator Dan Quayle's Job Training Partnership Act in 1982 and its effort to involve the private sector more closely in such reform.

The second major milestone on the road to reform was the 1990 reform report of America's Choice Commission, cochaired by two distinguished former Secretaries of Labor, Bill Brock and Ray Marshall, and their clear warning that unless we changed our ways, we were on the race to the bottom in the global economy.

The next major landmark was the 1992 report by the congressional General Accounting Office that so effectively blew the whistle on the current confusing array of Federal programs, and the past two Congresses picked up the challenge. We held bipartisan hearings on all of these challenges, enacted initial important reforms, such as the school-to-work legislation signed by President Clinton. And throughout this process in recent years, Senator KASSEBAUM and I have worked closely together to agree on the broad direction of reform. This legislation is the result of both of our efforts, and I commend her for her leadership, for without her leadership, we would not be where we are today.

We have not always agreed on all of the details, but we have certainly agreed on the major directions of the reforms we need. But we both are well aware that there are no simple answers and no silver bullets. We have approached this challenge with a maximum of bipartisanship and minimum of ideology.

This legislation is, obviously, not a final answer to the serious challenges that we face, but is a far better answer than we have had so far. I am grateful that the Senate has passed it by an overwhelming majority.

Mr. President, I want to join in mentioning very briefly our colleagues who have participated in this so actively. I mentioned the significant and outstanding leadership of the chairperson of our committee, Senator KASSEBAUM, whose commitment in this area has been really extraordinary. When we look over the broad range of debates and discussions that we have had over the period of this Congress, I think this really stands out as an extraordinary effort to try and bring together the diverse viewpoints and ideas and do it in a way which really represents the best in legislative effort in drawing the strong bipartisan support, and support from all the different elements of this body:

Senator JEFFORDS, with his strong commitment in education and the Adult Education Program, with our colleague Senator PELL, who has done so much in chairing and being the ranking minority member of the education committee for such a long period of time;

For Senators SPECTER and SIMON, who were so committed on the issues of the Job Corps and who spent a great deal of time on that issue;

To my friend and colleague, Senator DODD on the dislocated workers and the national priorities which will extend not only to the industrial areas but also will include the national priorities for those all over this Nation. It is an important program and we are grateful for his leadership;

Senator BREAUX and Senator DASCHLE for the work that they did in devising a completely different concept in permitting the maximum flexibility for individuals to make choices and selections out of the wide, diverse numbers of training programs so that they would be able to maximize their own skills and talents and innovative programs which they have pursued for some period of time and which has been included in this legislation;

Senator MOYNIHAN on the trade adjustment.

Senator MIKULSKI, who was so much involved in the senior community employment issue and which was not a part of this program, but she was so much involved in its continued success.

Senator KASSEBAUM has mentioned many of those who have been so involved. I want to particularly recognize Omer Waddles, who has done such extraordinary work, particularly in following up on the superb work of Steve Spinner, Ellen Guiney, Libby Street, Ross Eisenbrey, Greg Young, Sarah Fox, and Nick Littlefield, our general counsel, who is tireless in all of his endeavors and work on this legislation; Dave Evans, Mort Zuckerman for Senator SIMON; Suzanne Day, Bev Schroeder, Senator HARKIN; Bobby Silverstein, again, with Senator HARKIN.

Even though Senator KASSEBAUM has mentioned some of those who have served with her on the Republican side, we often find that their talents are invaluable to all of us on this issue.

There are many others: Susan Hattan, Ted Verheggen, Carla Widener, and Wendy Cramer. To all of those and others, I am enormously grateful for their support.

I want to thank the majority leader for scheduling this legislation and the minority leader as well for giving it a priority for us as well.

I am glad we were able to move this process forward. We look forward to the conference with the House Members, and we hope that the spirit of comity and cooperation and bipartisanship, which has been reflected in this debate during the past few days, will be evident in the conference and when the conference report returns.

Mr. President, I yield the floor.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. DOLE. Mr. President, I want to thank my colleagues Senator KASSEBAUM and Senator KENNEDY. This was a priority matter, and it was completed on schedule, on time. I thank both my colleagues for that.

CUBAN LIBERTY AND DEMOCRATIC SOLIDARITY [LIBERTAD] ACT OF 1995

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate turn to consideration of calendar No. 202, H.R. 927, the Cuba sanctions bill.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered. The clerk will report.

The bill clerk read as follows:

A bill (H.R. 927) to seek international sanctions against the Castro government in Cuba, to plan for support of a transition government leading to a democratically elected government in Cuba, and for other purposes.

The Senate proceeded to consider the bill.

AMENDMENT NO. 2898

(Purpose: To strengthen international sanctions against the Castro government in Cuba, to develop a plan to support a transition government leading to a democratically elected government in Cuba, and for other purposes)

Mr. DOLE. Mr. President, I send a substitute amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Kansas [Mr. DOLE], for himself, Mr. HELMS, Mr. MACK, Mr. COVERDELL, Mr. GRAHAM, Mr. D'AMATO, Mr. HATCH, Mr. GRAMM, Mr. THURMOND, Mr. FAIRCLOTH, Mr. GREGG, Mr. INHOFE, Mr. HOLLINGS, Ms. SNOWE, Mr. KYL, Mr. THOMAS, Mr. SMITH, Mr. LIEBERMAN, Mr. WARNER, Mr. NICKLES, Mr. ROBB, Mr. CRAIG, Mr. COHEN, Mr. BURNS, Mr. REID, Mr. LOTT, Mr. STEVENS, Mr. SPECTER, Mr. SHELBY, and Mr. PRESSLER, proposes an amendment numbered 2898.

Mr. DOLE. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The text of the amendment is printed in today's RECORD under ''Amendments Submitted.'')

CLOTURE MOTION

Mr. DOLE. Mr. President, I send a cloture motion to the desk.

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair directs the clerk to read the motion.

The bill clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, do hereby move to bring to a close debate on the substitute amendment to Calendar No. 202, H.R. 927, an act to seek international sanctions against the Castro government.

Bob Dole, Jesse Helms, Bob Smith, Bill Frist, John Ashcroft, Jim Inhofe, Paul D. Coverdell, Spencer Abraham, Larry E. Craig, Trent Lott, Rod Grams, Frank H. Murkowski, Fred Thompson, Mike DeWine, Hank Brown, Chuck Grassley.

Mr. DOLE. Mr. President, I will just say a word and then turn it over to the distinguished Senator of the committee, Senator HELMS. Senator PELL is here, Senator DODD is here, and they will continue the debate.

I want to say just as I leave—not leave, but leave the floor, that is, not leave the Senate—I am not certain what the administration policy is toward Cuba. President Clinton says he wants to tighten the embargo on Castro's Cuba, and then the White House issues veto threats on the legislation which toughens sanctions. President Clinton says he wants to increase pressure on Castro, and then he cuts a secret deal with him and changes the U.S. embargo and allows more money to flow to Castro.

But whatever the administration's policy is, the Senate will have a chance to speak on this legislation. We will have to speak for the Cuban people who have been muzzled so long by Castro's tyranny.

The choice in this legislation is simple: Do you want to increase pressure on the last dictatorship in the hemisphere, or let Castro off the hook.

Many in the United States actually want to end the embargo, and in the coming debate, they will argue about property rights, legal interpretations, free trade, about many things. But let there be no mistake, passing this bill is about supporting democratic change in Cuba and sending Fidel Castro the way of all other dictators of Latin America.

Let me also indicate that they have had a very good debate on the House floor on this similar bill, the Burton bill, the Burton-Torricelli bill on the House side. Sixty-seven Democrats had strong bipartisan support on the measure. It passed with strong bipartisan support. I know we have bipartisan support here. I hope we will have enough support that we can obtain the 60 votes on cloture, pass this bill, go on to conference and send it to the President. I also hope that we do not grant a visa, of course, to Castro to visit the United Nations any time in the future. I assume that may be in the works.

This is an important bill, an important debate. It is about the last dictator in this hemisphere. I hope that we will tighten sanctions, which is precisely what the bill sponsored by Senator HELMS, myself, and others does. There are a number of cosponsors, as the RECORD will reflect, Republicans and Democrats alike, cosponsoring this bill.

I yield the floor.

Mr. HELMS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, I indicate to my colleagues that there will be no more votes today. There is an agreement that there will be no amendments offered today. There will be lengthy discussions on both sides, as I understand it. So there will not be any votes. I give my colleagues advance notice of that.

Mr. HELMS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. INHOFE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. INHOFE. Mr. President, I ask unanimous consent that I may be recognized for 1 minute as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

MISS AMERICA SHAWNTEL SMITH'S POSITION ON SCHOOL-TO-WORK

Mr. INHOFE. Mr. President, we were very proud to present to all of America today Miss America, Shawntel Smith. She has requested that I submit her statement, which she made today on the lawn of the Capitol, for the RECORD.

I ask unanimous consent at this time to have printed in the RECORD the statement by the new Miss America, and former Miss Oklahoma, Shawntel Smith.

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

SCHOOL-TO-WORK: REINVENTING AMERICA'S WORK FORCE

(Platform Statement of Shawntel Smith, Miss America 1996)

As global communications and technological propel us toward the 21st century, we Americans are falling further and further behind. Everyday, millions of men and women wake up and go to work in jobs that fall short of their American dream, while in some places as many as 50% of our high school students simply drop out. Because many American workers and students are neither motivated nor clear about their economic future, they flounder.

As a nation, our competitive positions remains stagnant. Lagging productivity growth rates, rising unemployment and the absence of a skilled work force widen the gap between America and its competitors. American business and industry struggle to fill the jobs that exist because candidates lack the skills and education to make the grade.

America's classrooms and America's workplace today are out of sync. We're simply not preparing our nation's youth for the high skill, high wage jobs of a technology-based economy, and for that we all suffer. Students who cannot find the relevance in what they're learning, adults who cannot replace lost jobs, educators who cannot motivate their students, and employers who cannot compete.

As Miss America and as a student, I advocate school-to-work solutions that prepare today's students for tomorrow's workplace, providing them with appropriate and clearly marked paths from school to work or to continuing education. In doing so, I will encourage partnerships among the educators, employers, employee groups, students, parents, government and community leaders that spawn local school-to-work initiatives. Such initiatives not only offer ''first chance'' opportunities to students entering the work force but ''second chance'' opportunities to the unemployed and underemployed as well.

My very first priority will be to generate awareness for the school-to-work philosophy, reaching out to those who deserve its benefits but as yet are unaware of its existence. As I travel this country, I will seek out effective partnerships between educators, employers and students, sharing their stories with those who care to hear. I will speak with a sense of urgency because, in this case, there is no time to spare.

Among educators, I will encourage them to provide high-standards academic and relevant education that prepares all students for college, vocational or technical training, career education or immediate entry into the work force. I will ask them to take responsibility for ensuring that America's students be ready to succeed in a high-technology workplace.

Among employers, I will urge them to ensure the future competitiveness of America by taking an active role in the development of educational curricula and by providing work-based learning opportunities for all students. I will also ask them to examine the investments they make in human capital and to provide job training and retraining to all levels within the workplace.

Among students, I will motivate them to discover their personal paths from the classroom to the workplace, showing them that the American Dream is still attainable. I will challenge them to stay in school, so they can take from the education process what they'll need to succeed in the world of work. and I will help them understand that the process of lifelong learning is the key to their productivity and happiness.

From America's classrooms to its tool rooms to its board rooms, I will serve as a catalyst for change by shining the Miss America spotlight on and bringing a forceful voice to this new movement, a movement which seeks to put all Americans to work and makes our country strong and competitive once more.

These pledges I make today, the 11th day of October, 1995.

CUBAN LIBERTY AND DEMOCRATIC SOLIDARITY [LIBERTAD] ACT OF 1995

The Senate continued with the consideration of the bill.

Mr. HELMS. Mr. President, some of us have been waiting quite a while for the pending legislation, known generally as the Helms-Burton bill. But as the distinguished majority leader has

just said, the pending bill has wide support in both parties and in both Houses of Congress.

The water was muddied a bit last week by President Clinton, but I will say for the President that, confusing as his actions are and have been with respect to Cuba, he did, in my judgment, reemphasize last week that the embargo against Fidel Castro's Communist regime in Cuba is still an absolute necessity. On that, I certainly agree with the President.

I think most Americans, and certainly those who are still prisoners in Cuba and those who fled Cuba and are now in exile, unanimously agree that the embargo against Fidel Castro must be continued.

For 36 years—and this covers a period when eight American Presidents were in the Oval Office—the U.S. policy of isolating Castro has been consistently bipartisan. And I do hope that consideration of this bill today, and for however long it takes beyond today, will continue to be bipartisan. It is called the Libertad bill, and it builds on and enhances that embargo policy, which I hope, as I say, will continue to be bipartisan.

Why? That is a rhetorical question, and everybody knows the answer to it. Certainly, every Senator is old enough to remember Fidel Castro's entry into Cuba. I remember Herbert Mathews of the New York Times—that newspaper that prints ''all the news that is fit to print,'' as they say in boastful declarations—Mr. Mathews sent dispatch after dispatch to the New York Times from Havana reminding one and all that Fidel Castro was just a nice, little agrarian reformer. And then there was Edward R. Murrow, who broadcast nightly that Fidel Castro was a peace-loving agrarian reformer.

That is when Fidel Castro was in the boondocks and Mathews and Edward R. Murrow went out and sat at Castro's knee and trumpeted his propaganda via CBS and the New York Times.

Well, when Mr. Castro got to Havana, the bloodletting began. And anybody who is in this Senate is certainly old enough to remember what happened. There was tyranny throughout Cuba. Mr. Castro, first of all, took up all of the guns from his political enemies; and he lined up a great many of those political enemies before firing squads. As for the declarations by Herbert Mathews of the New York Times and Edward R. Murrow that Fidel Castro was not a Communist, the first declaration that Mr. Castro made when he became the premier of Cuba was, ''I am a Communist, I have always been a Communist, and I will always be a Communist.''

So Fidel Castro became known worldwide as a cruel, bloody tyrant, whose regime engaged in rampant human rights abuses, drug smuggling, arms trafficking, and terrorism. Mr. Castro sits atop a structure that regularly and routinely abuses, detains, tortures, and executes its citizens. He is a self-declared, committed Communist who stands against every fundamental principle that the American people value.

In all—I saw some statistics on this the other day, Mr. President—more than 10,000 Cubans have been killed by Castro and his regime, with tens of thousands more having fled their homeland to escape his tyranny. Currently, at least a thousand Cubans are, this very day, being held as political prisoners in Castro's jails. Yet, the United States liberal community, including this Senate, so desperately desires good news out of Cuba so that they can cast Castro in some favorable light that they will seize on the flimsiest of evidence. I fear that this is precisely what is going on down on Pennsylvania Avenue.

Let the record show that there has been no fundamental change in Fidel Castro's policies. None whatever. If you doubt it, ask Mario de Armis who is acknowledged by the U.S. State Department as the Cuban prisoner who has served the longest sentence—30 years in a Castro prison—for his political beliefs. He committed no crime. He just did not agree with Fidel Castro. He was not a Communist. So, to jail he was sent by Castro for 30 years.

Mr. de Armis supports the U.S. embargo. Let me quote exactly what he said recently:

> Stand on the side of the oppressed against the dictator Fidel Castro. It is not my opinion but the opinion of everybody. I refer to the working people of Cuba, that the embargo should be maintained, it should be kept in effect, it should be strengthened.

Or you might want to ask Armando Valladares, who was locked up for 20 years in a Castro prison. He said in a recent letter to me, ''I strongly believe that the remaining days of Castro's tyranny will be shortened once your Libertad bill is passed.''

Now, Mr. President, it is not just those who have suffered under Castro who have been forced to flee. It is not these people alone who favor continued isolation of Castro. It is those still inside Cuba, still struggling for freedom, who also endorse a tightening of the embargo.

Recently, I received a letter signed by scores of Cubans inside Cuba who courageously, at great risk to themselves and their personal safety, endorsed the Libertad bill. Let me quote from their letter: ''Because of a wicked turn of destiny, a history with contrasting elements is repeating itself in Cuba. In the early years of the revolutionary triumph, the government headed by Castro confiscated all private property belonging to both Cuban and foreign capitalists to save economically the fledgling revolution.''

''In 1995,'' the letter continues, ''and in order to save the same revolution, socialism and [its] alleged gains, the same properties are put on sale for other capitalists to buy although this represents no benefit for the Cuban people.''

Now, Mr. President, the letter is long but let me refer to one more statement: ''We support the alternative you propose.''

Now, Mr. President, he is referring to the pending legislation now before the U.S. Senate. He goes on to say ''Its approval will mean a definite turn in our favor. We thank you sincerely for what you are doing.''

Now, these people, who are still in Cuba, and who ran a personal risk in writing their letter to me, said—referring to the impact of the economic embargo—''The economic embargo maintained by subsequent administrations has begun to have its effect, felt not against the people, but against those who cling to power.''

Despite the risk of arrest and intimidation and forced exile, these letters of support coming to me and, I am sure, coming to Congressman BURTON and other Members of the House and Senate of the United States in support of the pending bill, continue to make their way out of Cuba and on to our desks in the Senate and in the House of Representatives.

I must emphasize, for the sake of clarity, that these are the people on the front line in Cuba. They know firsthand what kind of man Castro is and has been. They know what he represents. They are in a position to judge best what the impact of the pending bill, the Libertad bill, the Helms–Burton bill, will have in Cuba.

Now, some opponents of the pending legislation have recently made claims that it is time to normalize relations with Castro, that he has made political and economic reforms, and that Cuba is open for business and that we are somehow missing out on golden opportunities.

Some prominent people in business circles contend that we are missing out on what they describe as golden opportunities.

They seem willing to overlook the thousands of people murdered by Castro, the thousands of people who have been locked up in Castro's dingy prisons. No problem, they say, in effect. Just do a little business with Castro, make a little profit off of the misery of these Cuban people.

Talk about callous nonsense—Castro has not implemented even one serious political move toward a free society in the last 36 years—not once. His economic reforms have been designed more to alleviate pressure on his regime than to permit the betterment of the Cuban people.

The Cuban economy is in shambles. It is, in fact, in such dire straits that Castro has laid off some 500,000 to 800,000 workers, more than one-fifth of Cuba's work force.

Even Castro's new foreign investment law that has been trumpeted all around in big business circles, this foreign investment law continues to place economic decisionmaking in the hands not of free enterprise but in the hands of the Cuban Communist Government.

It has nothing to do with economic freedom for the Cuban people. The

Cuban Communists, Mr. Castro's crowd, do you not know, will still dictate which Cubans get jobs and which Cubans will not. They will determine how much Cubans will be paid, and it is a pitiful sum that they intend to be paid.

So, I think we ought to stop kidding ourselves. We are still dealing with a tyrant, a tyrant who is determined to keep his grip on power. Fidel Castro is not now interested, nor has he ever been interested, in bringing genuine economic and political freedom to Cuba. That is why 30 Senators introduced the Cuban Liberty and Democratic Solidarity Act, the Libertad Act or the Helms–Burton bill, however you want to identify it.

We are convinced that real political and economic change will come to Cuba only by and when pressure is increased on the Castro regime and while we continue to make clear that we are supporting the Cuban people.

This combination of pressure on Castro and support for the Cuban people is central to the pending legislation, the Libertad bill.

What does this bill do? It certainly does more than stiffens sanctions. It has three separate and distinct objectives.

First, to bring an early end to the Castro regime by cutting off hard currency that keeps the Castro crowd afloat. Without hard currency from the outside, Mr. Castro's days will certainly be numbered. If you want to keep Castro in power, let him get hard currency from outside. But I say no, cut off the hard currency to Fidel.

Second, the bill stipulates that planning should start now for United States support to a democratic transition in Cuba with full respect for the self-determination of the Cuban people.

And third, of course, is to protect the property confiscated from United States citizens by Castro and his crowd, property that is being exploited this very day by Fidel Castro to subsidize his Communist regime, with foreign companies earning blood money at the expense of the Cuban people. That is what this bill is all about.

The proactive strategy set forth in this legislation preserves United States credibility with the Cuban people; it shows that the United States is one of the few countries not willing to legitimize the brutality of the Castro regime in exchange for some mythical market share.

Here is the point, Mr. President: This legislation seeks to break the status quo by extending an offer of broad, U.S. support for a peaceful transition, while providing disincentives to companies whose ventures prop up the Castro crowd, the Castro regime, the Communist regime in Cuba, that is exploiting the labor of the Cuban people and the resources of the American property owners. That is what those who want to prop up Castro are willing to do. They are willing to forget all of the murders, all of the decades in which people have suffered in jails since Castro took power.

Since this bill was introduced, there has been an unprecedented hue and cry from Mr. Castro's crowd in Havana and, to be honest about it, from certain quarters in the United States.

All sorts of dire consequences have been forecast about this bill's probable impact on United States relations with the Europeans and the Canadians. Well, la de da, the Canadians, after all, have been transshipping sugar from Cuba all along, in violation of United States law. I could catalog a lot of other things that ought to be stopped, which the U.S. Government ought to get about the business of stopping.

In any case, many of the same predictions that Congress heard in 1992 during the debate on the Cuban Democracy Act are being said today. Nothing came of those predictions about ruptured relations; but the predictions that did materialize were felt by Castro, who was and is the target of the Cuban Democracy Act.

The only dire consequences of the Libertad bill's enactment are dire for Mr. Castro. And I do not mind telling you I want to set his tail feathers afire, which is long overdue. He has tormented his own people long enough. I do not have much sympathy for the view held by Americans who do not feel that the United States ought to come to the aid of the Cuban people. We should have done it a long time ago.

The pending bill will hurt Mr. Castro at his most vulnerable point—his pocketbook. It makes clear that only a democratic Cuba, a free Cuba, will receive the benefits of American trade and recognition.

Cuba is the last Communist nation in this hemisphere. There once was a bunch of them. Castro is losing his grip on power. He knows it. We know it. And anybody with average vision ought to be able to see it. Why else has Castro launched such an aggressive campaign against this Libertad bill and in favor of lifting the embargo? Everybody knows that. Castro wants an influx of American hard currency. That is what he needs most. That is the only thing that will keep him afloat in the crisis that is growing over his head.

What Mr. Castro does not want is for the pending legislation to become law. For those who genuinely support freedom for the Cuban people, that, it seems to me, is the best reason for this United States Senate to follow the lead of the United States House of Representatives in approving the Cuban Liberty and Democratic Solidarity Act.

Mr. President, I ask unanimous consent the letters from the prodemocracy activists in Cuba and Armando Valladares be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

PARTIDO SOLIDARIDAD DEMOCRATICA,
Havana, Cuba, September 20, 1995.

Hon. JESSIE HELMS,
Chairman of the U.S. Senate, Committee on Foreign Regulations.

Because of a wicked turn of destiny, a history with contrasting elements is repeating itself in Cuba. In the early years of the revolutionary triumph, the government headed by Castro confiscated all private property belonging to both cuban and foreign capitalists to ''save'' economically the fledgeling revolution. In 1995 and in order to ''save'' the same revolution socialism, and alleged gains, the same properties are put on sale for other capitalists to buy although this represents no benefit for the cuban people.

The economic embargo maintained by subsequent American Administrations has begun to make its influence, felt not against the people, but against those who cling to power. These effects are felt after the downfall of the socialist camp. Which forced the Havana regime to improvise economic moves, waiting for a miracle to pull them out of a very difficult situation.

Against these efforts by the last totalitarian dictatorship in the continent, the Act of Freedom and Democratic Solidarity with Cuba sponsored by you is the most positive option. Efforts in other directions offer doubtfull solutions in such a long term that the agony of over 10 million people cannot wait.

We support the alternative you propose. Its approval will mean a definite turn in our favor. We thank you sincerely for what you are doing and we are sure that those who criticize you today will congratulate you tomorrow for your unobjectable contribution to process of democratic transformation in Cuba.

On behalf of a wide sector of the Oposition Movement I represent and on my own I congratulate you and pray to God for the success of your effort.

Embracing you,

ELIZARDO SAMPEDRO MARIN,
Presidente.

OTHER SUPPORT OF THE LIBERTAD BILL

Héctor Palacios Ruiz, Vice-presidente del PSD.

Leonel Morejón Almagro, Presidente de NATURPAZ (Defensores de ecologia y medio ambiente).

Odilia Collazo, Presidenta Partido Pro Derechos Humanos de Cuba.

Fernando Sanchez Lopez, Presidente de la APAL (Asociacion Pro Arte Libre).

Adolfo Fernandez Sainz, Ejecutivo del PSD.

Raul Rivero, Poeta y Periodista (Miembro del PSD/Agencia de Prensa Habana Press).

Orfilio Garcia Quesada, Asociacion de Ingenieros Independientes de Cuba.

Juan Pérez Izquierdo, Periodista PSD.

Rafael Solano Marales, Director Habana Press.

Amador Blanco, Comision de Derechos Humanos ''Jose Marti'' de Caibarien.

José R Marante, Consejo Medico Cub Independiente.

Dianelys Gonzalez, Asociacion Trab de la Salud Ind.

Pedro A Gonzalez Rodriguez, PSD prov Habana.

Caridad Falcón Vento, PSD Prov Pinar del Rao.

Hector Peraza Linares, Periodista PSD.

Mercedes Parada Antunez, Presidenta ADEPO.

Jesus Zuñiga, Director Centro de Información del PSD.

Secundino Coste Valdes, Periodista y Presidente de la Organizacion Opositora Panchito Gomez Toro.

Ernesto Ibar, Presidente Asoc Jovenes Democratas.

Félix Navarro, PSD de Perico, Matanzas.
Ivan Hernandez, PSD de Colon, Matanzas.
Abel Acosta, Partido Pro Derechos Humanos Cifuertes.
Mercedes Ruiz Fleites, PSD Santa Clara.
Francis Campaneria, PSD Camaguey.
Aurelio Sanchez, Partido Social Cristiano.
Luis E. Frometa, Alianza Cristiana.
Raquel Guerra Capote, Federacion Mujeres Amalia Simoni.
Blanco Gallo, Alianza Metodista Cristiana.
Carlos Oruña Liriano, Asoc Reconstruccion Democrata.
Silvia Lopez Reyes, Mov Fe, Democracia y Dignidad.
Alejandro Perez, Liga por la Reivindicacion Cristiana Nacional.
Josue Brown, Liga Evangelica Juvenil.
Gloria Hernandez Molina, Mov Catolico Democratico.
Guillermo Gutierrez, Union Evangelica Oriental.
Victor Suarez, Democrata Autentico Cristiano.
Eduardo Valverde, Accion Patriotica Civilista.
Onelio Barzaga, Mov Revolucionario Cubano autentico.
Agustin Figueredo, Union de Activistas Pro Derechos Humanos ''Golfo de Guacanayabo.''
Jose Angel Peña, PSD prov Granma.
Nidia Espinosa Carales, PSD prov Granma.
Rafael Abreu Manzur, PSD prov Santiago de Cuba.
Nicolas Rosario, Centro de Derechos Humanos de prov Santiago de Cuba.
Maria Antonia Escobedo, Frente Democratico Oriental.
Aristides Cisneros Roque, PSD Guantanamo.
Jorge Dante Abad Herrera, Partido Cubano pro Derechos Humanos de la prov Guantanamo.

ARMANDO VALLADARES,
Springfield, VA, September 21, 1995.

Hon. JESSE HELMS,
U.S. Senate, Washington, DC.

DEAR SIR: I am a former political prisoner of Fidel Castro's jails where I was confined for twenty-two long years. In those jails I saw many of my best friends die due to horrible tortures and inhumane treatment.

I strongly believe that the remaining days of Castro's tyranny will be shortened once your ''Libertad'' bill, now up for a vote, is passed. The endorsement of your legislation by the most influential dissident leaders inside Cuba proves that they are convinced, as I am, that this law is an important contribution towards our goal, a ''Free and Democratic Cuba.''

I commend you for your relentless effort and leadership. While the rest of the world seems to be content and sits idle watching the destruction of a country and its people, individuals like yourself come forward to fulfill a duty. That is eliminating injustices and abuses wherever they occur.

Que Viva Cuba Libre,

ARMANDO VALLADARES,
Former U.S. Ambassador,
U.N. Human Rights Commission.

Mr. HELMS. Mr. President, I yield the floor and I suggest the absence of a quorum.

The PRESIDING OFFICER. Will the Senator from North Carolina withhold? I believe the Senator from Rhode Island seeks recognition. Will the Senator withhold?

Mr. HELMS. Of course.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. PELL. Mr. President, I have a couple of points to make. One of them is, it seems to me unwise to support tacitly the practice of submitting a cloture motion at the same time as a bill or amendment is submitted. I think if this becomes a precedent, it could lead to abuse.

Second, I would like to make the observation that I think I am probably the only Member of this body who has lived under communism for a year or two, a couple of years, and been exposed to it.

I have been to Castro's Cuba four times since being in the Senate and twice to Guantanamo. My view is that the best medicine we can give the Cubans is to submit them to exposure to freedom and fresh air and clear light, that this is what gets rid of communism. I think back to when I lived under the Iron Curtain. We used to say the same thing, that communism would die of its own evil, which it did; of its own ineptitude, which it did. And this is what we should admit to having with Cuba. And, I submit, the legislation before us does not do that.

I believe all my colleagues agree on the goals of American policy toward Cuba—promoting a peaceful transition to democracy, economic liberalization and greater respect for human rights while simultaneously controlling immigration from Cuba. What is clearly different is how we get there. In my view, the legislation before us today is going to take us further away from achieving these goals and is contrary to U.S. national interests.

Rather than ratcheting up the pressure even further in order to isolate Cuba, as this bill would do, we should be expanding contact with the Cuban people. In that regard, I believe the measures announced by President Clinton last week are a step in the right direction. These measures include the reciprocal opening of news bureaus in the United States and Cuba in order to improve the accuracy of the bilateral flow of information; support for the development of independent, nongovernmental organizations in Cuba in order to strengthen civil society; clarification of standards for travel for purposes of news gathering, research, cultural, educational, religious and human rights activities; simplification of regulations that govern travel to Cuba by the Cuban-Americans for extreme humanitarian emergencies such as death or illness of family members; and, finally, authorization for Western Union to open offices in Cuba to facilitate the transfer of funds that are currently permissible for purposes of paying legal immigration fees and for case-by-case humanitarian needs.

Of course, I would like to see the administration go even further in order to permit the full, free flow of information and people between our two countries because I believe this would best facilitate the transition to democracy.

Under appropriate circumstances, too, I would support lifting the embargo. I say this not because I believe the Cuban Government should be rewarded. In fact, I am amongst those who are disappointed that the Cuban Government has failed to make truly meaningful steps toward political reform and improved human rights. Nor do I believe that should be done as a quid pro quo. We should undertake policy measures to enhance—not decrease—to enhance contact with the Cuban people, because that will serve American national interests; namely, the fostering of the peaceful transition to democracy on that island.

In my view, greater contact with the Cuban people will plant the seeds of change and advance the cause of democracy just as greater exchange with the West helped hasten the fall of communism in Eastern Europe. In his posthumously published book, former President Nixon wrote that ''we should drop the economic embargo and open the way to trade, investment and economic interaction * * *'' Nixon believed we would better help the Cuban people by building ''pressure from within by actively stimulating Cuba's economic contacts with the free world.''

The Cuban Government has been expanding political and economic ties with the rest of the world. These economic relations in and of themselves are no substitute for the economic benefits that would accrue from more normal relations with the United States, but they do provide sufficient space for Castro to refuse to give in to U.S. demands.

I think it is naive to think that the measure before us today is going to succeed in forcing Castro to step aside, where all other pressures have not. However, the measures proposed in this bill do have the serious potential of further worsening the living conditions of the Cuban people and once again making a mass exodus for Miami an attractive option. Taken to its most extreme, this bill could even provoke serious violence on the island.

This legislation is even more problematic than earlier efforts to tighten the screws on Castro. I say this because its implications go well beyond United States-Cuban relations. Not only does it alienate our allies and tie the administration's foreign policy hands, it also seriously injures certain Americans in order to benefit a class of individuals in the Cuban-American community. In the process, it throws out the window more than 40 years of international law and practice, in the area of expropriation.

Finally, it will make more difficult the transformation of the Cuban economy to a market based on economy, because of the complex property issues associated with these pending court judgments.

Contact and dialog between Havana and Washington will bring about democracy on the Island of Cuba, not isolation and impoverishment. Perhaps if we took that approach, our allies

would seek a similar course, and realize that they might compromise some of their approaches with us.

I only ask my colleagues to observe the lessons of what happened with the removal of communism in Eastern Europe when it was forced out—when the light, free air, and freshness of democracy swept it out. But if you build walls and isolate that will not occur.

I yield the floor.

Mr. FAIRCLOTH addressed the Chair.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. FAIRCLOTH. Mr. President, thank you.

Mr. President, this legislation presents the Senate with an opportunity to remind the people of Cuba that we have not forgotten them. Nor have we forgotten the decades of suffering and oppression inflicted on them by the brutal Castro dictatorship which began in 1958. With freedom on the march throughout the Americas, Communist Cuba is desperately fighting to preserve its experiment in government through enslavement. Now more than ever we must redouble our resolve and our efforts to rid our hemisphere of thugs like Fidel Castro and those who support him. I am proud to cosponsor this legislation which specifically stiffens sanctions against the Communist elite of Cuba who are exploiting confiscated property in a last ditch effort to preserve their privileged status.

The most important element of this legislation is contained in title III. It creates a new right of action that allows U.S. nationals to sue those who are exploiting their confiscated property in Cuba. This provision is necessary to protect the rights of United States nationals whose property has been confiscated by the Cuban Government without just and adequate compensation—in fact, without any compensation. This new civil remedy will also discourage persons and companies from engaging in commercial transactions involving confiscated property, and in so doing deprive Cuba's Communist elite of the capital—the cash money—which they need to perpetuate their exploitation of the people of Cuba.

This legislation does not compromise existing foreign claims settlement procedures, nor does it dilute the claims of the original certified claimants. It simply provides an additional remedy made available to all U.S. nationals whose claims are not covered under existing settlement mechanisms. In fact, we are making the recovery process less complicated because it will protect additional properties until claimed by their rightful owners under the laws of a democratic Cuba which I hope will come soon.

In the recent past, the United States expended significant effort to liberate the people of Haiti from a military dictatorship. Today the Clinton administration continues to spend enormous sums of taxpayers' dollars on Haiti. Every day I grow less certain of the administration's resolve to ensure that Haiti's present government is committed to democracy and liberty.

Recent White House policies toward Cuba also cause me to question whether President Clinton has the resolve necessary to maintain United States pressure on the Castro regime. Regardless, there should be no doubt about congressional resolve to stay the course toward liberation for the people of Cuba. This bill is an essential step toward achieving that goal. I strongly support it and encourage colleagues to do the same.

Mr. President, I yield the floor.

Mr. DORGAN addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Mr. President, my understanding is that this piece of legislation comes to the Senate floor without having been through a markup in the committee so that members of the committee could debate and potentially amend the legislation.

It, like so many other pieces of legislation these days, is cobbled together quickly—the Lord only knows where—and it is moved to the floor. And we are told, here is the issue. You go ahead and debate it. The regular order, of course, would be to have some hearings on something that represents a national problem, and, as a result of the hearings, understand the dimension of the problem and then to try to construct some appropriate, sensible, reasonable conclusion that addresses the problem, move it through a markup in the committee, and then bring it to the floor and debate it.

That is the way you would do something, if you are really interested in doing it the right way. But we see, unfortunately, a Senate and a Congress that these days seems intent on hour by hour and day by day changing the itinerary and the schedule and cobbling together some half-notion of what is in the press yesterday and how we might legislate responding to it tomorrow.

Well, I came to the floor today not so much to talk about Castro and Cuba. I know this bill is about Castro and Cuba. And I know that Castro and Cuba are a presence in our lives and around, and that we have to respond to and deal with them.

Frankly, Fidel Castro and Cuba are not the most important things in the lives of people I represent.

We have a Senate that is in session today. Very few Members are here for debate. And we have in the Chamber on the agenda the need to discuss Cuba and Castro.

We have had hearings during this Congress on all kinds of issues. We have had 11 days of hearings on Waco. We have had 10 days of hearings on Ruby Ridge. We have had 24 days of hearings on Whitewater. But I represent a part of the country that has a fairly high percentage of the population of the elderly who are concerned about Medicare and Medicaid, policies dealing with nursing homes, hospitals, and doctors.

We are seeing a proposal for a substantial change in the Medicare Program, and there were not any hearings on the specific plan that was laid down about a week and a half, 2 weeks ago, none. Some might say, well, we held a bunch of hearings beforehand so we thought through it then. Now we have put together this proposal.

My question is, well, if you have a proposal that you held close to your vest here for some long while, then unveiled it at the last moment, why did we not have a day or a week or 2 weeks of hearings about what is proposed to be done with Medicare? What about the specific plan? What does it do? What is the impact? What will it mean to the future of Medicare? What will it mean for senior citizens who rely on Medicare, for rural hospitals?

There are a lot of things that are important. Castro and Cuba rank well below, in my judgment, the question of what are the priorities that this Congress is establishing for the future of this country.

One thing is certain. We are not certain about a lot of things, but one thing is certain. One hundred years from now no one here will be alive—no one. But 100 years from now those who choose to wonder what we were about, what kind of value system we had, what we cared about, what we thought was important and dear to us, they will be able to look at how we spent our resources in this country. They will be able to look at the Federal budget and say, here is how that group of Americans at that point in time decided to spend its public resources. And they will be able to tell a little something about what we felt was important, how we felt we would advance the interests of the country.

I sat in the Chamber of the House of Representatives this morning, as did some of my colleagues, and heard a wonderful tribute to the veterans of the Second World War on the 50th anniversary of the end of the Second World War. And it was remarkable to see the number of people who stood up in that Chamber when asked, all the Medal of Honor winners, to stand up. And you looked around with a tear in your eye and seen those people who won this country's highest honor, who exhibited uncommon bravery, risked their lives, were wounded, and did extraordinary things to save the lives of others. And you realize what people have sacrificed for this country, what this country has done for itself and for others around the world.

One of the speakers this morning was STROM THURMOND, a wonderful Senator in this Chamber, in his nineties. I assume he would not mind if we mentioned his age. It is probably published all over—a vibrant and interesting Senator who has been here some long while, and when he spoke this morning I was remembering a conversation I had with him.

He, as I recall, enlisted in the Second World War when he was over the age of 40 and went overseas and then volunteered to get up in a glider, to be pulled aloft at night with some volunteers to crash land behind enemy lines in Normandy. This was not an 18- or 20-year-old kid; this was a fellow in his forties who volunteered to risk his life to do that. And I had a talk with him one day about what was going through his mind: Was he scared? Was he frightened?

I will never forget the discussion I had with Senator THURMOND—a wonderful discussion. I just thought to myself, what some people have done, gone through in this country is quite remarkable.

There was then a spirit of unity that was extraordinary in this country. We came together to do things, do things to preserve freedom and liberty. There is a kind of a shattering of the spirit, some say, these days. I do not know that that is true, but I know that there is some discord because it is so much easier for people to focus on what is wrong rather than what is right, to focus on the negative rather than the positive. And I understand all of that. I understand the tendency people have to hold something up to the light and say, ''Gee, look at that imperfection; isn't that ugly? Isn't that awful?''

Sure. But it is not the whole story. Part of the story of this country is not just the celebration of what we have done in the Second World War to keep this world free and beat back the oppression of Nazism. Part of the story of this country is what a lot of those in this Chamber who came before us decided to stand up and do for our country. I was not here when they decided we ought to have the Social Security system, but, boy, I cannot express enough gratitude to those who had enough courage to stand up in the face of cries of socialism by others, saying, how could you possibly propose a program like this?

Well, I am glad there were enough builders, enough people who decided there are positive things to do that benefit this country, I am glad there were enough of them around to stand up and have their vote counted, which meant we now have a Social Security system in our country. It probably was not very easy for them. It was not more than 30 years ago Medicare was proposed, and the easiest thing in the world is to be opposed to everything. The old story goes it takes more skill to build a building than it does to wreck a building. It takes no skill to tear something down. We all understand that.

I was not here in the early 1960's, but the first people who brought Medicare to the floor of the Senate, recognizing that half of the senior citizens of this country had no health care coverage, were willing to stand here and make the case for the need for some dignity and some protection and some security for the elderly in this country. I regret to say 97 percent of the folks on the other side of the aisle said, we are sorry; we do not believe in this; we are going to vote against it; Medicare ought not happen.

Well, we persisted, those who were here before us persisted, and we developed a Medicare Program. And it has been a wonderful program. Perfect? No. Are there some blemishes? Yes. Does it need some adjustment? Sure. Has it been a positive thing for the senior citizens of this country? You bet it has. Ninety nine percent of the senior citizens of this country now have health care coverage and do not in their declining years, do not in their older years sit in abject fear of getting sick. That is a wonderful thing and a wonderful story as a part of the progress in our country.

Some will say, well, you can talk all you want about Medicare and Social Security, but the fact is those things do not work; this country is coming apart. And they will cite as evidence some of the enormous challenges we face. And I understand some of those challenges. We have racial tensions in our country. We are racially divided and we must address that. Mr. President, 23,000 murders. We have a crime epidemic, and we have to find a way to solve that; nearly 10 million people who are out of work and looking for a job; 25 million people on food stamps; 40 million people living in poverty; slightly over a million babies this year will be born out of wedlock with no father; 8,000 to 9,000 of them will never in their lifetime learn the identity of their father.

Challenges? Troubles? Absolutely. Absolutely. But you do not solve those problems and you do not address challenges by running away and pretending they do not exist. The question is, how do we meet these challenges? Where do all of us meet these challenges? What kind of things do we do first individually in our homes, then in our communities, and then, yes, in our elected Government, in the Congress? How do we come together with approaches and plans that address these vexing problems that confront our country?

If I did not think the future of this country is brighter than the past, I would hardly have the energy and strength to do this job. I am convinced that if you look at all of these problems together, you will conclude that a country that survived a major depression, that beat back the oppressive forces of tyranny and Nazism in the Second World War, a country that has met challenge after challenge, will meet these challenges. But we will not do it by turning our backs on the past and by deciding that those things that we have done together that make this a better country we should now take apart.

Most especially we are now in this Chamber involved in the process of making choices, choices about what we think will advance the interests of this country. It is not so much, in my judgment, choices between conservatives and liberals because, frankly, I think you have appetites in every chair in this Chamber to spend public money.

I recall when the defense bill came to the floor of the Senate, as will my colleagues. I was astounded to find that the bill for this country's defense, to appropriate money for America's defense, recommended by the Secretary of Defense and the four branches of our armed services, came to the floor of the Senate having had $7 billion added to it to buy ships, planes, submarines no one asked for, to buy B–2 bombers—20 of them are $30 billion—to start a Star Wars program and say; ''By the way, we not only want to start it, we want you to deploy it in the field by 1999 on an accelerated basis.''

The same people who come here and order B–2 bombers, whose cost for a nose wheel and a fuel gauge would pay for all the Head Start programs in our country with 55,000 kids, they also want to kick off Head Start, say to us: ''Well, what is really important in our country is to have the B–2's. Do not talk to us about Head Start,'' they say.

This is all about choices. What choices do we make that advance this country's interests? The same people who came to this floor and said, ''We want $7 billion more for defense. We want B–2's and star wars and so on''—and, incidentally, they also, I think page 167 of the defense authorization bill said they want $60 million for blimps. The hood ornament of goofiness is to buy 60 million dollars' worth of blimps. Lord knows what the Hindenburg strategy for buying blimps is. I searched far and wide in this Chamber to find out who wrote in $60 million to have blimps and failed to find out who it was. I concluded it is an immaculate conception in this bill with no discernible author.

Having said all that, the same people who wrote all of this into the defense bill said, when it came time to deal with the other side of America's needs: ''We're sorry. We're out of money.'' We had plenty of money for this defense need well above what the Secretary asked for. ''We insist you buy planes you did not ask for and ships you did not order, the two amphibious ships.'' Two of them—we chose one for $3.9 billion and one for $900 million. ''Why be misers? We want to build both of them,'' they said. I will not even talk about submarines.

But the point is this: They said we can afford everything in defense, even what the Secretary of Defense did not ask for. We insist on wanting to give a tax cut, over half the benefit of which will go to Americans with over $100,000 in income.

So I brought an amendment to the floor and said if we are going to have to choose and we are going to set priorities, please let us do this, let us decide that the tax cut will go to working families and we will limit the benefits of the tax cut at least to those families earning below $100,000 in income and

use the savings from that limitation of who gets the tax cut to below $100,000 in income to reduce the heavy cut they are going to make in Medicare. At least let us do that, limit the tax cut to those under $100,000 in income, and use that to try to at least eliminate some of the heavy hit on Medicare.

No, they did not want to go for that. All of them voted against it. Well, I want to give them another chance. I am going to offer another amendment this week, maybe $500,000. Would you agree at least to limit the tax cut to people who make less than $500,000 a year and use the savings in order to reduce the hit on Medicare? I mean, it seems to me this is all about choices and priorities.

A question we asked with respect to this budget is, do family farmers matter? Do kids matter? Is nutrition important? Does education advance this country's interests? All of those are questions we are asking. And we are answering those questions by what we decide to spend the public's money on.

Now, as I said earlier, I do not despair about the answers to these questions because I think one way or the other, one day the American people will come to the right conclusions. We want to get to the same location. All of us want to move this country ahead. We want this country to have more economic opportunity, more growth, better educated kids. We all want the same things but we have very different views on how we get there.

The new ideas these days, incidentally, are the ideas of block grants and flat taxes. I am thinking about the words ''block'' and ''flat.'' It is really hard, it seems to me, to build a political movement using the words ''block'' and ''flat.'' Block grants are, you just take all this money that comes into the Federal coffers and send it all back someplace else and say, ''By the way, you spend it back someplace else, and no strings attached.''

I say, why put 3,000 miles on a dollar? Why send money from North Dakota to Washington, only to send it back and say, you spend it, spend it as you wish? Why not cut down on the travel? You want to do that? You think nutrition is not a national need? Then why do you not just tell the Governors, You handle nutrition issues. You raise the money back home and you spend it? Personally, I would not support that. But that would be a more honest approach, probably a more responsible use of the taxpayers' dollar.

Flat taxes. That is an old, old idea dressed in new clothes that says, Let's have the wealthiest Americans pay less taxes and families pay a little more. I mean, it is part of the same philosophy that the problem in this country is the rich have too little and the poor have too much. And we must, some feel, come to this floor and make choices that remedy that by giving the rich more and taking from the poor.

Well, Medicare, Medicaid, education, family farming—these are the priorities, the issues that we need to discuss.

What about Medicare? Some say what are you talking about is cutting Medicare. No one is proposing cutting Medicare. No one. We are simply reducing the rate of growth. Let us analyze that just for a moment.

We know what it will cost to fund the Medicare program over the next 7 years. Two hundred thousand new Americans every month become eligible for Medicare. That is how America is graying. We know what Medicare will cost with the new people becoming eligible and also with the increased cost of health care each year. That being the case, if you cut $270 billion from what is needed to fund the Medicare program, the fact is you are cutting Medicare. Yes, you are cutting the rate of growth, but you are also cutting Medicare in terms of what is needed.

Medicaid, well, if you cut 20, 25, 30 percent out of what a State needs—and North Dakota is cut 22 percent from what we need to fund Medicaid—then you say, By the way, there will be no national standards any longer for nursing homes. Do you think you have advanced the interests of this country, the interests of the poor, the interests of people who need help? I do not think so.

Education. Somebody wore a T-shirt once that said: ''If you're interested in the next year, plant rice; interested in the next 10 years, plant trees; interested in the next century, educate kids.'' Education must also be our priority. The stamp of choice these days applied in this Chamber is that does not matter as much as B–2 bombers, probably does not even matter as much as Cuba to some.

Mr. President, we do not have much opportunity to debate these issues in lengthy hearings, in lengthy analysis of what it all means to people, to people who rely on Medicare and Medicaid, rely on guaranteed student loans or rely on the safety net for family farmers.

So we must take this time on the floor of the Senate to discuss what all this means and where it moves America. I hope that no one will decide that these debates are unworthy or for one reason or another these debates do not matter. It is not a sign of weakness that we cannot agree and have debates. That is the way a democracy works. My hope is that these debates as they unfold will inform the American people about these policies and what they mean for the future.

Mr. WELLSTONE. Will the Senator yield?

Mr. DORGAN. I will be happy to.

Mr. WELLSTONE. I wanted to ask the Senator a few questions.

First of all, Mr. President, I want to ask the Senator from North Dakota—I mean, I try to spend time in cafes in Minnesota, have coffee, unfortunately too much pie, with the people and just ask people what they are thinking about.

Has the Senator found in North Dakota that, when you go into a cafe, on the list of people's priorities, the Senate right now should be debating Cuba?

I have a whole series of questions. Does it come up at all?

Mr. DORGAN. I was in North Dakota all last week because the Senate had no votes last week. I did not hear one North Dakotan talk to me about Cuba. It does not mean Cuba is not interesting or important; it is that they are interested in the issues that affect their daily lives—farm programs, Medicare, and so on.

Mr. WELLSTONE. The second question I want to ask the Senator from North Dakota is, I said on the floor last week—and actually sometimes words come to you, but I actually now believe that this is exactly what is happening—that what I see going on here is a rush to recklessness, a fast track to foolishness.

Is there, on the part of people in North Dakota—let us start off just talking about Medicare recipients. I want to ask you about medical assistance and some other programs as well. I mean, do you find both with the beneficiaries and with the caregivers, whether it be in the rural parts of the State—North Dakota is mainly rural—or some of your larger cities—that would be our metro area—do you find a tremendous concern about what is going on in Washington where people feel like we do not have the information of what is going on?

It is not even that people necessarily reached a conclusion yet, but that they really want to know. They yearn for information. And they want to know exactly what is happening and how it is going to affect their view.

How it is going to affect them? Do you sense that in your State, and what are the concerns that you hear the most from people?

Mr. DORGAN. I think people are worried about a lot of things. They are worried about the fact that we do not have a balanced budget. People want us to put our books in order, to balance our budget.

I agree with that, and most Members agree with that. This is not a debate about whether the budget should be balanced. A number of us supported a balanced budget plan that was offered during the budget debate on the floor of the Senate that does have cuts in all these areas but does not single out for unfair cuts or does not propose cuts that unravel programs that a lot of Americans rely on, and certainly did not say to people at the upper-income scale of our country, ''You have a million bucks, $2 million, $5 million. Guess what? Start smiling, we're going to give you a big tax cut.'' That was not in our budget, because we think there is a right way to balance the Federal budget. Do the hard work, balance the budget, make the tough choices and then later talk about the tax system.

I would like to find tax relief for working families. But at the moment,

let us figure out how you balance the budget, and there are different ways of doing it.

You do not have to balance the budget by saying, ''By the way, we want a $245 billion tax cut, on the one hand, and then we want a $270 billion cut in Medicare, on the other hand.''

Someone asked me in North Dakota, ''Why don't you just decide not to do the tax cut and that would provide most of the money for the Medicare problem.''

I said, ''Some people feel very strongly that this country will only grow if you give the Wall Street crowd more money in the form of tax breaks.''

I do not happen to share that. If we are going to give tax breaks, we ought to give it to working families. We ought not talk about tax breaks, even if it is popular at the moment, until we solve the deficit problem. And I want to solve it the right way, not the wrong way.

The wrong way is to decide, for example, on Medicare and Medicaid—Medicaid is a good example—that we will send that problem back to the States by sending bulk money in the form of block grants. We will send to North Dakota 22 percent less than what is needed for Medicaid, and then at the same time say, ''Oh, by the way, there are no national standards for nursing homes anymore.''

You know the consequence of that. We have been through this. We have seen nursing homes. We have seen nursing homes where they put some old person in a restraint system so they cannot move their arms, and they sit in a chair for hour after hour after hour. They cannot scratch their cheek, they cannot wipe a tear from their eye, they cannot move, and often are not attended.

We have seen circumstances like that in this country, and we decided there ought to be some basic standards for nursing home care. I have been in nursing homes plenty, plenty. I am pleased to say, at least the ones I have been in, especially the one with my father for a long, long while, I am pleased to say he got good care. But I do not want to go back to the old days when we say, ''By the way, you don't care. If you're poor and old, that's your tough luck.''

I think we ought to have circumstances where we say that national standards for nursing homes make sense. They were worthwhile, they are still necessary, and we ought to say that we are willing to take care of the needs of poor people who need long-term care in nursing homes. If we can take care of the needs of a millionaire to say, ''By the way, you deserve a tax cut today,'' is it reasonable to say now we cannot afford to take care of someone who has reached 70, 80 years old who has Alzheimer's and no money? That does not square with the priorities I learned when I grew up in a small town in North Dakota.

Mr. WELLSTONE. If the Senator will yield for another question, and I know the Senator from Arkansas has done a lot of work in this area of nursing homes and may want to ask some questions, but I would like to ask another question of the Senator. I have a few more, and I will not speak so much. I will put it in the form of a question.

Last week I spent a lot of time, and I will not even talk about the education front of it right now, with the people in the State and also at a hearing at the State capital. I, too, visited a number of different nursing homes.

In my own case, both my parents had Parkinson's disease, so it is a very personal issue with me. I think when people can stay at home, that is the way you should do it, live at home with dignity. Sometimes people describe to me a nursing home as a home away from home.

A number of the caregivers said to me that they do not know—with the medical assistance, in Minnesota about 60 percent of our medical assistance funding is for nursing homes and about two-thirds of the people in the homes receive medical assistance—they said they do not know exactly how they are going to absorb these cuts. We have been hearing a lot about Medicare, but they are really frightened about these cuts and they do not know whether it means they change eligibility or whether they reduce standards. I did not hear anyone, and I want to ask you this, I did not hear any one of the administrators——

Mr. HELMS. Point of order. Point of order. This is not a question.

Mr. WELLSTONE. I did not——

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. Point of order. Point of order. The Senator is not asking a question, he is making a speech.

Mr. WELLSTONE. Yes, I want to know whether or not in North Dakota you heard any cry for removing standards for nursing homes. That is my question.

Mr. HELMS. I will call the hand of any Senator who makes a speech while asking a question.

Mr. WELLSTONE. Mr. President, my question was based upon—I started out by saying this is what I found in Minnesota.

Mr. HELMS. It is not a question.

Mr. WELLSTONE. Did you have the same experience in North Dakota? That is my question, Mr. President. I want to know whether or not you found administrators in North Dakota who want to remove national standards and go back to the days of restraining belts?

Mr. DORGAN. I will respond to the Senator from Minnesota by saying I had a meeting in North Dakota with virtually all the nursing home administrators and hospital administrators, because I am trying to find what are the consequences. While nursing home administrators would like very much to see some loosening of regulations here and there, I do not know that there is a population of nursing home administrators who believe that you ought to eliminate Federal standards. None of them came to me and said, ''Look, let's get rid of all Federal standards.''

That was not what was described to me by nursing home administrators. They clearly would like fewer regulations, I understand that. I think even nursing home administrators were surprised by the proposal that we would have no Federal standards with respect to nursing homes.

Mr. WELLSTONE. Does the Senator agree if we do not have those standards, we will go back to the days of indiscriminate use of restraining belts and the drugging of people, and that when children visit nursing homes, will the Senator agree, that when children visit nursing homes, they want to make sure their parents are receiving compassionate care?

Mr. HELMS. The Senator is making a speech again.

The PRESIDING OFFICER (Mr. THOMPSON). The Senator can only yield for a question.

Mr. WELLSTONE. That is the question.

Mr. DORGAN. I think, Mr. President, my point about nursing home standards is that the desire by some and the proposal now by the majority party to decide there shall be no national nursing home standards of any consequence is, I think, an extreme position, and I hope on reevaluation they will decide this goes way beyond the pale; that developing sensible standards was necessary and protects a lot of people in our country who deserve that protection. I hope that they will rethink that position.

Again, let me reiterate, we are talking about a series of issues—Medicare, Medicaid, education, family farming. This is not—this is not—an issue between conservatives and liberals, because I find it interesting that some of those who claim to be the most conservative Members of the Senate—I do not know who they are—but the most conservative Members of the Senate would, when the defense appropriations bill comes to the floor, say, ''Heck, just spend the farm, spend it all. There is no proposal that is too grandiose for me. Whatever it is you want to buy, let me buy it. In fact, let's not buy 'it,' let's buy 10 of them. Let's order a dozen of them. Let's have a few of them made in my State.''

That is sort of the attitude when that bill comes to the floor.

And I am thinking to myself, I am pretty confused about who is liberal and who is conservative. I thought these folks were people pretty close with the dollar, did not want to spend much, and all of a sudden it is like they are on shore leave. It is spend, spend, spend when those bills come to the floor. Then when a piece of legislation comes to the floor that deals with someone else's needs, they say, ''Well, gee, we are out of money.''

Well, this requires, it seems to me, a compromise and choices. It is all about

priorities. We might radically disagree about priorities that advance this country's interests. But, in the end, I hope that we will finally get together and believe education, and the right investment in education, advances America's interests. End of story. I hope we can agree on that.

I hope we can all agree that there are ways to make certain that those who reach the retirement years of their lives and suffer health consequences and need long-term care really ought to receive the protection that a Medicaid program and Federal nursing home standards offer. I hope that we can come to those kinds of understandings between the most divergent positions here in the U.S. Senate. I hope that by the end of November all of us with differing positions, including the President, Republicans and Democrats, can find a way to sift through all of these differing positions and figure out a direction that makes sense for the country.

We will have to cut some spending in Medicare. I am saying that on the floor of the Senate. We need to do that. There needs to be an adjustment. It does not need to be $270 billion and should not be $270 billion. That is there because they need that to accommodate a tax cut.

So we do need to adjust Medicare, I agree. We need to make adjustments in a range of these areas. The question is, Which adjustments and how do we make them to advance the interests of this country? That is the important debate for us to have, I think, in the coming weeks. And often there has not been enough time for hearings so that we can make the case at hearings about the impact of these proposals.

Mr. PRYOR. Mr. President, I would like to ask the Senator from North Dakota if he would allow me to, through the Chair, address a question to my good friend from North Carolina and if he would yield to me for that purpose.

Mr. DORGAN. Yes.

Mr. PRYOR. Mr. President, I will address this question. I am wondering if my good friend from North Carolina would allow the Senator from Arkansas, say, at a time certain, to make a statement on what I consider to be the most important issue that is coming before this Congress through the balance of this session, which is the reconciliation bill. We will not, I remind my good friend—and I know he knows this—we will not have an ample opportunity—10 hours on a side—to properly debate perhaps one of the most monumental issues ever before the U.S. Senate, which is the tax cut and tax increase——

Mr. HELMS. If the Senator will yield for a moment, the Senator from North Dakota has not yielded the floor, has he?

Mr. DORGAN. That is correct. I have yielded to the Senator from Arkansas for a question.

Mr. HELMS. I cannot, under the circumstances, when an obvious filibuster is taking away the subject at hand—to answer the question of the Senator, I will be glad on a time certain to have the floor yielded to anybody who wants to make a speech. But our side wants to talk about the pending business.

I recall that when the reorganization of the State Department legislation came up, the first speaker that trotted out over there was that great statesman from Massachusetts, Mr. KENNEDY, who did not speak on the State Department. He spoke for 2 hours, 25 minutes on the minimum wage, a subject that he never brought up once when he was chairman of the relevant committee in the previous 2 years.

So if we could have an understanding that we will have a little bit of time on this side to discuss the pending legislation while you folks are making the speeches that you want to make, sure, I will make a deal with you. What does the Senator have in mind?

Mr. PRYOR. Well, Mr. President, I am not controlling time.

Mr. HELMS. I did not say the Senator was.

Mr. PRYOR. The Senator from North Dakota is controlling time on our side at this point.

Mr. HELMS. I established that, I think, with my question to the Chair.

Mr. DORGAN. Mr. President, I respect the Senator's wishes. This is not a filibuster. I wanted to take the floor——

Mr. HELMS. Oh, yes, it is. I know one when I see it.

Mr. DORGAN. Mr. President, I have watched filibusters and I have seen the good Senator filibuster. I can recognize one when I see one and have recognized them before with the good Senator. But this is not a filibuster. In fact, compared to some of the missives on the floor of the Senate, this has been relatively brief.

My intention was to come this afternoon, when I had an opportunity, to seek the floor and talk about some priorities and choices. I know others are interested in Castro and Cuba because that is the bill that was brought here. My understanding is there was no markup on the bill and no amendments offered. Anyway, it showed up on the floor of the Senate. I did not have anything to do with that. But I would like to talk about the priorities and some things that are important to me. I am pretty well done talking. It is not my intention to keep the floor. I know others wanted to do the same.

In deference to the Senator from North Carolina, it is not my intention to hold up the Senate.

Mr. DODD. If my colleague will yield, I will point out there was a cloture petition filed immediately when the bill was brought up. Under the rules of the Senate, it requires there is a cloture vote within a fixed amount of time. Even if we wanted to start a filibuster, that option has been pretty much precluded by the action taken by the majority leader.

We all know that they have at least six of our colleagues—four that are running for President—that are going to be in New Hampshire tonight. The majority leader has announced no more votes today. This is not a filibuster. We are accommodating those who could not be here. They have gone up to debate.

We are debating Cuba. But my colleagues are raising, I think, a legitimate issue. This bill has come to the floor without any markup by the Foreign Relations Committee. They are pointing out that this is another example of a piece of legislation that has not gone through the normal process.

We are having a major transfer of wealth occurring in a few days in this country from a cut in Medicare, Medicaid, a tax break of $240 billion, and we had zero hearings on that issue. Frankly, I think people do want—and I ask my friend whether or not he agrees with this—here we are going to spend a couple of days on Cuba, which has relevancy to some people. But ask the American people if they would rather see debate on Medicaid, Medicare, and a tax break, or some policy on Cuba. The effects of this legislation do not go into law until there is democracy in Cuba. I ask my colleague that.

Mr. HELMS. Mr. President, he cannot make a speech.

The PRESIDING OFFICER. The Senator from North Dakota has the floor.

Mr. DORGAN. The Senator is correct. I think everyone here knows this is not the issue of the day in the country—Cuba policy. It is the issue of the day on the Senate agenda, brought to us with relatively little notice, without going through a markup, which is fine. The fact is that the majority party has the right to do that.

Also, as the Senator from North Carolina knows, I have the right to come to the floor and seek recognition to speak about issues that are important to me. I would observe that no one in this Chamber is better on the issue of procedure on the Senate floor than the Senator from North Carolina. He knows that and I know that.

He also knows that, as a result of that, we are going to come to a time here in the matter of a couple of weeks in which the majority party is going to see this giant truck called reconciliation, with an empty box in the back, and they are going to throw everything in this reconciliation basket. They are going to throw Medicare, Medicaid, tax cuts, the farm bill, you name it, in that truck coming by. And what happens to folks on this side of the aisle?

The Senator from North Carolina knows what happens to us. We are limited in debate, limited in amendments. The fact is that we have a limited opportunity to get at these issues. That is what requires us to be here now and start talking about these issues, because we need that time to explore exactly what these policies are going to mean to this country.

I do not intend to prevent the Senator from having the floor. He has every right to seek the floor. He is

managing the bill. I understand his frustration.

Mr. HELMS. I am not frustrated.

Mr. DORGAN. I simply sought the floor because there are things I want to say in the next couple of weeks, and every opportunity I get, I am going to do that. I want to talk about choices and priorities in this country. You and I want the same thing for the future of this country. Many in this Chamber share a different view, not about the destination but about how you get there. These are things I want all Americans to understand, the choices that are being made, and what it will mean to them.

Let me close as I began today. I began today talking about the ceremony—a quite wonderful ceremony in the Chambers on the 50-year anniversary of the end of the Second World War. It is remarkable when you think of what people gave for this country. Many gave their lives. There was a spirit of unity and a spirit of national purpose in this country at that time.

I had hoped, somehow, for us again in this country to rekindle that spirit of unity and national purpose, to build a better country, address this country's problems, fix what is wrong, and move on to a better and brighter future.

I think you want that, I want that. Part of achieving that is for us to have a healthy, aggressive debate about a whole range of choices in terms of how you get there, what you do to make this a better country. That is all my purpose is. With that I yield the floor.

Mr. HELMS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, I ask unanimous consent that the distinguished Senator from Arkansas [Mr. PRYOR] be recognized for 15 minutes, at which time I regain 4 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

NURSING HOME STANDARDS

Mr. PRYOR. Mr. President, I thank the Chair for recognizing me. I also thank my friend from North Carolina for making it possible under these parliamentary procedures to allow me to speak for a few moments about what I consider to be, Mr. President, one of the more critical issues that is before the U.S. Senate in the next coming weeks with regard to 2 million nursing home patients who live in thousands of nursing homes across America.

I do not know, Mr. President, if people are aware of what is happening, what has happened in the Senate Finance Committee and the Ways and Means Committee, what will be happening on the Senate and House floors with regard to the Federal standards which were established in 1987 in a bipartisan effort that protects residents of nursing homes from abuse and neglect.

Mr. President, what is happening to these standards is they are about to be abolished. They are about to be annihilated. Mr. President, there are about to be no Federal standards—no Federal standards to protect 2 million elderly and infirm individuals who live in America's nursing homes.

I think that we ought to look, Mr. President, for just a moment at these 2 million people who are now residents of America's nursing homes to see if these protective standards should actually be eliminated as proposed by the Republican majorities in the Senate Finance Committee and the Ways and Means Committee.

Back in 1987, as part of the Omnibus Budget Reconciliation Act, the Congress put into place a set of standards known as Nursing Home Reform. Senator George Mitchell actually led in that effort, and I am pleased to say that I played a very small part in drafting these important standards.

In fact, it was a bipartisan effort. Republicans and Democrats came together, because nursing home standards should not be political. Now, even though these standards have led to improved care in our Nation's nursing homes—we are about to consider a so-called Medicaid reform bill, Mr. President, which would totally wipe these standards out.

Two weeks ago in the Senate Finance Committee meeting I offered an amendment to restore these protections during a Finance Committee markup and debate on Medicaid and Medicare.

My amendment was defeated on an 10–10 vote because, according to the leadership of the committee, it is ''contrary'' to the philosophy of the reforms being proposed, and we don't want to sacrifice flexibility.

Mr. President, just for a moment, I will draw a picture. I will draw a picture, a composite if I might, of the people who are living in the nursing homes in America. First, there are 2 million citizens, elderly and young and middle aged. People who reside in the nursing homes today are of all ages. Most of them are over 60.

In 25 years, we will no longer have 2 million people in the nursing homes, Mr. President, we will have 3.6 million people in nursing homes. That is going to come about two decades from now and it will be here before we know it.

We also find in these nursing homes, 80 percent of the residents depend on Medicaid to help them pay for their care; 77 percent of this nursing home population need help with their daily dressing; 63 percent need help with toileting; 91 percent need help with bathing; 66 percent have a mental disorder, and one-half of these residents have no living relative to serve as their advocate.

Let me repeat that, Mr. President: One-half of the residents of nursing homes, or approximately 1 million of these individuals, have no living relative as their advocate to come to their rescue and to take their case to the nursing home administrator or to the inspectors who inspect the nursing homes. One-half of this nursing home population of our country who reach the age of 65 are going to require nursing home care.

That means that one-half of all the people in this Chamber, one-half of all the people in the galleries in this great Capitol of ours, when they reach the age of 65, half of these folks, including me—I assume if I am around here that long—are going to require nursing home care.

Mr. President, that is basically a composite of who we are looking at and who we are trying to protect by restoring the Federal nursing home standards.

I find it very hard to believe that any meaningful reform that we might propose would be inconsistent with quality care in nursing homes. The very essence of reform is to get rid of what does not work, keep what does work and to make the whole program better.

Mr. President, we are committing an enormous mistake, an enormous mistake in even considering the elimination of our quality standards. The very reason that we have these standards to begin with, let us go back, the very reason the Federal Government stepped in is because the States would not. The Federal Government had to protect these people in these nursing homes because the State regulations were inadequate.

Mr. President, I know that we in Congress are very hard at work examining every program to find ways in which to increase flexibility to the States. I am for flexibility. I am a former Governor. I believe in flexibility. I believe we ought to eliminate what we call big government at every opportunity we can, that we need to return more power to the States, local decisionmakers, and I think my record indicates that I have supported that with my vote.

Mr. President, I want to say, though, I have a very difficult time believing that when people in America think of big government, they are thinking of the laws that provide for the most basic and minimum standard of care for the most frail and the most vulnerable among us.

I want to pose a question that I will be posing when we actually get to the debate on reconciliation, and I am going to ask this question to my good friends and colleagues on the other side of the aisle.

Now that we have finally, since 1987, finally come to the place in this country where we have just the bare minimum of standards to protect these 2 million individual residents of nursing homes, I would like to ask my colleagues, and I will pose this question at

the appropriate times: Which rights that belong to these individuals now would you like to eliminate? What about the right to choose your own doctor? I wonder if our Republican friends are going to want to eliminate that right, which is today a right given by the full force and effect of the statutes of the United States of America?

I am going to ask my colleagues on the other side of the aisle would they like to eliminate the right not to be tied to a bed or a chair, or restrained? Are they willing to eliminate that right? I am going to ask that question to my colleagues on the other side of the aisle, just as I asked that question to my colleagues in the Senate Finance Committee on the other side of the aisle 2 weeks ago. I did not get a response to that question.

I am going to ask a third question, Mr. President, when we get to reconciliation and we start debating these statutes and these standards they are attempting to repeal now. What about the right of privacy, to have private medical records protected? Do our colleagues on the other side of the aisle want to eliminate that right? I am going to ask that question. What about the right of privacy in communications and the right to open your own mail and to read your own mail without someone reading it before you get it? What about that right, that is today guaranteed under the 1987 regulations that we enacted, I must say, through a bipartisan effort? These are some of the rights, some of the most basic rights that our friends on the other side of the aisle are attempting to annihilate.

There is a great deal of irony here, Mr. President, and that irony is that no one outside of the Congress has come to us and said we want you to repeal the nursing home reform law. At first, when I heard our colleagues, the Republicans, were going to repeal these Federal guidelines, these Federal standards that we worked so hard to achieve through a bipartisan effort with President Bush helping us to put these standards into effect, I said: OK, here comes the nursing home lobby, the nursing home administrators, the nursing home owners. They have come to Washington and they have gone over here and they have gotten them to try to repeal and annihilate these particular regulations.

Mr. President, the odd thing is, I talked yesterday to one of the largest chain operators in America of nursing homes. He said,

> We think the standards are good. We think the standards are working. We think the standards help us treat our residents better and we do not want to see those standards taken away. In fact, we think they are more efficient.

But, just last Saturday, in the New York Times, the executive vice president of the American Health Care Association, Mr. Paul Willging, said, ''We never took a position that the 1987 law should be repealed.'' The New York Times reporter was unable to find anyone at this nursing home owners convention representing the industry who would say they wanted the law repealed.

I would like to point out that not only were these standards enacted with broad bipartisan consensus, there is also scientific evidence that they are working. They are improving nursing home care. They are making life better for those among us who live in nursing homes.

For example, we have here what is not a very pretty chart, I might say. I hope I will have some others in the next week or so. In the area of physical restraints, since this particular law has been passed, since we finally have minimum standards for nursing homes, we have decreased the need for physical restraints from 38 percent of the nursing home population down, now, to 20 percent. That is an amazing statistic for us to look at, and to show and demonstrate beyond doubt that this particular set of goals is working.

We also see another startling fact. Since we enacted these nursing home standards, we see now that when a nursing home patient becomes a hospital patient, he or she only has to spend, today, 5.3 days in that hospital as compared to 7.2 days before. The reason is because you have fewer bedsores, you have nursing home patients who are healthier, who are stronger, and whose quality of life has been better.

Also, let us look at another small chart here: The decrease in problematic care. There is a dramatic decrease in indicators or poor quality care—use of physical restraints, use of urinary catheters. It demonstrates without question we are seeing a very rapid decline in the need for these particular restraints to ever be used in nursing homes again.

Last Saturday, a Republican spokesman for the House Commerce Committee was quoted in the Washington Post as saying that the proposal to strip away the safety standards in nursing homes is ''the ending of a 8-year experiment.'' This individual went on to say, and here again I am quoting, that the standards are ''confining, expensive, and counterproductive.'' Last Friday, at a hearing on the Medicaid Program in the Senate caucus room, we were presented with the results of a scientific study by the independent, well-respected Research Triangle Institute. Rather than being confining, expensive, and counterproductive, as the Commerce staff member had claimed, this very, very distinguished study showed that the standards are in fact liberating, that they are cost effective, and result in improved outcomes. I say liberating because the standards have decreased the unnecessary use of physical and chemical restraints in nursing homes.

According to the Research Triangle Institute, since the nursing home reform standards were implemented in 1990, the use of restraints has dropped by 50 percent. So it does not sound to me like these standards have been confining for nursing home patients.

Mr. President, I would like to address an issue in the Medicaid debate which is of great concern to me—the issue of whether or not we should repeal the law which protects residents of nursing homes from abuse and neglect.

Back in 1987, as part of the Omnibus Budget Reconciliation Act, the Congress put into place a set of standards known as nursing home reform. Senator Mitchell led that effort, and I am pleased to say I helped draft these important standards. Now, even though the standards have led to improved care in our Nation's nursing homes, we are about to consider a so-called Medicaid reform bill which would wipe them out. I offered an amendment to restore these protections during the Finance Committee debate on Medicaid and Medicare. My amendment was defeated on a tie vote because, according to the leadership of the committee, it is—quote—''contrary''—to the philosophy of the reforms being proposed.

Well, I find it hard to believe that any meaningful reform we would propose would be inconsistent with quality care in nursing homes. The purpose of reform is to get rid of what does not work, keep what does work, and make the whole program better. I think we are making a big mistake in even considering eliminating our quality standards. I, for one, hope we do not enact this dangerous change. We should not turn our backs on our frail elderly nursing home patients.

Mr. President, I know that we in the Congress are hard at work examining every program to find ways in which to increase flexibility for the States. There is a general mood in the Nation that we want to do away with Big Government and return more power to State and local decision makers. However, Mr. President, I have a hard time believing that when people in America think of Big Government, that they are thinking of the laws which provide a minimum standard of care for the most frail and vulnerable among us.

Mr. President, it is well known that as a former Governor, I am a strong supporter of States' rights. I have devoted much of my career to doing away with Big Government in the negative sense. I support ending Federal mandates which make unreasonable demands on our citizens. However, I do not feel that the nursing home reform law makes unreasonable demands. It is simply not unreasonable to ask nursing homes not to tie up residents, or administer mind-altering drugs to them, simply to quiet them down for the convenience of staff. It is not unreasonable to ask nursing homes to allow residents and their families to participate in decisions about their care. Mr. President, it is above all not unreasonable to ask nursing homes to ensure

that care is provided to these vulnerable residents by an adequate staff that is well trained.

When we talk about ending Federal mandates, it is often because an industry or some other interest group has asked for the repeal of a particular law or regulation. The irony of this instance, Mr. President, is that no one outside of the Congress has asked that we repeal the nursing home reform law. Not only was this law accompanied by unprecedented consensus when it was first enacted, it still enjoys the support of the industry being regulated. Mr. President, if anyone were clamoring to repeal this law, we would expect it to be the nursing home industry. But just last Saturday, in the New York Times, the executive vice president of the American Health Care Association, Mr. Paul Willging, said—and I quote—''We never took a position that the 1987 law should be repealed.'' The New York Times reporter was unable to find anyone representing the industry who would say they wanted the law repealed.

Mr. President, I would like to point out that not only were these standards enacted with broad bipartisan consensus, there is scientific evidence that they are working. These standards are improving care. They are making life better for those among us who live in nursing homes.

Last Saturday, a Republican spokesman for the House Commerce Committee was quoted in the Washington Post as saying that the proposal to strip away the safety standards is ''ending an 8-year experiment.'' He went on to say—and here again I am quoting—that the standards are ''confining, expensive, and counterproductive.''

Mr. President, the data we have so far lays waste to those unfounded assertions. Last Friday, at a hearing on the Medicaid Program, we were presented with the results of a scientific study by the independent, well-respected Research Triangle Institute. Rather than being confining, expensive, and counterproductive, as the Commerce Committee staffer claimed, this research indicates that the standards are liberating, cost-effective, and result in improved outcomes.

I say liberating because the standards have decreased the unnecessary use of physical and chemical restraints in nursing homes. According to the Research Triangle Institute, since the nursing home reform standards were implemented in 1990, the use of restraints has dropped by 50 percent. And the Republicans claim that the standards are confining? It does not sound to me like they have been confining for nursing home patients.

And lest you think that unrestrained patients are more difficult to care for, let me get to the second point—the standards are cost-effective. This study indicated that less staff time is needed to care for patients who are unrestrained. In addition, because patients are receiving better care and staying relatively healthier, they are being hospitalized less often. According to RTI, nursing home patients are suffering from fewer injuries and conditions caused by poor care—this translates to a 25-percent decrease in hospital days—resulting in a $2 billion per year savings in Medicare and Medicaid combined. So how can it be said that these standards are expensive?

The RTI study also points to improved patient outcomes—and I know of no better measure of nursing home productivity. There has been a 50-percent reduction in dehydration, a 4-percent reduction in the number of patients developing nutrition problems, and we see 30,000 fewer patients suffering from bedsores. We are also seeing significant declines in the use of indwelling urinary catheters, a reduction in the use of physical restraints, and far fewer patients who are not involved in activities. This contributes greatly to quality of life. The RTI data also show that since nursing home reform was implemented, patients are suffering less decline in functional and cognitive status. So I ask my colleagues on the other side of the aisle, how can it be said that these standards are counterproductive?

Mr. President, I pointed out earlier that the nursing home industry has not asked for a repeal of these standards. The industry is concerned, however, about the depth of the cuts being considered with respect to the Medicaid Program. Although nursing homes support the quality standards, they are understandably concerned about their ability to maintain these standards in the face of deep cuts in funding. This is a serious issue which we must address, Mr. President. But when we address these concerns about funding, we should start with the assumption that standards must be maintained. We should start with the assumption that we will not repeal a law which no one has asked us to repeal. Instead, what I fear my colleagues on the other side of the aisle would rather do is throw standards out the window, cut the funding indiscriminately, and then hope for the best. Mr. President, I am not willing to take such a chance with our frail elderly. I hope my colleagues in the Senate will join their voices with mine in this call to protect our vulnerable nursing home residents.

Mr. President, I would like to close by saying, during this debate on reconciliation, in which there will be very little time, we are going to look at this particular issue and a lot of other issues that relate to it. We are going to look at the need to continue, for example, the reimbursement, the rebate for the States that have Medicaid prescription drug programs. This is something the drug industry is fighting, but it is something we have to maintain so the States can get the best possible price for the drugs that they provide for poorest of the poor population.

There are going to be many other areas that we are going to look at. But we thought today would be a good day to start the debate on reconciliation, because we know the time will be short once that debate is actually, technically and literally begun.

Mr. President, I again thank my good friend from North Carolina who has been most cooperative.

I yield the floor.

CUBAN LIBERTY AND DEMOCRATIC SOLIDARITY [LIBERTAD] ACT OF 1995

The Senate continued with the consideration of the bill.

Mr. HELMS. Mr. President, I believe the distinguished Senator from Georgia is seeking recognition.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. COVERDELL. Mr. President, I come to the floor in support of the measure which is before the Senate, somewhat different than the previous speakers we have heard, to rise on behalf of the Cuban Liberty and Democratic Solidarity Act, otherwise called Libertad.

I hope the good chairman of the Foreign Relations Committee will let me embrace an issue of international consequence, as a prelude to my comments here.

A distinguished Member of this body, my good colleague from Georgia, Senator NUNN, as everybody knows now, has announced that he will depart the Senate after the conclusion of his term. Of course, this has an enormous impact in our home State of Georgia and the Nation as well. I told the Senator when we visited just before his announcement that he left a very rich legacy for himself, for his family, for our State, and for the Nation. We are all indebted to the service of the distinguished senior Senator from Georgia. It has been long, it has been arduous, statesmanlike, and it has been civil. And the Senator from Georgia has made a significant contribution to his era in the history of the U.S. Senate and our country.

I first met the Senator from Georgia when he was in the House of Representatives and just before I became a member of the Georgia Senate. And he was equally held in high regard in our home State as he was here on the national scene.

A lot of people have asked me what the effect would be of his departure. And I said, of course, there will be an interim effect, but I also pointed out that in our vast democracy filled with talent, capacity, one of the rich treasures of it which we have seen throughout our history is that we regroup and move on.

But another point I would like to make is the Senator in his closing statement in the House Chamber pointed out that he is not leaving public life, that he will continue to be an activist in public policy and a resource not only to us in the Senate but to the Nation as well.

So I wish the Senator every goodwill, and Godspeed to him and his family as they pursue a new adventure. He will be missed here. He will be appreciated. And as a fellow Georgian I think I speak for all of those in our State, we hold him in the highest regard and wish him the very best in his future.

Of course, the Senator from Georgia has been on the international scene for a long time. He has watched the effects in Cuba of an avowed enemy of the United States in one Fidel Castro. Fidel Castro has throughout his history been an arch enemy of the United States and its people. And to this day he has not disavowed any of his intentions nor his hostility to this country and its people. He has been the exporter of terrorism. He has been the exporter of revolution. He has been the exporter of turmoil. And its effect in our hemisphere has been significant, and its effect here in the United States has been significant.

There are those among us who think that this is the time to open relations with Cuba and that it will, through communication and interaction, cause Fidel Castro, this archenemy of the last three decades, to somehow soften his stance.

That reminds me of the Soviet policy. This Nation's capital was filled with Soviet apologists who felt that the definition of the Soviet Union as an ''evil empire''—like former President Reagan—was the inappropriate approach to dealing with the Soviets. He felt that power and the force of power was what it was going to take to cause the Soviet Union to implode, and he was correct. Many of these apologists have become awfully silent. But there can be no doubt that the firm, forceful, aggressive policy of the United States toward the avowed enemy, the Soviet Union, had an impact and effect.

Mr. President, no one is suggesting that Fidel Castro is near the national concern as the Soviet Union was, but certainly anything that is 90 miles off the coast of the United States that is an avowed enemy needs to be watched very, very closely.

And I think the Cuban apologists are wrong, too. I believe that the policies of the last 30 years by Republican and Democrat administrations—by the vast majority of the Congress to impose tough sanctions, embargoes, and to hold firm that we are going to keep the pressure on this government of Fidel Castro until there is liberty, until there is democracy, until there is freedom—are absolutely correct.

This legislation is nothing more than an extension of U.S. policy as it has been shaped in a bipartisan way, as I said, by Republican and Democrat administrations alike.

Mr. President, this is absolutely no time for us to rewrite that policy. We are succeeding. Now that the Soviet Union cannot spoon-feed Castro, the sanctions are imposed and they are feeling the pressure of this United States power, it should be continued. It should not be modified. It should not be nullified. It should not be weakened. It should be toughened.

When you look at the nature of life in Cuba today, we still have a litany of human rights violations, personal rights and freedoms being tramped on. This is not a leader with which the United States should put its credibility on the line, nor ratify and certify, nor give strength by the suggestions that we should begin negotiating in good faith with a man who has such a history of totalitarian oppression.

Mr. President, one of the provisions which is somewhat controversial, but I think one of the more important pieces of debate with regard to the legislation, is title III, which has two parts. It denies entry into the United States to anyone who confiscates property or traffics in confiscated property; and, No. 2, it gives the U.S citizens valid property claims and a private right of action in Federal court.

I have been very concerned about property rights of U.S. citizens in foreign countries in our hemisphere for some period of time. Cuba is not the only country with which we have difficulties in regard to the interests of United States property owners in other countries. It has been at the center of a long debate—I see my colleague from Connecticut—with regard to Nicaragua and other countries. And considerable progress has been made in the aftermath of President Chamorro's new democracy for about a year. We were thrashing through this issue, and over and over making the point that U.S. citizens who own property there needed appropriate dispensation of that property. I think that discussion bore fruit, and many of those properties are now being settled. And I give much credit to the Chamorro government for the good faith in which they came to the table and tried to deal with those legitimate property rights. I think that will no longer be an issue in the not-too-distant future.

In the case of Cuba, however, we have 5,911 American property claims valued at $1.8 billion in 1960 value. This is an enormous issue. No one denies the confiscation. The Cuban Government has shown absolutely zero respect for this property and has indicated no intention of addressing the issue. And, to complicate it even further, they are using the property to produce currency in their hard-pressed economy.

What this involves is taking the property that was lawfully owned by people who are now U.S. citizens, or were U.S. citizens at the time, confiscating the property and actually entering into a world market on the property. We have a situation now where citizens of other countries in our hemisphere are negotiating with the Cuban Government and purchasing these properties for which there are claims by U.S. citizens and selling them to foreign nationals of other countries.

Mr. DODD. Will my colleague yield on this point? I do not want to interrupt his time, but it is an interesting conversation. I wonder if he might just yield.

Mr. COVERDELL. I will be glad to yield.

Mr. DODD. I am going to raise this in my own time. But my colleague brings up probably the most controversial part of the bill. He properly identified it as a controversial one. He is absolutely correct in identifying the number of certified U.S. claims as 5,911, that were the result of actions taken by the Castro government after 1959. Control of the country.

My concern here is not that issue at all. That is going to be difficult enough to deal with. Nonetheless, I feel confident we can ultimately address those claims. What I think we do here is add a new element to the problem which he has already alluded to, and that is what has heretofore been international and U.S. law with respect to the resolution of confiscation of property of a U.S. citizen. We are now going to expand the definition to include the property of Cuban nationals who left the country and became U.S. citizens subsequent to their property being taken.

We are talking about roughly a million people who have left Cuba. The estimates are that perhaps as many as hundreds of thousands of these individuals left behind property—no one suggests that everyone of the million people who left will have claims against Cuba, but several hundreds of thousands well may. So we add to the 5,911 claimants already certified, potentially, as many as 300,000 to 400,000 additional potential claims.

Those of us who are concerned about that provision naturally ask the question why we are prepared to provide special legal rights for this category of individuals. After all we have Polish-Americans, people who have left the former Soviet Union, people who fled China, as well as other countries of repression and left behind or had taken their property by former regimes. I think, any one of these groups can legitimately come forward and ask for similar treatment if we change the law.

There is a reason for current international law and practice in this area. Under existing law, the U.S. Government is responsible for espousing the claims of persons who were U.S. citizens at the time the confiscation occurred. For those individuals who were sovereign nationals of the country in question, the issue is with acts of their government. If we change domestic law in this one case, I think we can fully expect individuals who may have also lived under a Communist government to say why not us; we left; you have changed the law to for one group of people; we would like a similar application of the law in our case.

I just raise this with my colleague, and I am going to address it at greater length here, but it is one of the major concerns I have with this bill. I see it

subjecting our Federal court system to substantial increased costs in order to process these new claims. In addition I am concerned that these new claims will probably make it very difficult to resolve the 5,911 certified U.S. claimants who have a right under longstanding law to have their claims addressed. These claimants have expressed that very concern. There are some strong letters from them—worried about exactly what happens to them as a result of this explosion of claims that may come before the court as a result of this legislation.

I raise that just as an issue. I know my colleague has been involved with the issue of expropriation generically, as have others. Expropriations have occurred in many countries—Panama, El Salvador, Nicaragua, a whole host of countries.

With respect to the issue you raise about companies from other countries doing business in Cuba. By my count 58 countries have some form of business interest in Cuba today. Great Britain has a number of interests—France, Germany. It is not just Latin American countries. Some of the most conservative democratic countries in Europe have major economic enterprises there. And we will virtually be precluding entrance into this country citizens of our allies in Europe who may have business interests there. Do we really want to alienate our closest trading partners in this way? It seems to me that we may be raising a tremendously complicated problem for ourselves down the road. I raise that for my colleague's comments.

Mr. COVERDELL. I appreciate that. As the Senator noted, I singled this out as one of the more controversial provisions.

Mr. DODD. He is absolutely correct.

Mr. COVERDELL. And my colleague would also acknowledge that this issue does not confine itself to Cuba alone. In fact, one of the countries in which we both maintain a rather high interest is Nicaragua, and that very question is preeminent in the struggle to resolve property rights of individuals who were Nicaraguan citizens at the time, came to the United States, became U.S. citizens and are now claiming property rights in Nicaragua.

So my response to my colleague from Connecticut is I believe that it is time for this to be elevated in debate and search such as we are doing today and will continue through the process of dealing with this legislation.

Frankly, I believe we need to obtain the interest and attention of the countries that the Senator pointed to, and I might also point out they are on both sides of our northern and southern border, too, with Canada and Mexico dealing with properties that were, in the Senator's definition, without question property confiscated by the Castro government, acknowledged property owned by U.S. citizens at that time.

Those properties—forget for a moment the question the Senator raised about expansion, which I think is a legitimate question. Those properties are being bartered by the government with full knowledge. We are not having a situation here where over the years the title is confused, a citizen acquired it or got it and somehow has sold it to a foreign national of another country. This is a program on the part of the Cuban Government to deal with its currency problems, which are immense. And I think the United States is morally required to confront that issue, I think not only with Cuba but we need to be making a statement, we need to be searching for resolution with our allies in terms of our respect for U.S.-owned property.

On a broader scale, I would say to the Senator from Connecticut, I think this is an issue that has not received enough attention, whether it is in Cuba or Nicaragua or some of the former Communist governments even in Europe. And I believe it is an issue of law.

I am not a lawyer, as is my distinguished colleague. But it is a question that requires more definition in this era of international history. We are talking about a period where we have an interdependent economy, far more open economy. We all acknowledge that. This question is basically in law 30 years or more old.

I think it deserves attention, and I am glad the Senator from North Carolina put it in the bill because I think it is going to force all of us to confront the issue more effectively than we have in the past. That would be my response to the Senator from Connecticut.

Just one more piece on that. The fact that the business interests in our immediate hemisphere, in our immediate sphere of influence, feel free enough to engage in transactions that affect these known properties, I think is very serious.

I hope the discussion—in fact, I would take it even further. I think that we may come to the point where we need to be entering into direct discussions with these governments with regard to these particular properties. I am talking about the 5,911 claims. There is a rather—I will not get into detail, but there is a rather elaborate circumstance of a company in Canada today that, with full knowledge of the situation, is pursuing and developing one of these pieces of property.

So, Mr. President, the point I want to make here is that this legislation is a direct extension of contemporary policy with Cuba that has been shaped by Republican Presidents and Democrat Presidents since Cuba was taken over by Fidel Castro. That is No. 1.

No. 2, I believe this entire question of property deserves and requires far more attention than it has received. And I think this is a valid attempt to deal with that. I am absolutely comfortable that the debate will modify this language before the end of the day, but I think it is appropriate that we are being drawn to this debate.

No. 3, the conditions in Cuba continue to be extensive human rights violations, extensive oppression, and imprisonment. It is an arbitrary, totalitarian government with its leadership showing no signs of any legitimate movement to democracy. And, Mr. President, I think it must be noted that Fidel Castro, exporter of terrorism, exporter of revolution, has made no—zero, none—accord to a movement to democracy or to renounce his adversarial, hostile attitude toward the people and Government of the United States of America.

And that is why I stand in support of the thrust of the legislation that is before this Senate today.

Mr. President, I yield the floor. I think the Senator from Connecticut is seeking recognition.

Mr. DODD addressed the Chair.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. DODD. Mr. President, I thank the Chair. I appreciate my colleague's yielding to me in the middle of his remarks. And I just wish to make the point, I urge my colleagues here in the coming 2 days—I know that they have a lot of other things on their mind—to take a good, hard, close look at this bill. Because in the consideration of any matter like this, we ought to all ask ourselves several basic questions, the first being: Is what is being proposed in the best interests of our own country? That is the first question.

Put aside for a second what it may do to the targeted country where we are focusing the legislation. But what does it do to our foreign policy? And then, second, the obvious question: Is the legislation going to achieve the desired results? Those are two pretty basic questions we ought to ask ourselves.

Mr. President, when it comes to the issue of Cuba, unlike even North Korea apparently, but Vietnam, the People's Republic of China, the Eastern bloc countries—when still under the control of the Soviet Union—the Soviet Union itself, despite all of our difficulties, we managed to, at least for the most part, try to conduct our foreign policy in a way that made sense for us. That entailed having relations with them. And, in many of those cases that I have just mentioned, achieved the desired results such that today we find ourselves in a situation that is far beyond the imagination of most of us. The Eastern bloc countries that were under the control and the thumb of the Soviet Union today are struggling with their own form of democracy, but the world has changed.

I would make a case there were several reasons for that success. Certainly, on the one hand was the fact that their economies ended up being bankrupt because they spent such a tremendous percentage of their gross domestic product on arms.

One can argue that buildup had a desired effect economically. But I would also suggest, Mr. President, that it was the clever, clear idea that exposing the peoples of those countries to the fraud that was being perpetuated on them by

the controllers, as well as the options that existed elsewhere, also contributed to the change that occurred.

I want to get to that argument as we look at Cuba. But Cuba is unique. This is almost a domestic political debate rather than a foreign policy debate, I would say. If we could step back and say to ourselves, what is in our best interest and how do we collectively, in a wise and thoughtful way, try to propose ideas that are going to achieve, as soon as possible, the desired results. Those results are to bring democracy to Cuba. We all agree on that.

However, if you disagree with all of the tactics of how to achieve that, then you are immediately suspect and usually the victim of a lot of name calling about where your political leanings are. God forbid you disagree with how we might achieve the desired results.

And so my objection to the bill being offered by the Senator from North Carolina is not what the Senator from North Carolina or others desire. I do not believe there is probably any debate about that or any division here. I think every one of us would like to see democracy come to Cuba. I will not say restored to Cuba, because the notion somehow that prior to 1959 we were looking at a democratic government is specious. But let us bring democracy to Cuba.

How do we best achieve that? What steps should we take? How do we work collectively with our allies, in this hemisphere and elsewhere, to produce those results? If we can step back and do that without worrying whether we are going to offend various factions or groups in this country that have, at least as far as I am concerned, a certain amount of right to be red-hot angry over the situation because they are the ones who were victimized or their families, then I think we might actually make some significant steps forward.

I mentioned briefly a moment ago that my concern with title III of this bill is because it potentially exposes our country to a tremendous number of similar problems in other places where there will be claims of an equal degree of legitimacy. There are 38 countries in the world where we presently have, Mr. President, outstanding claims by U.S. citizens against those governments because properties have been expropriated and there has been no compensation. I have now become a U.S. citizen, and I'm going to go to U.S. courts and try and get paid for it.''

(Mr. ABRAHAM assumed the chair.)

Mr. DODD. Mr. President, that will cause an explosion of demands on our U.S. court system. So the first test is, what is the impact of this legislation on us, put aside for a minute on Cuba, on us? And if my colleagues will merely look at just what it does if we only take the Cuban case and given the average court costs associated with such claims and multiply it by the number of claimants, it is a tremendous amount of money the United States taxpayers will be asked to come up with so that our courts can handle this.

I would also argue that it is going to be rather difficult for us to turn down other claimants who lived in other countries at the time there was an expropriation without compensation. They are going to want the law changed for them as well.

So I urge my colleagues over this next day or so to please examine this provision of the law and understand that while you are trying, and I think all of us are, to effectuate some change in Cuba, that in doing so, we may be doing more injury to ourselves, adding more of a financial burden on ourselves, complicating things for ourselves without necessarily doing anything to Cuba.

I hope people will pay some attention to this, step back a little bit: ''If I don't vote for this I will look like I am not for democracy in Cuba,'' or ''I am in favor of Fidel Castro if I vote against the bill.'' That is not the case at all. Look at the provisions and what we are doing.

There are several basic questions we ought to be asking, and I will try over these next several minutes to address each of the questions that I think ought to be raised, aside from the basic questions about whether or not the bill before us is going to help or hurt the United States and, second, whether or not it is going to have the desired effects on the country in question, in this case Cuba, to effectuate the desired results, and that is a change to democracy.

Are we more likely as well to impose additional hardships on the people of Cuba, not the Government, but the people of Cuba? That is a legitimate question, it seems to me. Are we going to make the transition to democracy more difficult or less difficult if this legislation is adopted and signed into law? Finally, will this legislation place added strains on our relations with other governments?

I am not suggesting that this final question in and of itself ought to be the sole criteria, because if what you are doing is right, if it is good for us, if it produces the desired results, I am willing to accept the fact that some other governments may be uncomfortable.

I recall during the debate on whether or not to impose sanctions on the Government of South Africa, there were many of our allies that were uncomfortable. My reaction then, as it would be now, is so what, in some ways. We have to be a leader in the world, and if that is what it takes from time to time, then you ought to be willing to sacrifice that. But consider what you are doing. Make a very careful calculation as to whether you are going to produce results that you are seeking.

Lastly, as I said earlier, whether or not we are going to overwhelm our Federal court system, which I think is a very important question people ought to look at.

So, Mr. President, today we begin this debate. By the way, let me say to my colleagues, I think the raising of the issue of the Medicare and Medicaid debate and long-term care issues of nursing homes, while obviously not the subject of the bill before us, I think does raise a legitimate question, and that is, here we are now going to consume 2½ days of the Senate's time on this one bill. A cloture motion was filed immediately. So we are now going to take up 2 days. We did not have 1 day of hearings on Medicare or Medicaid with regard to the proposal that is now being considered by the Finance Committee.

I think Members of this body raise a legitimate issue when they question whether or not the priorities of the American public, if given the choice to express themselves, would have this body spend 2 days debating Medicare, Medicaid and long-term health care conditions or Cuba. I do not have any doubt in my mind what their priorities would be.

So we are going to end up next week or the week after with 20 hours equally divided, 10 hours on a side, to discuss all of Medicare, all of Medicaid, all of the tax breaks, all of the earned income tax credit provisions, and yet I am going to have 2½ days, apparently, to talk about one bill affecting Cuba.

Maybe somebody else thinks that is the priority of the country. I do not think so. Yet, that is the position we are in, because the majority has decided that is what the order of business will be.

I would have urged we spend 2 days with a good healthy debate on Medicare and Medicaid and long-term health care without necessarily having a bill in front of us, but a good solid discussion of what we are going to do in the next several weeks to millions of Americans and their families, and yet we are going to spend 2½ days on an issue that has not even had a vote in the Foreign Relations Committee. We had some hearings at least on the Cuba bill. No hearings on Medicare, Medicaid or long-term nursing home care and, as the Senator from Arkansas pointed out a moment ago, we are now going to strip regulations from legislation we adopted in a bipartisan fashion only a few years ago.

Mr. President, I want to turn, if I can, in this debate about Cuba to the decisions reached by President Clinton just a few days ago. Those decisions have now been highly criticized, a moral outrage has been expressed over changes in regulations affecting the Government of Cuba and related matters. I have seen press reports that the majority leader took strong exception to the Executive order and others have been trying to one-up each other as to who can come up with the most outrageous statement to describe the decisions taken by President Clinton.

I am not sure every report accurately reflects the feelings of my colleagues, but nonetheless some rather extreme statements have been made.

As I understand it, the President's policy initiatives are, in large measure, perfectly consistent with related provisions contained in the House-passed bill and the most recent version of the Senate substitute which is before us. So I am somewhat surprised that there is such a vehement attack on President Clinton and his proposals, where a mere simple reading of the bill before us includes many of the things the President did by Executive order.

Section 712 of the version of the amendment available to me specifically authorizes the President of the United States, and I quote:

To furnish assistance to nongovernmental organizations to support democracy building efforts in Cuba.

That was a key element of the President's announcement last Friday. Section 722 of that same measure authorized the President to, and I quote:

Establish and implement an exchange of news bureaus between the United States and Cuba.

That is another key element of the President's actions. Surely, the supporters of this legislation do not object to the implementation of these measures that they themselves have recommended in the context of the legislation before us.

What about the other elements of last Friday's announcement? Do my colleagues object to provisions which seek to put an end to the profiteering associated with legal transfers of funds—legal transfers of funds—by Cuban-American families in this country to their family members in Cuba seeking to emigrate to the United States under provisions of the United States-Cuban immigration agreement?

That is why the President has authorized Western Union to open offices in Cuba to make legal transfers of this nature easier and cheaper. Today, the families in this country trying to provide assistance to their families in Cuba, in many cases, get held up. It is a mugging, in effect, the prices they have to pay.

So here we are setting up Western Union offices in that country to help families, Cuban-American families, legally transfer funds to assist them. That is part of what the President did. Is that not what we ought to be trying to do in these particular cases? Or do our colleagues take issue with the enhanced enforcement measures announced by the President? These measures would step up enforcement of sanctions regulations, as well as compliance with the Neutrality Act. The President has also instructed that the Office of Foreign Assets Control, the embargo enforcement agency, be strengthened in Washington and in Miami.

I am hard pressed to understand the moral outrage over the President's decisions when virtually every one of them are at least de facto or de jure included in the bill we are now considering in part, and yet that is exactly—exactly—the case.

Now I would like to turn to the bill before us. Many stated purposes of the legislation are laudable and, again, let me emphasize, every single Member in this body I know, if they could will it, tonight would will that there be change in Cuba. That is not the issue. Every one of us would like to see democracy come to that country.

Secondly, Mr. President, I recall being offended when people would talk about my ethnicity in ways in which all of us who happened to be of one particular group are of a particular mindset—that they could speak for everybody who was an Irish-American. Today, to suggest somehow that every Cuban-American thinks exactly alike is insulting.

There is a great diversity of thought within the Cuban-American community as to how we ought to address the problem of Cuba. None that I know of disagree with the bottom line; that is, that we should seek to bring democracy to that country. But there is an honest division of thought among Cuban-Americans who believe there might be better ways of achieving those results.

It is offensive to many, some of whom even disagree with their fellow Cuban-Americans, that somehow they ought to be maligned because they think there may be a better way of achieving the desired results. Certainly, we ought to take that into consideration as we look at the legislation before us.

None of us argue about the goals. But the measures that we take have to be examined and examined carefully. All of us, I hope, would like to see that the transition from the present government in Cuba to democracy would happen without bloodshed. I hope it is not a point of contention that, ideally, we ought to try to achieve the same kind of peaceful transformation we saw happen in Poland, Hungary, Czechoslovakia, and other of the New Independent States. Many thought it would come to a war one day. I thought so, too. But I think all of us are grateful today for the fact that the transition—occurred without a shot being fired at least in recent times.

I think it would be in all of our interests to get a peaceful, bloodless transfer of power in Cuba and to figure out ways in which that could be advanced.

Certainly, I think we could have serious and negative implications on our Federal courts. I mentioned this at the outset of my remarks, but I want to spend some time on it because this is a critical piece of this bill.

Again, I urge my colleagues, or their staffs who may be listening, to look at these sections and understand the implications, because I think they could have profound results if we are not careful. It could have implications on some of our closest trading partners and run the risk of subjecting our country to reciprocal kinds of actions in the coming years.

I happen to believe it is imperative that our colleagues have a better understanding of the true impact of the legislation on the conduct of U.S. foreign policy and on international trade and commerce. Clearly, I think additional hearings and committee consideration of the bill would be the best way to achieve that outcome. That is, apparently, not going to happen.

I have to hand it to the authors of the legislation. They have tinkered with the language in this bill in an effort to conceal and obscure some of its fundamental problems. Unfortunately, none of the changes remove the inherent flaws.

The Helms-Dole substitute is 40 pages in length. It has gone through significant changes since being first introduced back in February. As I mentioned earlier, no hearings have been held in the Senate on later versions of the bill, including the one before us. Again, I doubt that is going to occur. My colleagues ought to look carefully at the bill and analyze what is in it.

This legislation breaks significant new legal ground in reversing more than 40 years of international and domestic law in the practice and treatment of confiscated property. Nor, I point out, is there universal support for the bill among those whose property was expropriated.

I hope my colleagues will pay attention to this. This is important. Some of the very individuals who have the most interest in this legislation—the certified American claimants—have gone on record in opposition, Mr. President, to the centerpiece of this legislation.

David Wallace, chairman and chief executive officer of Lone Star Industries, one of the major corporate claimants in Cuba, has made it clear where he stands on the central provisions of this bill. He is opposed to them, Mr. President. Let me state for the record that Mr. Wallace is a resident of my State of Connecticut and the headquarters of Lone Star is located in Stamford, CT.

Mr. Wallace speaks not only for Lone Star, but for a number of other important claimants, who are members of the Joint Corporate Committee on Cuban Claims, which he chairs. That organization represents 30 of the major corporate claimants holding more than half of the total value of certified claims.

He has written to me and other Members several times on this issue, most recently on October 10. He raised some very critical issues that I want to bring to the attention of my colleagues.

I ask unanimous consent to have his letter printed in the RECORD.

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

JOINT CORPORATE COMMITTEE
ON CUBAN CLAIMS,
Stamford, CT, October 10, 1995.

DEAR SENATOR: I recently wrote to urge you to oppose Title III of legislation, the ''Cuban Liberty and Democratic Solidarity Act,'' that purports to protect the property rights of U.S. nationals against the confiscatory takings by the Castro regime. At that

time, Senator Helms was planning to attach this legislation as an amendment to the then-pending Foreign Operations Appropriations Bill. It is my understanding that this legislation now may be brought to the Senate floor as a free-standing bill as early as Wednesday of this week. I am writing once again to urge you to oppose this legislation insofar as it contains Title III in its present form because it poses the most serious threat to the property rights of U.S. certified claimants since the Castro regime's unlawful expropriations more than three decades ago.

In the rush to pass this legislation and thereby demonstrate our firm resolve against Fidel Castro, the far-reaching domestic consequences of this legislation have received far too little attention. In my letter of September 20th, I wrote of the irreparable harm certified claimants would suffer if Title III of this legislation is passed. For the first time ever and contrary to international law, this legislation would permit a specified national origin group, Cuban-Americans, who were not U.S. citizens at the time their property was confiscated, to file Title III lawsuits against the Government of Cuba for the property losses they suffered as Cuban nationals. Indeed, this legislation even permits Cuban exiles abroad to file lawsuits in U.S. federal courts if they establish a corporation in the United States for the purpose of pursuing any claim they may have against Cuba. The creation of a new right to sue is never an inconsequential matter yet the careful scrutiny such a provision deserves has been disturbingly lacking to date.

We can reasonably expect plaintiffs' attorneys to exploit this newly created lawsuit right to the fullest extent possible, creating a tide of litigation that will all but sweep away the value of the claims currently held by U.S. certified claimants. Each time one of those lawsuits is reduced to a final judgment against Cuba, the injury to U.S. certified claimants increases. Ultimately, the cumulative weight of those judgments will extinguish any possibility the certified claimants ever had of being compensated. A virtually bankrupt Cuba cannot be expected to compensate the U.S. certified claimants, who hold claims valued today at nearly $6 billion, when it is also facing the prospect of satisfying potentially tens of billions of dollars in federal court judgments held by Cuban-Americans, whose claims have been valued as high as $94 billion.

Our already overburdened federal courts will have to deal with the daunting task of adjudicating some 300,000 to 430,000 lawsuits, according to one estimate that has never been refuted. (And that does not even take into account the number of additional claims that we can anticipate will be brought on equal protection grounds by Vietnamese-Americans, Polish-Americans, Chinese-Americans and other national origin groups.) Indeed, a litigation explosion appears to be exactly what the bill's sponsors intend: They hope to enlist an army of lawyers to launch a barrage of federal court lawsuits against Cuba in order to hopelessly entangle the island in lawsuits. In so doing, title to property in Cuba will be clouded for years to come, thus ensuring that every effort at privatization or market-oriented economic reform will be doomed to failure. In a classic case of overkill, however, this endless litigation will not only encumber the current regime, but will impose an onerous burden on a future democratic government that will make normalization of relations with the United States virtually impossible.

Faced with this prospect, the president, as an exercise of executive prerogative in the conduct of foreign affairs, may elect to dismiss those federal court judgments pending against a friendly government in Cuba. However, dismissing those lawsuits may not turn out to be such a simple matter because the U.S. Government may very well find itself liable for tens of billions of dollars in property takings claims to this large class of citizens who were non-U.S. nationals at the time they lost properties in Cuba. In short, if Title III is enacted, we will be left either with the prospect of protracted litigation against Cuba, which will indefinitely delay normalization of relations with a post-Castro Cuban government, or enormous liability to possibly hundreds of thousands of Cuban-Americans should those federal court judgments be dismissed as an incident of normalization.

Amazingly, the Senate is poised to vote on this legislation without the benefit of the Judiciary Committee's views on these and other critical issues that fall within its purview. The Judiciary Committee has held no hearings on Title III, has not reviewed it, nor has it, or the Foreign Relations Committee for that matter, issued any reports on it. It is astonishing that we may be so casually headed toward putting our government, and ultimately U.S. taxpayers, on the line for tens of billions of dollars worth of Cuban-American claims in a foreign land. The only conclusion that can be drawn is that this legislation is being rushed to a vote before these serious issues can be thoroughly considered by the Senate through its normal procedures. Given the profound domestic implications of this legislation beyond the obvious and immediate injury to U.S. certified claimants, I urge you to oppose Title III of this legislation if for no other reason than to ensure that these concerns receive the careful deliberation they warrant.

Sincerely,

DAVID W. WALLACE,
Chairman.

Mr. DODD. Mr. President, let me quote, if I can here, part of what he says in this letter:

Amazingly, the Senate is poised to vote on this legislation without the benefit of the Judiciary Committee's views on these and other critical issues that fall within its purview. The Judiciary Committee has held no hearings of Title III, has not reviewed it, nor has it, or the Foreign Relations Committee for that matter, issued any reports on it. It is astonishing that we may be so casually headed toward putting our government, and ultimately U.S. taxpayers, on the line for tens of billions of dollars worth of Cuban-American claims in a foreign land. The only conclusion that can be drawn is that this legislation is being rushed to a vote before these serious issues can be thoroughly considered by the Senate through its normal procedures. Given the profound domestic implications of this legislation beyond the obvious and immediate injury to U.S. certified claimants, I urge you to oppose Title III of this legislation if for no other reason than to ensure that these concerns receive the careful deliberation they warrant.

Mr. President, this is a letter from a claimant. This is one of the people who was injured by what happened, seriously, when the Castro Government took over. Do not believe me; listen to them. They are the ones urging that some prudence be followed before we rush to judgment with this bill in order to satisfy the domestic concerns of some constituency groups, who, I might add, I do not think are necessarily all being represented when they are spoken of collectively.

I agree with Mr. Wallace when he concludes that ''We can reasonably expect plaintiffs' attorneys to exploit this newly created lawsuit right to the fullest extent possible, creating a tide of litigation that will all but sweep away the value of the claims currently held by the certified claimants.''

Mr. Wallace also submitted detailed written testimony to the Committee on Foreign Relations in which he explained the joint committee's opposition to this bill. These are the U.S. citizens that are the injured parties. They are the ones telling us that this bill is wrong and will cause real problems. We ought to be listening to them.

Among the arguments I found most compelling was that this legislation would produce a dramatic expansion of existing claims pool seeking compensation from Cuba. The vastly larger pool ''would serve as a significant disincentive for a post-Castro Cuban Government to enter into meaningful settlements of negotiations with the United States, given the sheer enormity of the outstanding claims and the practical impossibility of satisfying all those claims.''

Mr. Wallace goes on to state that ''We, the joint committee, believe that a second tier of claimants will delay and complicate the settlement of certified claims and may undermine the prospects for serious settlement negotiations with the new Cuban Government that will come into power at some point.''

He concluded as follows: ''It is our view, based upon well-established principles of international law, that individuals and entities who were Cuban nationals at the time their property was confiscated must seek resolution of their claims in Cuban courts, under Cuban law.''

Obviously, that is not going to happen now, Mr. President. We are talking about this taking effect when there is a transition government in place—hopefully and ideally, one that will respond. But Cuban nationals can then go back to that court in Cuba and satisfy them. To allow it, all of a sudden, to come to our courts raises very serious problems. In future Cuban governments, claims of former Cuban nationals may be fairly determined.

Mr. President, I urge my colleagues to take the time to review Mr. Wallace's correspondence and statement in their entirety. Taken together, they provide a very careful, reasoned analysis of why giving former Cuban nationals the private right of action to sue in United States courts will be detrimental to the interests of United States claimants.

I ask unanimous consent Mr. President at this juncture to have printed in the RECORD all of the correspondence and testimony from Mr. Wallace which he has sent to most offices, but for those who may not have seen them.

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

JOINT CORPORATE COMMITTEE
ON CUBAN CLAIMS,
Stamford, CT, October 10, 1995.

Hon. CHRISTOPHER J. DODD,
U.S. Senate, Russell Senate Office Building, Washington, DC.

DEAR SENATOR DODD: I recently wrote to urge you to oppose Title III of legislation, the ''Cuban Liberty and Democratic Solidarity Act,'' that purports to protect the property rights of U.S. nationals against the confiscatory takings by the Castro regime. At that time, Senator Helms was planning to attach this legislation as an amendment to the then-pending Foreign Operations Appropriations Bill. It is my understanding that this legislation now may be brought to the Senate floor as a free-standing bill as early as Wednesday of this week. I am writing once again to urge you to oppose this legislation insofar as it contains Title III in its present form because it poses the most serious threat to the property rights of U.S. certified claimants since the Castro regime's unlawful expropriations more than three decades ago.

In the rush to pass this legislation and thereby demonstrate our firm resolve against Fidel Castro, the far-reaching domestic consequences of this legislation have received far too little attention. In my letter of September 20th, I wrote of the irreparable harm certified claimants would suffer if Title III of this legislation is passed. For the first time ever and contrary to international law, this legislation would permit a specified national origin group, Cuban-Americans, who were not U.S. citizens at the time their property was confiscated, to file Title III lawsuits against the Government of Cuba for the property losses they suffered as Cuban nationals. Indeed, this legislation even permits Cuban exiles abroad to file lawsuits in U.S. federal courts if they establish a corporation in the United States for the purpose of pursuing any claim they may have against Cuba. The creation of a new right to sue is never an inconsequential matter yet the careful scrutiny such a provision deserves has been disturbingly lacking to date.

We can reasonably expect plaintiffs' attorneys to exploit this newly created lawsuit right to the fullest extent possible, creating a tide of litigation that will all but sweep away the value of the claims currently held by U.S. certified claimants. Each time one of those lawsuits is reduced to a final judgment against Cuba, the injury to U.S. certified claimants increases. Ultimately, the cumulative weight of those judgments will extinguish any possibility the certified claimants ever had of being compensated. A virtually bankrupt Cuba cannot be expected to compensate the U.S. certified claimants, who hold claims valued today at nearly $6 billion, when it is also facing the prospect of satisfying potentially tens of billions of dollars in federal court judgments held by Cuban-Americans, whose claims have been valued as high as $94 billion.

Our already overburdened federal courts will have to deal with the daunting task of adjudicating some 300,000 to 430,000 lawsuits, according to one estimate that has never been refuted. (And that does not even take into account the number of additional claims that we can anticipate will be brought on equal protection grounds by Vietnamese-Americans, Polish-Americans, Chinese-Americans and other national origin groups.) Indeed, a litigation explosion appears to be exactly what the bill's sponsors intend: They hope to enlist an army of lawyers to launch a barrage of federal court lawsuits against Cuba in order to hopelessly entangle the island in lawsuits. In so doing, title to property in Cuba will be clouded for years to come, thus ensuring that every effort at privatization or market-oriented economic reform will be doomed to failure. In a classic case of overkill, however, this endless litigation will not only encumber the current regime, but will impose an onerous burden on a future democratic government that will make normalization of relations with the United States virtually impossible.

Faced with this prospect, the president, as an exercise of executive prerogative in the conduct of foreign affairs, may elect to dismiss those federal court judgments pending against a friendly government in Cuba. However, dismissing those lawsuits may not turn out to be such a simple matter because the U.S. Government may very well find itself liable for tens of billions of dollars in property takings claims to this large class of citizens who were non-U.S. nationals at the time they lost properties in Cuba. In short, if Title III is enacted, we will be left either with the prospect of protracted litigation against Cuba, which will indefinitely delay normalization of relations with a post-Castro Cuban government, or enormous liability to possibly hundreds of thousands of Cuban-Americans should those federal court judgments be dismissed as an incident of normalization.

Amazingly, the Senate is poised to vote on this legislation without the benefit of the Judiciary Committee's views on these and other critical issues that fall within its purview. The Judiciary Committee has held no hearings on Title III, has not reviewed it, nor has it, or the Foreign Relations Committee for that matter, issued any reports on it. It is astonishing that we may be so casually headed toward putting our government, and ultimately U.S. taxpayers, on the line for tens of billions of dollars worth of Cuban-American claims in a foreign land. The only conclusion that can be drawn is that this legislation is being rushed to a vote before these serious issues can be thoroughly considered by the Senate through its normal procedures. Given the profound domestic implications of this legislation beyond the obvious and immediate injury to U.S. certified claimants, I urge you to oppose Title III of this legislation if for no other reason than to ensure that these concerns receive the careful deliberation they warrant.

Sincerely,

DAVID W. WALLACE,
Chairman.

LONE STAR INDUSTRIES, INC.,
Stamford, CT, July 26, 1995.

Hon. CHRISTOPHER J. DODD,
Russell Senate Office Building, Washington, DC.

DEAR SENATOR DODD: On behalf of the Joint Corporate Committee on Cuban Claims, of which I serve as Chairman, and as your constituent, I am writing to express my appreciation for your support on the property claims issue. In particular, I want to commend you for your thoughtful views on S. 381, the Cuban Liberty and Democratic Solidarity Act, and to offer the assistance of the Committee as this legislation is considered by the Senate.

The Joint Corporate Committee represents more than thirty U.S. corporations with certified claims against the Government of Cuba. Collectively, our members hold more than one-half of the $1.6 billion in outstanding certified corporate claims. As you know, the Joint Corporate Committee opposes the provisions of the Helms legislation dealing with property claims, and we have detailed our objections in testimony we submitted for the record to the Foreign Relations Committee.

We understand that Senator Helms is contemplating a strategy of attaching his legislation to the State Department Authorization Bill or the Foreign Aid Bill that will be before the Senate shortly. Please know that we stand ready to support your efforts in opposing this legislation, and have asked the Committee's Washington, D.C. counsel, Kirk O'Donnell of Akin, Gump, Strauss, Hauer & Feld, to work with you in that regard.

I also have asked our counsel to arrange a meeting with you in the near future in order that we might further explore how our Committee can best be of assistance in this effort. I look forward to meeting you and working with you on a more constructive legislative approach.

Sincerely,

DAVID W. WALLACE.

STATEMENT OF DAVID W. WALLACE, CHAIRMAN JOINT CORPORATE COMMITTEE ON CUBAN CLAIMS ON S. 381, THE CUBAN LIBERTY AND DEMOCRATIC SOLIDARITY ACT OF 1995—SUBMITTED TO THE SUBCOMMITTEE ON WESTERN HEMISPHERE AND PEACE CORPS AFFAIRS, THE COMMITTEE ON FOREIGN RELATIONS, U.S. SENATE—JUNE 14, 1995

Mr. Chairman and Members of the Subcommittee, I appreciate the opportunity to submit this statement expressing the views of the Joint Corporate Committee on Cuban Claims with respect to S. 381, the ''Cuban Liberty and Democratic Solidarity (LIBERTAD) Act of 1995.''

The Joint Corporate Committee on Cuban Claims, of which I serve as Chairman, represents more than thirty U.S. corporations with certified claims against the Government of Cuba stemming from the Castro regime's unlawful confiscation of U.S. property without just compensation. Our member corporations hold more than one-half of the $1.6 billion in outstanding certified corporate claims. Since its formation in 1975, the Committee has vigorously supported the proposition that before our government takes any steps to resume normal trade and diplomatic relations with Cuba, the Government of Cuba must provide adequate compensation for the U.S. properties it unlawfully seized.

Although I am submitting this statement in my capacity as Chairman of the Joint Corporate Committee, I would like to note parenthetically that I also serve as Chairman and Chief Executive Officer of Lone Star Industries, Inc. Lone Star is a certified claim holder whose cement plant at Mariel was seized by the Cuban Government in 1960. Lone Star's claim is valued at $24.9 million plus 6% interest since the date of seizure.

On behalf of our Committee, I want to commend the significant contribution you have made to the debate on U.S.-Cuban policy by focusing renewed attention on the Castro regime's unlawful expropriation of U.S. property—an issue that all too often gets lost in the debate over the wisdom of the embargo policy. Recognizing the important role that trade and investment by U.S. businesses will have in Cuba's economic reconstruction and its eventual return to the international community, evidence of concrete steps by the Government of Cuba towards the satisfactory resolution of the property clams issue must be an essential condition for the resumption of economic and diplomatic ties between our nations.

I think it is important to recall the essential reason for which the U.S. Government first imposed a partial trade embargo against Cuba in 1960, following by the suspension of diplomatic relations in 1961 and the imposition of a total trade embargo in 1962. These actions were taken in direct response to the Castro regime's expropriation of properties held by American citizens and companies without payment of prompt, adequate and effective compensation as required under U.S. and international law. This illegal confiscation of private assets was the

largest uncompensated taking of American property in the history of our country, affecting scores of individual companies and investors in Cuban enterprises.

These citizens and companies whose property was confiscated have a legal right recognized in long-established international law to receive adequate compensation or the return of their property. Indeed, Cuba's Constitution of 1940 and even the decrees issued by the Castro regime since it came to power in 1959 recognized the principle of compensation for confiscated properties. Pursuant to Title V of the International Claims Settlement Act, the claims of U.S. citizens and corporations against the Cuban Government have been adjudicated and certified by the Foreign Claims Settlement Commission of the United States. Yet to this day, these certified claims remain unsatisfied.

It is our position that lifting the embargo prior to resolution of the claims issue would be unwise of a matter of policy and damaging to our settlement negotiations posture. First, it would set a bad precedent by signaling a willingness on the part of our nations to tolerate Cuba's failure to abide by precepts of international law. Other foreign nations, consequently, may draw the conclusion that unlawful seizures of property can occur without consequence, thereby leading to future unlawful confiscations of American properties without compensation. Second, lifting the embargo would remove the best leverage we have in compelling the Cuban Government to address the claims of U.S. nationals and would place our negotiators at a terrible disadvantage in seeking just compensation and restitution. We depend on our government to protect the rights of its citizens when they are harmed by the unlawful actions of a foreign agent. The Joint Corporate Committee greatly appreciates the steadfast support our State Department has provided over the years on the claims issue. However, we recognize that the powerful tool of sanctions will be crucial to the Department's ability ultimately to effect a just resolution of this issue.

Apart from the need to redress the legitimate grievances of U.S. claimants, we also should not overlook the contribution these citizens and companies made to the economy of pre-revolutionary Cuba, helping to make it one of the top ranking Latin American countries in terms of living standards and economic growth. Many of these companies and individuals look forward to returning to Cuba to work with its people to help rebuild the nation and invest in its future. As was the case in pre-revolutionary Cuba, the ability of the Cuban Government to attract foreign investment once again will be the key to the success of any national policy of economic revitalization.

However, unless and until potential investors can be assured of their right to own property free from the threat of confiscation without compensation, many U.S. companies simply will not be willing to take the risk of doing business with Cuba. It is only by fairly and reasonably addressing the claims issue that the Cuban Government can demonstrate to the satisfaction of the business community its recognition of and respect for property rights.

We are pleased that S. 381 does not waver from the core principle, firmly embodied in U.S. law, which requires the adequate resolution of the certified claims before trade and diplomatic relations between the U.S. and Cuban Governments are normalized. However, we are concerned with provisions of Section 207 of the revised bill that condition the resumption of U.S. assistance to Cuba on the adoption of steps leading to the satisfaction of claims of both the certified claimants *and* Cuan-American citizens who were not U.S. nationals at the time their property was confiscated. Notwithstanding the modifying provisions which accord priority to the settlement of the certified claims and give the President authority to resume aid upon a showing that the Cuban Government has taken sufficient steps to satisfy the certified claims, this dramatic expansion of the claimant pool, as a practical matter, would necessarily impinge upon the property interests of the certified claimants.

Even though the claimants who were not U.S. nationals at the time of the property loss would not enjoy the espousal rights that the certified claimants enjoy, the recognition of a second tier of claimants by the U.S. Government at a minimum would necessarily color, and likely make more complicated, any settlement negotiations with Cuba to the detriment of the certified claimants.

Moreover, the fact that the legislation gives priority for the settlement of certified property claims is of little consequence within the context of such a vastly expanded pool of claimants that seemingly defies a prompt, adequate and effective settlement of claims. In addition, once this second tier of claimants is recognized, it would be exceedingly difficult politically for the President to exercise his waiver authority. Finally, this dramatic expansion of the claimant pool would serve as a significant disincentive for a port-Castro Cuban Government to enter into meaningful settlement negotiations with the United States given the sheer enormity of the outstanding claims and the practical impossibility of satisfying all those claims.

In short, while we are sympathetic to the position of those individuals and entities who were not U.S. nationals at the time their property was seized, we believe that U.S. Government recognition and representation of this group of claimants—even falling short of espousal of their claims with a post-Castro government in Cuba—would harm the interests of the already certified claimants. We believe that the recognition of a second tier of claimants will delay and complicate the settlement of certified claims, and may undermine the prospects for serious settlement negotiations with the Cuban Government.

It is our view, based on well-established principles of international law, that individuals and entities who were Cuban nationals at the time their property was confiscated must seek resolution of their claims in Cuban courts under Cuban law under a future Cuban Government whereby the respective property rights of former and current Cuban nationals may be fairly determined. In taking that position, we categorically reject any notion that a naturalized American has any lesser degree of right than a native-born American. That objectionale and irrelevant notion serves only to cloud the real issue here, and that is simply the question of what rights are pertinent to a non-national as of the date of injury. Simply put, international law does not confer retroactive rights upon naturalized citizens.

Many of the same objections noted above also apply to Section 302 of the revised bill, which allows U.S. nationals, including hundreds of thousands of naturalized Cuban-Americans, to file suit in U.S. courts against persons or entities that traffic in expropriated property. We believe this unrestricted provision also will adversely affect the rights of certified claimants. By effectively moving claims settlement out of the venture of the Foreign Claims Settlement Commission and into the federal judiciary, this provision can be expected to invite hundreds of thousands of commercial and residential property lawsuits. Apart from the enormous, if not overwhelming, burden these lawsuits will place on our courts, this provision raises serious implications with respect to the Cuban Government's ability to satisfy certified claims.

First, allowing Cuba to become liable by way of federal court judgments for monetary damages on a non-dismissible basis necessarily will reduce whatever monetary means Cuba might have to satisfy the certified claims. Second, this expected multiplicity of lawsuits undoubtedly will cloud title to property in Cuba for years, thereby lessening the prospects for restitutionary approaches in satisfaction of some of these claims. Moreover, under this provision, the President would have no power to dismiss these suits as an incident of normalizing relations with a democratically elected government in Cuba once they are commenced. Consequently, the foreign investment will be crucial to Cuba's successful implementation of market-oriented reforms will be all but precluded by these unresolved legal proceedings.

In conclusion, we want to commend you for your efforts in raising the profile of the property claims issue and focusing attention on the importance of resolving these claims to the full restoration of democracy and free enterprise in Cuba. We also recognize and appreciate the efforts you have made to modify this legislation in response to the concerns expressed by the certified claimant community; however, we hope that you will further consider our continuing concerns regarding the implications of this legislation for the legal rights of certified claimants, an already overburdened court system, the claims settlement process and the orderly disposition of claims, and the post-Castro investment environment.

Mr. DODD. This legislation calls into question the fundamental concept, I might point out, of equal protection under our Constitution by granting a kind of judicial relief to one category of individuals that no other group has ever been granted.

This legislation is not proposed to give similar rights, as I pointed out earlier, to the former nationals—now U.S. citizens—of 37 other countries in the world where there are outstanding claims: Polish-Americans, Chinese-Americans, German-Americans, Vietnamese-Americans.

Are we to say to these same people who have been injured by Marxist governments, Communist governments, who have had their property taken without compensation, ''Sorry, this law does not apply to you. It only applies to Cuban-Americans.'' I think we will have a hard time making that case to other people who come forward and seek equal treatment.

I urge my colleagues to just examine whether or not the enormity of that problem can be handled by our court systems. Is that the right way to go?

This legislation would vastly expand the traditional definition of who is a United States claimant for purposes of United States law, to include any Cuban national who is presently a United States citizen, regardless of the citizenship at the time of the expropriation, as well as any person who incorporates himself or herself as a business entity under United States law prior to this bill becoming law.

The introduction of this legislation has served as an open invitation to Cuban-Americans and other foreign nationals around the globe who may have had property taken in Cuba to come to the United States to seek redress. I am not arguing about the illegitimacy of it, the horror of it, the wrongness of it at all. That is not my point. That is not the issue here.

If Cubans have left Cuba and gone someplace else, this bill says to them, ''come here and incorporate yourself before this bill is signed into law and you have access to the United States courts.''

Again, I urge my colleagues to look at this bill. Whatever your feelings are about Fidel Castro and Cuba, you are about to sign on to something here that could have profound and incredible implications for our court system.

It is not clear, Mr. President, how the courts are going to attest to the validity of such claims, nor do we have any firm estimate of the costs associated with the legal mandate.

Initially, CBO concluded that it does not have ''sufficient information for estimating the number of such filings and the total cost that would be incurred by the Judiciary,'' although it did indicate that the costs to the U.S. Federal court system per case filed would be $4,500.

Now assuming the 5,911 claims that are filed, between $4,500 and $5,000 a claim, if, in fact, you expand the universe here, consider the implications. The math is not that hard if you are going to have several hundred thousand people seeking access to these courts.

Now, I point out to my colleagues that CBO later reversed its earlier conclusion that they could not determine how much the costs would be. They came back and said the costs may be $7 million.

The key assumption CBO made, Mr. President, in arriving at this number was that very few suits would be filed at all. That assumption has been challenged, I might add, by a number of experts on the issue.

The Senator from Rhode Island, Senator PELL, and I wrote to the Congressional Budget Office raising questions about this estimate as well. And, Mr. President, I point out we have not had any response to our latest inquiries, going back some time, about a new estimate.

One should be mindful, Mr. President, of the fact that an estimated 1 million Cuban emigres currently live in the United States, many of whom left behind business and other property when they fled the Castro regime, and has been expropriated without compensation.

The State Department has estimated there are approximately $94 billion in outstanding Cuban-American claims. That is in addition to the $6 billion in certified United States claims. A very detailed analysis has been done to give some rough estimates as to the number of claims that may be outstanding if this bill becomes law.

I urge my colleagues to review the August 25 letter sent to the Director of CBO by attorney Robert Muse, an attorney for one of the major U.S. certified claimants. In that letter he sets forth in some detail the various categories of property claims that could be generated, and estimates that the total number of lawsuits could reach 430,000. The costs could end up—just the court costs—in excess of $2 billion.

I ask unanimous consent that those documents be printed in the RECORD at this juncture.

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

MANSFIELD & MUSE,
Washington, DC, August 25, 1995.

MS. JUNE E. O'NEILL,
Director, Congressional Budget Office, U.S. Congress, Washington, DC.

Re CBO Letter of July 31, 1995 Concerning Senator Helms' Proposed ''Cuban Liberty and Democratic Solidarity (LIBERTAD) Act of 1995.''

DEAR MS. O'NEILL: As you know, Title III of Senator Helm's proposed legislation creates a cause of action in U.S. federal courts against agencies or instrumentalities of Cuba—as well as foreign and Cuban individuals or companies—that in the words of the bill ''traffic'' in properties ''confiscated'' by the government of Cuba. It makes no difference under Title III whether the owners of those properties were U.S. or Cuban nationals at the time of their property losses. So long as the potential litigant is a U.S. citizen at date of filing, he or she (or ''it'' in the case of a company) is free to institute a Title III lawsuit asserting, in the language of the statute, ownership or a ''claim'' to property confiscated in Cuba at any time after January 1, 1959. With these things in mind, CBO was asked how many such lawsuits might be expected if the LIBERTAD bill is enacted? It is the response to that question, given in your July 31 letter to Senator Helms, which concerns my client, Amstar Property Rights Holdings, Inc., and other holders of claims certified against Cuba by the Foreign Claims Settlement Commission.

In your first letter (of July 24) on this subject, written to Chairman Gilman of the House International Relations Committee, you said with respect to Title III that, in addition to nearly 6,000 claims on file with the Foreign Claims Settlement Commission, ''. . . about 15,000 U.S. nationals who have not filed claims with the Commission [i.e. the Foreign Claims Settlement Commission] may also have had commercial property confiscated in Cuba.'' I gather from talking with Ms. Susanne Mehlman of your Office that the figure of 15,000 ''who have not filed claims'' was meant to describe naturalized Cuban Americans and Cuban companies that did not qualify to file claims with the Commission in the 1960's (because they were not U.S. citizens when their properties were taken), but, that your Office thought would qualify to file lawsuits with respect to those properties if Title III of the LIBERTAD bill is enacted.

In your July 31 letter to Senator Helms you refrain from stating any figure as to the number of Cuban Americans that may be expected to file Title III lawsuits. However, based upon a recent revision to the LIBERTAD bill restricting lawsuits to those in which the ''amount in controversy'' exceeds $50,000, you offer the opinion that, ''. . . the number of [Cuban American] claims would be quite small.''

The number of potential Title III litigants is a matter of understandable concern to individuals and companies, such as my client, that hold certified claims against Cuba. The prospects of these claimants receiving a favorable disposition of their long-held claims are very much dependent upon those claims not being diluted in a sea of newly-created Title III causes of action conferred on companies and individuals that did not meet the U.S. nationality requirement of the Foreign Claims Settlement Commission's Cuba program.[1] The reasoning of the certified claimants in opposing Title III of the LIBERTAD bill is straightforward. Each federal court judgment entered against Cuba on behalf of a Cuban national at date of property loss constitutes an additional claim on the limited resources of that country, thereby diluting the value of those claims certified by the Foreign Claims Settlement Commission.[2] It is blindingly obvious what Title III is meant to do, that is, to bypass the adjudicatory process of the Foreign Claims Settlement Commission—that Cuban Americans did not qualify for on prerequisite citizenship grounds—and create an unprecedented claims program in the federal courts on behalf of that specific national-origin group.

With the foregoing concerns of certified claimants in mind, I offer the following observations: First, I believe that your July 24 letter's figure of a maximum of 15,000 lawsuits to be expected from Cuban American individuals and companies if the LIBERTAD bill is enacted constitutes a serious understatement of the real number of such lawsuits. Second, your Office's subsequent failure to provide any estimate of potential lawsuits in your July 31 letter—except to say that the number will be ''quite small''—warrants, I respectfully submit, at least some explanation. Third, your descriptions of Title III as only creating a right for U.S. nationals to ''take civil action against persons or companies that traffic in confiscated properties,'' obscures a key provision of the LIBERTAD bill; that is, that it allows direct suits against the nation of Cuba itself—via its various agencies and instrumentalities—for ''trafficking'' in confiscated property.[3] Certain proponents of the LIBERTAD bill have created the entirely misleading impression that it is aimed only at what they describe as ''third party [i.e. corporate] ''traffickers,'' and, because there are comparatively few such corporate ''traffickers'', few lawsuits are to be expected if Title III is enacted. Unfortunately, I believe you have fallen into their trap by excluding from consideration in your estimate of potential lawsuits what will be the overwhelmingly most frequently named defendant—Cuba itself.[4] Fourth, the newly-added $50,000 ''amount in controversy'' requirement of Title III will not greatly restrict Section 302 lawsuits, as your letter suggests it will.

To elaborate on my last point first, the figure of $50,000 in controversy requirement of Title III relates to the value of the property that is being ''trafficked'' in; e.g., that is being, among other things, ''used . . . or profited from . . .'' Under Title III each trafficker must pay, in damages, the ''fair market value'' of the property being trafficked in to anyone who ''owns a claim'' to that property. (See, Section 302(a)(i)). A property—as will be demonstrated in a moment—that was worth as little as $3,500 in 1960 will today meet the bill's requirement of $50,000 in controversy. This is the case because, in calculating whether a given property has a value of $50,000 or more for the purposes of Title III, the following things are included: (1) Interest is added from the time of property loss and compounded annually. (See,

Footnotes at end of article.

Section 302(a)(1)(B)). If only 6% interest is applied to Title III court judgments (as was the case in Foreign Claims Settlement Commission decisions relating to Cuba) the compounded interest component alone, over a period of 35 years, increases the value of the property by 500%. Therefore a property with a value of $3,500 in 1960 equals an ''amount in controversy'' of $17,500 today. (2) Title III allows for the virtually automatic trebling of the value of any previously determined ''sum'' (to reiterate, interest is specifically included in determining the ''sum'' to be trebled). For such trebling to occur Section 302(a)(3) merely requires that a ''trafficker'' be given notice twice of an ''intention to institute suit'' before that trafficker becomes liable for ''triple the amount determined'' under 302(a)(ii). In filing suit a plaintiff will allege in his complaint that requisite notices were given and ignored and, therefore, that the amount of damages sought (i.e. the ''amount in controversy'') is the value of the property trebled. All of this means that a property with a 1960 value of $3,500 has, with compounded annual interest at 6%, become worth $17,500; when that figure is trebled it becomes $52,500 and comfortably meets Section 302(b)'s requirement of a ''matter in controversy [that] exceeds the sum or value of $50,000.''[5]

To return to the issue of the actual number of lawsuits the LIBERTAD bill is likely to engender if it becomes law, a Department of the Army publication reports that some 800,000 Cubans settled in the United States between January 1, 1959 and September 30, 1980. (See, ''Cuba, A Country Study'' (1985) at pg. 69–70, citing a National Research Council study). If we assume that a further 10,000–12,000 Cubans have entered the U.S. annually in the past 15 years, a total of 1 million Cubans have taken up residence in the U.S. since Fidel Castro came to power. The question put to CBO was, in essence: How many of these Cuban Americans may be expected to file suit with respect to ''claimed'' properties in Cuba if Section 302 is enacted? To further distill the question, it may be restated as: How many damage suits will be brought with respect to Cuban properties that were worth at least $3,500 in 1960?

In the first place, many of the hundreds of thousands of Cubans who suffered property losses in Cuba have died in the intervening 30–35 years.[6] Accordingly, any ''claims'' relative to properties located in Cuba that might be asserted in a Section 302 lawsuit, as likely as not, will be filed by the children and even grandchildren of the now deceased former owners. The broad definition given the word ''property'' (i.e. ''future or contingent right . . . or other [property] interest'') at Section 4(11) of the bill ensures such a result.[7] This fact alone will greatly increase the number of suits relative to any one Cuban property that may be expected under Section 302 of the LIBERTAD bill. (According to the same Department of the Army study quoted in the preceding paragraph, in 1958 the Cuban total fertility rate—i.e. the average number of children born to each woman—was 3.8. This gives us a sense of the number of descendants likely to assert a claim to any one decedent's former properties in Cuba).

Second, many of the properties in Cuba that will be the subject of Section 302 lawsuits had multiple ownership interests. Again, Section 4(11)(A) defines ''property'' as including any property ''. . . whether real, personal, or mixed, or any present, future, or contingent right, security, or other interest therein, including any leasehold interest.'' Therefore, in the agricultural sector for example we can expect claims to be filed by the descendants of not only the owners of the property but also descendants of those who produced commodities from the land under various colono arrangements, or those who held leasehold, mortgage or other interests in the confiscated property. The same is true of the service and industrial sectors of the Cuban economy. This greatly expands the number of suits to be expected if Title III of the LIBERTAD bill becomes law. (By the way, your letter of July 24 misstates the intent of Title III when your projected figure of 15,000 possible litigants are described in terms of having had ''commercial property confiscated in Cuba''; thereby creating the erroneous impression that only such properties are subject to suit. The requirement of the statute is not that the property have been ''commercial''—under Section 4(9)(A)'s definition it can have been real or personal property, or any other type of property interest for that matter. The test for commencing litigation is whether the subject property is being used at the time of suit ''in the conduct of a commercial activity.'' (See Section 302(a)(1). Therefore an originally non-commercial property (a residence, for instance) that is now being used in whole or perhaps even in part in a commercial vein such as, as a bicycle repair shop, or a hairdressers, or as business or professional offices, would be subject to suit under Section 302. In short, residential properties are exempt from suit under the LIBERTAD bill only to the extent that they are being, ''used for residential purposes.'' (See, Section 304(11)(B). I will return to the issue of residential properties later in this letter).

In any event, even if we set aside for a moment the multiplicity of litigants and property interests that will assert themselves with respect to any one property, how many actual properties in Cuba may be subject to suit if Title III is enacted? The truth is, no one really knows for certain—but some informed estimates can be made.

In 1959 when the first departures for the U.S. from Cuba began, that country had a population of approximately 6.5 million. We can begin our analysis of potential lawsuits to be expected under Title III by first considering the number of various service establishments that may have existed in pre-revoluntionary Cuba to serve a population of that size. (Examples of such service establishments would include restaurants; hotels; clothing shops; bars; groceries; dry goods stores; abattoirs and butchers; barbers and hairdressers; automobile service stations, distributors and parts suppliers; appliance shops; construction companies and building materials suppliers; shoeshops; hardware and feed stores; farm provisioners; laundries; touristic enterprises ranging from marinas and casinos, to nightclubs and theaters; department stores; bank branch offices; drugstores; clinics and professional office buildings used by doctors, dentists, accountants, architects, and lawyers—e.g., there were 7,858 attorneys in Cuba according to the 1953 census). If we arbitrarily—but certainly reasonably—assume that one of each type of service establishment existed per each 500 head of population, a total of approximately 12,000 such enterprises existed in each service category. We will assume, conservatively, that only 15 categories existed in pre-revolutionary Cuba. More than 15 such categories of course existed, but by limiting the number of categories we are able to correct our overall figure to allow for some service industries that had individual establishments (for example bank branches) at a rate of less than one per 500 head of population. When we multiply 12,000 service establishments times 15 categories of such establishments, we reach a total of 180,000. If as few as ⅓ of the owners of those establishments (again, a very conservative figure) settled in the U.S., a total of 60,000 service industry properties are likely to be the subject of lawsuits in federal courts if the LIBERTAD bill is enacted.[8] But, to reiterate an earlier point, each of these properties is capable of having multiple suites filed against it by the descendants of the original owners. If only two such descendant suits are brought on average with respect to each property, a total of 120,000 suits can be expected. Finally, if only one additional claim, on average, is brought by an individual alleging, for example, a leasehold, mortgage or security interest in each property, our total reaches a figure of 180,000 lawsuits to be expected from the Cuban service sector alone.

Turning to the Cuban industrial, manufacturing and transportation sectors, how many lawsuits might they engender? Again, it is difficult to know with any certainty. But, let us assume only 1,000 industrial, manufacturing and transportation properties in such representative enterprises as sugar production; tobacco manufacturing; fishing and seafood processing; rum distilling; brewing; steel making; cosmetic and toiletry manufacturing; mining; warehouses and freight lines; construction materials manufacturing; oil processing and distribution; meat packing; electronic goods and other durables manufacturing; and, finally, railroads, ferries and other modes of transportation. The lawsuits from this sector of the Cuba economy, it should be noted, will not be limited to the claims of the companies themselves. Section 4(11) of the LIBERTAD bill defines ''property'' to include any ''security interest.'' Therefore, the shareholders in these industrial, manufacturing and transportation sectors of pre-revolutionary Cuba will be filing individual lawsuits if Title III is enacted. How many such lawsuits will be filed is really anyone's guess. But let us assume that each enterprise had even 100 shareholders now naturalized in the U.S. whose individual shareholdings were worth at least $3500 thirty-five years ago. This means that a further 100,000 lawsuits may be expected—with again the fact that descendants of the original owners will be filing most of the suits ensuring that the figure of 100,000 is considerably enlarged.[9]

Then there are the lawsuits to be expected from Cuba's agricultural sector. Once again, it is difficult to quantify the number of such lawsuits—particularly when most agricultural properties had multiple interests encumbering them, such as colono and various other tenure and leasing arrangements. But if we pick a figure of at least 25,000 rural properties (out of a total of over 150,000 such properties[10]) whose owners emigrated to the U.S. and that had a value in 1960 of at least $3,500, and if we then assume two overlapping property interests asserted with respect to each property (e.g., a fee simple and a colono interest) by an average of two descendants claiming such interests, we arrive at a figure of 100,000 lawsuits generated by Cuba's agricultural sector.

Finally, there are the lawsuits that will be brought with respect to properties that, although originally residential, are now being used, in the language of Section 302(a)(1), in ''the conduct of a commercial activity'' and therefore are not exempt from suit under Section 4(11)(B)'s exception for ''real property used for residential purposes.'' (Emphasis added). Cuba has no modern office blocks to speak of and very few purpose-built service premises of any kind. Therefore a great many formerly residential buildings are now used as commercial, professional or governmental premises. (It will be recalled that agencies and instrumentalities of the government of Cuba may be sued if they are

using property in the conduct of a commercial activity). In any of those cases if the activity going on in the property is commercial in nature—that property is subject to suit under Title III. Given that whole sections of Havana that were formerly residential, such as Vedado and Miramar, are now being used in some form of commercial manner (even if only as a workshop or small restaurant (paladare) under recently liberalized self-employment laws) thousands of lawsuits may be expected from this quarter. In virtually every one of these cases the $3,500 threshold (in 1960 values) will be comfortably met. We will very conservatively assume that only 25,000 residential properties will be the subject of suit if Title III is enacted.[11] If, as is predictable, an average of as little as two lawsuits (by either descendants' interests or mortgage, etc. interests) are brought with respect to each property, our final figure from this sector totals 50,000 federal court litigations.

To summarize, the number of lawsuits to be reasonably expected if the LIBERTAD bill becomes law include: 180,000 in the service sector, 100,000 in the industrial, manufacturing and transportation sector, 100,000 from the agricultural sector and 50,000 from residential properties that are now being used ''in the conduct of a commercial activity''—for a total of 430,000 lawsuits. Using your letter's figure of $4,500 in processing costs per lawsuit, 430,000 litigations will require the expenditure of $1,935,000,000 (or nearly $2 billion) by the federal government in court costs alone if Title III of the LIBERTAD bill is enacted.

As I have previously remarked, your letter says that, because of the newly-added $50,000 amount in controversy requirement of Title III, ''CBO expects that the number of additional claims [i.e. from Cuban Americans] would be quite small.'' I have tried to demonstrate that the figure of $50,000 is illusory because the threshold amount can be met, within the terms of the proposed statute, by demonstrating that the property at issue was worth as little as $3,500 in 1960. But there is a second point I wish to make in this regard, that is, I believe your letter reveals a misplaced trust in the self-policing character of the American litigation system. In the case of the $50,000 amount in controversy requirement of Title III; (i) it will quickly become known by potential plaintiffs that they need only show a property value of $3,500 in 1960 in order to qualify to file suit, and (ii) even if there is a doubt as to whether a property interest was worth $3500, isn't it predictable that many people will go ahead and aver that, at least upon information and belief, the $50,000 amount in controversy requirement has been met and let the court resolve whether or not it really has? (Although upon what controverting evidence a court would be able to dismiss a claim as monetarily insufficient is unclear). In essence, I suppose I question your basic assumption that an ''amount in controversy'' requirement of a statute can ever realistically be expected to dissuade potential litigants from commencing suit. This is particularly so with Title III of the LIBERTAD bill, which is overtly about an unprecedented use of the U.S. civil justice system to promote certain foreign policy objectives with respect to a particular country. Can we as a nation claim to be surprised when hundreds of thousands of Cuban Americans zealously (and quite patriotically in their view) file lawsuits against Cuban properties? Is something like an amount in controversy requirement of a U.S. statute really going to much dampen the litigious excitement the LIBERTAD bill will ignite in south Florida?

It is worth reiteration that all a plaintiff must show to receive a judgment against Cuba and other ''traffickers'' under Title III is, (i) ownership of a ''claim'' to property, and (ii) that the property is being used in a commercial manner by the government of Cuba or a private company or individual. As far as establishing the value of properties being ''trafficked'' in (in order that litigants may receive that sum as ''damages''), we may trust that a body of experts will develop in Florida to provide appraisal evidence as to property values in pre-revolutionary Cuba. And, as is the nature of most experts, they may be expected to assess the value of properties in a way that is agreeable to the plaintiffs' lawyers who seek and retain their services and who are probably bringing the case on a not disinterested contingency fee basis. In short, it will be a very rare property that is not confidently asserted to have a value well in excess of the amount in controversy requirement of Title III.

For all of the reasons set out above, there can be little doubt that if Congress passes Title III it will produce a litigation explosion of a magnitude never before seen in this country.[12] I genuinely believe you could not be more wrong in your July 31 opinion that the ''claims [of Cuban Americans] will be quite small and that additional costs to process these claims [will] not be significant.'' I have tried in this letter to explain and demonstrate the basis of my belief. No claim is made that the estimates appearing in this letter are beyond reasoned dispute from either direction. For example, it may be the case that service establishments existed in Cuba, on average, at the rate of one per 1,000 head of population rather one per 500, as argued earlier in this letter. If so, that would reduce the number of service sector lawsuits by half, to a total of 90,000. As a result, the final figure of lawsuits to be expected would be 340,000 instead of 430,000. On the other hand, we could probably easily double the estimate of 50,000 lawsuits expected to arise from Cuba's residential property sector—with more such suits to come with each liberalizing economic step of the Cuban government that allows broader scope for self-employment and small business formation. The point is, thoughtful adjustments can and should be made to the total number of lawsuits projected to be ultimately engendered by Title III of the LIBERTAD bill. However, I think it highly credible that the number of lawsuits to be expected must be in the range of 300,000 to 450,000—as large as these figures may seem, there is a logic to their calculation.

On a final point, Section 303(a)(2) of the LIBERTAD bill provides that ''. . . a court may appoint a Special Master, including the Foreign Claims Settlement Commission, to make determinations regarding the amount and ownership of claims to ownership (sic) of confiscated property by the Government of Cuba.'' This provision of Title III leads you to remark in your July 31 letter that: ''The Foreign Claims Settlement Commission could incur additional costs because it could be asked to assist the courts in reviewing cases. CBO estimates that the Commission will require several new attorneys and support personal (sic) to fulfill this responsibility, with costs up to about $1 million each year.'' In assessing your estimate that ''several new attorneys'' will be required by the Foreign Claims Settlement Commission to determine ownership and value of claims against Cuba it is instructive to consider that that is precisely what the Commission did in the Cuba claims program. In an approximately six-year period between 1965 and 1972, 5,911 claims of U.S. nationals were certified against Cuba—a further 2,905 were denied—making a total of 8,816 claims actually decided, producing a rate of decision of about 1,500 per year. Apparently there were ten attorneys at the Commission who handled the claims against Cuba. Their rate of decision was therefore approximately 150 per year. If Title III produces 400,000 claims from Cuban Americans, the Commission, if is to determine the ownership and value of these claims over a four year period, will need to employ 665 attorneys if a rate of determination equal to that of the Cuban claims program is to be achieved.[13] If the costs of salarying, accommodating and otherwise supporting these attorneys is as little as $100,000 each per year, the cost to the federal government will reach nearly $250 million over a four year period in simply readying cases for further disposition by the federal courts.

Again, I make no claim of disputability for either my methodology or its ultimate conclusions in this attempt to estimate the number of lawsuits S. 381 may be expected to engender. My purpose in writing has been achieved if the various points raised in this letter prompt a reconsideration by your Office of the litigation implications—and the serious consequential harm to certified claimants such litigation will cause—if Title III of the LIBERTAD bill is enacted in its present form.

Yours sincerely,

ROBERT L. MUSE.

FOOTNOTES

[1] The requirement that a claimant be a U.S. national at the time of property loss appears at Section 503(a) of the Cuban Claims Act (22 U.S.C. Section 1643(b)). This statutory requirement bespeaks the adherence by the U.S. to a long-settled principle of international law. See, e.g. Claim No. IT–10,252, Decision No. IT–62, reprinted in 8 Department of State, DIGEST OF INTERNATIONAL LAW, 1236: *''The principle of international law that eligibility for compensation requires American nationality at the time of loss is so widely understood and universally accepted that citation of authority is scarcely necessary . . .''* The proposed lawsuit provisions of Title III of course would grossly violate that principle of international law.

[2] The Department of State has said that Cuban American claims against Cuba could be worth nearly $95 billion. (See, letter of April 28, 1995 from Wendy R. Sherman, Assistant Secretary, Legislative Affairs, to Chairman Benjamin Gilman of the House Committee on Foreign Relations). To put that figure in perspective, according to a recent Economist Intelligence Unit report on Cuba, that country's Gross Domestic Product in 1994 was 12.8 billion pesos. The official rate of exchange is one peso to one dollar, but the more revealing black market rate has fluctuated between 100 to 25 pesos per dollar over the past year.

[3] Title III's definition of ''trafficking'' is sufficiently expansive to cover any involvement whatever by the government of Cuba in ''claimed'' properties. ''Traffics'' includes: ''sells, transfers, distributes, dispenses, brokers, manages, or otherwise disposes of confiscated property, or purchases, leases, receives, possesses, obtains control of, manages, uses, or otherwise acquires or holds an interest in confiscated property [or] engages in a commercial activity using or otherwise benefiting from a confiscated property . . .''

[4] Section 302(a)(1) provides that: ''. . . any person or entity, *including any agency or instrumentality of a foreign state [i.e. Cuba]* in the conduct of a commercial activity, that . . . traffics in property which was confiscated by the Government of Cuba on or after January 1, 1959 shall be liable to the United States national who owns a claim to such property for money damages . . .'' (Emphasis added). It has been said that your Office is of the view that few suits will be brought against Cuba ''because it doesn't have any assets in this country.'' With all respect, the same reasoning applied to the various Foreign Claims Settlement Commission programs conducted over the years would mean that no one would bother to file claims pursuant to those programs, because rarely does an expropriating nation have significant assets in the U.S. In fact claims are indeed filed under these programs, as it attested to by the 5,911 claims certified against Cuba. The reason those claims were filed was not to recover Cuban assets in this country (there were virtually none here by the time the program commenced), but rather it was to enlist the support of the United States in the bilateral resolution with Cuba of the matter

of the American claimants' property losses. Title III lawsuits, it should be remembered, are specifically made nondismissile under Section 302(g)(2). As a set of federal court judgments these Title III suits will come to constitute a future bilateral issue between the United States and Cuba of no less significance than the claims certified against that country by the Foreign Claims Settlement Commission. Indeed, unlike a certified claim, a court judgment carries with it rights of execution and attachment against any assets of the debtor nation that may be found now or in future within the United States. Therefore a government-to-government resolution of such outstanding judgments will prove a future practical necessity. In sum, Cuban Americans would be silly not to file individual Title III suits that they have every reason to believe will force themselves onto the prospective bilateral normalization agenda of the U.S. and Cuba.

[5] When this letter addresses various sectors of the prerevolutionary Cuban economy that are likely to engender Title III property claims, I think it helpful to keep in mind that Cuba was a comparatively affluent country in 1959. Therefore, properties with a value of at least $3,500 were no rarity. See, for example, the *Blue Ribbon Commission Report on the Economic Reconstruction of Cuba*, 1991, prepared by the Cuban American National Foundation, which says at pg. 9: ''Before Castro's rise to power on 1 January, 1959, Cuba ranked among the best credit risks and business partners in the Western Hemisphere . . . Buttressed by Cuba's liberal foreign investment laws . . . Cuba's national income doubled between 1945 and 1958. Cuba's per capita Gross National Product ranked third among Latin American nations in 1953, behind Argentina and Venezuela.'' See also the testimony given to the Trade Subcommittee of the Ways and Means Committee on June 30, 1995 by Congresswoman Ilena Ros-Lehtinen: ''Its fertile land, vast tracks of tourist beaches and resorts, and its geographical location, led Cuba to become one of the most developed countries in the hemisphere.'' In any case, whatever the general level of prosperity may have been in pre-revolutionary Cuba, those who were of the Cuban upper economic echelons came to the United States in highly disproportionate numbers, leaving, of course, disproportionately valuable properties behind in Cuba. This issue will be discussed in greater detail at a later point in this letter.

[6] The life expectancy of Cubans was 64 years in 1960, by late 1984 it had increased to 73.5 years. Even if the latter figure is used a Cuban who was as young as 38½ years old in 1960 is, as a purely actuarial matter, dead today.

[7] Ordinarily the laws of the place of death of the testor (in most Title III cases this will be Florida) will determine inheritance rights. For example, a Florida will provision that says no more than the ''remainder of my property shall be divided among my children'' would give each heir a cause of action against Cuba under Section 302. Specific bequests and intestacy would carry similar rights of action by inheritance. Interestingly enough Section 303 of the LIBERTAD bill provides that: ''In determining ownership, courts shall not accept as conclusive evidence of ownership any findings, orders, judgments, or decrees from administrative agencies or courts of foreign countries [e.g., Cuba] . . .'' Therefore, a decedent's actual ownership of a bequeathed Cuban property is statutorily exempted from judicial inquiry.

[8] Assuming that ⅓ of the owners of service establishments settled in the U.S. is not at all unreasonable when it is recalled that those arriving in this country in the aftermath of the Cuban revolution were of the middle and upper strata of Cuban society, i.e., the property-owning class of that country. Given the affluence of the Cubans who settled in the U.S. it is also highly likely that the properties they left behind were, in almost all cases, worth at least $53,500 at the time of confiscation. Of Cuba's population in 1958, 22% (or 1.3 million individuals) were of the upper and middle economic strata. (See, Thomas, *Cuba: The Pursuit of Freedom* (1971) at pg. 1110 where a UNESCO study to that effect is cited). It was precisely that strata of Cuban society that departed for the U.S. in the early 1960's and may be expected to file Title III lawsuits. For example, Cubans emigrating to the United States in the years 1959–62 were four times more likely to have been of the professional, semiprofessional and managerial classes than the general Cuban population. (See, Perez, *Cuba: Between Reform and Revolution (1988)*, at pg. 344. The question is therefore not what the value of the average property in Cuba was in 1960, but, rather, what was the average value of the properties left behind in the early 1960's by the highest socioeconomic strata of that country's population.

[9] Cuban corporate claims themselves present an interesting picture under Title III by virtue of Section 4(14) of the LIBERTAD bill which defines ''United States national'' as ''an legal entity organized under the laws of the United States, or of any state . . . and which has it principal place of business in the United States.'' In short, there is no requirement that the company actually be owned by U.S. citizens. (In order to qualify as a U.S. national for the purposes of the Cuban Claims Act a corporation had to be 50% or more owned by U.S. citizens. Yet again, Title III departs from international law and abandons the sensible and long-established requirement that a company demonstrate some real connection with the country of its purported nationality). Section 4(14) quite simply means that Cuban exiles in such places as Spain, Venezuela, Mexico, and Costa Rica (or Cubans in the U.S., for that matter, who have not sought U.S. citizenship) need only organize a ''legal entity''-i.e. form a corporation in the U.S. and transfer any ''claim'' they may have against Cuba to that corporation in order to file a Section 302 lawsuit, the filing and prosecution of which will constitute the principal business of the newly-formed U.S. corporation. There is no way of estimating the number of lawsuits this distinctly odd and suspect provision of Title III will engender.

[10] See Perez, *Cuba: Between Reform and Revolution* (1988) at pg. 302, where the author refers to a 1946 study that gives the total number of farms in Cuba at the time as 159,958, of which over 95,000 were of at least 25 acres and, in most cases, were considerably larger.

[11] This figure of 25,000 is arbitrarily selected from the total of over 150,000 housing units abandoned in Cuba when their owners left for the U.S. (See Jorge Dominguez, *Cuba since 1959*, at pg. 124 in CUBA, A SHORT HISTORY (1993) where the author says that from 1959 to 1975 approximately 9,300 housing units in Cuba were abandoned annually as a consequence of emigration. Sociedad Economica of London gives a figure of 139,256 housing units ''vacated by emigration between 1960 and 1974,'' See, *Private Property Rights in Cuba: Housing* (1991)

[12] I am at a loss to recall any statute that upon enactment was capable of immediately generating several hundred thousand lawsuits. Even statutes with a potentially large pool of plaintiffs—for example, various anti-discrimination laws—are mitigated in their impact upon the courts by the fact that they are not retroactive in application. Title III is by contrast distinctly retroactive in its application, in that it provides non-U.S. nationals at time of injury with an *ex post facto* cause of action for injuries occurring, for the most part, over 30 years ago.

[13] In the case of Cuban American Title III claims it may be unrealistic to assume a rate of determination as rapid as that which occurred with respect U.S. nationals' claims. The claims that will be filed by Cuban Americans can be expected in many, if not most cases, to be thinly documented (if documented at all) as a result of circumstances of the claimants' departures from Cuba and the passage of time. See, Edward D. Re, *The Foreign Claims Settlement Commission and Cuba Claims Program*, 1 International Lawyer 81 at pg. 85 (1966): ''Past programs have shown that long delays in the initiation of claims programs increase the burden of adjudication. Due to the destruction of records and the unavailability of witnesses, many claims have found difficult substantiate. This is particularly important since Commission Regulation require that claimants 'shall have the burden of proof on all issues involved in the determination of his claim.' The difficulties are increased where there has been lack of cooperation or access in the foreign country''. It may be assumed the Mr. Re, as a former Chairman of Foreign claims Settlement Commission, knew what he was talking about. In any event, much of the evidence of ownership and value that Cuban Americans can be expected to present will, of necessity, be testimonial in nature and based largely upon memory and hearsay. It follows that the evaluation of such claims by the Commission under Section 303(a)(2) will prove an exceedingly laborious, time consuming and imperfect process. Ironically, President Johnson remarked, when signing the Cuban Claims Act in 1964 ''. . . *the importance of making a permanent record which evidence and witnesses are still available.*'' 51 Dept. State Bull. 674(1964). Section 303 proposes, of course, to attempt to create such a record by the Commission, for use in federal lawsuits by naturalized Cuban Americans, fully thirty-one years after President Johnson's remarks.

Mr. DODD. Interestingly, my colleagues and the authors of this bill will say those estimates are way too high, and they will say there will not be that many claimants.

I point out to my colleagues that in an earlier version of the Senate bill, section 301(5)(B)(ii) of that bill specifically makes the point, ''Since Fidel Castro captured power in 1959, through his personal despotism he has confiscated the properties of hundreds of thousands of Cubans who claim asylum in the United States as refugees because of political persecution.''

I do not argue with that statement at all. I endorse it. The point is you cannot on the one hand claim there will be very few people come forward and simultaneously point out about the hundreds of thousands of people who have legitimate claims against the Cuban Government. I stand by the figure of some 400,000 claims that may result from this change in law.

However, my colleague from North Carolina and supporters now seem to have had a change of heart, as I pointed out, and assert that the number of claims will be minuscule. Their message to us ''we did not mean it when we said the Cuban Government confiscated the properties of hundreds of thousands of Cuban immigrants. Do not worry about the legislation burdening U.S. courts.''

I suggest that is a high-risk position to take in light of the tremendous costs we could be inflicting on ourselves as a result of this legislation.

Mr. President, the way this measure is drafted, as I pointed out earlier, any potential claimants would be foolish not to file a claim in United States courts because once a democratic government has been established in Cuba the right to instigate new suits, will be terminated. So you have to do it quickly if this bill becomes law. I suspect that many will step forward and seek to do just that.

It seems to me before we move ahead to impose a new mandate in our courts we better understand the extent of the burden we are imposing and how we intend to pay for it. Otherwise we are simply imposing one more unfunded mandate on our economy. This time, in our Federal courts.

As has been pointed out several times today, there are currently 5,911 United States claims—that is claims of individuals who were citizens of the United States at the time of the expropriation, with certified claims against the Government of Cuba.

Under international law, Mr. President, as well as United States law and practice, the United States Government has an obligation to espouse these claims with Cuban authorities. It will do so at the appropriate time with a Government of Cuba that is prepared to accept its responsibilities under international law.

This legislation provides for lawsuits not only against the Government of Cuba but also other governments, foreign nationals, and corporations. I think it is terribly naive to think that other governments are going to sit back and do nothing while their citizens are being sued in U.S. courts for acts that are perfectly legal in their own country.

The World Trade Organization has already warned that provisions of this bill may violate international trade rules. I submit, Mr. President, and ask unanimous consent to have printed in the RECORD an article that that may be the case.

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

WTO STATES SUPPORT CUBA OVER U.S. EMBARGO PLAN

GENEVA, July 11.—Cuba won support from other members of the World Trade Organisation on Tuesday for a warning that proposed U.S. legislation extending its embargo against Havana would violate the rules of the new body.

Diplomats said the European Union as well as Mexico, Washington's partner in the North American Free Trade Association (NAFTA), and Colombia voiced concern over the pending bill in the United States Congress.

A Cuban trade official, M. Marciota, told the WTO General Council his government was raising the issue ''in an attempt to prevent this latest violation of the rules of the international trading system from being enacted.''

He called for a ''clear and vigorous statement'' from the WTO warning both the U.S. administration and Congress ''of the legal monstrosity which enactment of this bill would represent.''

The measure, introduced by anti-communist Republican senator Jesse Helms, would tighten the 35-year-old embargo by banning the import into the United States of sugar, molasses and syrup from countries which import these products from Cuba.

It would also prohibit the granting of U.S. entry visas for people who have invested in properties nationalised under the communist administration of President Fidel Castro since it came to power in 1959.

The EU has already told Washington it might take a case to the WTO, launched on January 1 under the new world trade treaty signed last year, to protect its rights if the bill went through.

On Tuesday EU ambassador Jean-Pierre Leng told the General Council, the WTO's ruling body, that Brussels had considerable doubts on whether the measures envisaged by the bill's backers were compatible with the trade watchdog's rules.

The issue came to the WTO as other Latin American countries are increasingly ignoring U.S. policies aimed at isolating the communist island, suffering severe economic hardship following the collapse of its longtime ally, the Soviet Union.

Over the past three or four years, Cuba has built up new trade links with most countries in Latin America and begun a cautious switch to market economics including opening up its industrial sector to foreign investment.

Under the rules of the WTO, and its predecessor the General Agreement on Tariffs and Trade, members are allowed to declare trade embargoes if they perceive a threat to their national sovereignty.

The United States has justified its stance against Cuba on these grounds, but many WTO members argue there can be no serious grounds for insisting that Cuba presents such a threat to the United States in the post-Cold War period.

Mr. DODD. Furthermore, I am sure all of my colleagues have received letters and phone calls from Canadian, British, European Union, Mexican Government officials and others, objecting to the legislation as an infringement on their sovereignty and as interfering with their trade relations. Canada and Mexico have both argued that the measure would violate the NAFTA legislation.

This bill is bad for U.S. business. Again, I would not make that the sole criterion, but, please think about what we are doing before we charge ahead here and have tremendous implications that will take some time to undo.

It undercuts efforts by the current administration, and previous ones, to ensure that U.S. investors can expect a stable and predictable environment when they seek to do business abroad. We can hardly insist that our trading partners respect international laws in areas of trade and investment when we ourselves are violating them. You cannot do business that way.

This legislation, if enacted, would disrupt international commercial relations to a significant degree. Under provisions of this bill the United States, in effect, expands its own right to sue in an area of law where we have heretofore studiously defended international law and practice. Having done so, how are we then going to defend the interests of American businesses abroad when a particular government decides that it no longer finds it convenient to follow international law? That would be a tragedy, a mistake.

If, in reaction to this legislation, other nations respond with special interest domestic legislation of their own, U.S. companies could be open to lawsuits throughout the world. Under those circumstances we would be in a very poor position, a very poor one indeed, having enacted this bill, to turn around and defend U.S. interests against a foreign government simply reacting to their own domestic, particular, special interest concerns.

Ironically, this legislation will also thwart the economic reform efforts that have slowly begun in Cuba—privatization, for example. I think all of us believe that the more we can secure privatization in Cuba, the better the results will be. Yet this measure would seriously undermine these efforts by targeting the very interests that are privatizing in Cuba. In effect we say to them, if you continue to undertake certain business activities then we are going to come after you.

You cannot, on the one hand, say we ought to encourage privatization, urge the international community to move in that direction, and then penalize the very elements that are doing it. Yet that is exactly what we will be doing if we enact this bill into law. It does not make any sense, Mr. President.

In fact the House-passed bill would even thwart privatization of the agricultural sector. Cuban farmers, availing themselves of the newly legalized private farmers markets, would be subject to suit in the United States because their produce or livestock may have been raised on confiscated property.

While I believe this legislation damages U.S. interests in all the ways I have just mentioned, I am also of the view it is unlikely to promote democratic or peaceful change in Cuba.

Do we get support in the United Nations for our Cuban policy? Only one country, one, joined the United States recently in voting against a U.N. resolution condemning the U.S. embargo. The one country that voted with us was Israel. Yet, business people from even Israel are doing business in Cuba today. They vote with us in the United Nations, the one vote we get, yet that country now is going to be the subject of the very law we are passing because, if Israel continues to do business in Cuba, Israelis are not going to be able to do business in this country, if their business activities in any way relate to confiscated properties.

Please, read this bill. This is not sound legislation. This is emotion speaking here. It is anger, it is frustration over what has happened in Cuba. But it is not sound thinking at all.

So, again I point out, one country joins us. The entire world votes against us on this issue. The one country that joins us, Israel, a good friend and loyal ally that always supports us in these things, is doing its own business in Cuba. It is one of the 58 countries today doing business in Cuba.

By the way, the countries doing business in Cuba are not all liberal, communist governments. The John Major government of Great Britain, is that some liberal, left wing government? The Government of France today under Chirac, the Government of Germany, are these all bad, rotten, no good characters? Are we now going to subject them to the provisions of this law? That does not make any sense. That is not the way to achieve the desired results that we would all like to see here.

Does anyone seriously believe this bill, if adopted, is likely to persuade other governments to adopt a policy of tightening this embargo and isolating Cuba diplomatically? How long have we heard those speeches? Non-U.S. trade and investment in Cuba have been expanding in recent months, not contracting. Regrettably, I would say, in many ways. But the facts of life are that is what is happening.

According to recent statistics released by the United States-Cuba Trade and Economic Council, businesses from 58 nations have formed more than 200 joint ventures in order to exploit business opportunities in Cuba. With the recent liberalization of Cuba's foreign investment laws, it will be even easier for foreign companies to set up shop in Havana.

Under the recent liberalization of Cuba's investment law, foreign investors will be able to wholly own their investments in most sectors of the Cuban economy.

Again, I am not suggesting in any way this ought to be some reason to start applauding Fidel Castro. I do not at all. I am just stating a fact. That is

what is happening. So the idea we are going to get others to join us in these particular moves is not likely. Australia, Austria, Brazil, Canada, Chile, Colombia, Ecuador, China, the Dominican Republic, France, Germany, Greece, Holland, Honduras, Hong Kong, Israel, Italy—the list goes on. In fact, I ask unanimous consent to print in the RECORD all the countries and their companies that are doing business there. Some of these companies come from our strongest allies in the world.

There being no objection, the list was ordered to be printed in the Record, as follows:

[From the U.S.-Cuba Trade and Economic Council, Inc.]

NON-UNITED STATES COMPANIES AND THE REPUBLIC OF CUBA

Corporations and companies cited in the international media as having commercial activities with the Republic of Cuba.

AUSTRALIA

Western Mining Corp.

AUSTRIA

Rogner Group (tourism).

BRAZIL

Andrade Gutierrez Perforacao (oil).
Coco Heavy Equipment Factory (sugar).
Petrobras S.A. (oil).

CANADA

Advanced Laboratories (manufacturing).
Anglers Petroleum International.
Bow Valley Industries Ltd. (oil).
Canada Northwest Energy Ltd. (oil).
Caribgold Resources Inc. (mining).
Commonwealth Hospitality Ltd. (tourism).
Delta Hotels (tourism).
Extel Financial Ltd.
Fermount Resources Inc. (oil).
Fortuna Petroleum.
Fracmaster (oil).
Globafon.
Havana House Cigar and Tobacco Ltd.
Heath and Sherwood (oil).
Hola Cuba.
Holmer Gold Mines.
Inco Ltd. (mining).
Joutel Resources (mining).
LaBatt International Breweries.
Marine Atlantic Consultant (shipping).
MacDonalds Mines Exploration.
Metal Mining.
Mill City Gold Mining Corp.
Miramar Mining Corp. (Minera Mantua).
Pizza Nova (tourism).
Realstar Group (tourism)
Republic Goldfields.
Seintres-Caribe (mining).
Sherrit Inc. (mining).
Talisman Energy Inc.
Teck (mining).
Toronto Communications.
Val d'Or (mining).
Wings of the World (tourism).

CHILE

Dolphin Shoes (clothing).
Ingelco S.A. (citrus).
Latinexim (food/tourism).
New World Fruit.
Pole S.A. (citrus).
Santa Ana (food/tourism).
Santa Cruz Real Estate (tourism).

COLOMBIA

SAM (an Avianca Co.) (tourism).
Intercontinental Airlines.
Representaciones Agudelo (sporting goods).

ECUADOR

Caney Corp. (rum).

CHINA

Neuke (manufacturing).
Union de Companentes Industrials Cuba-China.

DOMINICAN REPUBLIC

Import-Export SA (manufacturing).
Meridiano (tourism).

FRANCE

Accord (tourism).
Alcatel (telecommunications).
Babcock (machinery).
Bourgoin (oil).
Compagnie Europeene des Petroles (oil).
Devexport (machinery).
Fives Lille (Machinery).
Geopetrol.
Geoservice.
Jetalson (construction).
Maxims (cigars-owned by Pierre Cardin).
OFD (oil).
OM (tourism).
Pernod Ricard Group (beverages/tourism).
Pierre Cardin.
Pompes Guinard (machinery).
Societe Nationale des Tabacs (Seita) (tobacco).
Sucres et Donrees (sugar).
Thompson (air transport).
Total (oil).
Tour Mont Royal (tourism).

GERMANY

Condor Airlines (charters for Lufthansa).
LTU (LTI in Cuba) (tourism).

GREECE

Lola Fruits (citrus).

HOLLAND

Curacao Drydock Company (shipping).
Golden Tulips (tourism).
ING (banking).
Niref (minerals).

HONDURAS

Facuss Foods.

HONG KONG

Pacific Cigar.

ISRAEL

GBM (citrus).
Tropical (manufacturing).
World Textile Corp. S.A.

ITALY

Benetton (textiles).
Fratelli Cosulich (gambling).
Going (tourism).
Italcable (telecommunications).
Italturis (tourism).
Viaggo di Ventaglio (tourism).

JAMAICA

Caricom Investments Ltd. (construction).
Craicom Traders (Int'l mrktg of Cuban products).
Intercarib (tourism).
Superclubs (tourism).

JAPAN

Mitsubishi (auto/tourism).
Nissan Motor Corp. (auto).
Nissho Iwai Corp. (sugar).
Toyota.
Sumitomo Trading Corp. (auto).
Suzuki Motor Corp. (auto).

MEXICO

Aero-Caribe (subsidiary of Mexicana de Aviacion).
Bufete Industrial.
Cemex (construction).
Cubacel Enterprises (telecommunications).
Del Valle (manufacturing).
Domeq (export—rum).
DSC Consortium (tourism).
Grupo Domos (telecommunications).
Grupo Industrial Danta (textiles).
Grupo Infra de Gases.
Incorporacion International Comercial (beer).
Industrias Unidas de Telephonia de Larga. Distancia.
La Magdalena Cardboard Co.
Mexpetrol (oil).
Pemex.
Bancomex.
Mexican Petroleum Institute.
Protexa.
Bufete Industrial.
Inggineiros Civiles Asociados.
Equipos Petroleos Nacionales.
Telecomunicacionales de Mexico.
Vitro SA (manufacturing).

PANAMA

Bambi Trading.

SOUTH AFRICA

Anglo-American Corp. (mining).
Amsa (mining).
De Beers Centenary (mining).
Minorco (mining).
Sanachan (fertilizers).

SPAIN

Caball de Basto S.L.
Camacho (manufacturing).
Consorcio de Fabricantes Espanoles, Cofesa.
Corporacion Interinsular Hispana S.A. (tourism).
Esfera 2000 (tourism).
Gal (manufacturing).
Guitart Hotels S.A.
Grupo Hotelero Sol.
Hialsa Casamadrid Group.
Iberia Travel.
Iberostar S.A. (tourism).
Kawama Caribbean Hotels.
K.P. Winter Espanola (tourism).
Miesa SA (energy).
National Engineering and Technology Inc.
Nueva Compania de Indias S.A.
P&I Hotels.
Raytur Hoteles.
Sol Melia (tourism).
Tabacalera S.A. (tobacco).
Tintas Gyr SA (ink manufacturer).
Tryp (tourism).
Tubos Reunidos Bilbao (manufacturing).
Vegas de la Reina (wine imports).

SWEDEN

Foress (paper).
Taurus Petroluem.

UNITED KINGDOM

Amersham (pharmaceuticals).
BETA Funds International.
Body Shop International (toiletries).
British Berneo PLC (oil).
Cable & wireless comm.
Castrol (oil).
ED&F Man (sugar).
Fisions (pharmaceuticals).
Glaxo (pharmaceuticals).
Goldcrop Premier Ltd. (manufacturing).
ICI Export (chemicals).
Ninecastle Overseas Ltd.
Premier Consolidated Oilfields.
Rothschild (investmant bank).
Simon Petroleum Technology.
Tate & Lyle (sugar).
Tour World (tourism).
Unilever (soap/detergent).
Welcomme (pharmaceuticals).

VENEZUELA

Cervecera Nacional.
Covencaucho.
Fiveca (paper).
Fotosilvestrie.
Gibralter Trading (steel).
Grupo Corimon.
Grupo Quimico.
Ibrabal Trading.
Interlin.
Intesica.
Mamploca.
Mamusa.
Metalnez.
MM internacional.
Pequiven.

Plimero del Lago.
Proagro.
Sidor.
Venepal.
Venoco.

Mr. DODD. So, of course, as a result of the provisions in this bill and other regulations, we will be forced to sit on the sidelines here when the change begins to happen. And only after democracy comes to Cuba will we be able to fully engage with the new government down there. The requirements mandated by the House passed bill that must be met by the post-Castro government for it to be considered in transition to democracy and eligible for emergency humanitarian assistance are very stiff.

I ask unanimous consent that those requirements be printed at this particular point in the RECORD.

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

SEC. 205. REQUIREMENTS FOR A TRANSITION GOVERNMENT.

For purposes of this Act, a transition government in Cuba is a government in Cuba which—

(1) is demonstrably in transition from communist totalitarian dictatorship to representative democracy;

(2) has recognized the right to independent political activity and association;

(3) has released all political prisoners and allowed for investigations of Cuban prisons by appropriate international human rights organizations;

(4) has ceased any interference with Radio or Television Marti broadcasts;

(5) makes public commitments to and is making demonstrable progress in—

(A) establishing an independent judiciary;

(B) dissolving the present Department of State Security in the Cuban Ministry of the Interior, including the Committees for the Defense of the Revolution and the Rapid Response Brigades;

(C) respecting internationally recognized human rights and basic freedoms as set forth in the Universal Declaration of Human Rights, to which Cuba is a signatory nation;

(D) effectively guaranteeing the rights of free speech and freedom of the press;

(E) organizing free and fair elections for a new government—

(i) to be held in a timely manner within a period not to exceed 1 year after the transition government assumes power;

(ii) with the participation of multiple independent political parties that have full access to the media on an equal basis, including (in the case of radio, television, or other telecommunications media) in terms of allotments of time for such access and the times of day such allotments are given; and

(iii) to be concluded under the supervision of internationally recognized observers, such as the Organization of American States, the United Nations, and other elections monitors;

(F) assuring the right to private property;

(G) taking appropriate steps to return to United States citizens (and entities which are 50 percent or more beneficially owned by United States citizens) property taken by the Cuban Government from such citizens and entities on or after January 1, 1959, or to provide equitable compensation to such citizens and entities for such property;

(H) granting permits to privately owned telecommunications and media companies to operate in Cuba; and

(I) allowing the establishment of independent trade unions as set forth in conventions 87 and 98 of the International Labor Organization, and allowing the establishment of independent social, economic, and political associations;

(6) does not include Fidel Castro or Raul Castro;

(7) has given adequate assurances that it will allow the speedy and efficient distribution of assistance to the Cuban people;

(8) permits the deployment throughout Cuba of independent and unfettered international human rights monitors; and

(9) has extradited or otherwise rendered to the United States all persons sought by the United States Department of Justice for crimes committed in the United States.

SEC. 206. REQUIREMENTS FOR A DEMOCRATICALLY ELECTED GOVERNMENT.

For purposes of this Act, a democratically elected government in Cuba, in addition to continuing to comply with the requirements of section 205, is a government in Cuba which—

(1) results from free and fair elections conducted under the supervision of internationally recognized observers;

(2) has permitted opposition parties ample time to organize and campaign for such elections, and has permitted full access to the media to all candidates in the elections;

(3) is showing respect for the basic civil liberties and human rights of the citizens of Cuba;

(4) has made demonstrable progress in establishing an independent judiciary;

(5) is substantially moving toward a market-oriented economic system;

(6) is committed to making constitutional changes that would ensure regular free and fair elections that meet the requirements of paragraph (2); and

(7) has made demonstrable progress in returning to United States citizens (and entities which are 50 percent or more beneficially owned by United States citizens) property taken by the Cuban Government from such citizens and entities on or after January 1, 1959, or providing full compensation for such property in accordance with international law standards and practice.

Mr. DODD. I am not going to list all of these requirements now, but I ask my colleagues to read section 205 of the House bill. It is hard to disagree with any of these. But the idea that we specifically exclude certain people from even being elected in their own country as a requirement of that country being in transition to democracy seems to be getting to deeply into the nitty gritty of another country's affairs. I do not think anyone can read these requirements and think that they are realistic. To think that a country must meet absolutely meet every one of these requirements before we can even do business with the new government down there is preposterous.

Assuming we had a change in that country, any kind of change at all, I think we would want to engage that new government. But no, under provisions in the House bill we have to wait until all these conditions—they go on for a page and a half here—are met. If we had applied those standards to the transitions that took place in the former Soviet Union, in Poland, and elsewhere in Eastern and Central Europe, we might have missed real opportunities to make a difference for democracy. In fact, many of these Newly Independent States have yet to meet all of the standards that we seek to impose on a post-Castro Cuba. If you applied the specifics to them today, for example, we have some people being elected in these countries that are former Communists—that would violate these standards. That does not make any sense. It is unrealistic and it is not a good idea. I wonder what would have happened in Poland, or in Russia, if we had applied the same kind of provisions of law.

Again, it is not just me speaking here. Last month the Inter-American Dialog issued its second report on Cuba. A number of very distinguished individuals were involved in crafting the report, Republicans as well as Democrats, and distinguished foreign policy experts. I will ask the list of these members be printed in the RECORD. But let me just read some. Among the participants were Elliot Richardson, Oscar Arias, former President of Costa Rica, John Whitehead, former Deputy Secretary of State in the Reagan administration—we are not talking about some liberal Democrats here, who wrote the report. Listen to what they have to say. I ask unanimous consent that the full list of the members of that group be printed in the RECORD.

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

MEMBERS OF THE INTER-AMERICAN DIALOGUE TASK FORCE ON CUBA

Elliot L. Richardson (Chair), Partner, Milbank, Tweed, Hadley and McCloy, Former U.S. Attorney General and Secretary of Defense.

Jorge I. Domínguez (Coordinator), Professor of Government, Harvard University.

Raúl Alfonsín, Former President of Argentina.

Oscar Arias, Former President of Costa Rica.

Peter D. Bell, President, Edna McConnell Clark Foundation, Co-Chair, Inter-American Dialogue.

Sergio Bitar, National Senator, Chile.

McGeorge Bundy, Scholar-in-Residence, Carnegie Corporation of New York, Former U.S. National Security Advisor.

Alejandro Foxley, President, Christian Democratic Party of Chile, Co-Chair, Inter-American Dialogue.

Peter Hakim, President, Inter-American Dialogue.

Ivan Head, Professor of Law, University of British Columbia, Canada.

Osvaldo Hurtado, Former President of Ecuador.

Abraham F. Lowenthal, President, Pacific Council on International Policy.

Jessica T. Mathews, Senior Fellow, Council on Foreign Relations, Columnist, The Washington Post.

Alberto Quirós Corradi, President, Seguros Panamerican, Venezuela.

Maurice Strong, Chairman, Ontario Hydro, Canada, Chairman, Earth Council.

Viron P. Vaky, Senior Fellow, Inter-American Dialogue, Former U.S. Assistant Secretary of State.

John Whitehead, Chairman, AEA Investors, Inc., Former U.S. Deputy Secretary of State.

Mr. DODD. The task force offered a number of recommendations to both the Cuban and United States Governments, designed to enhance the prospects for peaceful democratic change in

Cuba. Among other things, and I am quoting:

[It] urges the defeat of the Cuban Liberty and Democracy Solidarity Act.

I do not think John Whitehead, Elliot Richardson, or Oscar Arias, former President of Costa Rica, and a leading opponent in Central America against the Sandinista Government, are great friends or proponents of Fidel Castro. But they said this bill is a bad idea, a bad idea. Think twice before you do this.

Why is this bill bad? Because ''It would injure and alienate ordinary Cubans, weaken Cuba's civil society—as threadbare as it may be—and retard Cuba's democratization. It would also reduce prospects for U.S. cooperation with other countries on Cuba.''

I ask my colleagues to take a look at these recommendations, by this group of distinguished panelists who are bipartisan in nature.

I ask unanimous consent the report of the Inter-American Dialog Task Force be printed in the RECORD.

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

[The Second Report of the Inter-American Dialogue Task Force on Cuba]

CUBA IN THE AMERICAS: BREAKING THE POLICY DEADLOCK

SUMMARY OF RECOMMENDATIONS

The prospects for change in Cuba are today greater than at any time since 1959. Yet, current U.S. policy neither encourages change in Cuba nor advances U.S. national interests. For their part, Cuban government policies continue to poorly serve the interests of the Cuban people. The unbending policies of the two countries—perpetuated by national pride on both sides—have allowed a continuing deterioration in Cuba's circumstances and increased the dangers of violent conflict. Our recommendations have one fundamental purpose: to enhance the prospects for peaceful, democratic change in Cuba.

To the Government of Cuba

We urge Cuba's leaders to put their claim of public support to the test of free and fair elections that are internationally monitored.

Political prisoners should be freed, and the laws that repress dissent and prevent the operation of independent organizations should be repealed.

Cuba should broaden its economic reform program and adopt policies necessary to qualify for membership in the World Bank and International Monetary Fund.

To the U.S. Government

U.S. policy toward Cuba should be redirected to the objectives put forth by the past two administrations—to encourage a peaceful transition to democracy in Cuba. Cuba no longer poses a security threat to the United States. The main danger to U.S. national interest in Cuba is the prospect of prolonged violence, which could provoke mass migration and U.S. military action.

U.S. interests in Cuba would be most advanced by pursuing three concrete goals:

To reduce hostility in U.S.-Cuban relations:

The United States should consistently make clear that it has no intention of invading Cuba. It should condemn violent actions by the exile groups, notify the Cuban government of U.S. military exercises near Cuba, and encourage military attachés throughout the world to communicate with Cuban counterparts.

U.S. Cuba policy should give greater weight to humanitarian concerns by allowing charities to engage in all necessary financial transactions to advance their work, permitting Cuban-Americans again to aid relatives in Cuba, and lifting all restrictions on shipments of food and medicine.

Radio Marti should broadcast objective news, not propaganda, and should be politically independent. TV Marti should be canceled because it violates international conventions.

To encourage private markets, the rule of law, and independent organizations:

The U.S. government should exempt from its embargo all transactions that foster communications between the peoples of Cuba and the United States, specifically removing all obstacles to travel to Cuba and encouraging cultural and scientific exchanges between the two nations.

The United States should encourage the World Bank and IMF to work with the Cuban government to establish a path toward eventual membership. This may be the single best way to encourage sustained economic reform in Cuba. Washington should also support the efforts of Secretary-General Gaviria to involve the OAS in reviewing Cuba's hemispheric relations.

To promote pragmatic exchange between the U.S. and Cuban Governments:

The United States should make plain that economic and political reforms by Cuba—such as releasing political prisoners, accepting UN human rights monitors, allowing political dissent, and legalizing the formation of small businesses—would be met by parallel changes in U.S. policy toward Cuba. Both the U.S. and Cuban governments should undertake a controlled process of specific initiatives, conditioned understandings, and convergent steps, all limited in scope, but which together could cumulatively open the way for more substantial changes.

The United States should indicate its readiness to negotiate agreements with Cuba on issues in which both countries have coinciding interests. The United States and Cuba, for example, have both gained by recent agreements on immigration, and negotiations in this area should continue. Cuba and the United States would also benefit from cooperation to interdict drug traffickers, reciprocally inspect nuclear power plants, forecast weather-related disasters, and protect the environment.

The U.S. Embargo

We urge defeat of the Cuban Liberty and Democratic Solidarity Act—better known as the Helms-Burton legislation. It would injure and alienate ordinary Cubans, weaken Cuba's civil society, and retard Cuba's democratization. It would also reduce prospects for U.S. cooperation with other countries on Cuba. We continue, however, to oppose fully dismantling the trade embargo. The embargo can serve as a practical element of policy, if it is used as a bargaining chip in negotiations with Cuba of the kind we have recommended. A permanent situation of crisis around Cuba is unacceptable. Provoking an even more severe crisis is not a solution. The U.S. government should be prepared, step by step, to lift its trade embargo in response to specific initiatives taken by the Cuban government. What is needed from the United States is active bargaining, not passive waiting or the tightening of pressure without regard to the consequences.

Mr. DODD. I also think it behooves us to listen to the people who have stayed in Cuba for the last 30 years, who also want to see Castro go; who have experienced firsthand the impact of our policies. Speaking for this group, the Cuban Conference of Catholic Bishops has said that the passage of this legislation to tighten the embargo would contribute to ''an increase in the suffering of the people and risk of violence in the face of desperation.'' Again, these are not supporters of Fidel Castro. These are the people who have been in the frontlines in Cuba, fighting for change.

Mr. President, former National Security Adviser to President Carter, Zbigniew Brzezinski, had a very thoughtful article printed in the Houston Chronicle at the time of the refugee crisis last fall—again, someone whom I think all of us would agree was not soft on Castro, as some people like to use those words with anyone who disagrees with them. The title of this article is ''Soft Landing or a Crash Dive in Store for Cuba?'' Mr. Brzezinski laid out the alternative courses, and there are some, that we could follow in relations to Cuba to achieve the desired results. He concluded that it was in our interests for there to be a peaceful transition to a non-Communist regime in that country, rather than promote a social explosion and the concomitant tidal wave of Cuban humanity toward our shores.

Mr. President, I ask unanimous consent the article by Mr. Brzezinski be printed in the RECORD at this point, as well.

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

[From the Houston Chronicle, Sept. 8, 1994]

SOFT LANDING OR A CRASH DIVE IN STORE FOR CUBA?

(By Zbigniew Brzezinski)

The Cuban regime is in its terminal stage. The critical issue at stake is whether its final gasp will be violent or relatively benign. American policy must make the strategic choice as to whether a ''crash landing'' scenario is preferable to a ''soft landing.''

As things are now headed, a bloody crash landing for the Castro regime is becoming more likely. U.S. sanctions are intensifying social and political tensions on the island. An explosion could occur before too much time has passed.

What then?

If an anti-Castro revolution succeeds quickly, the outcome may be viewed as beneficial to the United States as well as to the Cuban people themselves. The 35-year-old communist experiment in the Western Hemisphere will have gone up in the smoke of the final funeral pyre for the failed Marxist Utopia. It would be a fitting ''Gotterdammerung'' for a regime that was dedicated to violence and which ruled by violence.

But the explosion may not succeed. Castro is not only the Stalin of the Cuban revolution; he is also its Lenin. He does have considerable residual loyalty, not only among the ruling party-army elite, but within some sections of society.

It is also quite conceivable that Castro, faced with the realization that U.S. sanctions are stimulating an uprising, may use the current migration first to weaken the opposition and then, quite deliberately, to provoke an explosion which he can then more easily crush.

What then? Will the Clinton administration, which has made so much of the idea of ''restoring'' democracy to Haiti, sit back and do nothing while Cuban freedom fighters are crushed? Or will the United States launch an invasion of Cuba to finish the job?

The current policy of imposing intensifying social hardships on Cuba while condemning its regime—thereby also causing a greater outflow of migrants—only makes sense if the U.S. goal is to precipitate the early fall of the Castro regime. In that case, the United States must be ready to follow through on the strategic logic involved, while, indeed, rebuffing any Cuban proposals of wider negotiations.

In effect, the strategy of precipitating a ''crash landing'' also requires, as a last resort, clear-minded U.S. determination to invade Cuba.

Since there is reason to doubt that the Clinton administration is deliberately embarked on that course, and even more that it would be willing to launch a supportive invasion of Cuba, the U.S. rebuff to Cuba's overture for wider negotiations on the ''true causes'' for the flood of migrants makes little sense. A wiser and more effective response would be to seize the opportunity of the Cuban offer so that the United States can pursue a soft-landing strategy.

The Cubans have indicated that they would be prepared to contain the migratory outflow upon a positive American response to their proposal—and that would defuse the urgent problem posed by the migration itself.

But the U.S.-Cuban talks should not be limited to the issue of migration alone. Instead, they should be exploited to advance the soft-landing strategy by setting in motion a more deliberate, somewhat longer-term process designed to manage in a more benign way the terminal phase of the Castro regime.

Accordingly, in the dialogue with Havana, the United States should not be shy in offering its own diagnosis of the ''true causes'' of that regime's failures. Its brutal political dictatorship and its dogmatic economic management could be subjected to a scathing critique.

At the same time, attractive political and economic alternatives could also be put on the table. More specifically, the United States could propose a schedule for the staged introduction of democracy—perhaps on the model of what happened in Poland in 1989—as well as a similarly staged economic-aid program (including a step-by-step lifting of the embargo), designed to alleviate the immediate suffering of the population and then to stimulate the economic recovery of the island.

Such an initiative would gain the support of much of Latin American public opinion. It would also be likely to have European backing, especially from Spain. These reactions would be noted in Cuba, making a negative response by Castro more costly for him.

Of course, given the dictatorial nature of the Cuban regime, it would be up to Castro personally to decide whether to accept or reject the initiative. Acceptance could make the process of transition more peaceful and also increasingly difficult to resist.

A refusal by Castro—which at this stage represents the more likely reaction—might help to mobilize support for the U.S. initiative even on the part of some Cubans who otherwise would support Castro in a final showdown. That would further weaken and isolate the old dictator, enhancing the prospects of success for any eventual popular revolt against his regime.

There is little to be risked by exploring the soft-landing option. And much to be gained, especially by the Cuban people.

Mr. DODD. At any rate, I apologize to my colleagues for taking this amount of time, but my point here is I understand and appreciate the emotional levels that people feel when this issue comes up.

And I have great sympathy—not as a Cuban-American—but sympathy for how Cuban-Americans feel who had to leave their country under the worst of circumstances, or watch their families be imprisoned and treated brutally by their Government. But I think as we are examining how we deal with that problem, how we try to create the transition, that we do so with an eye toward what is in the best interest of our country, and also take steps that are not rooted and grounded in an emotional response but that are likely to produce the result which we can all support.

I strongly suggest to my colleagues that the legislation, no matter how well intended, does none of those things. In fact, I think it is bad for our country. I do not think it produces the kind of results at all that the proponents claim it will. In fact, I think it does quite the contrary. I do not think it is in the interest of this country. It does damage to our country, and I think it would make it that much more difficult to achieve the kind of results we would like to see in Cuba, and to see promptly.

For those reasons, Mr. President, I strongly urge that my colleagues vote against invoking cloture when that vote comes up—and that will be the first vote we will have on this measure—to send a message that this bill ought to go back to committee and be reexamined thoroughly as to whether this legislation really makes sense. If that does not occur, then vote against this legislation when that opportunity arises.

Mr. President, I yield the floor.

Mr. MACK addressed the Chair.

The PRESIDING OFFICER. The Senator from Florida is recognized.

Mr. MACK. Mr. President, I rise today in support of the Cuban Liberty and Democratic Solidarity Act and encourage my colleagues to vote for cloture when that time arrives.

This is a bill which would seek increased international pressure on Fidel Castro, hold out the promise of assistance to transition and democratic governments in Cuba, and provide a powerful disincentive to those who would use illegally expropriated property belonging to United States citizens to prop up the Castro regime and its instruments of repression.

Despite the diligent efforts of the Clinton administration and apologists for Castro to misrepresent this bill, this bill is an effective, and thoughtful program for maintaining economic pressure on Castro, supporting democratic forces inside Cuba, and planning for future transition and democratic governments.

Fidel Castro has been in power for 36 years. That is longer than Mao and Joseph Stalin. That is mindboggling.

As happened with the Soviet Union and the People's Republic of China, much of the world has denied, ignored, and become inured to the litany of human rights abuses emanating from Cuba. Now, with the cold war over, there is even less interest.

Ramming tugs full of refugees, arbitrary arrests, made-up crimes and lengthy imprisonment in squalid prisons and psychiatric hospitals apparently do not raise an eyebrow anymore.

The final step in the process of accommodation, normalization of commercial and other ties, is taking place now as many countries look for commercial opportunities in Cuba.

Before I go on to explain why foreign investment in Cuba will prolong, not end, the tyranny of Fidel Castro, let me address the state of human rights in Cuba today.

I would like to read an excerpt from the 1994–95 Freedom in the World Report, compiled by Freedom House.

With the possible exception of South Africa, Indonesia and China, Cuba under Castro has had more political prisoners per capita for longer periods than any other country.

Since 1992 Cuba's community of human rights activists and dissidents has been subject to particularly severe crackdowns. Hundreds of human rights activists have been jailed or placed under house arrest.

In the extended crackdown that began in August 1994, over thirty dissidents were detained and beaten while in custody.

Dissidents are frequently assaulted in the streets and in their homes by plainclothes police and the 'rapid action brigades,' mobs organized by state security, often through the Committees for the Defense of the Revolution (CDRs).

There is continued evidence of torture and killings in prisons and psychiatric institutions, where a number of the dissidents arrested in recent years have been incarcerated.

Since 1990, the International Committee of the Red Cross has been denied access to prisoners.

Freedom of movement and freedom to choose one's residence, education or job are restricted. Attempting to leave the island without permission is a punishable offense and crackdowns have been severe since 1993, except during the month-long exodus in 1994. The punishment for illegal exit——

I would like just to make a point here. The idea that you would live in a country that would have a law that would make it illegal for you to leave, and the punishment for that would be 3 years in prison is unconscionable. At the present time, there are some 1,000 individuals, it is estimated, in prison for that particular crime of wanting to leave the country.

Mr. JEFFORDS. Mr. President, will the Senator yield for a unanimous consent request?

Mr. MACK. Certainly.

PRIVILEGE OF THE FLOOR

Mr. JEFFORDS. Mr. President, I ask unanimous consent that John F. Guerra, a Pearson fellow on my staff, be granted the privilege of the floor for the pendency of this legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MACK. Unfortunately, the world has become so conditioned to Castro's

abuses that the suffering of the Cuban people sometimes becomes a footnote in debates over maintaining the embargo, or Castro's efforts to revive Cuba's nuclear and military capabilities.

Mr. President, I have had the opportunity over the years to have been somewhat involved in the issues of human rights violations in Cuba having had the opportunity to talk with Cubans who have one way or another left the island of Cuba. I have also been in Geneva during the debate surrounding the issue of human rights violations in Cuba.

While I can understand how, over a period of time, people seem to be able to just brush aside the human aspects of this debate and focus on the legal constitutional issues, the reality of what we are talking about here today is not economics and it is not constitutional law. It is what is happening to individuals on a day-to-day basis.

I would say to you again that in my conversations with people who have left Cuba and who have left recently, their reaction to our backing away or backing down on the economic sanctions, or the embargo that is in place, they say that would be the wrong thing to do even though they are going through tremendous suffering. They say it would be the wrong thing to do. It is the only message they hear from around the world that says that someone is concerned about their future. It would be a terrible mistake for the Senate to reject this legislation.

I would like to turn the debate briefly away from the human rights aspect of it and talk a little bit about the embargo and maintaining economic pressure on Castro.

Foreign investors in Cuba often purport to be responding to changes in the regime. In fact, there have been no significant economic changes, let alone political ones.

Castro controls sectors of the economy that attract most foreign investment such as mining and petroleum, telecommunications, agriculture, and tourism.

An index of foreign investment in Cuba lists over a dozen democracies.

Foreign companies must make partnerships with the regime. Increasingly this means Cuba's military, which like China's, is getting more and more involved in the economy.

Tourism is the military's cash cow, especially foreigners-only restaurants and resorts which have created what Cubans call tourism apartheid.

The argument that foreign investment makes private citizens independent of state control by enabling them to support a free press, political parties, religious groups and labor and professional organizations simply does not apply to Cuba where there is no such thing as a right to private property, let alone free speech, association or assembly.

European, Canadian, and Mexican investors have been providing crucial support to Castro for years yet there is no benefit to ordinary Cubans. The constitution requires state ownership of the fundamental means of production. Foreign companies may not contract with workers.

Instead, companies pay the Government. Again, I want to stress this point. If you do business in Cuba today, the impression is created that these reforms are somehow or another dramatically changing what is happening in Cuba. If you are doing business in Cuba today and you hire a number of Cubans, you do not pay directly your work force.

You pay the money to the Cuban Government, say, 300 United States dollars a month for each employee. That employee receives $4 to $5 a month in pesos from the Cuban Government. The balance of that money stays with Fidel Castro's government. In fact, it enhances Fidel Castro's ability to control the island.

So this idea, this notion that somehow or other if we were to liberalize our approach in dealing with Fidel Castro that the people of Cuba will benefit is just hogwash. The individual who will benefit will be Fidel Castro. And anyone who has done any serious reading about Fidel Castro knows that his only motive is his own private power, his ability to remain in place as the leader. His interests are not, in fact, the Cuban people.

Decree Law No. 149 directs agents to search out and seize cash or property of Cubans deemed unduly wealthy. Deemed unduly wealthy, interesting concept, is it not, that the government would define and determine who in the country is unduly wealthy.

Individuals discovered with a motorbike or extra clothes can be charged with illegal enrichment and face lengthy prison terms. Sometimes foreign investments involve the $1.8 billion in U.S. properties seized in 1960 without compensation. Despite misleading representations to prospective investors, Cuba has never settled a single claim for these properties.

Castro encourages and courts this investment, even inventing a cosmetic law that purports to protect the assets of foreign investors. Our State Department asks our allies to discourage their citizens from investing in such properties, with mixed success. Somehow transactions that businessmen would not touch with a 10-foot pole in their own countries seem all right in Cuba, where fraudulent transactions involving the government are above the law.

This bill provides a powerful disincentive to those who knowingly invest in expropriated U.S. properties by providing another forum for legal action by U.S. citizens. However, neither this bill nor longstanding United States policy towards Cuba is inspired by the economic injuries suffered by our citizens. We simply refuse to prop up the Castro regime and its instruments of repression.

A recent report of the AFL-CIO's American Institute for Free Labor Development explained Castro's strategy to substitute hard currency for real change.

And I quote:

> ''[r]eforms'' are not seen as ends in themselves but as temporary mechanisms for gaining enough foreign currency and trade to ensure the survival of the communist system. ''Privatization'' is not an open-ended invitation to foreign entrepreneurs, but a tightly controlled partnership between investors and government agencies, for the purpose of strengthening those very agencies.

The Clinton administration's changeable Cuba policy may have led our allies to believe sentiment in the United States is divided over Cuba. It is not. Worse still, administration wavering may have caused Cubans to doubt United States resolve and take to rafts and innertubes in numbers greater than any time since the Mariel exodus.

Some of our allies have criticized the bill on the grounds that the United States has no right to tell its allies not to do business in Cuba. We are doing no such thing. This legislation is directed at Fidel Castro and his government. Insofar as this bill has a message for our allies, it is that we attach the greatest importance to ending the decades-long nightmare of the Cuban people. Foreign investment on Castro's terms prolongs that nightmare.

Other provisions of this bill would deny Cuba the money and legitimacy that comes from being a member of international financial and other institutions, like the Inter-American Development Bank and the Organization of American States.

This bill tells the States of the former Soviet Union they may not blithely restart their predecessor's close relations with Fidel Castro and expect the United States not to care.

We will not subsidize Russia's assistance to Cuba so long as it supports Castro's destabilizing ambitions in the hemisphere and keeps the Cuban people under the thumb of corrupt and inefficient Socialist economic policies.

We will however plan for the day, the moment, that the United States can help the people of Cuba make a transition to democracy. This bill holds out the promise of aid to transition and democratic governments in Cuba and allows the President great flexibility in extending the help and support of the United States.

Americans right now are already the largest donors of humanitarian aid to Cuba. We will do more. But we won't prolong the Castro nightmare 1 minute longer than necessary by relaxing pressure on Castro or helping him attract foreign investment.

Mr. President, not too long ago I saw a movie called ''Braveheart.'' It is about the struggle for human freedom. And this movie was about the effort on the part of the Scottish people to secure their freedom. There was a scene in this movie in the midst of a battle in

which the hero of the movie had spoken with the nobles in the country asking for their support. And at the crucial moment in the battle, I remember again the hero turning to someone for support from these nobles, and at this crucial moment, the nobles turned their backs on freedom. They turned their backs on freedom for one reason: for their self-interest, for their need to continue the existing system because they profited from it.

I know that the motivation, frankly, behind those who are in disagreement with what we are trying to accomplish is the desire to profit from the markets that will be available someday in Cuba. I understand that. I am disappointed that people react that way. We will never change that attitude. It has been in existence as long as man has been on the surface of this Earth.

But I think we ought to recognize it for what it is. People want to do business in China today for exactly the same reason. For a few brief moments the Nation focused on Harry Wu. But now he is back, and everyone has forgotten. The same kind of thing is happening in Cuba. Day in and day out innocent people who want the same things out of life that you and I enjoy, and those are the basic principles and the freedoms that we enjoy—the freedom of assembly, the freedom of religion, the freedom to pursue your own livelihood—and yet we are, in essence, not willing to stand up and fight for those individuals because of the commercial interest that exists throughout the world. I understand it. I reject it. I wish it was not there. But I think we ought to recognize it because that is what is driving a lot of this debate.

I would hope that just occasionally there would be an opportunity for the nobles of the world to say just once in this one case, ''I am willing to give up the opportunity for profit, the opportunity for growth in my company, give up those opportunities so that other individuals that we do not know, never will meet, but who have struggled for the same kinds of freedom and liberty that we enjoy today.'' And I certainly would hope that this Congress will pass this legislation so that we can provide a message of hope to the people of Cuba.

I yield the floor.

Mr. REID. Mr. President, I rise in support of the Cuban Liberty and Democratic Solidarity Act of 1995. I believe this legislation will encourage the holding of free and fair democratic elections in Cuba. It will provide a policy framework for United States support to the Cuban people in response to the formation of a transition government or a democratically elected government in Cuba. This bill will also protect the rights of U.S. persons who own claims to confiscated property abroad.

I believe this legislation will expedite the transition to a democratic government in Cuba. Whether you are for or against this bill, no one disagrees that this should be the policy of our government. Denying United States visas to those who trade with Cuba and discouraging International Financial Institutions assistance to Cuba are necessary steps that will strengthen the embargo and bring about the downfall of the Castro regime.

One of the significant provisions of this bill is the section dealing with property. It is difficult to accept the argument that Fidel Castro's confiscation of property belonging to naturalized citizens should not be subject to a remedy under the domestic laws of the United States. Confiscations of property belonging to U.S. nationals at the time of the taking clearly violated international law. These takings were done to retaliate against U.S. nationals for acts of the U.S. Government, and the takings were without the payment of adequate and effective compensation.

While courts have generally not recognized actions of foreign governments against its own citizens, international human rights law does recognize that in certain circumstances a state violates international law when it confiscates the property of either its own citizens or aliens based on some invidious category such a race, nationality, or political opinion. Some legal scholars have noted that the international community may be moving toward recognition of claims when confiscations or expropriations are the result of such discrimination.

The stories of property confiscation in Cuba are repugnant. The confiscations of Cuban-owned property were based on such obscene grounds as an owner's having committed ''offenses defined by law as counter-revolutionary.''

I believe this legislation establishes the framework by which Cuba will become a democratic nation. I have heard from many in the Cuban-American community who spend the majority of their time working to realize this objective. This legislation honors the hard work of these fighters of freedom and I encourage my colleagues to support final passage. I thank the Chair and yield the floor.

Mrs. FEINSTEIN addressed the Chair.

The PRESIDING OFFICER (Mr. JEFFORDS). The Senator from California is recognized.

TRIBUTE TO SAM NUNN

Mrs. FEINSTEIN. Mr. President, I rise not to speak on this bill but to do two things. First, to say a few words and share my respect and admiration for the senior Senator from Georgia. And, second to share some of my reflections of the past year and where I think we seem to be heading with the reconciliation bill.

Mr. President, I do not serve on a committee with the senior Senator from Georgia, but I do try to listen to the floor when I am in the office. I have a very simple test, I either turn the sound up or down or off depending on the merit I find in the discussion. I have always turned the sound up to listen to Senator Sam NUNN. And, what I have heard is an intelligent, a reasoned, and a very informed person who has brought a great deal to bear in the debates on the Senate floor. He has been a strong and tireless advocate for a national defense policy that is well thought out, for foreign policy that explores each issue as part of a whole policy situation and not a separate standalone issue.

His ability, I think, to see individual defense programs or foreign policy actions as part of the total debate has given him the ability to think independently of party and the daily public opinion poll and put forth a policy that is really important.

I will miss him greatly. I very much regret his decision to retire from the U.S. Senate. I think it is to the Senate's loss when we lose one of our great minds.

The distinguished Senator has been an advocate for a strong national defense, especially pushing for a well-trained and modern force. He has constantly lent his support to support programs which would better prepare our men and women in uniform for war, but moreover for operations-other-than-war including humanitarian missions.

His leadership in foreign policy is marked, as well. He has been the single strongest voice for lessening the threat of nuclear proliferation from the States of the former Soviet Union with the policies advanced under the Nunn-Lugar program. And, he has helped our relationship with the new Russia and the nations of Eastern Europe through his ideas on NATO expansion and the Partnership for Peace Program.

Senator NUNN will continue to remain a voice of moderation and independent thought throughout the remainder of his term. I will miss his contributions to some of the most important issues of our day and this body will miss his leadership.

THE RECONCILIATION BILL

Mrs. FEINSTEIN. Mr. President, over the past 200 years, almost 2,000 men and women have stood in this Chamber charged with the task of governing the greatest democracy in the world. They were, like us, men and women of ideals and principle. This Chamber is also no stranger to revolutionary winds and radical ideas.

Some ideas dissipate quickly; others stand like pillars in our Nation's history. One thing has held true over time, most ideals will not withstand the rigors of the democratic process if they do not hold true to the democratic promise: The promise of opportunity for those willing to earn it, the promise of freedom for those willing to protect it, and the promise of security for those who play by the rules and give their fair share.

And these ideals, once implemented, must also withstand the test of time, which brings us to where we are today: Reexamining institutions and programs, cutting or streamlining where possible, eliminating where necessary. We have done some important work this year, and I commend the party in power for that. But I am deeply troubled by the direction of some of these changes and the extremes to which this Congress seems to be headed.

The American people voted for change in 1992 and in 1994. They clearly wanted a smaller, more efficient Government. They wanted a better use of their tax dollars. But they did not vote for the wholesale dismantling of Government. Laws that protect public safety, education, and access to basic health care are all critically needed and supported by the public we serve.

Some of the proposals being put forth in this Congress seem less like needed reform and more like revolution for revolution's sake. They go beyond reason and, I believe, beyond the wishes of the American people.

If moderation does not prevail, this level of extremism will ultimately take our country backward, not forward, and the damage will be felt not by us, but by generations to come.

Examples of the kind of extremism which seems to have gripped some in this Congress are littered throughout major bills we have dealt with this year, from regulatory reform to appropriations bills, to obscure language added to defense authorization bills, and to the upcoming reconciliation bill. But some of the most onerous and most blatant extremism is reserved for the upcoming Medicaid and Medicare plans. Let me give you examples of my concerns.

Medicaid is the safety net, a true safety net, for 36 million Americans. Does Medicaid need to be reformed? Yes, but you do not get there by simply cutting off the most vulnerable people from access to fundamental health care.

Six million Americans who are disabled rely on Medicaid for their health care. Because they have long-term, complex and expensive health conditions, they cannot buy private insurance. Medicaid is often the only health insurance available for this population. Yet, both the Senate and the House bills could jeopardize coverage for the disabled.

Nationally, 15 percent of Medicare beneficiaries rely on help from Medicaid to cover the required copayments. The Senate bill would allow States to remove such coverage, leaving millions of the poorest seniors quite possibly unable to pay their share of Medicare costs.

The House bill would also eliminate guaranteed coverage for children whose health insurance is Medicaid. Twenty percent of the Nation's children rely on Medicaid for basic health needs—immunizations, emergency care, regular checkups. This makes no sense to me, fiscal or moral.

What is revolutionary about regressing on quality and safety standards in nursing homes? Twenty years ago, Congress reacted to the appalling state of our country's seniors who resided in nursing homes: elderly patients strapped to their beds against their will, patients being fed dog food and drugs, lice-infested bed sheets. These pictures are not even old enough to fade from memory yet.

I well remember conditions in the early seventies that my sisters and I found when we went to look at some 40 San Francisco Bay Area nursing homes for my mother who had chronic brain syndrome—a deterioration of the brain that covers memory, reason, and judgment.

I remember the stench of urine, seniors strapped to wheelchairs, poor food, and on and on. We were lucky then to find 1 home out of 40 that we visited that had a level of care that was appropriate for my mother, and she lived there for 7 years.

The call for national standards then was loud, clear and bipartisan. In fact, the standards now in place were supported by both parties and signed into law by then-President Ronald Reagan.

Have we really so soon forgotten these lessons? In our extreme zeal to get Government off our backs, are we really willing to subject the next generation of seniors to the same degradations all over again?

Another aspect of the House Republican Medicaid plan that I believe goes beyond the bounds of reason is the repeal of protections against spousal impoverishment. A woman today who cannot afford the cost of nursing home care for her husband with Alzheimer's already must spend down her own resources to low levels in order to qualify for Medicaid.

Current law allows her to retain up to $14,961 in income to remain living independently, and prohibits States from imposing liens on homes of nursing home residents. The House bill eliminates these protections, protections which allow her to keep her car, her home, and enough money to pay her heating bills while paying for her husband's nursing home care with Medicaid assistance.

Over 10.5 million Californians, nearly one-third of my State's residents, have incomes less than 200 percent of the poverty line. These families are one tragedy, one major illness, one job loss away from not making it. Removing the only thing that stands between these families and bankruptcy is not reform, it is extreme, and it is unconscionable.

The Republican proposal cuts Medicare by $270 billion. That is not just extreme, I think it is disingenuous. The $270 billion in cuts is not going to the deficit. It is not being used to save Medicare. It is going to give tax breaks to the wealthy, and it is going to raise taxes for the poor.

Only $89 billion is needed to make the part A trust fund of Medicare solvent. That is what becomes insolvent in the year 2002. But cuts are also made in part B, which has nothing to do with the trust fund, and the reason for this is, in part, it would seem, to give a capital gains tax cut.

A capital gains tax cut largely benefits people who earn incomes of over $100,000 a year, and I can see reasons for a capital gains tax cut—but not by cutting Medicare. That is simply not moral.

The cuts to hospitals in part A will have a devastating impact, particularly on public hospitals and teaching hospitals. In my State, for example, the University of California maintains five big teaching hospitals. According to them last week, under this plan, they would face a net loss of $116.4 million over 7 years. Other California hospitals, already facing strapped budgets, would lose an additional $7 billion.

The Senate Medicare plan also includes arbitrary cuts in provider services if spending does not meet targeted levels—indiscriminate cuts in home health, hospital care, doctor visits and diagnostic tests.

Providers have already borne the brunt of congressional budget cuts over the last 10 years, and we all know what indiscriminate cuts mean; it means fewer doctors serving Medicare patients, and cutbacks in services for those who do.

This is not reform, it is a kind of politics, but these politics will hurt America's seniors and America's indigent. We can do better than that if moderate heads prevail.

I am not one that says only $89 billion should be cut. I recognize that we have to look at other things to balance the budget. I recognize that Medicare and Medicaid are culprits in budget balancing. But let us do it in a way that sees the light of day, that has full discussion, that takes into consideration many views, not just the views of one political party and, in fact, one branch of that political party.

Some of the extremism that I have seen this past year is not just an isolated case. Much of the legislation we have worked on takes this country back. Let me just throw out some of the areas: environmental protection, safety regulations, abortion rights, education.

We are not talking about Federal micro-management that can be done better by States. We are talking about things like clean air, clean water, hazardous waste cleanup, and airline safety.

For example, provisions in appropriations bills for the EPA and proposed budget cuts would hinder the enforcement of safe drinking water standards for contaminants like cryptosporidium and arsenic in water. Do the American people want this? No. It would prevent EPA from testing for groundwater contamination at underground storage tanks. Do the American people want this? No. It would reduce hazardous waste compliance inspections at Federal facilities, such as Edwards and

Vandenberg Air Force Bases, the Department of Energy's Livermore Laboratories, San Diego Naval Station, and Sacramento Army Depot. Do Californians want this? No.

It would further delay the cleanup of 230 Superfund sites across this Nation, including a dozen or more in my State. One of them that would be delayed is called Iron Mountain Mine, located in Redding. It is interesting. It is a mountain that used to be an old copper mine. It has holes in it the height of a 30-story office building because the mountain was drilled. When it rains, the water mixes with the chemical and it produces sulfuric acid, which drains out into the Trinity River and metalizes the river bed. There are a couple of ways of controlling it, but they are very expensive. It is a big Superfund site. Is it important to do it? Of course. This river eventually becomes part of the drinking water for two-thirds of the people in the State of California.

But balancing the budget is not all that this agenda is about, because at the same time many are proposing cutbacks in funds to enforce environmental and safety standards, they want to give away billions of dollars in gold and mineral resources owned by American taxpayers to mining companies at a fraction of what they are worth. They want to open up the Arctic National Wildlife Refuge to oil development companies and permit logging on public lands, while waiving environmental laws that protect those lands.

This is not budget cutting; it is ''setback'' political agenda. These proposals place cost above safety in regulatory reform. To me, this means many safety standards can be challenged because they do not meet the least-cost alternative test, including shoulder belts and rear seat belts in cars, airbags in cars, and black boxes on airplanes. It means critical delays in safety regulations for things like commuter airlines and meat inspections. This is not reform; this is an abdication of responsibility.

This agenda is not about reducing taxes—at least not for everyone. While some plan to cut Medicare to give a capital gains tax break, they also want to increase taxes for 7.4 million lower income Americans. Republican proposals would reduce the earned-income tax credit for low-income workers and their families, and eliminate it entirely for low-income workers without children.

While the Senate proposals would also make cuts in capital gains taxes, a House plan would eliminate $3.5 billion in tax credits for developers investing in housing for low and moderate-income families.

Education, without an education and skilled work force this country will be nowhere. We cannot compete in a global marketplace. We all agree with that, regardless of party. Yet, there are efforts to cut the number of students receiving Pell Grants, to eliminate the direct student loan program, to tax colleges for every student that receives a Federal loan, to eliminate the AmeriCorps Program, which provides money for college to more than 4 million youngsters who serve their communities over the next 7 years.

This is not about getting Government off of our backs. We see attacks on a woman's right to choose everywhere in these bills—from preventing women in the military from using their own funds to pay for an abortion at military hospitals overseas, to preventing the District of Columbia from using its own locally-raised tax dollars to provide abortions for poor women, to denying Federal employees access to abortion services in their health benefits—an option available to all nongovernment employees—to the most insidious of all: House measures, and an expected Senate measure, to make Medicaid funding of abortion optional for States even in cases of rape and incest.

This is not reform, it is a step backward in time to the days we all remember well, where desperate women were forced to seek medical treatment in back allies. I remember it. I remember college dormitory students passing the plate so an 18 year old woman could go to Mexico for an abortion. There is no other way of describing this, except extremism.

The irony of the reconciliation bill is that it will contain many of these things. And our process, theoretically, is designed on big issues to have full discussion and debate. That is what this Senate is supposed to be all about. Some of these issues will have little public hearing. They will be limited to 20 hours of debate. These extreme proposals can set back our Nation, and they most certainly will impact the future of tens of millions of Americans.

I thank the Chair and yield the floor.

CUBAN LIBERTY AND DEMOCRATIC SOLIDARITY (LIBERTAD) ACT OF 1995

The Senate continued with the consideration of the bill.

Mr. HELMS. Mr. President, I ask the Chair to state the pending business.

The PRESIDING OFFICER. The pending business is amendment No. 2898 to H.R. 927.

CLOTURE MOTION

Mr. HELMS. I send a cloture motion to the desk.

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair directs the clerk to read the motion.

The assistant legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, hereby move to bring to a close debate on the substitute amendment, calendar No. 202, H.R. 927, an act to seek international sanctions against the Castro government in Cuba:

Senators Robert Dole, Jesse Helms, Bob Smith, Bill Frist, John Ashcroft, James M. Inhofe, Paul Coverdell, Spencer Abraham, Larry E. Craig, Trent Lott, Rod Grams, Frank Murkowski, Fred Thompson, Mike DeWine, Hank Brown, and Charles E. Grassley.

MORNING BUSINESS

(During today's session of the Senate, the following morning business was transacted.)

NOTICE OF PROPOSED RULEMAKING

Mr. THURMOND. Mr. President, pursuant to section 304(b) of the Congressional Accountability Act of 1995 (2 U.S.C. sec. 1384(b)), a notice of proposed rulemaking was submitted by the Office of Compliance, U.S. Congress. The notice relates to the Congressional Accountability Act and the Extension of Rights and Protections under the Fair Labor Standards Act of 1938, as applied to interns and irregular work schedules in the House of Representatives.

Section 304(b) requires this notice to be printed in the CONGRESSIONAL RECORD, therefore I ask unanimous consent that the notice be printed in the RECORD.

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

THE CONGRESSIONAL ACCOUNTABILITY ACT OF 1995: EXTENSION OF RIGHTS AND PROTECTIONS UNDER THE FAIR LABOR STANDARDS ACT OF 1938 (INTERNS; IRREGULAR WORK SCHEDULES)

NOTICE OF PROPOSED RULEMAKING

Summary: The Board of Directors of the Office of Compliance is publishing proposed rules to implement section 203(a)(2) and 203(c)(3) of the Congressional Accountability Act (P.L. 104–1). The proposed regulations, which are to be applied to the House of Representatives and employees of the House of Representatives, set forth the recommendations of the Deputy Executive Director for the House of Representatives, Office of Compliance, as approved by the Board of Directors, Office of Compliance.

Dates: Comments are due within 30 days after publication of this notice in the CONGRESSIONAL RECORD.

Addresses: Submit written comments to the Chair of the Board of Directors, Office of Compliance, Room LA 200, Library of Congress, Washington, DC 20540–1999. Those wishing to receive notification of receipt of comments are requested to include a self-addressed, stamped post card. Comments may also be transmitted by facsimile (''FAX'') machine to (202) 252–3115. This is not a toll-free call. Copies of comments submitted by the public will be available for review at the Law Library Reading Room, Room LM–201, Law Library of Congress, James Madison Memorial Building, Washington, D.C., Monday through Friday, between the hours of 9:30 a.m. and 4:00 p.m.

For Further Information Contact: Deputy Executive Director for the House of Representatives, Office of Compliance at (202) 252–3100. This notice is also available in the following formats: large print, braille, audio tape, and electronic file on computer disk. Requests for this notice in an alternative format should be made to Mr. Russell Jackson, Director, Service Department, Office of

the Sergeant at Arms and Doorkeeper of the Senate, (202) 244–2705.

Supplementary Information:

Background—General: The Congressional Accountability Act of 1995 (''CAA''), PL 104–1, was enacted into law on January 23, 1995. In general, the CAA applies the rights and protections of eleven federal labor and employment law statutes to covered employees and employing offices within the legislative branch. Section 203(a) of the CAA applies the rights and protections of subsections (a)(1) and (d) of section 6, section 7, and section 12(c) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1) and (d), 207, 212(c) to covered employees and employing offices. Section 203(c) of the CAA directs the Board of Directors of the Office of Compliance established under the CAA to issue regulations to implement the section. Section 203(c)(2) further states that such regulations, with the exception of certain irregular work schedule regulations to be issued under section 203(a)(3), ''shall be the same as substantive regulations issued by the Secretary of Labor to implement the statutory provisions referred to in subsection (a) except insofar as the Board may determine, for good cause shown and stated together with the regulation, that a modification of such regulations would be more effective for the implementation of the rights and protections under this section.'' Section 203(a)(2) of the CAA provides that ''the term 'covered employee' [for the purpose of FLSA rights and protections] does not include an intern as defined in regulations * * *'' issued by the Board pursuant to section 203(c).

Background: Part A—Interns: Part A of the proposed regulations defines the term ''intern.''

While there appears to be no definitive interpretation of the term ''intern'' for FLSA purposes in current House usage, the Board has consulted several House sources in formulating the proposed definition set forth herein. For example, the House Ethics Manual gives the following definition of the term ''intern'':

''An *intern* means an individual performing services in a House office on a temporary basis incidental to the pursuit of the individual's educational objectives. Some interns receive no compensation from any source, while some receive compensation or other assistance from an educational institution or other sponsoring entity.''

House Comm. on Standards of Official Conduct, *House Ethics Manual*, a p. 196 (1992)(''Ethics Manual''). *See also* ''Guidance on Intern, Volunteer and Fellow Programs,'' dated June 29, 1990, reprinted at *Ethics Manual*, p. 206 (utilizing identical definition). It is from these background materials that the proposed definition has been drawn. The proposed regulation is not intended to cover other similar job positions such as volunteers or fellows, nor does it cover pages.

Part A—Interns: Section 1. An intern is an individual who:

(a) is performing services in an employing office as part of the pursuit of the individual's educational objectives, and

(b) is appointed on a temporary basis for a period not to exceed one academic semester (including the period between semesters); provided that an intern may be reappointed for one succeeding temporary period.

Background: Part B—Irregular Work Schedules: Section 203(c)(3) of the Act directs the Board to issue regulations for employees ''whose work schedules directly depend on the schedule of the House of Representatives or the Senate that shall be comparable to the provisions of the Fair Labor Standards Act of 1938 that apply to employees who have irregular work schedules.''

Section 7(f) of the Fair Labor Standards Act (29 U.S.C. 207(f)) provides that ''No employer shall be deemed to have violated subsection (a) [requiring overtime pay after an employee has worked 40 hours in a workweek] by employing any employee in a workweek in excess of the maximum workweek applicable [currently 40 hours] if such employee is employed pursuant to a bona fide individual contract, or pursuant to an agreement made as a result of collective bargaining by representatives of employees, if the duties of such employee necessitate irregular hours of work and the contract or agreement (1) specifies a regular rate of pay not less than the minimum provided in * * * section 6 [currently set at $4.25 per hour] * * * and compensation at not less than one and one-half times that rate for all hours worked in excess of such maximum workweek and (2) provides a weekly guarantee of pay for not more than sixty hours based on the rates so specified.'' Part B of the proposed regulations implements the provisions of section 203(a)(3) of the CAA by developing FLSA overtime pay requirements for employees of covered employing offices whose schedules directly depend on the schedule of the House of Representatives.

The proposed regulation develops a standard for determining whether an individual's work schedule ''directly depends'' on the schedule of the House of Representatives. In setting the remaining requirements for such employees, the proposed regulations adopt almost verbatim the requirements of sections 7(f) and 7(o) of the FLSA, (29 U.S.C. §§207(f) and (o)).

Section 203(a)(3) directs the Board to adopt regulations ''comparable'' to the irregular work provisions of the FLSA. Section 2 of the proposed regulation incorporates the provisions of section 7(f) of the FLSA. The Board has not proposed to vary the requirements of section 7(f) because the Board is not currently aware of any working conditions which would require modification of the requirements for covered employees who work irregular hours, as compared to employees who work irregular hours in the private sector. However, there may be aspects to the House of Representatives' operations, such as very wide variations in weekly hours of work of some covered employees whose schedules directly depend on the schedule of the House of Representatives or times when such employees may work a large number of overtime hours for extended periods, which commentors may believe would require a modification of the proposed regulation. Accordingly, the Board invites comments on whether the contracts or agreements referenced in Section 2 of the proposed regulation can or should be permitted to provide for a guaranty of pay for more than 60 hours and whether the terms and use of such contracts or agreements should differ in some other manner from those permitted in the private sector. The Board further invites comment on whether and to what extent the regulations in this subpart may and should vary in any other respect from the provisions of section 7(f) of the FLSA.

The Board also invites comment on whether this proposed regulation should be considered the sole irregular work schedule provision applicable to covered employees or whether, in addition, section 203 of the CAA applies the irregular hours provision of section 7(f) of the FLSA with respect to covered employees whose work schedules do not directly depend on the schedule of the House or Senate.

Pursuant to section 203(a)(3) of the CAA, the proposed regulation also authorizes employing offices to compensate covered employees with compensatory time off in lieu of overtime compensation where such employees' work schedules meet the irregular schedule definition of Section 1 of the proposed regulation. The Secretary of Labor has not promulgated regulations regarding the receipt of compensatory time in lieu of overtime compensation by employees who work irregular work schedules and no comparable authority exists for employees covered by the FLSA in the private sector to accrue compensatory time in lieu of paid overtime. The proposed regulation's terms regarding compensatory time are derived from the provisions of section 7(o) of the FLSA which permits public employers to continue the practice of providing compensatory time in lieu of monetary payment for overtime worked. The Board is not currently aware of any working conditions in the House of Representatives which would require a different approach to the accrual and use of compensatory time than that applied to public employers and employees under the FLSA. However, there may be aspects of the House's operations which commentors may believe warrant a different approach.

Section 7(o) was incorporated into the FLSA as part of the Fair Labor Standards Amendments of 1985. The legislative history of those amendments reflects that the amendments ''respond[ed] to [concerns of state and local governments] by adjusting certain FLSA principles with respect to employees of states and their political subdivisions.'' S. Rep. No. 159, 99th Cong., 1st Sess. 4 (1985), *reprinted in* 1985 U.S.C.C.A.N. 651, 655. In this regard there was a recognition that ''the financial costs of coming into compliance with the FLSA—particularly the overtime provisions of section 7—[were] a matter of grave concern'' and that ''many state and local government employers and their employees voluntarily [had] worked out arrangements providing for compensatory time off in lieu of pay for hours worked beyond the normally scheduled work week. These arrangements * * * reflect[ed] mutually satisfactory solutions that [were] both fiscally and socially responsible. To the extent practicable, [Congress sought] to accommodate such arrangements''. *Id.* at 8–9. In arriving at the maximum number of hours that could be accrued, the original Senate bill provided for a cap of 480 hours of compensatory time for all employees. The House proposed a cap of 180 hours for all employees except public safety employees, who would be permitted to accrual 480 hours. The current provisions of section 7(o) were agreed to in conference. See H.R. CONF. Rep. No. 357, 99th Cong., 1st Sess. 8 (1985), *reprinted in* 1985 U.S.C.C.A.N. 669.

The Board invites comment on whether and to what extent Section 7(o) is an appropriate model for the Board's regulations. The Board also invites comment, if Section 7(o) does provide an appropriate model, on whether and to what extent the regulations, including the accrual and use of compensatory time off and the limits on the maximum number of hours that can be accrued, should vary from the provisions of section 7(o) of the FLSA.

Part B—Irregular Work Schedules: Section 1. For the purposes of this Part, a covered employee's work schedule ''directly depends'' on the schedule of the House of Representatives only if the employee's normal workweek arrangement requires that the employee be scheduled to work during the hours that the House is in session and the employee may not schedule vacation, personal or other leave or time off during those hours, absent emergencies and leaves mandated by law. A covered employee's schedule ''directly depends'' on the schedule of the House of Representatives under the above definition regardless of the employee's schedule on days when the House is not in session.

Section 2. No employing office shall be deemed to have violated section 203(a)(1) of the CAA, which applies the protections of section 7(a)(1) of the Fair Labor Standards Act (''FLSA'') to covered employees and employing offices, by employing any employee for a workweek in excess of the maximum workweek applicable to such employee under section 7(a) of the FLSA if such employee is employed pursuant to a bona fide individual contract, or pursuant to an agreement made as a result of collective bargaining by representatives of employees, if the employee's work schedule directly depends on the schedule of the House of Representatives within the meaning of Section 1, and the contract or agreement (1) specifies a regular rate of pay of not less than the minimum hourly rate provided in subsection (a) of section 6 of the FLSA and compensation at not less than one and one-half times such rate for all hours worked in excess of such maximum workweek [currently 40 hours], and (2) provides a weekly guaranty of pay for not more than sixty hours based on the rates of pay so specified.

Section 3. Covered employees whose work schedules directly depend on the schedule of the House of Representatives within the meaning of Section 1 must be compensated for all hours worked in excess of the maximum workweek applicable to such employees at time-and-a-half either in pay or in time off, pursuant to the relevant collective bargaining agreement, employment agreement or understanding arrived at before the performance of the work. However, those employees employed under a contract or agreement under Section 2 may be compensated in time off only for hours worked in excess of the weekly guaranty. In the case of a covered employee hired prior to the effective date of this regulation, the regular practice in effect immediately prior to the effective date with respect to the grant of compensatory time off in lieu of the receipt of overtime compensation shall constitute an agreement or understanding for purposes of this section. A covered employee under this section may not accrue compensatory time in excess of 240 hours of compensatory time for hours worked, except that if the work of such employee for which compensatory time may be provided includes work in a public safety activity, an emergency response activity or seasonal activity, the employee may accrue not more than 480 hours of compensatory time. Any employee who has accrued the maximum hours of compensatory time off shall, for additional overtime hours of work, be paid overtime compensation. If compensation is paid to an employee for accrued compensatory time, such compensation shall be paid at the regular rate earned by the employee at the time the employee receives such payment. The employee shall be permitted by the employing office to use compensatory time within a reasonable period after making the request if the use of such time does not unduly disrupt the operations of the employing office.

An employee who has accrued compensatory time authorized by this Section shall, upon termination of employment, be paid for the unused compensatory time at a rate of compensation not less than (A) the average regular rate received by such employee during the last 3 years of the employee's employment, or (B) the final regular rate received by such employee, whichever is higher.

Method of Approval:

The Board recommends that these regulations be approved by resolution of the House of Representatives.

Signed at Washington, D.C., on this 10th day of October, 1995.

GLEN D. NAGER,
Chair of the Board,
Office of Compliance.

NOTICE OF PROPOSED RULEMAKING

Mr. THURMOND. Mr. President, pursuant to section 304(b) of the Congressional Accountability Act of 1995 (2 U.S.C. sec. 1384(b)), a notice of proposed rulemaking was submitted by the Office of Compliance, U.S. Congress. The notice relates to the Congressional Accountability Act and the Extension of Rights and Protections under the Fair Labor Standards Act of 1938, as applied to interns and irregular work schedules in all employing offices except the Senate and the House of Representatives.

Section 304(b) requires this notice to be printed in the CONGRESSIONAL RECORD, therefore I ask unanimous consent that the notice be printed in the RECORD.

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

THE CONGRESSIONAL ACCOUNTABILITY ACT OF 1995: EXTENSION OF RIGHTS AND PROTECTIONS UNDER THE FAIR LABOR STANDARDS ACT OF 1938 (INTERNS; IRREGULAR WORK SCHEDULES)

NOTICE OF PROPOSED RULEMAKING

Summary: The Board of Directors of the Office of Compliance is publishing proposed rules to implement section 203(a)(2) and 203(c)(3) of the Congressional Accountability Act (P.L. 104–1). The proposed regulations, which are to be applied to all covered employees and employing offices except the Senate and the House of Representatives and employees of the Senate and the House of Representatives, set forth the recommendations of the Executive Director, Office of Compliance, as approved by the Board of Directors, Office of Compliance.

Dates: Comments are due within 30 days after publication of this notice in the CONGRESSIONAL RECORD.

Addresses: Submit written comments to the Chair of the Board of Directors, Office of Compliance, Room LA 200, Library of Congress, Washington, DC 20540–1999. Those wishing to receive notification of receipt of comments are requested to include a self-addressed, stamped post card. Comments may also be transmitted by facsimile (''FAX'') machine to (202) 252–3115. This is not a toll-free call. Copies of comments submitted by the public will be available for review at the Law Library Reading Room, Room LM–201, Law Library of Congress, James Madison Memorial Building, Washington, DC, Monday through Friday, between the hours of 9:30 a.m. and 4:00 p.m.

For Further Information Contact: Executive Director, Office of Compliance at (202) 252–3100. This notice is also available in the following formats: large print, braille, audio tape, and electronic file on computer disk. Requests for this notice in an alternative format should be made to Mr. Russell Jackson, Director, Service Department, Office of the Sergeant at Arms and Doorkeeper of the Senate, (202) 244–2705.

Supplementary Information: Background—General: The Congressional Accountability Act of 1995 (''CAA''), PL 104–1, was enacted into law on January 23, 1995. In general, the CAA applies the rights and protections of eleven federal labor and employment law statutes to covered employees and employing offices within the legislative branch. Section 203(a) of the CAA applies the rights and protections of subsections (a)(1) and (d) of section 6, section 7, and section 12(c) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1) and (d), 207, 212(c), to covered employees and employing offices. Section 203(c) of the CAA directs the Board of Directors of the Office of Compliance established under the CAA to issue regulations to implement the section. Section 203(c)(2) further states that such regulations, with the exception of certain irregular work schedule regulations to be issued under section 203(a)(3), ''shall be the same as substantive regulations issued by the Secretary of Labor to implement the statutory provisions referred to in subsection (a) except insofar as the Board may determine, for good cause shown and stated together with the regulation, that a modification of such regulations would be more effective for the implementation of the rights and protections under this section.'' Section 203(a)(2) of the CAA provides that ''the term 'covered employee' [for the purpose of FLSA rights and protections] does not include an intern as defined in regulations. . .'' issued by the Board pursuant to section 203(c).

Background: Part A—Interns: Part A of the proposed regulations defines the term ''intern.''

While there appears to be no definitive interpretation of the term ''intern'' for FLSA purposes in current House usage, the Board has consulted several sources in formulating the proposed definition set forth herein. For example, the House Ethics Manual gives the following definition of the term ''intern'':

''An *intern* means an individual performing services in a House office on a temporary basis incidental to the pursuit of the individual's educational objectives. Some interns receive no compensation from any source, while some receive compensation or other assistance from an educational institution or other sponsoring entity.''

House Comm. on Standards of Official Conduct, *House Ethics Manual*, a p. 196 (1992)(''Ethics Manual''). *See also* ''Guidance on Intern, Volunteer and Fellow Programs,'' dated June 29, 1990, reprinted at *Ethics Manual*, p. 206 (utilizing identical definition).

Interpretive Ruling No. 442 issued by the Senate Select Committee on Ethics on April 15, 1992, states that intern programs designed for the educational benefit of the participants are deemed to be ''officially connected'' expenses that are related to the performance of a Senator's official responsibilities and that the supervising Senator is responsible for determining if such program ''is primarily for the benefit of the intern.'' Similarly, the Senate Edition of the *Congressional Handbook* (1994) (''Senate Handbook'') states that ''Interns may be employed on a temporary basis for a few weeks to several months...''. (Senate Handbook at p. I–10)

The proposed definition has drawn upon these sources. This proposed regulation is not intended to cover other similar job positions such as volunteers or fellows, nor does it cover pages.

Part A—Interns: Section 1. An intern is an individual who:

(a) is performing services in an employing office as part of the pursuit of the individual's educational objectives, and

(b) is appointed on a temporary basis for a period not to exceed one academic semester (including the period between semesters); provided that an intern may be reappointed for one succeeding temporary period.

Background: Part B—Irregular Work Schedules:

Section 203(c)(3) of the Act directs the Board to issue regulations for employees ''whose work schedules directly depend on the schedule of the House of Representatives or the Senate that shall be comparable to the provisions of the Fair Labor Standards Act of 1938 that apply to employees who have irregular work schedules.''

Section 7(f) of the Fair Labor Standards Act (29 U.S.C. 207(f)) provides that ''No employer shall be deemed to have violated subsection (a) [requiring overtime pay after an employee has worked 40 hours in a workweek] by employing any employee in a workweek in excess of the maximum workweek applicable [currently 40 hours] if such employee is employed pursuant to a bona fide individual contract, or pursuant to an agreement made as a result of collective bargaining by representatives of employees, if the duties of such employee necessitate irregular hours of work and the contract or agreement (1) specifies a regular rate of pay not less than the minimum provided in . . . section 6 [currently set at $4.25 per hour] . . . and compensation at not less than one and one-half times that rate for all hours worked in excess of such maximum workweek and (2) provides a weekly guarantee of pay for not more than sixty hours based on the rates so specified.'' Part B of the proposed regulations implements the provisions of section 203(a)(3) of the CAA by developing FLSA overtime pay requirements for employees of covered employing offices whose schedules directly depend on the schedule of the House of Representatives or the Senate.

The proposed regulation develops a standard for determining whether an individual's work schedule ''directly depends'' on the schedule of the House of Representatives or the Senate. In setting the remaining requirements for such employees, the proposed regulations adopt almost verbatim the requirements of sections 7(f) and 7(o) of the FLSA, (29 U.S.C. §§ 207(f) and (o)).

Section 203(a)(3) directs the Board to adopt regulations ''comparable'' to the irregular work provisions of the FLSA. Section 2 of the proposed regulation incorporates the provisions of section 7(f) of the FLSA. The Board has not proposed to vary the requirements of section 7(f) because the Board is not currently aware of any working conditions which would require modification of the requirements for covered employees who work irregular hours, as compared to employees who work irregular hours in the private sector. However, there may be aspects to the House of Representatives' or the Senate's operations, such as very wide variations in weekly hours of work of some covered employees whose schedules directly depend on the schedule of the House or Senate or times when such employees may work a large number of overtime hours for extended periods, which commentors may believe would require a modification of the proposed regulation. Accordingly, the Board invites comments on whether the contracts or agreements referenced in Section 2 of the proposed regulation can or should be permitted to provide for a guaranty of pay for more than 60 hours and whether the terms and use of such contracts or agreements should differ in some other manner from those permitted in the private sector. The Board further invites comment on whether and to what extent the regulations in this subpart may and should vary in any other respect from the provisions of section 7(f) of the FLSA.

The Board also invites comment on whether this proposed regulation should be considered the sole irregular work schedule provision applicable to covered employees or whether, in addition, section 203 of the CAA applies the irregular hours provision of section 7(f) of the FLSA with respect to covered employees whose work schedules do not directly depend on the schedule of the House or Senate.

Pursuant to section 203(a)(3) of the CAA, the proposed regulation also authorizes employing offices to compensate covered employees with compensatory time off in lieu of overtime compensation where such employees' work schedules meet the irregular schedule definition of Section 1 of the proposed regulation. The Secretary of Labor has not promulgated regulations regarding the receipt of compensatory time in lieu of overtime compensation by employees who work irregular work schedules and no comparable authority exists for employees covered by the FLSA in the private sector to accrue compensatory time in lieu of paid overtime. The proposed regulation's terms regarding compensatory time are derived from the provisions of section 7(o) of the FLSA which permits public employers to continue the practice of providing compensatory time in lieu of monetary payment for overtime worked. The Board is not currently aware of any working conditions in the House of Representatives or the Senate which would require a different approach to the accrual and use of compensatory time than that applied to public employers and employees under the FLSA. However, there may be aspects of House or Senate operations which commentors may believe warrant a different approach.

Section 7(o) was incorporated into the FLSA as part of the Fair Labor Standards Amendments of 1985. The legislative history of those amendments reflects that the amendments ''respond[ed] to [concerns of state and local governments] by adjusting certain FLSA principles with respect to employees of states and their political subdivisions.'' S. Rep. No. 159, 99th Cong., 1st Sess. 4 (1985), *reprinted in* 1985 U.S.C.C.A.N. 651, 655. In this regard there was a recognition that ''the financial costs of coming into compliance with the FLSA—particularly the overtime provisions of section 7—[were] a matter of grave concern'' and that ''many state and local government employers and their employees voluntarily [had] worked out arrangements providing for compensatory time off in lieu of pay for hours worked beyond the normally scheduled work week. These arrangements . . . reflect[ed] mutually satisfactory solutions that [were] both fiscally and socially responsible. To the extent practicable, [Congress sought] to accommodate such arrangements''. *Id.* at 8–9. In arriving at the maximum number of hours that could be accrued, the original Senate bill provided for a cap of 480 hours of compensatory time for all employees. The House proposed a cap of 180 hours for all employees except public safety employees, who would be permitted to accrual of 480 hours. The current provisions of section 7(o) were agreed to in conference. See H.R. CONF. Rep. No. 357, 99th Cong., 1st Sess. 8 (1985), *reprinted in* 1985 U.S.C.C.A.N. 669.

The Board invites comment on whether and to what extent Section 7(o) is an appropriate model for the Board's regulations. The Board also invites comment, if Section 7(o) does provide an appropriate model, on whether and to what extent the regulations, including the accrual and use of compensatory time off and the limits on the maximum number of hours that can be accrued, should vary from the provisions of section 7(o) of the FLSA.

Part B—Irregular Work Schedules: Section 1. For the purposes of this Part, a covered employee's work schedule ''directly depends'' on the schedule of the House of Representatives only if the employee's normal workweek arrangement requires that the employee be scheduled to work during the hours that the House or Senate is in session and the employee may not schedule vacation, personal or other leave or time off during those hours, absent emergencies and leaves mandated by law. A covered employee's schedule ''directly depends'' on the schedule of the House of Representatives or the Senate under the above definition regardless of the employee's schedule on days when the House or Senate is not in session.

Section 2. No employing office shall be deemed to have violated section 203(a)(1) of the CAA, which applies the protections of section 7(a)(1) of the Fair Labor Standards Act (''FLSA'') to covered employees and employing offices, by employing any employee for a workweek in excess of the maximum workweek applicable to such employee under section 7(a) of the FLSA if such employee is employed pursuant to a bona fide individual contract, or pursuant to an agreement made as a result of collective bargaining by representatives of employees, if the employee's work schedule directly depends on the schedule of the House of Representatives or the Senate within the meaning of Section 1, and the contract or agreement (1) specifies a regular rate of pay of not less than the minimum hourly rate provided in subsection (a) of section 6 of the FLSA and compensation at not less than one and one-half times such rate for all hours worked in excess of such maximum workweek [currently 40 hours], and (2) provides a weekly guaranty of pay for not more than sixty hours based on the rates of pay so specified.

Section 3. Covered employees whose work schedules directly depend on the schedule of the House of Representatives or the Senate within the meaning of Section 1 must be compensated for all hours worked in excess of the maximum workweek applicable to such employees at time-and-a-half either in pay or in time off, pursuant to the relevant collective bargaining agreement, employment agreement or understanding arrived at before the performance of the work. However, those employees employed under a contract or agreement under Section 2 may be compensated in time off only for hours worked in excess of the weekly guaranty. In the case of a covered employee hired prior to the effective date of this regulation, the regular practice in effect immediately prior to the effective date with respect to the grant of compensatory time off in lieu of the receipt of overtime compensation shall constitute an agreement or understanding for purposes of this section. A covered employee under this section may not accrue compensatory time in excess of 240 hours of compensatory time for hours worked, except that if the work of such employee for which compensatory time may be provided includes work in a public safety activity, an emergency response activity or seasonal activity, the employee may accrue not more than 480 hours of compensatory time. Any employee who has accrued the maximum hours of compensatory time off shall, for additional overtime hours of work, be paid overtime compensation. If compensation is paid to an employee for accrued compensatory time, such compensation shall be paid at the regular rate earned by the employee at the time the employee receives such payment. The employee shall be permitted by the employing office to use compensatory time within a reasonable period after making the request if the use of such time does not unduly disrupt the operations of the employing office.

An employee who has accrued compensatory time authorized by this Section shall, upon termination of employment, be paid for the unused compensatory time at a rate of compensation not less than (A) the average

regular rate received by such employee during the last 3 years of the employee's employment, or (B) the final regular rate received by such employee, whichever is higher.

Method of Approval:

The Board recommends that these regulations be approved by concurrent resolution as neither the House of Representatives nor the Senate has exclusive responsibility for the employing offices covered by these regulations.

Signed at Washington, DC, on this 10th day of October, 1995.

GLEN D. NAGER,
Chair of the Board,
Office of Compliance.

NOTICE OF PROPOSED RULEMAKING

Mr. THURMOND. Mr. President, pursuant to section 304(b) of the Congressional Accountability Act of 1995 (2 U.S.C. sec. 1384(b)), a notice of proposed rulemaking was submitted by the Office of Compliance, U.S. Congress. The notice relates to the Congressional Accountability Act and the Extension of Rights and Protections under the Fair Labor Standards Act of 1938, as applied to interns and irregular work schedules in the Senate.

Section 304(b) requires this notice to be printed in the CONGRESSIONAL RECORD, therefore I ask unanimous consent that the notice be printed in the RECORD.

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

THE CONGRESSIONAL ACCOUNTABILITY ACT OF 1995: EXTENSION OF RIGHTS AND PROTECTIONS UNDER THE FAIR LABOR STANDARDS ACT OF 1938 (INTERNS; IRREGULAR WORK SCHEDULES)

NOTICE OF PROPOSED RULEMAKING

Summary: The Board of Directors of the Office of Compliance is publishing proposed rules to implement section 203(a)(2) and 203(c)(3) of the Congressional Accountability Act (P.L. 104–1). The proposed regulations, which are to be applied to the Senate and employees of the Senate, set forth the recommendations of the Deputy Executive Director for the Senate, Office of Compliance, as approved by the Board of Directors, Office of Compliance.

Dates: Comments are due within 30 days after publication of this notice in the CONGRESSIONAL RECORD.

Addresses: Submit written comments to the Chair of the Board of Directors, Office of Compliance, Room LA 200, Library of Congress, Washington, DC 20540–1999. Those wishing to receive notification of receipt of comments are requested to include a self-addressed, stamped post card. Comments may also be transmitted by facsimile (''FAX'') machine to (202) 252–3115. This is not a toll-free call. Copies of comments submitted by the public will be available for review at the Law Library Reading Room, Room LM–201, Law Library of Congress, James Madison Memorial Building, Washington, DC, Monday through Friday, between the hours of 9:30 a.m. and 4:00 p.m.

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Supplementary Information:

Background—General: The Congressional Accountability Act of 1995 (''CAA''), PL 104–1, was enacted into law on January 23, 1995. In general, the CAA applies the rights and protections of eleven federal labor and employment law statutes to covered employees and employing offices within the legislative branch. Section 203(a) of the CAA applies the rights and protections of subsections (a)(1) and (d) of section 6, section 7, and section 12(c) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1) and (d), 207, 212(c) to covered employees and employing offices. Section 203(c) of the CAA directs the Board of Directors of the Office of Compliance established under the CAA to issue regulations to implement the section. Section 203(c)(2) further states that such regulations, with the exception of certain irregular work schedule regulations to be issued under section 203(a)(3), ''shall be the same as substantive regulations issued by the Secretary of Labor to implement the statutory provisions referred to in subsection (a) except insofar as the Board may determine, for good cause shown and stated together with the regulation, that a modification of such regulations would be more effective for the implementation of the rights and protections under this section.'' Section 203(a)(2) of the CAA provides that ''the term 'covered employee' [for the purpose of FLSA rights and protections] does not include an intern as defined in regulations. . .'' issued by the Board pursuant to section 203(c).

Background: Part A—Interns: Part A of the proposed regulations defines the term ''intern.''

While there appears to be no definitive interpretation of the term ''intern'' for FLSA purposes in current Senate usage, in formulating its definition, the Board has consulted several Senate sources that use and define the term. For example, Interpretive Ruling No. 442 issued by the Senate Select Committee on Ethics on April 15, 1992, states that intern programs designed for the educational benefit of the participants are deemed to be ''officially connected'' expenses that are related to the performance of a Senator's official responsibilities and that the supervising Senator is responsible for determining if such program ''is primarily for the benefit of the intern.'' Similarly, the Senate Edition of the *Congressional Handbook* (1994) (''Senate Handbook'') states that ''Interns may be employed on a temporary basis for a few weeks to several months. . .''. (Senate Handbook at p. I–10) The proposed definition has drawn upon these sources. This proposed regulation is not intended to cover other similar job positions such as volunteers or fellows, nor does it cover pages.

Part A—Interns: Section 1. An intern is an individual who:

(a) is performing services in an employing office as part of the pursuit of the individual's educational objectives, and

(b) is appointed on a temporary basis for a period not to exceed one academic semester (including the period between semesters); provided that an intern may be reappointed for one succeeding temporary period.

Section 2. An intern for the purposes of section 203(a)(2) of the Act also includes an individual who is a senior citizen intern appointed under S.Res. 219 (May 5, 1978, as amended by S.Res. 96, April 9, 1991).

Background: Part B—Irregular Work Schedules: Section 203(c)(3) of the Act directs the Board to issue regulations for employees ''whose work schedules directly depend on the schedule of the House of Representatives or the Senate that shall be comparable to the provisions of the Fair Labor Standards Act of 1938 that apply to employees who have irregular work schedules.''

Section 7(f) of the Fair Labor Standards Act (29 U.S.C. 207(f)) provides that ''No employer shall be deemed to have violated subsection (a) [requiring overtime pay after an employee has worked 40 hours in a workweek] by employing any employee in a workweek in excess of the maximum workweek applicable [currently 40 hours] if such employee is employed pursuant to a bona fide individual contract, or pursuant to an agreement made as a result of collective bargaining by representatives of employees, if the duties of such employee necessitate irregular hours of work and the contract or agreement (1) specifies a regular rate of pay not less than the minimum provided in . . . section 6 [currently set at $4.25 per hour] . . . and compensation at not less than one and one-half times that rate for all hours worked in excess of such maximum workweek and (2) provides a weekly guarantee of pay for not more than sixty hours based on the rates so specified.'' Part B of the proposed regulations implements the provisions of section 203(a)(3) of the CAA by developing FLSA overtime pay requirements for employees of covered employing offices whose schedules directly depend on the schedule of the Senate.

The proposed regulation develops a standard for determining whether an individual's work schedule ''directly depends'' on the schedule of the Senate. In setting the remaining requirements for such employees, the proposed regulations adopt almost verbatim the requirements of sections 7(f) and 7(o) of the FLSA, (29 U.S.C. §§ 207(f) and (o)).

Section 203(a)(3) directs the Board to adopt regulations ''comparable'' to the irregular work provisions of the FLSA. Section 2 of the proposed regulation incorporates the provisions of section 7(f) of the FLSA. The Board has not proposed to vary the requirements of section 7(f) because the Board is not currently aware of any working conditions which would require modification of the requirements for covered employees who work irregular hours, as compared to employees who work irregular hours in the private sector. However, there may be aspects to the Senate's operations, such as very wide variations in weekly hours of work of some covered employees whose schedules directly depend on the schedule of the Senate or times when such employees may work a large number of overtime hours for extended periods, which commentors may believe would require a modification of the proposed regulation. Accordingly, the Board invites comments on whether the contracts or agreements referenced in Section 2 of the proposed regulation can or should be permitted to provide for a guaranty of pay for more than 60 hours and whether the terms and use of such contracts or agreements should differ in some other manner from those permitted in the private sector. The Board further invites comment on whether and to what extent the regulations in this subpart may and should vary in any other respect from the provisions of section 7(f) of the FLSA.

The Board also invites comment on whether this proposed regulation should be considered the sole irregular work schedule provision applicable to covered employees or whether, in addition, section 203 of the CAA applies the irregular hours provision of section 7(f) of the FLSA with respect to covered employees whose work schedules do not directly depend on the schedule of the House or Senate.

Pursuant to section 203(a)(3) of the CAA, the proposed regulation also authorizes employing offices to compensate covered employees with compensatory time off in lieu

of overtime compensation where such employees' work schedules meet the irregular schedule definition of Section 1 of the proposed regulation. The Secretary of Labor has not promulgated regulations regarding the receipt of compensatory time in lieu of overtime compensation by employees who work irregular work schedules and no comparable authority exists for employees covered by the FLSA in the private sector to accrue compensatory time in lieu of paid overtime. The proposed regulation's terms regarding compensatory time are derived from the provisions of section 7(o) of the FLSA which permits public employers to continue the practice of providing compensatory time in lieu of monetary payment for overtime worked. The Board is not currently aware of any working conditions in the Senate which would require a different approach to the accrual and use of compensatory time than that applied to public employers and employees under the FLSA. However, there may be aspects of the Senate's operations which commentors may believe warrant a different approach.

Section 7(o) was incorporated into the FLSA as part of the Fair Labor Standards Amendments of 1985. The legislative history of those amendments reflects that the amendments ''respond[ed] to [concerns of state and local governments] by adjusting certain FLSA principles with respect to employees of states and their political subdivisions.'' S. Rep. No. 159, 99th Cong., 1st Sess. 4 (1985), *reprinted in* 1985 U.S.C.C.A.N. 651, 655. In this regard there was a recognition that ''the financial costs of coming into compliance with the FLSA—particularly the overtime provisions of section 7—[were] a matter of grave concern '' and that ''many state and local government employers and their employees voluntarily [had] worked out arrangements providing for compensatory time off in lieu of pay for hours worked beyond the normally scheduled work week. These arrangements . . . reflect[ed] mutually satisfactory solutions that [were] both fiscally and socially responsible. To the extent practicable, [Congress sought] to accommodate such arrangements''. *Id.* at 8–9. In arriving at the maximum number of hours that could be accrued, the original Senate bill provided for a cap of 480 hours of compensatory time for all employees. The House proposed a cap of 180 hours for all employees except public safety employees, who would be permitted to accrual 480 hours. The current provisions of section 7(o) were agreed to in conference. See H.R. CONF. Rep. No. 357, 99th Cong., 1st Sess. 8 (1985), *reprinted in* 1985 U.S.C.C.A.N. 669.

The Board invites comment on whether and to what extent Section 7(o) is an appropriate model for the Board's regulations. The Board also invites comment, if Section 7(o) does provide an appropriate model, on whether and to what extent the regulations, including the accrual and use of compensatory time off and the limits on the maximum number of hours that can be accrued, should vary from the provisions of section 7(o) of the FLSA.

Part B—Irregular Work Schedules: Section 1. For the purposes of this Part, a covered employee's work schedule ''directly depends'' on the schedule of the Senate only if the employee's normal workweek arrangement requires that the employee be scheduled to work during the hours that the Senate is in session and the employee may not schedule vacation, personal or other leave or time off during those hours, absent emergencies and leaves mandated by law. A covered employee's schedule ''directly depends'' on the schedule of the Senate under the above definition regardless of the employee's schedule on days when the Senate is not in session.

Section 2. No employing office shall be deemed to have violated section 203(a)(1) of the CAA, which applies the protections of section 7(a)(1) of the Fair Labor Standards Act (''FLSA'') to covered employees and employing offices, by employing any employee for a workweek in excess of the maximum workweek applicable to such employee under section 7(a) of the FLSA if such employee is employed pursuant to a bona fide individual contract, or pursuant to an agreement made as a result of collective bargaining by representatives of employees, if the employee's work schedule directly depends on the schedule of the Senate within the meaning of Section 1, and the contract or agreement (1) specifies a regular rate of pay of not less than the minimum hourly rate provided in subsection (a) of section 6 of the FLSA and compensation at not less than one and one-half times such rate for all hours worked in excess of such maximum workweek [currently 40 hours], and (2) provides a weekly guaranty of pay for not more than sixty hours based on the rates of pay so specified.

Section 3. Covered employees whose work schedules directly depend on the schedule of the Senate within the meaning of Section 1 must be compensated for all hours worked in excess of the maximum workweek applicable to such employees at time-and-a-half either in pay or in time off, pursuant to the relevant collective bargaining agreement, employment agreement or understanding arrived at before the performance of the work. However, those employees employed under a contract or agreement under Section 2 may be compensated in time off only for hours worked in excess of the weekly guaranty. In the case of a covered employee hired prior to the effective date of this regulation, the regular practice in effect immediately prior to the effective date with respect to the grant of compensatory time off in lieu of the receipt of overtime compensation shall constitute an agreement or understanding for purposes of this section. A covered employee under this section may not accrue compensatory time in excess of 240 hours of compensatory time for hours worked, except that if the work of such employee for which compensatory time may be provided includes work in a public safety activity, an emergency response activity or seasonal activity, the employee may accrue not more than 480 hours of compensatory time. Any employee who has accrued the maximum hours of compensatory time off shall, for additional overtime hours of work, be paid overtime compensation. If compensation is paid to an employee for accrued compensatory time, such compensation shall be paid at the regular rate earned by the employee at the time the employee receives such payment. The employee shall be permitted by the employing office to use compensatory time within a reasonable period after making the request if the use of such time does not unduly disrupt the operations of the employing office.

An employee who has accrued compensatory time authorized by this Section shall, upon termination of employment, be paid for the unused compensatory time at a rate of compensation not less than (A) the average regular rate received by such employee during the last 3 years of the employee's employment, or (B) the final regular rate received by such employee, whichever is higher.

Method of Approval:

The Board recommends that these regulations be approved by resolution of the Senate.

Signed at Washington, DC, on this 10th day of October, 1995.

GLEN D. NAGER,
Chair of the Board,
Office of Compliance.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States was communicated to the Senate by Mr. Thomas, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

REPORT ON HAZARDOUS MATERIALS TRANSPORTATION FOR CALENDAR YEARS 1992–93—MESSAGE FROM THE PRESIDENT—PM 87

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Commerce, Science, and Transportation.

To the Congress of the United States:

In accordance with Public Law 103–272, as amended (49 U.S.C. 5121(e)), I transmit herewith the Biennial Report on Hazardous Materials Transportation for Calendar Years 1992–1993 of the Department of Transportation.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *October 11, 1995.*

MESSAGES FROM THE HOUSE

At 4 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 436. An act to require the head of any Federal agency to differentiate between fats, oils, and greases of animal, marine, or vegetable origin, and other oils and greases, in issuing certain regulations, and for other purposes.

H.R. 1384. An act to amend title 38, United States Code, to exempt certain full-time health-care professionals of the Department of Veterans Affairs from restrictions on remunerated outside professional activities.

H.R. 1536. An act to amend title 38, United States Code, to extend for 2 years an expiring authority of the Secretary of Veterans Affairs with respect to determination of locality salaries for certain nurse anesthetist positions in the Department of Veterans Affairs.

H.R. 2394. An act to increase, effective as of December 1, 1995, the rates of compensation for veterans with service-connected disabilities and the rates of dependency and indemnity compensation for the survivors of certain disabled veterans.

MEASURES REFERRED

The following bills were read the first and second times by unanimous consent and referred as indicated:

H.R. 1384. An act to amend title 38, United States Code, to exempt certain full-time health-care professionals of the Department of Veterans Affairs from restrictions on remunerated outside professional activities; to the Committee on Veterans' Affairs.

H.R. 1536. An act to amend title 38, United States Code, to extend for 2 years an expiring authority of the Secretary of Veterans Affairs with respect to determination of locality salaries for certain nurse anesthetist positions in the Department of Veterans Affairs; to the Committee on Veterans' Affairs.

H.R. 2394. An act to increase, effective as of December 1, 1995, the rates of compensation for veterans with service-connected disabilities and the rates of dependency and indemnity compensation for the survivors of certain disabled veterans; to the Committee on Veterans' Affairs.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–1475. A communication from the Secretary of Agriculture, transmitting, the report on programs, policies, and initiatives which facilitate fathers' involvement in their children's lives; to the Committee on Agriculture, Nutrition, and Forestry.

EC–1476. A communication from the Under Secretary of Defense, transmitting, pursuant to law, the report of a violation of the Antideficiency Act, case number 93–08; to the Committee on Appropriations.

EC–1477. A communication from the Under Secretary of Defense, transmitting, pursuant to law, the report of a violation of the Antideficiency Act, case number 92–14; to the Committee on Appropriations.

EC–1478. A communication from the Assistant Secretary of State (Legislative Affairs), transmitting, pursuant to law, a description of the property to be transferred to the Republic of Panama in accordance with the Panama Canal Treaty of 1977 and its related agreements; to the Committee on Armed Services.

EC–1479. A communication from the Secretary of Housing and Urban Development, transmitting, the report summary entitled, ''Putting the Pieces Together: Controlling Lead Hazards in the Nation's Housing''; to the Committee on Banking, Housing, and Urban Affairs.

EC–1480. A communication from the President and Chairman of the Export-Import Bank, transmitting, pursuant to law, a statement regarding transactions involving exports to Kuwait; to the Committee on Banking, Housing, and Urban Affairs.

EC–1481. A communication from the President and Chairman of the Export-Import Bank, transmitting, pursuant to law, a statement with respect to a transaction involving the combined-cycle power generation facility in Mexico; to the Committee on Banking, Housing and Urban Affairs.

EC–1482. A communication from the President and Chairman of the Export-Import Bank, transmitting, pursuant to law, a statement regarding transactions involving exports to Pakistan; to the Committee on Banking, Housing, and Urban Affairs.

EC–1483. A communication from the Chairman of Federal Finance Board, transmitting, pursuant to law, the report on low-income housing and community development activities of the federal home loan bank system for 1994; to the Committee on Banking, Housing, and Urban Affairs.

EC–1484. A communication from the Chairman of the Board of Governors of the Federal Reserve System, transmitting, pursuant to law, the report on the credit advertising rules under the Truth in Lending Act; to the Committee on Banking, Housing, and Urban Affairs.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM–319. A resolution adopted by the Western States Land Commissioners Associations relative to federal royalty collections; to the Committee on Energy and Natural Resources.

POM–320. A joint resolution adopted by the Legislature of the State of Alaska; to the Committee on Energy and Natural Resources:

''HOUSE JOINT RESOLUTION NO. 13

''Whereas in Sec. 1002 of the Alaska National Interest Lands Conservation Act (ANILCA), the United States Congress reserved the right to permit further oil and gas exploration, development, and production within the coastal plain of the Arctic National Wildlife Refuge, Alaska; and

''Whereas the oil industry, the state, and the United States Department of the Interior consider the coastal plain to have the highest potential for discovery of very large oil and gas accumulations on the continent of North America, estimated to be as much as 10,000,000,000 barrels of recoverable oil; and

''Whereas the residents of the North Slope Borough, within which the coastal plain is located, are supportive of development in the '1002 study area'; and

''Whereas oil and gas exploration and development of the coastal plain of the refuge and adjacent land could result in major discoveries that would reduce our nation's future need for imported oil, help balance the nation's trade deficit, and significantly increase the nation's security; and

''Whereas, for the first year ever, more than one-half of the oil used in the United States has come from foreign sources as domestic crude oil production fell to 6,600,000 barrels per day, its lowest annual level since 1954; and

''Whereas development of oil at Prudhoe Bay, Kuparuk, Endicott, Lisburne, and Milne Point has resulted in thousands of jobs throughout the United States and projected job creation as a result of coastal plain oil development will have a positive effect in all 50 states; and

''Whereas Prudhoe Bay production is declining by approximately 10 percent a year; and

''Whereas opening the coastal plain of the Arctic National Wildlife Refuge now allows sufficient time for planning environmental safeguards, development, and national security review; and

''Whereas the oil and gas industry and related Alaskan employment have been severely affected by reduced oil and gas activity, and the reduction in industry investment and employment has broad implications for the Alaskan work force and the entire state economy; and

''Whereas the 1,500,000-acre coastal plain of the refuge comprises only eight percent of the 19,000,000-acre refuge, and the development of the oil and gas reserves in the refuge's coastal plain would affect an area of only 5,000 to 7,000 acres, which is one and one-half percent of the area of the coastal plain; and

''Whereas 8,000,000 of the 19,000,000 acres of the refuge have already been set aside as wilderness; and

''Whereas the oil industry has shown at Prudhoe Bay, as well as at other locations along the Arctic coastal plain, that it can safely conduct oil and gas activity without adversely affecting the environment or wildlife populations; be it

''*Resolved by the Alaska State Legislature*, That the Congress of the United States is urged to pass legislation to open the coastal plain of the Arctic National Wildlife Refuge, Alaska, to oil and gas exploration, development, and production; and be it further

''*Resolved*, That that activity be conducted in a manner that protects the environment and uses the state's work force to the maximum extent possible.''

POM–321. A resolution adopted by the Council of the City of West Branch, Michigan relative to waste; to the Committee on Environment and Public Works.

POM–322. A resolution adopted by the Council of the City of Warren, Ohio relative to traffic control devices; to the Committee on Environment and Public Works.

POM–323. A joint resolution adopted by the Legislature of the State of California; to the Committee on Environment and Public Works:

''JOINT RESOLUTION NO. 15

''Whereas, due to chronic failures of the sewage system that serves the City of Tijuana, in Baja California, Mexico, large amounts of untreated wastewater flow into the Tijuana River and its tributaries and across the international border into the San Diego area of this state; and

''Whereas, the flows of untreated wastewater often contain toxic contaminants because Mexico does not require the pretreatment of industrial waste and thus pose a threat to both public health and the ecosystems of the Tijuana River estuary and beaches located near the mouth of the river; and

''Whereas, to address those issues, in July, 1990, the federal government and the Mexican government signed Minute 283, calling for a conceptual plan for an international solution to the border sanitation problem in San Diego, California and Tijuana, Baja California; and

''Whereas, the two governments agreed in Minute 283 to the creation of an international wastewater treatment plant, to be constructed on the southwest bank of the Tijuana River on the United States side of the border, that will be capable of treating twenty-five million gallons of untreated wastewater per day and is to be funded and supervised by both the United States and Mexico, through the United States section of the International Boundary and Water Commission; Now, therefore, be it

''*Resolved by the Assembly and Senate of the State of California, jointly*, That the Legislature of the State of California respectfully memorializes the President and the Congress of the United States to move with all deliberate speed, and take all necessary steps, to complete the construction of the International Wastewater Treatment Plant on the Tijuana River near San Diego as soon as possible; and be it further

''*Resolved*, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the United States House of Representatives, and to each Senator and Representative from California in the Congress of the United States.''

POM–324. A joint resolution adopted by the Legislation of the State of Nevada; to the

Committee on Environment and Public Works.

''SENATE JOINT RESOLUTION NO. 23

''Whereas, in 1977, the Congress of the United States amended the Clean Air Act for the purpose of correcting and preventing the continued deterioration of visibility in large national parks and wilderness areas resulting from the pollution of the air; and

''Whereas, this amendment did not provide adequate resources to carry out its provisions and targeted only a few of the major types of sources of the pollution affecting visibility; and

''Whereas, as a result, the Federal Government and the individual states were extremely slow in developing an effective program to reduce air pollution in these areas; and

''Whereas, the two emission control programs specifically concerned with visibility in national parks and wilderness areas include the program for Prevention of Significant Deterioration of Air Quality, which is directed mainly at new sources of pollution and a program visibility protection which is primarily aimed at existing sources of pollution; and

''Whereas, the program for Prevention of Significant Deterioration of Air Quality requires that each new or enlarged ''major emitting facility'' locating near large national parks or wilderness areas install the ''best available control technology,'' establish increments (allowable increases) that limit cumulative increase in levels of pollution in clear air areas and to some extent, have protected visibility by reducing the growth of emissions that contribute to regional haze; and

''Whereas, in 1990, the United States General Accounting Office issued a report which discussed some of the shortcomings of the program for Prevention of Significant Deterioration of Air Quality; and

''Whereas, this report indicated that federal land managers had failed to meet their responsibilities because of a lack of allocated time, personnel and data, and because the United States Environmental Protection Agency had failed to forward applications for permits; and

''Whereas, the report indicated that many sources of air pollution in national parks and wilderness areas are exempt from the requirements of the program for Prevention of Significant Deterioration of Air Quality because they are considered minor sources or because they existed before the program for Prevention of Significant Deterioration of Air Quality took effect; and

''Whereas, the other program for visibility protection, established by the amendments to the Clean Air Act of 1977, directs states to establish measures to achieve ''reasonable progress'' toward the national visibility goal and to require the installation of the ''best available retrofit technology'' on large source contributing to air pollution at major national parks and wildlife areas; and

''Whereas, in 1980, the Environmental Protection Agency issued rules to control air pollution caused by visible plumes from nearby individual sources and express its intention to regulate regional haze to some future date ''when improvement in monitoring techniques provides more data on source-specific levels of visibility impairment, regional scale-models become more refined, and scientific knowledge about the relationships between air pollutants and visibility improves''; and

''Whereas, to date, the Environmental Protection Agency has not proposed rules for the regulation of regional haze, but has required only regulation of air pollution that is attributable to individual sources through the use of simple techniques, and in the past 14 years only one source of pollution has been required to control its emissions pursuant to this program; and

''Whereas, it is evident that the Environmental protection Agency has not been required to enforce the visibility provisions of the federal law and this failure should be addressed before any new legislation is passed which penalizes a regional area; and

''Whereas, in 1990, the Clean Air Act was once again amended to include numerous new statutes and amendments to existing statutes which called for more regulation of air quality for the purpose of providing continued and expanded efforts to improve air quality; and

''Whereas, the amendment added Section 169B which provided the mechanism for the Administrator of the Environmental Protection Agency to establish visibility transport regions and visibility transport commissions; and

''Whereas, that section specifically created The Grand Canyon Visibility Transport Commission which is required to prepare and submit to the Administrator of the Environmental protection Agency by November 15, 1995, a report recommending what measures, if any, should be taken pursuant to the Clean Air Act to address adverse impacts on visibility from potential or projected growth in emissions in the region; and

''Whereas, the report will also discuss the establishment of clean air corridors in which additional restrictions in emissions may be appropriate to protect visibility in affected areas, the imposition of the requirements of the program for Prevention of Significant Deterioration of Air Quality which affect the construction of new or modified major stationary sources in those clean air corridors, the alternative siting analysis provisions as provided in the Clean Air Act, the imposition of nonattainment status requirements within clean air corridors and the adoption of regulations to provide long-range strategies for addressing regional haze which impairs visibility in affected areas; and

''Whereas, a total of $8,000,000 per year for 5 years was authorized for appropriation to the Environmental Protection Agency and other federal agencies to conduct research to identify and evaluate sources and source regions of air pollution as well as regions that provide predominantly clean air to national parks and wilderness areas, but it does not appear that the Environmental Protection Agency has requested or received such an appropriation; and

''Whereas, with the exception of minor federal funding, the Grand Canyon Visibility Transport Commission is an unfunded mandate, and to date, most of the work which has been done pursuant to the mandate is the result of efforts made by state governments, industries and conservation groups; and

''Whereas, for these reasons, the amendments to the Clean Air Act adopted in 1990, including Section 169B, have not been fully implemented and allowed sufficient time to produce their desired effect; and

''Whereas, certain scientific studies, assessments and inventories have shown that air quality in the Intermountain West Region continues to improve even though the amendments adopted in 1990 have not been fully implemented; and

''Whereas, the clean air corridor concept may result in a severe restraint on population growth and economic development in the western states, a result which was not intentional when Congress passed Section 169B of the Clean Air Act whereby the cleanest air in the nation, with the best visibility, may be managed by the Environmental Protection Agency as the dirtiest; and

''Whereas, the Nevada Legislature has grave concerns about the consequences of the recommendations which may be made by the Grand Canyon Visibility Transport Commission to the Administrator of the Environmental Protection Agency because of previously stated facts involving the federal regulation of visibility; Now, therefore, be it

''*Resolved, by the Senate and Assembly of the State of Nevada, jointly,* That Congress is hereby urged to refrain from adopting additional statutes and the Environmental Protection Agency is hereby urged to refrain from adopting additional regulations which regulate air quality and visibility until the amendments to the Clean Air Act adopted in 1990 and the regulations adopted thereunder have been fully implemented and allowed sufficient time to produce their intended results; and be it further

''*Resolved,* That as part of its oversight of the regulatory program, Congress is hereby urged to resist proposals such as clean air corridors, the imposition of nonattainment status requirements within clean air corridors and the imposition of no-build provisions within a transport region that are not equitable to all states; and be it further

''*Resolved,* That Congress is hereby urged to support proposals that are equitable, such as the uniform application of the existing provisions of the program for Prevention of Significant Deterioration of Air Quality in the Clean Air Act and the imposition or addition of more stringent controls on existing sources of air pollution and visibility impairment; and be it further

''*Resolved,* That the Environmental Protection Agency and any other federal agency that regulates air quality are hereby urged to base any future regulations related to air quality and visibility on clear scientific evidence which is reviewed and confirmed by others within the scientific community; and be it further

''*Resolved,* That the Secretary of the Senate prepare and transmit a copy of this resolution to the Vice President of the United States as the presiding officer of the Senate, the Speaker of the House of Representatives, each member of the Nevada Congressional Delegation and the Administrator of the Environmental Protection Agency; and be it further

''*Resolved,* That this resolution becomes effective upon passage and approval.''

POM–325. A joint resolution adopted by the Legislature of the State of Nevada; to the Committee on Environment and Public Works.

''SENATE JOINT RESOLUTION NO. 20

''Whereas, the present interstate highway system in the United States will be inadequate to meet the needs of local and interstate commerce in the 21st century; and

''Whereas, the Secretary of Transportation has submitted a proposal to Congress for the designation of the National Highway System; and

''Whereas, more than $6.5 billion in federal funding for highways will not be allocated to the states unless the designation of the National Highway System is approved by Congress not later than September 30, 1995; and

''Whereas, the National Highway System will consist of a network of highways which are vitally important to the strategic defense policy of the United States; and

''Whereas, the National Highway System will reduce traffic congestion which presently costs travelers approximately $1 billion each year in lost productivity in each of the nation's eight largest metropolitan areas; and

''Whereas, the National Highway System will connect important urban areas which

are not presently served by an interstate highway; and

''Whereas, the National Highway System will benefit consumers by reducing the cost of transporting goods within the United States; and

''Whereas, the National Highway System will include the entire 545 miles of the interstate highway system in Nevada; and

''Whereas, although only 4.7 percent of the highways in Nevada will be included in the National Highway System, those highways will account for approximately 66 percent of the motor vehicle traffic in Nevada; and

''Whereas, the National Highway System will improve access for visitors to such destinations as Lake Tahoe, Lake Mead and Jackpot, Nevada; Now, therefore, be it

''*Resolved by the Senate and Assembly of the State of Nevada, jointly,* That the Nevada Legislature hereby urges Congress to approve the designation of the National Highway System; and be it further

''*Resolved,* That the Secretary of the Senate prepare and transmit a copy of this resolution to the Vice President of the United States as the presiding officer of the Senate, the Speaker of the House of Representatives and each member of the Nevada Congressional Delegation; and be it further

''*Resolved,* That this resolution becomes effective upon passage and approval.''

POM–326. A joint resolution adopted by the Legislature of the State of Nevada; to the Committee on Environment and Public Works.

''SENATE JOINT RESOLUTION NO. 22

''Whereas, in 1984, Congress enacted Public Law 98–381 which appropriated $77,000,000, calculated at 1983 price levels, for a program to increase the generation capacity of the power plant at Hoover Dam and for a visitor facilities program to improve the parking, visitor facilities and roadways at Hoover Dam; and

''Whereas, although Public Law 98–381 does not specify the amount of the appropriation to be spent on the respective programs, the Senate Report of the Committee on Energy and Natural Resources (S. Rep. No. 98–137, 98th Congress, 1st Session (1983), at page 14) indicates that $32,000,000 would be needed for the visitor facilities program; and

''Whereas, appropriations made for the visitor facilities program are to be repaid with interest when the program is substantially completed from revenue received from the sale of power at the Hoover Dam power plant; and

''Whereas, as of the end of the 1994 federal fiscal year, approximately $120,000,000 has been expended on the visitor facilities program; and

''Whereas, as of May 1995, the visitor facilities program is not complete and additional money will be necessary to complete the program: Now, therefore, be it

''*Resolved, by the Senate and Assembly of the State of Nevada, jointly,* That the Nevada Legislature urges Congress to investigate the costs incurred for the visitor facilities program at Hoover Dam which are in addition to the amount originally appropriated by Congress for the program; and be it further

''*Resolved,* That the Nevada Legislature urges Congress to direct the Bureau of Reclamation of the United States Department of the Interior to develop alternative sources of funding to pay the costs incurred for the visitor facilities program at Hoover Dam which are in addition to the amount originally estimated for the program of $32,000,000; and be it further

''*Resolved,* That the Secretary of the Senate of the State of Nevada prepare and transmit a copy of this resolution to the Vice President of the United States as presiding officer of the United States Senate, the Speaker of the House of Representatives and each member of the Nevada Congressional Delegation; and be it further

''*Resolved,* That this resolution becomes effective upon passage and approval.''

POM–327. A concurrent resolution adopted by the Legislature of the State of Texas; to the Committee on Environment and Public Works.

''HOUSE CONCURRENT RESOLUTION

''Whereas, in 1991 the Congress of the United States established a 65-mile-per-hour speed limit on rural sections of interstate highways, recognizing recent advancements in road and automobile technology as well as the increased need for rapid road transportation in today's competitive global economy; and

''Whereas, current federal law continues, however, to restrict the ability of states to adopt this standard for divided four-lane highways of comparable design and quality; and

''Whereas, within the borders of Texas, most national and state highways traverse broad expanses of rural countryside and, with few intersections or potential traffic hazards, are ideally suited for higher speed travel than is currently permitted by federal law; and

''Whereas, higher speed limits are essential for promoting rapid ground travel in rural areas of Texas, many of which are not served by rail, air, or any other mode of transportation; moreover, the 55-mile-per-hour speed limit places a disproportionate burden on this state's rural residents, who often must travel great distances for work, shopping, medical care, and other basic necessities; and

''Whereas, responding to the special needs of rural communities, the Texas Legislature has enacted a statute that will raise the speed limit on divided four-lane highways as soon as federal law permits; and

''Whereas, the State of Texas can best determine maximum speed limits most appropriate to its unique geography, to its vast rural highway system, and to the needs of its citizens: Now, therefore, be it

''*Resolved,* That the 74th Legislature of the State of Texas hereby urge the Congress of the United States to allow states to establish a 65-mile-per-hour speed limit for rural sections of divided four-lane highways; and, be it further

''*Resolved,* That the Texas secretary of state forward official copies of this resolution to the United States secretary of transportation, to the speaker of the house of representatives and president of the senate of the United States Congress, and to all members of the Texas congressional delegation with the request that it be officially entered in the Congressional Record as a memorial to the Congress of the United States of America.''

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. D'AMATO, from the Committee on Banking, Housing, and Urban Affairs, without amendment:

S. 1309. An original bill to reauthorize the tied aid credit program of the Export-Import Bank of the United States, and to allow the Export-Import Bank to conduct a demonstration project (Rept. No. 104–154).

By Mr. PRESSLER, from the Committee on Commerce, Science, and Transportation, with an amendment in the nature of a substitute:

S. 1048. A bill to authorize appropriations for fiscal year 1996 to the National Aeronautics and Space Administration for human space flight; science, aeronautics, and technology; mission support; and inspector general; and for other purposes (Rept. No. 104–155).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

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

Charles William Burton, of Texas, to be a Member of the Board of Directors of the United States Enrichment Corporation for the remainder of the term expiring February 24, 1996.

Derrick L. Forrister, of Tennessee, to be an Assistant Secretary of Energy (Congressional and Intergovernmental Affairs).

Eluid Levi Martinez, of New Mexico, to be Commissioner of Reclamation.

Patricia J. Beneke, of Iowa, to be an Assistant Secretary of the Interior.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. BINGAMAN:

S. 1308. A bill to amend chapter 73 of title 31, United States Code, to provide for performance standards for block grant programs, and for other purposes; to the Committee on Governmental Affairs.

By Mr. D'AMATO:

S. 1309. An original bill to reauthorize the tied aid credit program of the Export-Import Bank of the United States, and to allow the Export-Import Bank to conduct a demonstration project; from the Committee on Banking, Housing, and Urban Affairs; placed on the calendar.

By Mr. KERRY:

S. 1310. A bill to amend the Internal Revenue Code of 1986 to expand the availability of individual retirement accounts, and for other purposes; to the Committee on Finance.

By Mr. CAMPBELL (for himself and Mr. BRADLEY):

S. 1311. A bill to establish a National Fitness and Sports Foundation to carry out activities to support and supplement the mission of the President's Council on Physical Fitness and Sports, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. BAUCUS:

S. 1312. A bill to amend the Internal Revenue Code of 1986 to assist in the financing of education expenses for the middle class; to the Committee on Finance.

By Mr. CAMPBELL:

S. 1313. A bill to amend the Internal Revenue Code of 1986 to permit Indian tribal governments to maintain section 401(k) plans for their employees; 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. BRADLEY (for himself, Mr. HATCH, Mr. COHEN, Mr. ROCKEFELLER, Mr. SPECTER, Mrs. MURRAY, and Mrs. FEINSTEIN):

S. Res. 180. A resolution proclaiming October 15, 1995, through October 21, 1995, as the ''Week Without Violence'', and for other purposes; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BINGAMAN:

S. 1308. A bill to amend chapter 73 of title 31, United States Code, to provide for performance standards for block grant programs, and for other purposes; to the Committee on Governmental Affairs.

THE BLOCK GRANT PERFORMANCE STANDARDS ACT

Mr. BINGAMAN. Mr. President, I introduce the Block Grant Performance Standards Act of 1995. This legislation is intended to provide a minimum set of performance standards for all block grants allocating Federal funds to States, localities, and other recipients.

In the 104th Congress, we have seen a movement toward block grants. The idea behind this movement is that we have too many programs providing funding to other levels of government, and that these programs involve too much paperwork. This reasoning leads to the conclusion that if we bundle these programs into broader block grants, we will release other levels of government to better allocate these resources without wasting time and money filling out paperwork bound for bureaucrats in Washington.

Mr. President, I agree that in many cases some of this reasoning is correct. To the extent possible, we should try to reduce paperwork and increase flexibility for State and local governments receiving Federal funds. I believe, however, that in creating block grants we must be responsible to taxpayers and resist the temptation to simply turn over blank checks to other levels of government. As the elected officials at the Federal level, I believe that we must set up minimal performance standards for the block grants we provide.

I am pleased that some of the block grants we are creating do have accountability built in. The Chair of the Senate Committee on Labor and Human Resources, Senator KASSEBAUM, for example, has done an admirable job of including planning and performance standards for the States' administration of the job training block grants anticipated by S. 143, now before the Senate. I was successful in attaching an amendment to the welfare reform bill approved by the Senate that will provide similar accountability.

The legislation I am introducing today is intended to provide accountability standards for all block grant programs. It requires entities receiving block grants to submit a plan to the agency administrating the grant program that outlines the goals of the entity for the use of the Federal funds, a description of how the goals will be achieved, and a discussion of performance indicators that will be used to measure progress toward those goals. It also ensures public participation in the development of this plan through the creation of appropriate community advisory committees. Finally, it provides for the provision of penalties for entities receiving block grants who consistently do not meet the goals they set for themselves in their block grant plans over a period of 2 years.

Mr. President, I believe that this legislation strikes the right balance in ensuring that we meet our fiduciary responsibilities to Federal taxpayers and our desire to provide maximum flexibility to entities receiving block grants. It builds on the work of others, including Senator ROTH, the sponsor of the Government Performance and Results Act of 1993, Public Law 103–62, which set similar performance standards for the Federal Government; and David Osborne, who has written on the need to develop performance standards for government. It also draws on the work of Senator HATFIELD and his legislation to implement flexibility within current programs: S. 88, the Local Empowerment and Flexibility Act of 1995.

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

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

S. 1308

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 ''Block Grant Performance Standards Act of 1995''.

SEC. 2. ADMINISTRATION OF BLOCK GRANTS.

Chapter 73 of title 31, United States Code, is amended by adding at the end thereof the following new subchapter:

''SUBCHAPTER II—CONDITIONS APPLICABLE TO BLOCK GRANTS

''§ 7321. Purposes

''The purposes of this subchapter are to—

''(1) enable more efficient use of Federal, State, and local resources;

''(2) establish accountability for achieving the purposes of block grant programs; and

''(3) establish effective partnerships to address critical issues of public interest.

''§ 7322. Definitions

''For purposes of this subchapter, the term—

''(1) 'block grant program' means a program in which Federal funds are directly allocated to States, localities, or other recipients for use at the discretion of such States, localities, or recipients in meeting stated Federal purposes.; and

''(2) 'plan' means a block grant strategic plan described under section 7324.

''§ 7323. Requirement of approved block grant strategic plans

''No payment may be paid under any block grant program to any eligible entity unless such entity has submitted and received approval for a plan.

''§ 7324. Block grant strategic plans

''The head of an agency administering a block grant program shall designate the criteria that shall be included in a block grant strategic plan. At a minimum, each plan shall contain—

''(1) a description of goals and objectives, including outcome related goals and objectives for each of the designated program activities for each of the first 6 fiscal years of the plan;

''(2) a description of how the goals and objectives are to be achieved, including a description of the operational processes, skills and technology, and the human, capital, information and other objectives required to meet the goals and objectives for the current fiscal year;

''(3) a description of performance indicators to be used in measuring or assessing the relevant output service levels and outcomes of each of the mandatory program activities; and

''(4) a description of the program evaluation to be used in comparing actual results with established goals and objectives, and the designation of results as highly successful or failing to meet the goals and objectives of the program.

''§ 7325. Review and approval of block grant strategic plans

''After receipt of a plan, the head of an agency shall—

''(1) no later than 90 days after the receipt of the application, approve or disapprove all or part of the plan;

''(2) no later than 15 days after the date of such approval or disapproval, notify the applicant in writing of the approval or disapproval; and

''(3) in the case of any disapproval of a plan, include a written justification of the reasons for disapproval in the written notice of disapproval.

''§ 7326. Community advisory committees

''(a) An entity applying for a block grant shall establish a community advisory committee in accordance with this section.

''(b) A community advisory committee shall advise an applicant in the development and implementation of a plan, including advice with respect to—

''(1) conducting public hearings; and

''(2) receiving comment and reviews from communities affected by the plan.

''(c) Membership of the community advisory committee shall include—

''(1) persons with leadership experience in private business and voluntary organizations;

''(2) elected officials representing jurisdictions included in the plan;

''(3) representatives of participating qualified organizations;

''(4) the general public; and

''(5) individuals and representatives of community organizations who shall help to enhance the leadership role of the local government in developing a plan.

''(d) Before submitting an application for approval, or any reports required as a condition of receiving any payment under a block grant program, the applicant shall submit such application or report to the community advisory committee for review and comment. Any comments of the committee shall be submitted with the application or report to the head of an agency.

''§ 7327. Technical and other assistance

''The head of an agency administering a block grant program may provide technical assistance to applicants for block grants in developing information necessary for the design or implementation of a plan.

"§ 7328. Conditional termination or alteration of block grant strategic plan

''(a) The head of an agency administering a block grant program shall establish procedures by regulation for implementing penalties of not less than 5 percent of the grant a recipient would otherwise receive for failing to meet the goals and objectives included in the plan for a block grant.

''(b) The head of an agency shall establish procedures by regulation for—

''(1) suspending the grant a recipient would otherwise receive for a period of 3 years for failure for 2 consecutive years to meet the goals and objectives included in the plan for a block grant; and

''(2) reallocating the amount of the grant a recipient would otherwise receive to other governmental or nonprofit institutions within the plan.

"§ 7329. Administration with other conditions of block grant programs

''The provisions of this subchapter (including all conditions and requirements) shall supersede any other provision of law relating to the administration of any block grant program only to the extent of any inconsistency with such other provision.''.

SEC. 3. TECHNICAL AND CONFORMING AMENDMENTS.

(a) TABLE OF SECTIONS.—Chapter 73 of title 31, United States Code, is amended by striking out the chapter heading and the table of sections and inserting in lieu thereof the following:

"CHAPTER 73—ADMINISTERING BLOCK GRANTS

''SUBCHAPTER I—BLOCK GRANT AMOUNTS

''Sec.
''7301. Purpose.
''7302. Definitions.
''7303. Reports and public hearings on proposed uses of amounts.
''7304. Availability of records.
''7305. State auditing requirements.

''SUBCHAPTER II—CONDITIONS APPLICABLE TO BLOCK GRANTS

''7321. Purposes.
''7322. Definitions.
''7323. Requirement of approved block grant strategic plans.
''7324. Block grant strategic plans.
''7325. Review and approval of block grant strategic plans.
''7326. Community advisory committees.
''7327. Technical and other assistance.
''7328. Conditional termination or alteration of block grant strategic plan.
''7329. Administration with other conditions of block grant programs.

''SUBCHAPTER I—BLOCK GRANT AMOUNTS''.

(b) CHAPTER REFERENCES.—Chapter 73 of title 31, United States Code, is amended—

(1) in section 7301 in the matter preceding paragraph (1) by striking out ''chapter'' and inserting in lieu thereof ''subchapter''; and

(2) in section 7302 in the matter preceding paragraph (1) by striking out ''chapter'' and inserting in lieu thereof ''subchapter''.

SEC. 4. EFFECTIVE DATE.

This Act shall take effect on October 1, 1997, and shall apply to payments under block grant programs on and after such date.

[From the Washington Post, June 1, 1995]

A FEDERAL CHALLENGE FOR LOCAL INGENUITY

(By David Osborne)

In the new Republican Congress, block grants are breaking out all over. And heaven knows, they're superior to narrow categorical grants. But as the time for decisions draws near, it's worth stopping for a moment to ask: Are block grants the best we can do?

There is one simple idea missing from the block grant debate of 1995. It's called accountability for results. In their heat to downsize the federal government, the Republicans may miss the best opportunity in a generation to create a federalism that works.

We all know that the current federal system, with its 550-plus categorical grant programs, is a mess. We also know from every poll on the issue that the public supports devotion of responsibilities to state and local governments.

What we don't know is that block grants are the best solution.

Congress's inability to resist creating new categorical grant programs—they sprout up almost like weeds in a garden—has been a problem since the 1960s. By 1991 Congress funded almost 100 social service grant programs, more than 80 health care grant programs and close to 30 grant programs that dealt with housing or development in poor communities.

Many of these were for absurdly small amounts—$3 million or $4 million nationally. More than half of the Education Department's 90-odd programs were for less than $15 million.

When one department administers so many tiny grant programs, something is wrong. Thousands of public employees, in Washington and in state and local governments, spend countless hours publicizing programs, writing and reviewing grant applications, reporting on how money was spent and audited. Billions of dollars go to the professionals and bureaucrats who do this, rather than the intended recipients: students, poor people, urban residents and the unemployed.

For 25 years, the knee-jerk response has been the block grant, which consolidates many categorical grant programs into one grant with—at least theoretically—few strings attached.

There is just one problem with this. Block grants are blind to performance. They shower as much money on wasteful, ineffective programs as they do on innovative, cost-effective approaches.

We need a third way: block grants in which state and local governments compete in part based on the results they achieve. This kind of model has become common at the state level. Pennsylvania's highly regarded Ben Franklin Partnership, for instance, invented what it calls ''challenge grants'' to fund local economic development centers.

The concept is simple, and Congress would be wise to adopt it. Consider the idea of a community development challenge grant, administered by the Department of Housing and Urban Development. Under this approach, the federal government would establish broad guidelines, objectives and performance measures. State and/or local governments would then compete for challenge grants based on three criteria:

Need: This could be determined by a community's unemployment rate, poverty rate and median income.

Quality of strategy: Does the proposed strategy leverage private sector involvement? Does it empower communities to solve more of their own problems? Does it encourage competition and choice? Does it measure and reward results?

Results: The federal government would measure the number of jobs created, changes in the poverty and unemployment rates, job placement rates, private investment leveraged, changes in indicators of family health, incidence of graft or corruption and so on.

The higher a government ranked on these criteria, the more funding it would receive. Eventually, only two criteria would be necessary: need and results. Until data on results build up, however, HUD could use quality criteria to drive state and local governments toward strategies that have proven more effective than traditional service delivery by public bureaucracies.

This approach would cause states and localities to attack the problems federal programs are designed to solve, without dictating the approaches they use. It would tap state and local ingenuity without abandoning federal responsibility.

By setting goals, measuring outcomes and rewarding success, challenged grants would push lower levels of governments to come up with strategies that worked. Local entities could focus on their own areas of greatest need and craft their own initiatives, without micromanagement from above. They could not, however, continue to collect their full grants without producing results.

The Clinton administration is already testing a version of this model through its ''Oregon Option''—a performance-based contract between the state and several federal departments, first proposed last year by the Alliance for Redesigning Government. HUD Secretary Henry Cisneros has also proposed three performance-based block grants. Yet few Republicans in Congress are listening.

The Republicans' impulse to hand money to the states regardless of their performance is particularly ironic given the public's intense demand for more efficient and effective government. Remember, this is federal money, raised through federal taxes to attack national problems that state and local governments will never solve on their own.

It is easy to wax poetic about the virtues of state government. But as the author of a book on the subject, ''Laboratories of Democracy,'' I feel compelled to inject some reality.

State and local romantics often forget one fact: States, cities and counties must compete to keep their taxes low, lest they drive businesses and wealthy residents away. This is why no state has ever made a sustained investment in combating poverty of crating a viable training system. It is also why no state save Hawaii—separated by thousands of miles of ocean from its neighbors—has ever funded universal health insurance.

It is equally ironic that Congress wants to give block grants only to the states. The fact that current proposals ignore local governments is perhaps the most obvious sign of how little thinking their authors have done.

Again, a dose of reality: The typical state bureaucracy performs a little better than the typical federal bureaucracy—but not much. Most of the real improvement in performance over the past two decades has come at the local level. In addition, most public services are provided by local governments, not state governments. And the level of government Americans trust most is—you guessed it—local government.

If Congress wants to make government work better and cost less, it will control its jerking knee and craft challenge grants aimed at both state and local governments. If it simply wants to make the federal government smaller, it will create block grants for the states. The choice will be revealing.

By Mr. KERRY

S. 1310. A bill to amend the Internal Revenue Code of 1986 to expand the availability of individual retirement accounts, and for other purposes; to the Committee on Finance.

THE SAVINGS AND INVESTMENT INCENTIVE ACT OF 1995

• Mr. KERRY. Mr. President, in these difficult budgetary times we not only

have a fiscal deficit that we must address, but we also have a savings deficit in this country that requires creative and innovative approaches to helping people save and plan for their retirements.

That is why I am offering the Savings and Investment Incentive Act of 1995 which will expand deductible IRA's, create a special nondeductible IRA program, allow penalty-free withdrawals for specific reasons; and it appeals to our sense of fairness by targeting the middle class.

What does this mean? It means that any individual who is not an active participant in a an employee-sponsored plan would be eligible for a deductible IRA, regardless of income.

It means that income levels for participants in the IRA program would be doubled for those who participate in employer-provided pension plans.

It means that all middle-income Americans who earn up to $50,000, and couples who earn up to $80,000, indexed for inflation, could fully deduct IRA contributions.

It means that people eligible for traditional IRAs could now set up a special IRA that would provide a new saving vehicle that encourages middle-income Americans to save by allowing an incentive tax-free withdrawal without draining the Treasury.

I did cosponsor, along with 60 of my colleagues, a more ambitious proposal authored by my friend from Delaware, Senator ROTH, and my friend from Louisiana, Senator BREAUX, but, given our budgetary constraints, I respectfully suggest that this bill is, perhaps, more realistic.

While contributions to the new special IRA's, under this proposal, would not be deductible, if funds remain in the account for at least 5 years withdrawals would be tax free. Individuals in the upper end of the new income brackets would be able to convert balances in their traditional deductible IRA accounts to the ''Special IRA'' accounts without being subject to penalty.

The amount transferred from the existing contribution-deductible IRA to the special IRA would be subject to ordinary income tax in the year of the transfer.

But, this legislation recognizes people's real needs in the real world. Under this plan withdrawals of earnings for the ''Special IRA's'' within 5 years would be subject to ordinary income tax and a 10-percent penalty unless the withdrawals are for education expenses, a first-time home purchase, unemployment, or medical care.

Mr. President, we need to invest more. We need to save more. We need to be fair and recognize the difficult economic times that middle-class Americans are suffering. We need to help them save for their future and find innovative creative ways to do it.

This bill has the approval of the Treasury Department and does everything the Roth-Breaux ''Super-IRA'' proposal does in a way that does not inflate the deficit.

I believe, Mr. President, that the Savings and Investment Incentive Act of 1995 is a moderate, fair, commonsense approach that doubles the income levels for participation; allows non penalty deductions for a variety of real life situations; and it will work for working Americans without busting the Treasury.

Mr. President, I ask unanimous consent that the bill appear in the RECORD.

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

S. 1310

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

SECTION 1. SHORT TITLE; AMENDMENT OF 1986 CODE.

(a) SHORT TITLE.—This Act may be cited as the ''Savings and Investment Incentive Act of 1995''.

(b) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

TITLE I—RETIREMENT SAVINGS INCENTIVES

Subtitle A—IRA Deduction

SEC. 101. INCREASE IN INCOME LIMITATIONS.

(a) IN GENERAL.—Subparagraph (B) of section 219(g)(3) is amended—

(1) by striking ''$40,000'' in clause (i) and inserting ''$80,000'', and

(2) by striking ''$25,000'' in clause (ii) and inserting ''$50,000''.

(b) PHASE-OUT OF LIMITATIONS.—Clause (ii) of section 219(g)(2)(A) is amended by striking ''$10,000'' and inserting ''an amount equal to 10 times the dollar amount applicable for the taxable year under subsection (b)(1)(A)''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1995.

SEC. 102. INFLATION ADJUSTMENT FOR DEDUCTIBLE AMOUNT AND INCOME LIMITATIONS.

(a) IN GENERAL.—Section 219 is amended by redesignating subsection (h) as subsection (i) and by inserting after subsection (g) the following new subsection:

''(h) COST-OF-LIVING ADJUSTMENTS.—

''(1) IN GENERAL.—In the case of any taxable year beginning in a calendar year after 1996, each dollar amount to which this subsection applies shall be increased by an amount equal to—

''(A) such dollar amount, multiplied by

''(B) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting 'calendar year 1995' for 'calendar year 1992' in subparagraph (B) thereof.

''(2) DOLLAR AMOUNTS TO WHICH SUBSECTION APPLIES.—This subsection shall apply to—

''(A) the $2,000 amounts under subsection (b)(1)(A) and (c), and

''(B) the applicable dollar amounts under subsection (g)(3)(B).

''(3) ROUNDING RULES.—

''(A) DEDUCTION AMOUNTS.—If any amount referred to in paragraph (2)(A) as adjusted under paragraph (1) is not a multiple of $500, such amount shall be rounded to the next lowest multiple of $500.

''(B) APPLICABLE DOLLAR AMOUNTS.—If any amount referred to in paragraph (2)(B) as adjusted under paragraph (1) is not a multiple of $5,000, such amount shall be rounded to the next lowest multiple of $5,000.''

(b) CONFORMING AMENDMENTS.—

(1) Clause (i) of section 219(c)(2)(A) is amended to read as follows:

''(i) the sum of $250 and the dollar amount in effect for the taxable year under subsection (b)(1)(A), or''.

(2) Section 408(a)(1) is amended by striking ''in excess of $2,000 on behalf of any individual'' and inserting ''on behalf of any individual in excess of the amount in effect for such taxable year under section 219(b)(1)(A)''.

(3) Section 408(b)(2)(B) is amended by striking ''$2,000'' and inserting ''the dollar amount in effect under section 219(b)(1)(A)''.

(4) Subparagraph (A) of section 408(d)(5) is amended by striking ''$2,250'' and inserting ''the dollar amount in effect for the taxable year under section 219(c)(2)(A)(i)''.

(5) Section 408(j) is amended by striking ''$2,000''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1995.

SEC. 103. COORDINATION OF IRA DEDUCTION LIMIT WITH ELECTIVE DEFERRAL LIMIT.

(a) IN GENERAL.—Section 219(b) (relating to maximum amount of deduction) is amended by adding at the end the following new paragraph:

''(4) COORDINATION WITH ELECTIVE DEFERRAL LIMIT.—The amount determined under paragraph (1) or subsection (c)(2) with respect to any individual for any taxable year shall not exceed the excess (if any) of—

''(A) the limitation applicable for the taxable year under section 402(g)(1), over

''(B) the elective deferrals (as defined in section 402(g)(3)) of such individual for such taxable year.''

(b) CONFORMING AMENDMENT.—Section 219(c) is amended by adding at the end the following new paragraph:

''(3) CROSS REFERENCE.—

''For reduction in paragraph (2) amount, see subsection (b)(4).''

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1995.

Subtitle B—Nondeductible Tax-Free IRA's

SEC. 111. ESTABLISHMENT OF NONDEDUCTIBLE TAX-FREE INDIVIDUAL RETIREMENT ACCOUNTS.

(a) IN GENERAL.—Subpart A of part I of subchapter D of chapter 1 (relating to pension, profit-sharing, stock bonus plans, etc.) is amended by inserting after section 408 the following new section:

''SEC. 408A. SPECIAL INDIVIDUAL RETIREMENT ACCOUNTS.

''(a) GENERAL RULE.—Except as provided in this chapter, a special individual retirement account shall be treated for purposes of this title in the same manner as an individual retirement plan.

''(b) SPECIAL INDIVIDUAL RETIREMENT ACCOUNT.—For purposes of this title, the term 'special individual retirement account' means an individual retirement plan which is designated at the time of establishment of the plan as a special individual retirement account.

''(c) TREATMENT OF CONTRIBUTIONS.—

''(1) NO DEDUCTION ALLOWED.—No deduction shall be allowed under section 219 for a contribution to a special individual retirement account.

''(2) CONTRIBUTION LIMIT.—The aggregate amount of contributions for any taxable year to all special individual retirement accounts maintained for the benefit of an individual shall not exceed the excess (if any) of—

''(A) the maximum amount allowable as a deduction under section 219 with respect to such individual for such taxable year, over

''(B) the amount so allowed.

''(3) SPECIAL RULES FOR QUALIFIED TRANSFERS.—

''(A) IN GENERAL.—No rollover contribution may be made to a special individual retirement account unless it is a qualified transfer.

''(B) LIMIT NOT TO APPLY.—The limitation under paragraph (2) shall not apply to a qualified transfer to a special individual retirement account.

''(d) TAX TREATMENT OF DISTRIBUTIONS.—

''(1) IN GENERAL.—Except as provided in this subsection, any amount paid or distributed out of a special individual retirement account shall not be included in the gross income of the distributee.

''(2) EXCEPTION FOR EARNINGS ON CONTRIBUTIONS HELD LESS THAN 5 YEARS.—

''(A) IN GENERAL.—Any amount distributed out of a special individual retirement account which consists of earnings allocable to contributions made to the account during the 5-year period ending on the day before such distribution shall be included in the gross income of the distributee for the taxable year in which the distribution occurs.

''(B) ORDERING RULE.—

''(i) FIRST-IN, FIRST-OUT RULE.—Distributions from a special individual retirement account shall be treated as having been made—

''(I) first from the earliest contribution (and earnings allocable thereto) remaining in the account at the time of the distribution, and

''(II) then from other contributions (and earnings allocable thereto) in the order in which made.

''(ii) ALLOCATIONS BETWEEN CONTRIBUTIONS AND EARNINGS.—Any portion of a distribution allocated to a contribution (and earnings allocable thereto) shall be treated as allocated first to the earnings and then to the contribution.

''(iii) ALLOCATION OF EARNINGS.—Earnings shall be allocated to a contribution in such manner as the Secretary may by regulations prescribe.

''(iv) CONTRIBUTIONS IN SAME YEAR.—Except as provided in regulations, all contributions made during the same taxable year may be treated as 1 contribution for purposes of this subparagraph.

''(C) CROSS REFERENCE.—

''For additional tax for early withdrawal, see section 72(t).

''(3) QUALIFIED TRANSFER.—

''(A) IN GENERAL.—Paragraph (2) shall not apply to any distribution which is transferred in a qualified transfer to another special individual retirement account.

''(B) CONTRIBUTION PERIOD.—For purposes of paragraph (2), the special individual retirement account to which any contributions are transferred shall be treated as having held such contributions during any period such contributions were held (or are treated as held under this subparagraph) by the special individual retirement account from which transferred.

''(4) SPECIAL RULES RELATING TO CERTAIN TRANSFERS.—

''(A) IN GENERAL.—Notwithstanding any other provision of law, in the case of a qualified transfer to a special individual retirement account from an individual retirement plan which is not a special individual retirement account—

''(i) there shall be included in gross income any amount which, but for the qualified transfer, would be includible in gross income, but

''(ii) section 72(t) shall not apply to such amount.

''(B) TIME FOR INCLUSION.—In the case of any qualified transfer which occurs before January 1, 1997, any amount includible in gross income under subparagraph (A) with respect to such contribution shall be includible ratably over the 4-taxable year period beginning in the taxable year in which the amount was paid or distributed out of the individual retirement plan.

''(e) QUALIFIED TRANSFER.—For purposes of this section

''(1) IN GENERAL.—The term 'qualified transfer' means a transfer to a special individual retirement account from another such account or from an individual retirement plan but only if such transfer meets the requirements of section 408(d)(3).

''(2) LIMITATION.—A transfer otherwise described in paragraph (1) shall not be treated as a qualified transfer if the taxpayer's adjusted gross income for the taxable year of the transfer exceeds the sum of—

''(A) the applicable dollar amount, plus

''(B) the dollar amount applicable for the taxable year under section 219(g)(2)(A)(ii).

This paragraph shall not apply to a transfer from a special individual retirement account to another special individual retirement account.

''(3) DEFINITIONS.—For purposes of this subsection, the terms 'adjusted gross income' and 'applicable dollar amount' have the meanings given such terms by section 219(g)(3), except subparagraph (A)(ii) thereof shall be applied without regard to the phrase 'or the deduction allowable under this section'.''

(b) EARLY WITHDRAWAL PENALTY.—Section 72(t) is amended by adding at the end the following new paragraph:

''(6) RULES RELATING TO SPECIAL INDIVIDUAL RETIREMENT ACCOUNTS.—In the case of a special individual retirement account under section 408A—

''(A) this subsection shall only apply to distributions out of such account which consist of earnings allocable to contributions made to the account during the 5-year period ending on the day before such distribution, and

''(B) paragraph (2)(A)(i) shall not apply to any distribution described in subparagraph (A).''

(c) EXCESS CONTRIBUTIONS.—Section 4973(b) is amended by adding at the end the following new sentence: ''For purposes of paragraphs (1)(B) and (2)(C), the amount allowable as a deduction under section 219 shall be computed without regard to section 408A.''

(d) CONFORMING AMENDMENT.—The table of sections for subpart A of part I of subchapter D of chapter 1 is amended by inserting after the item relating to section 408 the following new item:

''Sec. 408A. Special individual retirement accounts.''

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1995.

TITLE II—PENALTY-FREE DISTRIBUTIONS

SEC. 201. DISTRIBUTIONS FROM CERTAIN PLANS MAY BE USED WITHOUT PENALTY TO PURCHASE FIRST HOMES, TO PAY HIGHER EDUCATION OR FINANCIALLY DEVASTATING MEDICAL EXPENSES, OR BY THE UNEMPLOYED.

(a) IN GENERAL.—Paragraph (2) of section 72(t) (relating to exceptions to 10-percent additional tax on early distributions from qualified retirement plans) is amended by adding at the end the following new subparagraph:

''(D) DISTRIBUTIONS FROM CERTAIN PLANS FOR FIRST HOME PURCHASES OR EDUCATIONAL EXPENSES.—Distributions to an individual from an individual retirement plan—

''(i) which are qualified first-time homebuyer distributions (as defined in paragraph (7)); or

''(ii) to the extent such distributions do not exceed the qualified higher education expenses (as defined in paragraph (8)) of the taxpayer for the taxable year.''

(b) FINANCIALLY DEVASTATING MEDICAL EXPENSES.—

(1) IN GENERAL.—Section 72(t)(3)(A) is amended by striking ''(B),''.

(2) CERTAIN LINEAL DESCENDANTS AND ANCESTORS TREATED AS DEPENDENTS AND LONG-TERM CARE SERVICES TREATED AS MEDICAL CARE.—Subparagraph (B) of section 72(t)(2) is amended by striking ''medical care'' and all that follows and inserting ''medical care determined—

''(i) without regard to whether the employee itemizes deductions for such taxable year, and

''(ii) in the case of an individual retirement plan—

''(I) by treating such employee's dependents as including all children, grandchildren and ancestors of the employee or such employee's spouse and

''(II) by treating qualified long-term care services (as defined in paragraph (9)) as medical care for purposes of this subparagraph (B).''

(3) CONFORMING AMENDMENT.—Subparagraph (B) of section 72(t)(2) is amended by striking ''or (C)'' and inserting '', (C) or (D)''.

(c) DEFINITIONS.—Section 72(t), as amended by this Act, is amended by adding at the end the following new paragraphs:

''(7) QUALIFIED FIRST-TIME HOMEBUYER DISTRIBUTIONS.—For purposes of paragraph (2)(D)(i)—

''(A) IN GENERAL.—The term 'qualified first-time homebuyer distribution' means any payment or distribution received by an individual to the extent such payment or distribution is used by the individual before the close of the 60th day after the day on which such payment or distribution is received to pay qualified acquisition costs with respect to a principal residence of a first-time homebuyer who is such individual or the spouse, child (as defined in section 151(c)(3)), or grandchild of such individual.

''(B) QUALIFIED ACQUISITION COSTS.—For purposes of this paragraph, the term 'qualified acquisition costs' means the costs of acquiring, constructing, or reconstructing a residence. Such term includes any usual or reasonable settlement, financing, or other closing costs.

''(C) FIRST-TIME HOMEBUYER; OTHER DEFINITIONS.—For purposes of this paragraph—

''(i) FIRST-TIME HOMEBUYER.—The term 'first-time homebuyer' means any individual if—

''(I) such individual (and if married, such individual's spouse) had no present ownership interest in a principal residence during the 3-year period ending on the date of acquisition of the principal residence to which this paragraph applies, and

''(II) subsection (h) or (k) of section 1034 did not suspend the running of any period of time specified in section 1034 with respect to such individual on the day before the date the distribution is applied pursuant to subparagraph (A).

In the case of an individual described in section 143(i)(1)(C) for any year, an ownership interest shall not include any interest under a contract of deed described in such section. An individual who loses an ownership interest in a principal residence incident to a divorce or legal separation is deemed for purposes of this subparagraph to have had no ownership interest in such principal residence within the period referred to in subparagraph (A)(II).

''(ii) PRINCIPAL RESIDENCE.—The term 'principal residence' has the same meaning as when used in section 1034.

''(iii) DATE OF ACQUISITION.—The term 'date of acquisition' means the date—

''(I) on which a binding contract to acquire the principal residence to which subparagraph (A) applies is entered into, or

''(II) on which construction or reconstruction of such a principal residence is commenced.

''(D) SPECIAL RULE WHERE DELAY IN ACQUISITION.—If any distribution from any individual retirement plan fails to meet the requirements of subparagraph (A) solely by reason of a delay or cancellation of the purchase or construction of the residence, the amount of the distribution may be contributed to an individual retirement plan as provided in section 408(d)(3)(A)(i) (determined by substituting '120 days' for '60 days' in such section), except that—

''(i) section 408(d)(3)(B) shall not be applied to such contribution, and

''(ii) such amount shall not be taken into account in determining whether section 408(d)(3)(A)(i) applies to any other amount.

''(8) QUALIFIED HIGHER EDUCATION EXPENSES.—For purposes of paragraph (2)(D)(ii)—

''(A) IN GENERAL.—The term 'qualified higher education expenses' means tuition and fees required for the enrollment or attendance of—

''(i) the taxpayer,

''(ii) the taxpayer's spouse,

''(iii) a dependent of the taxpayer with respect to whom the taxpayer is allowed a deduction under section 151, or

''(iv) the taxpayer's child (as defined in section 151(c)(3)) or grandchild,

as an eligible student at an institution of higher education (as defined in paragraphs (1)(D) and (2) of section 220(c)).

''(B) EXCEPTIONS.—The term 'qualified higher education expenses' does not include expenses described in subparagraphs (B) and (C) of section 220(c)(1).

''(C) COORDINATION WITH SAVINGS BOND PROVISIONS.—The amount of qualified higher education expenses for any taxable year shall be reduced by any amount excludable from gross income under section 135.

''(9) QUALIFIED LONG-TERM CARE SERVICES.—For purposes of paragraph (2)(B)—

''(A) IN GENERAL.—The term 'qualified long-term care services' means necessary diagnostic, curing, mitigating, treating, preventive, therapeutic, and rehabilitative services, and maintenance and personal care services (whether performed in a residential or nonresidential setting) which—

''(i) are required by an individual during any period the individual is an incapacitated individual (as defined in subparagraph (B)),

''(ii) have as their primary purpose—

''(I) the provision of needed assistance with 1 or more activities of daily living (as defined in subparagraph (C)), or

''(II) protection from threats to health and safety due to severe cognitive impairment, and

''(iii) are provided pursuant to a continuing plan of care prescribed by a licensed professional (as defined in subparagraph (D)).

''(B) INCAPACITATED INDIVIDUAL.—The term 'incapacitated individual' means any individual who—

''(i) is unable to perform, without substantial assistance from another individual (including assistance involving cueing or substantial supervision), at least 2 activities of daily living as defined in subparagraph (C), or

''(ii) has severe cognitive impairment as defined by the Secretary in consultation with the Secretary of Health and Human Services.

Such term shall not include any individual otherwise meeting the requirements of the preceding sentence unless a licensed professional within the preceding 12-month period has certified that such individual meets such requirements.

''(C) ACTIVITIES OF DAILY LIVING.—Each of the following is an activity of daily living:

''(i) Eating.

''(ii) Toileting.

''(iii) Transferring.

''(iv) Bathing.

''(v) Dressing.

''(D) LICENSED PROFESSIONAL.—The term 'licensed professional' means—

''(i) a physician or registered professional nurse, or

''(ii) any other individual who meets such requirements as may be prescribed by the Secretary after consultation with the Secretary of Health and Human Services.

''(E) CERTAIN SERVICES NOT INCLUDED.—The term 'qualified long-term care services' shall not include any services provided to an individual—

''(i) by a relative (directly or through a partnership, corporation, or other entity) unless the relative is a licensed professional with respect to such services, or

''(ii) by a corporation or partnership which is related (within the meaning of section 267(b) or 707(b)) to the individual.

For purposes of this subparagraph, the term 'relative' means an individual bearing a relationship to the individual which is described in paragraphs (1) through (8) of section 152(a).''

(d) PENALTY-FREE DISTRIBUTIONS FOR CERTAIN UNEMPLOYED INDIVIDUALS.—Paragraph (2) of section 72(t) is amended by adding at the end the following new subparagraph:

''(E) DISTRIBUTIONS TO UNEMPLOYED INDIVIDUALS.—A distribution from an individual retirement plan to an individual after separation from employment, if—

''(i) such individual has received unemployment compensation for 12 consecutive weeks under any Federal or State unemployment compensation law by reason of such separation, and

''(ii) such distributions are made during any taxable year during which such unemployment compensation is paid or the succeeding taxable year.''

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to payments and distributions after December 31, 1995.

SEC. 202. CONTRIBUTIONS MUST BE HELD AT LEAST 5 YEARS IN CERTAIN CASES.

(a) IN GENERAL.—Section 72(t), as amended by this Act, is amended by adding at the end the following new paragraph:

''(10) CERTAIN CONTRIBUTIONS MUST BE HELD 5 YEARS.—

''(A) IN GENERAL.—Paragraph (2)(A)(i) shall not apply to any amount distributed out of an individual retirement plan (other than a special individual retirement account) which is allocable to contributions made to the plan during the 5-year period ending on the date of such distribution (and earnings on such contributions).

''(B) ORDERING RULE.—For purposes of this paragraph, distributions shall be treated as having been made—

''(i) first from the earliest contribution (and earnings allocable thereto) remaining in the account at the time of the distribution, and

''(ii) then from other contributions (and earnings allocable thereto) in the order in which made.

Earnings shall be allocated to contributions in such manner as the Secretary may prescribe.

''(C) SPECIAL RULE FOR ROLLOVERS.—

''(i) PENSION PLANS.—Subparagraph (A) shall not apply to distributions out of an individual retirement plan which are allocable to rollover contributions to which section 402(c), 403(a)(4), or 403(b)(8) applied.

''(ii) CONTRIBUTION PERIOD.—For purposes of subparagraph (A), amounts shall be treated as having been held by a plan during any period such contributions were held (or are treated as held under this clause) by any individual retirement plan from which transferred.

''(D) SPECIAL ACCOUNTS.—For rules applicable to special individual retirement accounts under section 408A, see paragraph (8).''

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to contributions (and earnings allocable thereto) which are made after December 31, 1995.●

By Mr. CAMPBELL (for himself and Mr. BRADLEY):

S. 1311. A bill to establish a National Fitness and Sports Foundation to carry out activities to support and supplement the mission of the President's Council on Physical Fitness and Sports, and for other purposes; to the Committee on Commerce, Science, and Transportation.

THE NATIONAL PHYSICAL FITNESS AND SPORTS FOUNDATION ACT

● Mr. CAMPBELL. Mr. President, I introduce the National Physical Fitness and Sports Foundation Act. This legislation serves the growing need of the President's Council on Physical Fitness to expand and become more self-sufficient.

Mr. President, the foundation created by this bill simply allows the Council to expand its scope and activities without burdening the Federal Government with this expense. As it stands today, the President's Council operates under a severely limited budget. This legislation will empower the Council to become more self-reliant, and less dependent on Federal funding, by creating opportunities to generate and solicit independent sources of funding for the organization.

At a time where we are operating under fiscal restraints, I want to assure my colleagues that this bill does not create a quasi-federal agency to add to the already burdensome system. The foundation created by this bill will be established in collaboration with the Department of Health and Human Services. It would be a nonprofit, private corporation that would encourage the participation by, and support of private organizations for the activities of the Council.

For my colleagues that may not be familiar with the Council, I would like to provide some background on its mission and intent. The President's Council on Physical Fitness and Sports was originally established by President Eisenhower in 1956 to promote physical fitness for our Nation's youth. Since that time, the Council has undergone significant changes, expanding its services to include opportunities with physical fitness, sports, and sports medicine for people of all ages. Today, the Council serves an important role with other national physical fitness and sports organizations and several

Federal agencies, collaborating on important issues and campaigns to improve the health of the citizens of this country.

The President's Council on Physical Fitness is of personal interest to me. As many of my colleagues know, sports, specifically judo, played a critical role in my life. I was hardly a role model as a young man; I hung out with a tough crowd and got into plenty of trouble. The discipline and commitment that judo taught me, literally turned my life around. After many years of dedicated training, I was honored with a gold medal in the 1963 Pan Am Games for judo, and then was selected a year later as captain of the 1964 U.S. Olympic Judo Team. I personally know what a difference sports can make in a person's life. That is why I am encouraging any and all efforts to promote sports and physical fitness in our country.

The Council is the only Federal office that is solely devoted to programs involving physical activity, fitness, and sports. Because of the invaluable role these activities play in the lives of nearly all Americans, it is critical that we support this organization in its vital efforts to continue to promote high standards of health and fitness for the citizens of this Country.

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. 1311

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 Physical Fitness and Sports Foundation Establishment Act''.

SEC. 2. ESTABLISHMENT AND PURPOSE OF FOUNDATION.

(a) ESTABLISHMENT.—There is established the National Physical Fitness and Sports Foundation (hereinafter in this Act referred to as the ''Foundation''). The Foundation shall be a charitable and nonprofit corporation and shall not be an agency or establishment of the United States.

(b) PURPOSES.—It is the purpose of the Foundation to—

(1) in conjunction with the President's Council on Physical Fitness and Sports, develop a list and description of programs, events and other activities which would further the goals outlined in Executive Order 12345 and with respect to which combined private and governmental efforts would be beneficial; and

(2) encourage and promote the participation by private organizations in the activities referred to in subsection (b)(1) and to encourage and promote private gifts of money and other property to support those activities.

(c) DISPOSITION OF MONEY AND PROPERTY.—At least annually the Foundation shall transfer, after the deduction of the administrative expenses of the Foundation, the balance of any contributions received for the activities referred to in subsection (b), to the Public Health Service Gift Fund pursuant to section 231 of the Public Health Service Act (42 U.S.C. 238) for expenditure pursuant to the provisions of that section and consistent with the purposes for which the funds were donated.

SEC. 3. BOARD OF DIRECTORS OF THE FOUNDATION.

(a) ESTABLISHMENT AND MEMBERSHIP.—

(1) IN GENERAL.—The Foundation shall have a governing Board of Directors (hereinafter referred to in this Act as the ''Board''), which shall consist of nine Directors, to be appointed not later than 90 days after the date of enactment of this Act, each of whom shall be a United States citizen and—

(A) three of whom must be knowledgeable or experienced in one or more fields directly connected with physical fitness, sports or the relationship between health status and physical exercise; and

(B) six of whom must be leaders in the private sector with a strong interest in physical fitness, sports or the relationship between health status and physical exercise (one of which shall be a representative of the United States Olympic Committee).

The membership of the Board, to the extent practicable, shall represent diverse professional specialties relating to the achievement of physical fitness through regular participation in programs of exercise, sports and similar activities.

(2) EX OFFICIO MEMBERS.—The Assistant Secretary for Health, the Executive Director of the President's Council on Physical Fitness and Sports, the Director for the National Center for Chronic Disease Prevention and Health Promotion, the Director of the National Heart, Lung, and Blood Institute and the Director for the Centers for Disease Control and Prevention shall serve as ex officio, nonvoting members of the Board.

(3) NOT FEDERAL EMPLOYMENT.—Appointment to the Board or serving as a member of the staff of the Board shall not constitute employment by, or the holding of an office of, the United States for the purposes of any Federal employment or other law.

(b) APPOINTMENT AND TERMS.—

(1) APPOINTMENT.—Of the members of the Board appointed under subsection (a)(1), three shall be appointed by the Secretary of Health and Human Services (hereinafter referred to in this Act as the ''Secretary''), two shall be appointed by the Majority Leader of the Senate, one shall be appointed by the Minority Leader of the Senate, two shall be appointed by the Speaker of the House of representatives, and one shall be appointed by the Minority Leader of the House of Representatives.

(2) TERMS.—Members appointed to the Board under subsection (a)(1) shall serve for a term of 6 years. A vacancy on the Board shall be filled within 60 days of the date on which such vacancy occurred in the manner in which the original appointment was made. A member appointed to fill a vacancy shall serve for the balance of the term of the individual who was replaced. No individual may serve more than two consecutive terms as a Director.

(c) CHAIRPERSON.—A Chairperson shall be elected by the Board from among its members and serve for a 2-year term. The Chairperson shall not be limited in terms or service.

(d) QUORUM.—A majority of the sitting members of the Board shall constitute a quorum for the transaction of business.

(e) MEETINGS.—The Board shall meet at the call of the Chairperson, but in no event less than once each year. If a Director misses three consecutive regularly scheduled meetings, that individual may be removed from the Board and the vacancy filled in accordance with subsection (b)(2).

(f) REIMBURSEMENT OF EXPENSES.—The members of the Board shall serve without pay. The members of the Board shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, while away from their homes or regular places of business in the performance of services for the Board.

(g) GENERAL POWERS.—

(1) ORGANIZATION.—The Board may complete the organization of the Foundation by—

(A) appointing officers and employees;

(B) adopting a constitution and bylaws consistent with the purposes of the Foundation and the provision of this Act; and

(C) undertaking such other acts as may be necessary to carry out the provisions of this Act.

In establishing bylaws under this paragraph, the Board shall provide for policies with regard to financial conflicts of interest and ethical standards for the acceptance, solicitation and disposition of donations and grants to the Foundation.

(2) LIMITATIONS ON OFFICERS AND EMPLOYEES.—The following limitations apply with respect to the appointment of officers and employees of the Foundation:

(A) Officers and employees may not be appointed until the Foundation has sufficient funds to compensate such individuals for their service. No individual so appointed may receive pay in excess of the annual rate of basic pay in effect for Executive Level V in the Federal service.

(B) The first officer or employee appointed by the Board shall be the secretary of the Board who—

(i) shall serve, at the direction of the Board, as its chief operating officer; and

(ii) shall be knowledgeable and experienced in matters relating to physical fitness and sports.

(C) No Public Health Service employee nor the spouse or dependent relative of such an employee may serve as an officer or member of the Board of Directors or as an employee of the Foundation.

(D) Any individual who is an officer, employee, or member of the Board of the Foundation may not (in accordance with the policies developed under paragraph (1)(B)) personally or substantially participate in the consideration or determination by the Foundation of any matter that would directly or predictably affect any financial interest of the individual or a relative (as such term is defined in section 109(16) of the Ethics in Government Act of 1978) of the individual, of any business organization or other entity, or of which the individual is an officer or employee, or is negotiating for employment, or in which the individual has any other financial interest.

SEC. 4. RIGHTS AND OBLIGATIONS OF THE FOUNDATION.

(a) IN GENERAL.—The Foundation—

(1) shall have perpetual succession;

(2) may conduct business throughout the several States, territories, and possessions of the United States;

(3) shall locate its principal offices in or near the District of Columbia; and

(4) shall at all times maintain a designated agent authorized to accept service of process for the Foundation.

The serving of notice to, or service of process upon, the agent required under paragraph (4), or mailed to the business address of such agent, shall be deemed as service upon or notice to the Foundation.

(b) SEAL.—The Foundation shall have an official seal selected by the Board which shall be judicially noticed.

(c) POWERS.—To carry out the purposes under section 2, the Foundation shall have

the usual powers of a corporation acting as a trustee in the District of Columbia, including the power—

(1) except as otherwise provided herein, to accept, receive, solicit, hold, administer and use any gift, devise, or bequest, either absolutely or in trust, of real or personal property or any income therefrom or other interest therein;

(2) to acquire by purchase or exchange any real or personal property or interest therein;

(3) unless otherwise required by the instrument of transfer, to sell, donate, lease, invest, reinvest, retain or otherwise dispose of any property or income therefrom;

(4) to sue and be sued, and complain and defend itself in any court of competent jurisdiction, except for gross negligence;

(5) to enter into contracts or other arrangements with public agencies and private organizations and persons and to make such payments as may be necessary to carry out its functions; and

(6) to do any and all acts necessary and proper to carry out the purposes of the Foundation.

For purposes of this Act, an interest in real property shall be treated as including, among other things, easements or other rights for preservation, conservation, protection, or enhancement by and for the public of natural, scenic, historic, scientific, educational inspirational or recreational resources. A gift, devise, or bequest may be accepted by the Foundation even though it is encumbered, restricted or subject to beneficial interests of private persons if any current or future interest therein is for the benefit of the Foundation.

SEC. 5. PROTECTION AND USES OF TRADEMARKS AND TRADE NAMES.

(a) PROTECTION.—Without the consent of the Foundation, in conjunction with the President's Council on Physical Fitness and Sports, any person who uses for the purpose of trade, to induce the sale of any goods or services, or to promote any theatrical exhibition, athletic performance or competition—

(1) the official seal of the President's Council on Physical Fitness and Sports consisting of the eagle holding an olive branch and arrows with shield breast encircled by name ''President's Council on Physical Fitness and Sports'';

(2) the official seal of the Foundation

(3) any trademark, trade name, sign, symbol or insignia falsely representing association with or authorization by the president's Council on Physical Fitness and Sports or the Foundation;

shall be subject in a civil action by the Foundation for the remedies provided for in the Act of July 9, 1946 (60 stat. 427; commonly known as the Trademark Act of 1946).

(b) USES.—The Foundation, in conjunction with the President's Council on Physical Fitness and Sports, may authorize contributors and suppliers of goods or services to use the trade name of the President's Council on Physical Fitness and Sports and the Foundation, as well as any trademark, seal, symbol, insignia, or emblem of the President's Council on Physical Fitness and Sports or the Foundation, in advertising that the contributors, goods or services when donated, supplied, or furnished to or for the use of, approved, selected, or used by the President's Council on Physical Fitness and Sports or the Foundation.

SEC. 6. VOLUNTEER STATUS.

The Foundation may accept, without regard to the civil service classification laws, rules, or regulations, the services of volunteers in the performance of the functions authorized herein, in the same manner as provided for under section 7(c) of the Fish and Wildlife Act of 1956 (16 U.S.C. 742f(c)).

SEC. 7. AUDIT, REPORT REQUIREMENTS, AND PETITION OF ATTORNEY GENERAL FOR EQUITABLE RELIEF.

(a) AUDITS.—For purposes of Public Law 88-504 (36 U.S.C. 1101 et seq.), the Foundation shall be treated as a private corporation under Federal law. The Inspector General of the Department of Health and Human Services and the Comptroller General of the United States shall have access to the financial and other records of the Foundation, upon reasonable notice.

(b) REPORT.—The Foundation shall, as soon as practicable after the end of each fiscal year, transmit to the Secretary and to Congress a report of its proceedings and activities during such year, including a full and complete statement of its receipts, expenditures, and investments.

(c) RELIEF WITH RESPECT TO CERTAIN FOUNDATION ACTS OR FAILURE TO ACT.—If the Foundation—

(1) engages in, or threatens to engage in, any act, practice or policy that is inconsistent with the purposes described in section 2(b); or

(2) refuses, fails, or neglects to discharge its obligations under this Act, or threaten to do so;

the Attorney General may petition in the United States District Court for the District of Columbia for such equitable relief as may be necessary or appropriate.●

By Mr. CAMPBELL:

S. 1313. A bill to amend the Internal Revenue Code of 1986 to permit India tribal governments to maintain section 401(k) plans for their employees; to the Committee on Finance.

401(K) PROGRAM LEGISLATION

● Mr. CAMPBELL. Mr. President, today, I introduce a bill that will statutorily permit tribal governments, and enterprises owned by tribal governments, to offer salary reduction pension plans to their employees under section 401(k) of the Internal Revenue Code.

Under current law, tribal governments are not allowed to offer tax deferred, salary reduction pension plans because tax exempt organization are generally prohibited from doing so. Further exacerbating the dilemma confronting tribal governments is the fact that they are not eligible to participate in other tax deferred, salary reduction pension plans.

For example, since 1982 a dozen or more Indian tribal governments have adopted section 403(b) salary reduction pension arrangements only to have the Internal Revenue Service determine these arrangements are not properly qualified. In addition, Indian tribal governments are not eligible to offer section 457 salary reduction pension arrangements because they are not ''eligible employers'', as defined in section 457.

It is apparent that Indian tribal governments seem to be one of only a few categories of employers who do not have these kinds of pension arrangements available to them. I believe that Indian tribal governments, like most all employers, should have opportunity to offer competitive salary reduction pension arrangements, such as a 401(k).

Mr. President, the 401(k) plan was formally authorized in 1978 as a salary reduction arrangement for employees of profit making firms. The authority was subsequently expanded to tax exempt organization and State and local government. In 1986, however, State and local governments and nonprofit organizations, including Indian tribes, were prohibited from offering 401(k)'s. At this time, only rural electric cooperatives are exempted from the prohibition.

Mr. President, this bill simply adds Indian tribal governments to the list of qualified offerors.

A 401(k) plan permits employees to elect a contribution of part of their wages on a tax-deferred basis to a plan that may offer several investment options. Employers usually make contributions, which are also tax-deferred. In the same way, investment earnings are also tax deferred. This means that taxes aren't paid on the amount saved until it is withdrawn, thereby earning greater interest. Essentially, this expands the amount of money invested, and allows participants to put more money to work for them.

Without question, Indian tribal governments should be allowed to offer some kind of tax deferred salary reduction plan. Almost all sectors of society, including the Federal Government, Congress, State and local governments, and private employees are allowed to enroll in salary reduction pension plans. In 1990, according to Department of Labor statistics, about 19.5 million Americans were enrolled in 401(k) plans.

Tribal governments should be allowed to offer 401(k) pension plans because they will give tribal employees an incentive to save money for retirement. It's no secret that Indian tribes have a history of economic hardship. Under this plan, workers who otherwise might not save money, and workers who otherwise might not be offered a pension plan, will be allowed to participate. In addition, the portability of benefits will encourage tribal employees to enroll in pension plans. If an employee terminates employment with the tribe, that person is allowed to put the accumulated savings into an individual retirement account [IRA]. A 401(k) plan also must be offered to all employees on a nondiscriminatory basis, ensuring that both higher and lower wage employees must be able to access pension benefits.

As tribal governments are successful in their business ventures, it is critically important that tribal employees are encouraged to save money for retirement. In the past, only a few tribal governments had the resources to offer employees salary reduction pension plans. Today, however, with the growth of tribal enterprises, there is more money to invest in the future and there are more tribal employees. In my home State, the largest employer in Montezuma County is now the Ute Mountain Ute Tribe. It's time that Congress recognize the economic gains being made by tribes and to allow them to offer

these broad based, elective deferral arrangements for their employees.

There is danger that if Congress fails to act now, tribes will mistakenly offer their employees 401(k) pension plans. Current law is confusing, leading some tribes to think that they are already qualified to offer 401(k) plans. Investment companies are trying to sell 401(k) pension plans to tribes, even though it's not legal. Unfortunately, we know from the past that this can lead to the loss of tribal funds. This proposal explicitly allows tribal governments to offer these plans, thereby clearing up any confusion.

Recognizing the advantages of section 401(k) salary reduction pension arrangements, the House Ways and Means Committee included in its budget reconciliation mark a provision to again expand the authority to a broader range of organizations that include nonprofit organizations and State and local governments.

Mr. President, it is my hope that in the coming days this proposal will be favorably considered by my colleagues on the Finance Committee. In closing I would ask unanimous consent that a revenue estimate from the Joint Tax Committee also be included in the RECORD to accompany the text of the bill.

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

S. 1313

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

SECTION 1. ELIGIBILITY OF INDIAN TRIBAL GOVERNMENTS TO MAINTAIN SECTION 401(k) PLANS.

(a) IN GENERAL.—The last sentence of section 401(k)(4)(B) of the Internal Revenue Code of 1986 (relating to ineligibility of certain governments and exempt organizations) is amended to read as follows: "This subparagraph shall not apply to a rural cooperative plan or a plan maintained by an Indian tribal government (within the meaning of section 7871)."

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to plans established after December 31, 1994.

CONGRESS OF THE UNITED STATES,
JOINT COMMITTEE ON TAXATION,
Washington, DC, October 9, 1995.

Hon. BEN NIGHTHORSE CAMPBELL,
U.S. Senate,
Washington, DC.

DEAR SENATOR CAMPBELL: This is in response to your request dated July 17, 1995, for a revenue estimate of a proposal that would modify present law to permit Indian tribal governments to maintain qualified cash or deferred arrangements (sec. 401(k) plans).

For the purpose of the revenue estimate, we have assumed that employees of tribal governments would include employees of gambling casinos owned and operated by Indian tribal governments.

The proposal would be effective with respect to plans established after December 31, 1994. We estimated that this proposal would reduce Federal fiscal year budget receipts as follows:

[In millions of dollars]

Fiscal years:	
1996	−1
1997	−2
1998	−2
1999	−2
2000	−3
2001	−3
2002	−3
1996–2002	−16

Note: Details do not add to total due to rounding.

I hope this information is helpful to you. If we can be of further assistance, please let me know.

Sincerely,

KENNETH J. KIES,
Chief of Staff.●

ADDITIONAL COSPONSORS

S. 143

At the request of Mrs. KASSEBAUM, the name of the Senator from Michigan [Mr. ABRAHAM] was added as a cosponsor of S. 143, a bill to consolidate Federal employment training programs and create a new process and structure for funding the programs, and for other purposes.

S. 490

At the request of Mr. GRASSLEY, the name of the Senator from Missouri [Mr. BOND] was added as a cosponsor of S. 490, a bill to amend the Clean Air Act to exempt agriculture-related facilities from certain permitting requirements, and for other purposes.

S. 743

At the request of Mrs. HUTCHISON, the name of the Senator from Illinois [Ms. MOSELEY-BRAUN] was added as a cosponsor of S. 743, a bill to amend the Internal Revenue Code of 1986 to provide a tax credit for investment necessary to revitalize communities within the United States, and for other purposes.

S. 789

At the request of Mr. CHAFEE, the name of the Senator from Maine [Ms. SNOWE] was added as a cosponsor of S. 789, a bill to amend the Internal Revenue Code of 1986 to make permanent the section 170(e)(5) rules pertaining to gifts of publicly traded stock to certain private foundations, and for other purposes.

S. 877

At the request of Mrs. HUTCHISON, the name of the Senator from Mississippi [Mr. COCHRAN] was added as a cosponsor of S. 877, a bill to amend section 353 of the Public Health Service Act to exempt physician office laboratories from the clinical laboratories requirements of that section.

S. 907

At the request of Mr. MURKOWSKI, the name of the Senator from Washington [Mrs. MURRAY] was added as a cosponsor of 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.

S. 949

At the request of Mr. GRAHAM, the names of the Senator from North Carolina [Mr. HELMS], the Senator from Utah [Mr. BENNETT], the Senator from Pennsylvania [Mr. SPECTER] and the Senator from Louisiana [Mr. BREAUX] were added as cosponsors of S. 949, a bill to require the Secretary of the Treasury to mint coins in commemoration of the 200th anniversary of the death of George Washington.

S. 969

At the request of Mr. BRADLEY, the names of the Senator from Kentucky [Mr. FORD] and the Senator from New Jersey [Mr. LAUTENBERG] were added as cosponsors of S. 969, a bill to require that health plans provide coverage for a minimum hospital stay for a mother and child following the birth of the child, and for other purposes.

S. 978

At the request of Mrs. HUTCHISON, the name of the Senator from Indiana [Mr. COATS] was added as a cosponsor of S. 978, a bill to facilitate contributions to charitable organizations by codifying certain exemptions from the Federal securities laws, to clarify the inapplicability of antitrust laws to charitable gift annuities, and for other purposes.

S. 1000

At the request of Mr. BURNS, the names of the Senator from Tennessee [Mr. FRIST], the Senator from South Carolina [Mr. THURMOND] and the Senator from Wyoming [Mr. THOMAS] were added as cosponsors of S. 1000, a bill to amend the Internal Revenue Code of 1986 to provide that the depreciation rules which apply for regular tax purposes shall also apply for alternative minimum tax purposes, to allow a portion of the tentative minimum tax to be offset by the minimum tax credit, and for other purposes.

S. 1043

At the request of Mr. STEVENS, the names of the Senator from Nevada [Mr. BRYAN], the Senator from Kentucky [Mr. FORD] and the Senator from Louisiana [Mr. JOHNSTON] were added as cosponsors of S. 1043, a bill to amend the Earthquake Hazards Reduction Act of 1977 to provide for an expanded Federal program of hazard mitigation, relief, and insurance against the risk of catastrophic natural disasters, such as hurricanes, earthquakes, and volcanic eruptions, and for other purposes.

S. 1086

At the request of Mr. DOLE, the name of the Senator from South Carolina [Mr. THURMOND] was added as a cosponsor of S. 1086, a bill to amend the Internal Revenue Code of 1986 to allow a family-owned business exclusion from the gross estate subject to estate tax, and for other purposes.

S. 1247

At the request of Mr. GRASSLEY, the names of the Senator from Texas [Mrs. HUTCHISON] and the Senator from Colorado [Mr. BROWN] were added as cosponsors of S. 1247, a bill to amend the Internal Revenue Code of 1986 to allow

a deduction for contributions to a medical savings account by any individual who is covered under a catastrophic coverage health plan.

S. 1249

At the request of Mr. FRIST, the name of the Senator from Colorado [Mr. BROWN] was added as a cosponsor of S. 1249, a bill to amend the Internal Revenue Code of 1986 to establish medical savings account, and for other purposes.

S. 1271

At the request of Mr. CRAIG, the name of the Senator from Mississippi [Mr. COCHRAN] was added as a cosponsor of S. 1271, a bill to amend the Nuclear Waste Policy Act of 1982.

S. 1280

At the request of Mr. MACK, the name of the Senator from Mississippi [Mr. COCHRAN] was added as a cosponsor of S. 1280, a bill to amend the Internal Revenue Code of 1986 to provide all taxpayers with a 50-percent deduction for capital gains, to index the basis of certain assets, and to allow the capital loss deduction for losses on the sale or exchange of an individual's principal residence.

S. 1289

At the request of Mr. KYL, the name of the Senator from Idaho [Mr. CRAIG] was added as a cosponsor of S. 1289, a bill to amend title XVIII of the Social Security Act to clarify the use of private contracts, and for other purposes.

SENATE RESOLUTION 180—TO PROCLAIM ''WEEK WITHOUT VIOLENCE''

Mr. BRADLEY (for himself, Mr. HATCH, Mr. COHEN, Mr. ROCKEFELLER, Mr. SPECTER, Mrs. MURRAY, and Mrs. FEINSTEIN) submitted the following resolution, which was referred to the Committee on the Judiciary:

S. RES. 180

Whereas the Week Without Violence, a public-awareness campaign designed to inspire alternatives to the problem of violence in our society, falls on October 15, 1995, through October 21, 1995;

Whereas the prevalence of violence in our society has become increasingly disturbing, as reflected by the fact that 2,000,000 people are injured each year as a result of violent crime, with a staggering 24,500 reported murders in 1993 and with losses from medical expenses, lost pay, property, and other crime-related costs totaling billions of dollars each year;

Whereas studies show that violence against women in their own homes causes more total injuries to women than rape, muggings, and car accidents combined and that ½ of all women who are murdered in the United States are killed by their male partners;

Whereas violence has invaded our homes and communities and is exacting a terrible toll on our country's youth;

Whereas children below the age of 12 are the victims of 1 in 4 violent juvenile victimizations reported to law enforcement, adding up to roughly 600,000 violent incidents involving children under the age of 12 each year;

Whereas studies show that childhood abuse and neglect increases a child's odds of future delinquency and adult criminality and that today's juvenile victims are tomorrow's repeat offenders;

Whereas the risk of violent victimization of children and young adults has increased in recent years;

Whereas according to FBI statistics, on a typical day in 1992, 7 juveniles were murdered;

Whereas from 1985 to 1992, nearly 17,000 persons under the age of 18 were murdered;

Whereas the YWCA, as the oldest women's membership movement in the United States, continues its long history as an advocate for women's rights, racial justice, and nonviolent approaches to resolving many of society's most troubling problems;

Whereas the chapters of the YWCA provide a wide range of valuable programs for women all across the country, including job training programs, child care, battered women's shelters, support programs for victims of rape and sexual assault, and legal advocacy;

Whereas the YWCA Week Without Violence campaign will take an active approach to confront the problem of violence head-on, with a grassroots effort to prevent violence from making further inroads into our schools, community organizations, workplaces, neighborhoods, and homes;

Whereas the Week Without Violence will provide a forum for examining viable solutions for keeping violence against women, men, and children out of our homes and communities;

Whereas national and local groups will inspire and educate our communities about effective alternatives to violence; and

Whereas the YWCA Week Without Violence is both a challenge and a clarion call to all Americans: Now, therefore, be it

Resolved, That the Senate encourages all Americans to spend 7 days without committing, condoning, or contributing to violence and proclaims the week of October 15, 1995, through October 21, 1995, as the ''Week Without Violence''.

Mr. BRADLEY. Mr. President, I rise today with my colleague Senator HATCH as well as Senator COHEN, Senator ROCKEFELLER, Senator SPECTER, Senator MURRAY, and Senator FEINSTEIN to submit a resolution to declare the week of October 15 the ''Week Without Violence.''

Mr. President, just look at yesterday's papers. Dateline Washington: A D.C. police officer dies after being shot while on duty. Dateline Arizona: One person dies and many more are hurt after suspected sabotage derails an Amtrak train. Dateline Philadelphia: A man is arrested for allegedly committing two sexual assaults. And the list continues.

All of these stories are from yesterday's newspapers, where tales of death and violence fill page after page of newsprint. Unfortunately, there was nothing unusual about yesterday. It was just a typical day in America—where the headlines of today are torn from the nightmares of days past.

These stories, and the hundreds like them across the country, focus a disturbing spotlight on the prevalence of violence in our society.

The statistics are alarming. Every year, 2 million people are injured each year as a result of violent crime. There were a staggering 24,500 murders reported in 1993; losses from medical expenses, lost pay, property, and other crime-related costs total billions of dollars a year.

But it does not stop there. Violence against women in their own homes causes more total injuries to women than rape, muggings, and car accidents combined. And half of all the women murdered in the United States are killed by their male partners.

It continues. Instead of buying books and computers, our schools are buying the latest metal detectors and are hiring teams of armed guards. Schools have had to choose between education and safety. And still, 15 percent of suburban teenagers and 17 percent of urban teenagers say they have carried a gun within the last month. It is nearly inconceivable to think that parents have to send their children off to school each day worrying that they might be gunned down, but in many areas, that's a fact of life.

These stories and statistics may be unbelievable, but they are true. Violence in our society touches the inner city and the small town, rich and poor, black and white. Violence does not discriminate.

But what can we do? Do we lock ourselves in our homes, shut out from society? Do we arm ourselves with latest automatic weapons? Do we try to strike first, to keep the harm away from us?

Or do we identify practical alternatives to this violence? Do we try to make a difference? And do we try to leave a safer society for our children?

The choice here is clear. In order to combat the rise of violence, we must be proactive. We need to provide real choices for our children. They do not have to resort to guns, violence, and hate.

Toward that end, the YWCA is sponsoring a nationwide Week Without Violence campaign. Beginning this Sunday, the YWCA will provide a forum for identifying real solutions to the problem of violence.

Through education and discussion, we can provide our children with real change. By working to fight violence in our communities, schools can again become centers for learning and homes can again be rid of the fear that has permeated their walls.

Through the work of organizations like the YWCA, our communities can choose actions other than violence. In bringing its message to the schools, community centers, workplaces, and houses of worship, the YWCA's Week Without Violence can provide resistance to this rising tide.

Violence against women does not have to continue. Assault and murder rates do not have to rise. Hate words do not have to dominate public discourse. There are alternatives. And the Week Without Violence will aid our communities in identifying them.

In concurrence with, and in support of, the YWCA's Week Without Violence campaign, I urge all of my colleagues to support this resolution.

Mrs. MURRAY. Mr. President, I am proud to join so many of my colleagues

in submitting this important resolution, to proclaim the week of October 15, 1995 through October 21, 1995 as the ''Week Without Violence.''

As a mother and as a woman, I am deeply troubled about the epidemic of violence in our Nation. And I have devoted myself to doing all I can, as a Senator, to make our streets, our neighborhoods, and our homes safe for our children and families.

The numbers are shocking. But, often the real story gets lost in the statistics. Let us take a moment to reflect about what we mean when we say that violence is ever-present in our society. We are referring to senseless crimes committed among strangers; husbands physically and emotionally battering their wives; parents at the end of their ropes driven to abuse and neglect their own children; and young people with guns on the playground who have lost hope about their futures.

I believe that education and public awareness are some of our best tools in bringing about an end to violence in our country. And that is why this ''Week Without Violence'' is so important. We must lead by example, and send a message to all Americans that we are committed to ending the cycle of pain, hurt, and fear destroying America's families and society as a whole. We need to work together with our neighbors, and local and national groups to communicate loud and clear the message that ''violence is unacceptable, abuse is wrong, and it's got to stop.''

But, education is not enough. We must maintain the Federal Government's commitment to preventing and reducing violent crimes. I am pleased the Senate recently restored funding for the Violence Against Women Act, and I encourage my colleagues to continue to support important programs like VAWA which are critical to ensuring the safety of our citizens.

I also would like to commend the YWCA, the oldest womens' membership movement in the United States, for its ongoing efforts to resolve societal ills through nonviolent means, and for helping to reduce violence through prevention and education initiatives. And I also would like to recognize the invaluable services the YWCA provides to survivors of violence through job training programs, shelters, child care, and support groups for rape and assault victims.

Together, we can make our country a safer place to live and raise our families. This ''Week Without Violence'' is an important step in that direction, and I am proud of our commitment to creating a safer tomorrow for all Americans.

AMENDMENTS SUBMITTED

THE WORKFORCE DEVELOPMENT ACT OF 1995

SPECTER (AND OTHERS) AMENDMENT NO. 2894

Mr. SPECTER (for himself, Mr. SIMON, Mr. HATCH, Mr. JOHNSTON, Mr. PELL, and Mr. HARKIN) proposed an amendment to amendment No. 2885 proposed by Mrs. KASSEBAUM to the bill (S. 143) to consolidate Federal employment training programs and create a new process and structure for funding the programs, and for other purposes; as follows:

In subtitle B of title I, strike chapters 1 and 2 and insert the following:

CHAPTER 1—GENERAL PROVISIONS

SEC. 131. DEFINITIONS.

As used in this subtitle:

(1) AT-RISK YOUTH.—The term ''at-risk youth'' means an individual who—

(A) is not less than age 15 and not more than age 24;

(B) is low-income (as defined in section 113(e));

(C) is 1 or more of the following:

(i) Basic skills deficient.

(ii) A school dropout.

(iii) Homeless or a runaway.

(iv) Pregnant or parenting.

(v) An individual who requires additional education, training, or intensive counseling and related assistance, in order to secure and hold employment or participate successfully in regular schoolwork.

(2) ENROLLEE.—The term ''enrollee'' means an individual enrolled in the Job Corps.

(3) GOVERNOR.—The term ''Governor'' means the chief executive officer of a State.

(4) JOB CORPS.—The term ''Job Corps'' means the Job Corps described in section 142.

(5) JOB CORPS CENTER.—The term ''Job Corps center'' means a center described in section 142.

(6) OPERATOR.—The term ''operator'' means an entity selected under this chapter to operate a Job Corps center.

(7) SECRETARY.—The term ''Secretary'' means the Secretary of Labor.

CHAPTER 2—JOB CORPS

SEC. 141. PURPOSES.

The purposes of this chapter are—

(1) to maintain a national Job Corps program, carried out in partnership with States and communities, to assist at-risk youth who need and can benefit from an unusually intensive program, operated in a group setting, to become more responsible, employable, and productive citizens;

(2) to set forth standards and procedures for selecting individuals as enrollees in the Job Corps;

(3) to authorize the establishment of Job Corps centers in which enrollees will participate in intensive programs of workforce development activities; and

(4) to prescribe various other powers, duties, and responsibilities incident to the operation and continuing development of the Job Corps.

SEC. 142. ESTABLISHMENT.

There shall be established in the Department of Labor a Job Corps program, to carry out, in conjunction with the activities carried out by the National Board as specified in section 156, activities described in this chapter for individuals enrolled in the Job Corps and assigned to a center.

SEC. 143. INDIVIDUALS ELIGIBLE FOR THE JOB CORPS.

To be eligible to become an enrollee, an individual shall be an at-risk youth.

SEC. 144. SCREENING AND SELECTION OF APPLICANTS.

(a) STANDARDS AND PROCEDURES.—

(1) IN GENERAL.—The Secretary shall prescribe specific standards and procedures for the screening and selection of applicants for the Job Corps, after considering recommendations from the Governors, State workforce development boards established under section 105, local partnerships and local workforce development boards established under section 118(b), and other interested parties.

(2) METHODS.—In prescribing standards and procedures under paragraph (1) for the screening and selection of Job Corps applicants, the Secretary shall—

(A) require enrollees to take drug tests within 30 days of enrollment in the Job Corps;

(B) allocate, where necessary, additional resources to increase the applicant pool;

(C) establish standards for outreach to and screening of Job Corps applicants;

(D) where appropriate, take measures to improve the professional capability of the individuals conducting such screening; and

(E) require Job Corps applicants to pass background checks, conducted in accordance with procedures established by the Secretary.

(3) IMPLEMENTATION.—To the extent practicable, the standards and procedures shall be implemented through arrangements with—

(A) centers providing the one-stop delivery of core services described in section 106(a)(2);

(B) agencies and organizations such as community action agencies, professional groups, and labor organizations; and

(C) agencies and individuals that have contact with youth over substantial periods of time and are able to offer reliable information about the needs and problems of the youth.

(4) CONSULTATION.—The standards and procedures shall provide for necessary consultation with individuals and organizations, including court, probation, parole, law enforcement, education, welfare, and medical authorities and advisers.

(b) SPECIAL LIMITATIONS.—No individual shall be selected as an enrollee unless the individual or organization implementing the standards and procedures determines that—

(1) there is a reasonable expectation that the individual considered for selection can participate successfully in group situations and activities, is not likely to engage in behavior that would prevent other enrollees from receiving the benefit of the program or be incompatible with the maintenance of sound discipline and satisfactory relationships between the Job Corps center to which the individual might be assigned and surrounding communities; and

(2) the individual manifests a basic understanding of both the rules to which the individual will be subject and of the consequences of failure to observe the rules.

SEC. 145. ENROLLMENT AND ASSIGNMENT.

(a) RELATIONSHIP BETWEEN ENROLLMENT AND MILITARY OBLIGATIONS.—Enrollment in the Job Corps shall not relieve any individual of obligations under the Military Selective Service Act (50 U.S.C. App. 451 et seq.).

(b) ASSIGNMENT.—After the Secretary has determined that an enrollee is to be assigned to a Job Corps center, the enrollee shall be assigned to the center that is closest to the residence of the enrollee, except that the Secretary may waive this requirement for good cause, including to ensure an equitable

opportunity for at-risk youth from various sections of the Nation to participate in the Job Corps program, to prevent undue delays in assignment of an enrollee, to adequately meet the educational or other needs of an enrollee, and for efficiency and economy in the operation of the program.

(c) PERIOD OF ENROLLMENT.—No individual may be enrolled in the Job Corps for more than 2 years, except—

(1) in a case in which completion of an advanced career training program under section 147(d) would require an individual to participate for more than 2 years; or

(2) as the Secretary may authorize in a special case.

SEC. 146. JOB CORPS CENTERS.

(a) OPERATORS AND SERVICE PROVIDERS.—

(1) ELIGIBLE ENTITIES.—The Secretary shall enter into an agreement with a Federal, State, or local agency, which may be a State board or agency that operates or wishes to develop an area vocational education school facility or residential vocational school, or with a private organization, for the operation of each Job Corps center. The Secretary shall enter into an agreement with an appropriate entity to provide services for a Job Corps center.

(2) SELECTION PROCESS.—Except as provided in subsections (c) and (d), the Secretary shall select an entity to operate a Job Corps center on a competitive basis, after reviewing the operating plans described in section 149. In selecting a private or public entity to serve as an operator for a Job Corps Center, the Secretary shall, at the request of the Governor of the State in which the center is located, convene and obtain the recommendation of a selection panel described in section 151(b). In selecting an entity to serve as an operator or to provide services for a Job Corps center, the Secretary shall take into consideration the previous performance of the entity, if any, relating to operating or providing services for a Job Corps center.

(b) CHARACTER AND ACTIVITIES.—Job Corps centers may be residential or nonresidential in character, and shall be designed and operated so as to provide enrollees, in a well-supervised setting, with access to activities described in section 147. In any year, no more than 20 percent of the individuals enrolled in the Job Corps may be nonresidential participants in the Job Corps.

(c) CIVILIAN CONSERVATION CENTERS.—

(1) IN GENERAL.—The Job Corps centers may include Civilian Conservation Centers operated under agreements with the Secretary of Agriculture or the Secretary of the Interior, located primarily in rural areas, which shall provide, in addition to other training and assistance, programs of work experience to conserve, develop, or manage public natural resources or public recreational areas or to develop community projects in the public interest.

(2) SELECTION PROCESS.—The Secretary may select an entity to operate a Civilian Conservation Center on a competitive basis, as provided in subsection (a), if the center fails to meet such national performance standards as the Secretary shall establish.

(d) INDIAN TRIBES.—

(1) DEFINITION.—As used in this subsection:

(A) INDIAN.— The term ''Indian'' means a person who is a member of an Indian tribe.

(B) INDIAN TRIBE.—The term ''Indian tribe'' means any Indian tribe, band, nation, or other organized group or community, which is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians.

(2) GENERAL AUTHORITY.—The Secretary may enter into agreements with Indian tribes to operate Job Corps centers for Indians.

SEC. 147. PROGRAM ACTIVITIES.

(a) ACTIVITIES PROVIDED THROUGH JOB CORPS CENTERS.—Each Job Corps center shall provide enrollees assigned to the center with access to activities described in section 106(a)(2)(B), and such other workforce development activities as may be appropriate to meet the needs of the enrollees, including providing work-based learning throughout the enrollment of the enrollees and assisting the enrollees in obtaining meaningful unsubsidized employment, participating successfully in secondary education or postsecondary education programs, enrolling in other suitable training programs, or satisfying Armed Forces requirements, on completion of their enrollment.

(b) ARRANGEMENTS.—The Secretary shall arrange for enrollees assigned to Job Corps centers to receive workforce development activities through or in coordination with the statewide system, including workforce development activities provided through local public or private educational agencies, vocational educational institutions, or technical institutes.

(c) JOB PLACEMENT ACCOUNTABILITY.—The Secretary shall establish a job placement accountability system for Job Corps centers, and coordinate the activities carried out through the system with activities carried out through the job placement accountability systems described in section 121(d) for the States in which Job Corps centers are located.

(d) ADVANCED CAREER TRAINING PROGRAMS.—

(1) IN GENERAL.—The Secretary may arrange for programs of advanced career training for selected enrollees in which the enrollees may continue to participate for a period of not to exceed 1 year in addition to the period of participation to which the enrollees would otherwise be limited.

(2) POSTSECONDARY EDUCATIONAL INSTITUTIONS.—The advanced career training may be provided through a postsecondary educational institution for an enrollee who has obtained a secondary school diploma or its recognized equivalent, has demonstrated commitment and capacity in previous Job Corps participation, and has an identified occupational goal.

(3) COMPANY-SPONSORED TRAINING PROGRAMS.—The Secretary may enter into contracts with appropriate entities to provide the advanced career training through intensive training in company-sponsored training programs, combined with internships in work settings.

(4) BENEFITS.—

(A) IN GENERAL.—During the period of participation in an advanced career training program, an enrollee shall be eligible for full Job Corps benefits, or a monthly stipend equal to the average value of the residential support, food, allowances, and other benefits provided to enrollees assigned to residential Job Corps centers.

(B) CALCULATION.—The total amount for which an enrollee shall be eligible under subparagraph (A) shall be reduced by the amount of any scholarship or other educational grant assistance received by such enrollee for advanced career training.

(5) DEMONSTRATION.—Each year, any operator seeking to enroll additional enrollees in an advanced career training program shall demonstrate that participants in such program have achieved a reasonable rate of completion and placement in training-related jobs before the operator may carry out such additional enrollment.

SEC. 148. SUPPORT.

The Secretary shall provide enrollees assigned to Job Corps centers with such personal allowances, including readjustment allowances, as the Secretary may determine to be necessary or appropriate to meet the needs of the enrollees.

SEC. 149. OPERATING PLAN.

(a) IN GENERAL.—To be eligible to operate a Job Corps center, an entity shall prepare and submit an operating plan to the Secretary for approval. Prior to submitting the plan to the Secretary, the entity shall submit the plan to the Governor of the State in which the center is located for review and comment. The entity shall submit any comments prepared by the Governor on the plan to the Secretary with the plan. Such plan shall include, at a minimum, information indicating—

(1) in quantifiable terms, the extent to which the center will contribute to the achievement of the proposed State goals and State benchmarks identified in the State plan submitted under section 104 for the State in which the center is located;

(2) the extent to which workforce employment activities and workforce education activities delivered through the Job Corps center are directly linked to the workforce development needs of the region in which the center is located;

(3) an implementation strategy to ensure that all enrollees assigned to the Job Corps center will have access to services through the one-stop delivery of core services described in section 106(a)(2) by the State; and

(4) an implementation strategy to ensure that the curricula of all such enrollees is integrated into the school-to-work activities of the State, including work-based learning, work experience, and career-building activities, and that such enrollees have the opportunity to obtain secondary school diplomas or their recognized equivalent.

(b) APPROVAL.—The Secretary shall not approve an operating plan described in subsection (a) for a center if the Secretary determines that the activities proposed to be carried out through the center are not sufficiently integrated with the activities carried out through the statewide system of the State in which the center is located.

SEC. 150. STANDARDS OF CONDUCT.

(a) PROVISION AND ENFORCEMENT.—The Secretary shall provide, and directors of Job Corps center shall stringently enforce, standards of conduct within the centers. Such standards of conduct shall include provisions forbidding the actions described in subsection (b)(2)(A).

(b) DISCIPLINARY MEASURES.—

(1) IN GENERAL.—To promote the proper moral and disciplinary conditions in the Job Corps, the directors of Job Corps centers shall take appropriate disciplinary measures against enrollees. If such a director determines that an enrollee has committed a violation of the standards of conduct, the director shall dismiss the enrollee from the Job Corps if the director determines that the retention of the enrollee in the Job Corps will jeopardize the enforcement of such standards or diminish the opportunities of other enrollees.

(2) ZERO TOLERANCE POLICY.—

(A) GUIDELINES.—The Secretary shall adopt guidelines establishing a zero tolerance policy for an act of violence, for use, sale, or possession of a controlled substance, for abuse of alcohol, or for other illegal or disruptive activity.

(B) DEFINITIONS.—As used in this paragraph:

(i) CONTROLLED SUBSTANCE.—The term ''controlled substance'' has the meaning given the term in section 102 of the Controlled Substances Act (21 U.S.C. 802).

(ii) ZERO TOLERANCE POLICY.—The term ''zero tolerance policy'' means a policy under

which an enrollee shall be automatically dismissed from the Job Corps after a determination by the director that the enrollee has carried out an action described in subparagraph (A).

(c) APPEAL.—A disciplinary measure taken by a director under this section shall be subject to expeditious appeal in accordance with procedures established by the Secretary.

SEC. 151. COMMUNITY PARTICIPATION.

(a) ACTIVITIES.—The Secretary shall encourage and cooperate in activities to establish a mutually beneficial relationship between Job Corps centers in the State and nearby communities. The activities shall include the use of any local partnerships or local workforce development boards established in the State under section 118(b) to provide a mechanism for joint discussion of common problems and for planning programs of mutual interest.

(b) SELECTION PANELS.—The Governor may recommend individuals to serve on a selection panel convened by the Secretary to provide recommendations to the Secretary regarding any competitive selection of an operator for a center in the State. The panel shall have not more than 7 members. In recommending individuals to serve on the panel, the Governor may recommend members of State workforce development boards established under section 105, if any, members of any local partnerships or local workforce development boards established in the State under section 118(b), or other representatives selected by the Governor. The Secretary shall select at least 1 individual recommended by the Governor.

(c) ACTIVITIES.—Each Job Corps center director shall—

(1) give officials of nearby communities appropriate advance notice of changes in the rules, procedures, or activities of the Job Corps center that may affect or be of interest to the communities;

(2) afford the communities a meaningful voice in the affairs of the Job Corps center that are of direct concern to the communities, including policies governing the issuance and terms of passes to enrollees; and

(3) encourage the participation of enrollees in programs for improvement of the communities, with appropriate advance consultation with business, labor, professional, and other interested groups, in the communities.

SEC. 152. COUNSELING AND PLACEMENT.

The Secretary shall ensure that enrollees assigned to Job Corps centers receive academic and vocational counseling and job placement services, which shall be provided, to the maximum extent practicable, through the delivery of core services described in section 106(a)(2).

SEC. 153. ADVISORY COMMITTEES.

The Secretary is authorized to make use of advisory committees in connection with the operation of the Job Corps program, and the operation of Job Corps centers, whenever the Secretary determines that the availability of outside advice and counsel on a regular basis would be of substantial benefit in identifying and overcoming problems, in planning program or center development, or in strengthening relationships between the Job Corps and agencies, institutions, or groups engaged in related activities.

SEC. 154. APPLICATION OF PROVISIONS OF FEDERAL LAW.

(a) ENROLLEES NOT CONSIDERED TO BE FEDERAL EMPLOYEES.—

(1) IN GENERAL.—Except as otherwise provided in this subsection and in section 8143(a) of title 5, United States Code, enrollees shall not be considered to be Federal employees and shall not be subject to the provisions of law relating to Federal employment, including such provisions regarding hours of work, rates of compensation, leave, unemployment compensation, and Federal employee benefits.

(2) PROVISIONS RELATING TO TAXES AND SOCIAL SECURITY BENEFITS.—For purposes of the Internal Revenue Code of 1986 and title II of the Social Security Act (42 U.S.C. 401 et seq.), enrollees shall be deemed to be employees of the United States and any service performed by an individual as an enrollee shall be deemed to be performed in the employ of the United States.

(3) PROVISIONS RELATING TO COMPENSATION TO FEDERAL EMPLOYEES FOR WORK INJURIES.—For purposes of subchapter I of chapter 81 of title 5, United States Code (relating to compensation to Federal employees for work injuries), enrollees shall be deemed to be civil employees of the Government of the United States within the meaning of the term ''employee'' as defined in section 8101 of title 5, United States Code, and the provisions of such subchapter shall apply as specified in section 8143(a) of title 5, United States Code.

(4) FEDERAL TORT CLAIMS PROVISIONS.—For purposes of the Federal tort claims provisions in title 28, United States Code, enrollees shall be considered to be employees of the Government.

(b) ADJUSTMENTS AND SETTLEMENTS.—Whenever the Secretary finds a claim for damages to a person or property resulting from the operation of the Job Corps to be a proper charge against the United States, and the claim is not cognizable under section 2672 of title 28, United States Code, the Secretary may adjust and settle the claim in an amount not exceeding $1,500.

(c) PERSONNEL OF THE UNIFORMED SERVICES.—Personnel of the uniformed services who are detailed or assigned to duty in the performance of agreements made by the Secretary for the support of the Job Corps shall not be counted in computing strength under any law limiting the strength of such services or in computing the percentage authorized by law for any grade in such services.

SEC. 155. SPECIAL PROVISIONS.

(a) ENROLLMENT OF WOMEN.—The Secretary shall immediately take steps to achieve an enrollment of 50 percent women in the Job Corps program, consistent with the need to—

(1) promote efficiency and economy in the operation of the program;

(2) promote sound administrative practice; and

(3) meet the socioeconomic, educational, and training needs of the population to be served by the program.

(b) STUDIES, EVALUATIONS, PROPOSALS, AND DATA.—The Secretary shall assure that all studies, evaluations, proposals, and data produced or developed with Federal funds in the course of carrying out the Job Corps program shall become the property of the United States.

(c) GROSS RECEIPTS.—Transactions conducted by a private for-profit contractor or a nonprofit contractor in connection with the operation by the contractor of a Job Corps center or the provision of services by the contractor for a Job Corps center shall not be considered to be generating gross receipts. Such a contractor shall not be liable, directly or indirectly, to any State or subdivision of a State (nor to any person acting on behalf of such a State or subdivision) for any gross receipts taxes, business privilege taxes measured by gross receipts, or any similar taxes imposed on, or measured by, gross receipts in connection with any payments made to or by such contractor for operating or providing services for a Job Corps center. Such a contractor shall not be liable to any State or subdivision of a State to collect or pay any sales, excise, use, or similar tax imposed on the sale to or use by such contractor of any property, service, or other item in connection with the operation of or provision of services for a Job Corps center.

(d) MANAGEMENT FEE.—The Secretary shall provide each operator or entity providing services for a Job Corps center with an equitable and negotiated management fee of not less than 1 percent of the contract amount.

(e) DONATIONS.—The Secretary may accept on behalf of the Job Corps or individual Job Corps centers charitable donations of cash or other assistance, including equipment and materials, if such donations are available for appropriate use for the purposes set forth in this chapter.

SEC. 156. REVIEW OF JOB CORPS CENTERS.

(a) NATIONAL JOB CORPS REVIEW.—Not later than March 31, 1997, the National Board shall conduct a review of the activities carried out under part B of title IV of the Job Training Partnership Act (29 U.S.C. 1691 et seq.), and submit to the appropriate committees of Congress a report containing the results of the review, including—

(1) information on the amount of funds expended for fiscal year 1996 to carry out activities under such part, for each State and for the United States;

(2) for each Job Corps center funded under such part, information on the amount of funds expended for fiscal year 1996 under such part to carry out activities related to the direct operation of the center, including funds expended for student training, outreach or intake activities, meals and lodging, student allowances, medical care, placement or settlement activities, and administration;

(3) for each Job Corps center, information on the amount of funds expended for fiscal year 1996 under such part through contracts to carry out activities not related to the direct operation of the center, including funds expended for student travel, national outreach, screening, and placement services, national vocational training, and national and regional administrative costs;

(4) for each Job Corps center, information on the amount of funds expended for fiscal year 1996 under such part for facility construction, rehabilitation, and acquisition expenses;

(5) information on the amount of funds required to be expended under such part to complete each new or proposed Job Corps center, and to rehabilitate and repair each existing Job Corps center, as of the date of the submission of the report;

(6) a summary of the information described in paragraphs (2) through (5) for all Job Corps centers;

(7) an assessment of the need to serve at-risk youth in the Job Corps program, including—

(A) a cost-benefit analysis of the residential component of the Job Corps program;

(B) the need for residential education and training services for at-risk youth, analyzed for each State and for the United States; and

(C) the distribution of training positions in the Job Corps program, as compared to the need for the services described in subparagraph (B), analyzed for each State;

(8) an overview of the Job Corps program as a whole and an analysis of individual Job Corps centers, including a 5-year performance measurement summary that includes information, analyzed for the program and for each Job Corps center, on—

(A) the number of enrollees served;

(B) the number of former enrollees who entered employment, including the number of former enrollees placed in a position related to the job training received through the program and the number placed in a position not related to the job training received;

(C) the number of former enrollees placed in jobs for 32 hours per week or more;

(D) the number of former enrollees who entered employment and were retained in the employment for more than 13 weeks;

(E) the number of former enrollees who entered the Armed Forces;

(F) the number of former enrollees who completed vocational training, and the rate of such completion, analyzed by vocation;

(G) the number of former enrollees who entered postsecondary education;

(H) the number and percentage of early dropouts from the Job Corps program;

(I) the average wage of former enrollees, including wages from positions described in subparagraph (B);

(J) the number of former enrollees who obtained a secondary school diploma or its recognized equivalent;

(K) the average level of learning gains for former enrollees; and

(L) the number of former enrollees that did not—

(i) enter employment or postsecondary education;

(ii) complete a vocational education program; or

(iii) make identifiable learning gains;

(9) information regarding the performance of all existing Job Corps centers over the 3 years preceding the date of submission of the report; and

(10) job placement rates for each Job Corps center and each entity providing services to a Job Corps center.

(b) RECOMMENDATIONS OF NATIONAL BOARD.—

(1) RECOMMENDATIONS.—The National Board shall, based on the results of the review described in subsection (a), make recommendations to the Secretary of Labor, regarding improvements in the operation of the Job Corps program, including—

(A) closing 5 Job Corps centers by September 30, 1997, and 5 additional Job Corps centers by September 30, 2000;

(B) relocating Job Corps centers described in paragraph (2)(A)(iii) in cases in which facility rehabilitation, renovation, or repair is not cost-effective; and

(C) taking any other action that would improve the operation of a Job Corps center or any other appropriate action.

(2) CONSIDERATIONS.—

(A) IN GENERAL.—In determining whether to recommend that the Secretary of Labor close a Job Corps center, the National Board shall consider whether the center—

(i) has consistently received low performance measurement ratings under the Department of Labor or the Office of Inspector General Job Corps rating system;

(ii) is among the centers that have experienced the highest number of serious incidents of violence or criminal activity in the past 5 years;

(iii) is among the centers that require the largest funding for renovation or repair, as specified in the Department of Labor Job Corps Construction/Rehabilitation Funding Needs Survey, or for rehabilitation or repair, as reflected in the portion of the review described in subsection (a)(5);

(iv) is among the centers for which the highest relative or absolute fiscal year 1996 expenditures were made, for any of the categories of expenditures described in paragraph (2), (3), or (4) of subsection (a), as reflected in the review described in subsection (a);

(v) is among the centers with the least State and local support; or

(vi) is among the centers with the lowest rating on such additional criteria as the National Board may determine to be appropriate.

(B) COVERAGE OF STATES AND REGIONS.—Notwithstanding subparagraph (A), the National Board shall not recommend that the Secretary of Labor close the only Job Corps center in a State or a region of the United States.

(C) ALLOWANCE FOR NEW JOB CORPS CENTERS.—Notwithstanding any other provision of this section, if the planning or construction of a Job Corps center that received Federal funding for fiscal year 1994 or 1995 has not been completed by the date of enactment of this Act—

(i) the appropriate entity may complete the planning or construction and begin operation of the center; and

(ii) the National Board shall not evaluate the center under this title sooner than 3 years after the first date of operation of the center.

(3) REPORT.—Not later than June 30, 1997, the National Board shall submit a report to the Secretary of Labor, which shall contain a detailed statement of the findings and conclusions of the National Board resulting from the review described in subsection (a) together with the recommendations described in paragraph (1).

(c) IMPLEMENTATION OF PERFORMANCE IMPROVEMENTS.—The Secretary shall, after reviewing the report submitted under subsection (b)(3), implement improvements in the operation of the Job Corps program, including closing 10 individual Job Corps centers pursuant to subsection (b). In implementing such improvements, the Secretary may close such additional Job Corps centers as the Secretary determines to be appropriate. Funds saved through the implementation of such improvements shall be used to maintain overall Job Corps program service levels, improve facilities at existing Job Corps centers, relocate Job Corps centers, initiate new Job Corps centers, and make other performance improvements in the Job Corps program.

(d) REPORT TO CONGRESS.—The Secretary shall annually report to Congress the information specified in paragraphs (8), (9), and (10) of subsection (a) and such additional information relating to the Job Corps program as the Secretary may determine to be appropriate.

SEC. 157. ADMINISTRATION.

The Secretary shall carry out the responsibilities specified for the Secretary in this chapter, notwithstanding any other provision of this title.

SEC. 158. EFFECTIVE DATE.

(a) IN GENERAL.—Except as provided in subsection (b), this chapter shall take effect on July 1, 1998.

(b) REPORT.—Section 156 shall take effect on the date of enactment of this Act.

In section 161(a), strike ''subsection (c)'' and all that follows through ''workforce preparation'' and insert ''subsection (c) for States, to enable the Secretary of Labor to carry out in the States, and to assist the States in paying for the cost of carrying out, workforce preparation''.

In section 161(b)(1), strike ''The State'' and all that follows through ''subsection (c)'' and insert ''The Secretary of Labor shall use the funds made available for a State through an allotment made under subsection (c)(2)''.

In section 161(b)(1), strike ''section 152'' and insert ''section 156''.

In section 161(b)(2)(A), strike ''subsection (c)'' and insert ''subsection (c)(3)''.

In section 161(b)(3), strike ''the funds described in paragraph (1)'' and insert ''the funds made available to the State through an allotment received under subsection (c)(3)''.

In section 161(c)(1), strike ''to each State'' and insert ''for each State''.

In section 161(c)(1)(A), strike ''to the State'' and insert ''for the State''.

In section 161(c)(2), strike ''to each State'' and all that follows and insert ''for each State, for the operation of Job Corps centers—

''(A) the amount that Job Corps centers in the State expended for fiscal year 1996 under part B of title IV of the Job Training Partnership Act to enable the Secretary of Labor to carry out activities described in paragraphs (2) and (3), and to pay for rehabilitation expenses described in paragraph (4), of section 156(a), as determined under such paragraphs; and

''(B) such amount as may be necessary for the planning, construction, and operation described in section 156(b)(2)(C) for any center described in such section in the State.''.

In section 161(d), strike ''subsection (c)'' and insert ''subsection (c)(3)''.

In section 181(b), strike ''this title'' and insert ''this title (other than subtitle B)''.

In section 182(a)(4)(B), strike ''under this Act'' and insert ''under this Act (other than subtitle B)''.

In section 186(c)(2)(H), strike ''under this Act'' and insert ''under this Act (other than subtitle B)''.

In the second sentence of section 186(c)(5)(A), strike ''181(b)'' and insert ''181(b) (other than the administration of subtitle B)''.

In the third sentence of section 186(c)(5)(A), strike ''administration'' and insert ''administration (other than the administration of subtitle B)''.

In section 198C(e)(1)(B)(iii) of the National and Community Service Act of 1990 (42 U.S.C. 12653c(e)(1)(B)(iii)), as amended in section 192(b)(5)(LLL), strike ''132'' and insert ''131''.

GRAMM AMENDMENT NO. 2895

Mrs. KASSEBAUM (for Mr. GRAMM) proposed an amendment to amendment No. 2885 proposed by her to the bill S. 143, supra; as follows:

On page 201, strike lines 18 through 22 and insert the following:

(B) SCOPE.—

(i) INITIAL REDUCTIONS.—Not later than the date of the transfer under subsection (b), the Secretary of Labor and the Secretary of Education shall take the actions described in subparagraph (A) with respect to not less than ⅓ of the number of positions of personnel that relate to a covered activity.

(ii) SUBSEQUENT REDUCTIONS.—Not later than 5 years after the date of the transfer under subsection (b), the Secretary of Labor and the Secretary of Education shall take the actions described in subparagraph (A)—

(I) with respect to not less than 60 percent of the number of positions of personnel that relate to a covered activity, unless the Secretaries submit (prior to the end of such 5-year period) a report to Congress demonstrating why such actions have not occurred; or

(II) with respect to not less than 40 percent of the number of positions of personnel that relate to a covered activity, if the Secretaries make the determination and submit the report referred to in subclause (I).

(iii) CALCULATION.—For purposes of calculating, under this subparagraph, the number of positions of personnel that relate to a covered activity, such number shall include the number of positions of personnel who are separated from service under subparagraph (A).

PELL (AND JEFFORDS) AMENDMENT NO. 2896

Mr. PELL (for himself and Mr. JEFFORDS) proposed an amendment to amendment No. 2885 proposed by Mrs. KASSEBAUM to the bill S. 143, supra; as follows:

On page 315, after line 16, insert the following:

SEC. ___1. MUSEUM AND LIBRARY SERVICES.

The Museum Services Act (20 U.S.C. 961 et seq.) is amended to read as follows:

"TITLE II—MUSEUM AND LIBRARY SERVICES

"Subtitle A—General Provisions

"SEC. 201. SHORT TITLE.

''This title may be cited as the 'Museum and Library Services Act'.

"SEC. 202. GENERAL DEFINITIONS.

''As used in this title:

''(1) COMMISSION.—The term 'Commission' means the National Commission on Libraries and Information Science established under section 3 of the National Commission on Libraries and Information Science Act (20 U.S.C. 1502).

''(2) DIRECTOR.—The term 'Director' means the Director of the Institute appointed under section 204.

''(3) INSTITUTE.—The term 'Institute' means the Institute of Museum and Library Services established under section 203.

''(4) MUSEUM BOARD.—The term 'Museum Board' means the National Museum Services Board established under section 276.

"SEC. 203. INSTITUTE OF MUSEUM AND LIBRARY SERVICES.

''(a) ESTABLISHMENT.—There is established within the Foundation an Institute of Museum and Library Services.

''(b) OFFICES.—The Institute shall consist of an Office of Museum Services and an Office of Library Services. There shall be a National Museum Services Board in the Office of Museum Services.

"SEC. 204. DIRECTOR OF THE INSTITUTE.

''(a) APPOINTMENT.—

''(1) IN GENERAL.—The Institute shall be headed by a Director, appointed by the President, by and with the advice and consent of the Senate.

''(2) TERM.—The Director shall serve for a term of 4 years.

''(3) QUALIFICATIONS.—Beginning with the first individual appointed to the position of Director after the date of enactment of this Act, every second individual so appointed shall be appointed from among individuals who have special competence with regard to library and information services. Beginning with the second individual appointed to the position of Director after the date of enactment of this Act, every second individual so appointed shall be appointed from among individuals who have special competence with regard to museum services.

''(b) COMPENSATION.—The Director shall be compensated at the rate provided for level III of the Executive Schedule under section 5314 of title 5, United States Code.

''(c) DUTIES AND POWERS.—The Director shall perform such duties and exercise such powers as may be prescribed by law, including—

''(1) awarding financial assistance for activities described in this title; and

''(2) using not less than 5 percent and not more than 7 percent of the funds made available under this title for each fiscal year to award financial assistance for projects that involve both—

''(A) activities relating to library and information services, as described in subtitle B, carried out in accordance with such subtitle; and

''(B) activities relating to museum services, as described in subtitle C, carried out in accordance with such subtitle.

''(d) NONDELEGATION.—The Director shall not delegate any of the functions of the Director to any person who is not directly responsible to the Director.

''(e) COORDINATION.—The Director shall ensure coordination of the policies and activities of the Institute with the policies and activities of other agencies and offices of the Federal Government having interest in and responsibilities for the improvement of museums and libraries and information services.

"SEC. 205. DEPUTY DIRECTORS.

''(a) APPOINTMENT.—The Office of Library Services shall be headed by a Deputy Director, who shall be appointed by the Director from among individuals who have a graduate degree in library science and expertise in library and information services. The Office of Museum Services shall be headed by a Deputy Director, who shall be appointed by the Director from among individuals who have expertise in museum services.

''(b) COMPENSATION.—Each such position of Deputy Director shall be a Senior Executive Service position, which shall be paid at a rate of pay for a position at ES–1 of the Senior Executive Service schedule.

"SEC. 206. PERSONNEL.

''(a) IN GENERAL.—The Director may, in accordance with applicable provisions of title 5, United States Code, appoint and determine the compensation of such employees as the Director determines to be necessary to carry out the duties of the Institute.

''(b) VOLUNTARY SERVICES.—The Director may accept and utilize the voluntary services of individuals and reimburse the individuals for travel expenses, including per diem in lieu of subsistence, in the same amounts and to the same extent as authorized under section 5703 of title 5, United States Code, for persons employed intermittently in Federal Government service.

"SEC. 207. CONTRIBUTIONS.

''The Institute shall have authority to solicit, accept, receive, and invest in the name of the United States, gifts, bequests, or devises of money and other property or services and to use such property or services in furtherance of the functions of the Institute. Any proceeds from such gifts, bequests, or devises, after acceptance by the Institute, shall be paid by the donor or the representative of the donor to the Director. The Director shall enter the proceeds in a special interest bearing account to the credit of the Institute for the purposes in each case specified.

"Subtitle B—Library Services and Technology

"SEC. 211. SHORT TITLE.

''This subtitle may be cited as the 'Library Services and Technology Act'.

"SEC. 212. STATEMENT OF PURPOSE; RECOGNITION OF NEED.

''(a) STATEMENT OF PURPOSE.—The purposes of this subtitle are as follows:

''(1) To stimulate excellence and promote equity and lifelong access to learning and information resources in all types of libraries.

''(2) To combine the ability of the Federal Government to stimulate significant improvement and innovation in library services with support at State and local levels, and with cooperative programs with other agencies and with public and private sector partnerships, to achieve national library service goals.

''(3) To establish national library service goals for the 21st century. Such goals are that every person in America will be served by a library that—

''(A) provides all users access to information through regional, State, national, and international electronic networks;

''(B) contributes to a productive workforce, and to economic development, by providing resources and services designed to meet local community needs;

''(C) provides a full range of resources and programs to develop reading and critical thinking skills for children and adults;

''(D) provides targeted services to people of diverse geographic, cultural, and socioeconomic backgrounds, to individuals with disabilities, and to people with limited functional literacy or information skills; and

''(E) provides adequate hours of operation, facilities, staff, collections, and electronic access to information.

''(b) RECOGNITION OF NEED.—The Congress recognizes that strong library services are essential to empower people to succeed in our Nation's increasingly global and technological environment.

"SEC. 213. DEFINITIONS.

''As used in this subtitle:

''(1) INDIAN TRIBE.—The term 'Indian tribe' means any tribe, band, nation, or other organized group or community, including any Alaska native village, regional corporation, or village corporation, as defined in or established pursuant to the Alaska Native Claims Settlement Act (43 U.S.C. 1601 et seq.), which is recognized by the Secretary of the Interior as eligible for the special programs and services provided by the United States to Indians because of their status as Indians.

''(2) LIBRARY CONSORTIA.—The term 'library consortia' means any local, statewide, regional, interstate, or international cooperative association of library entities which provides for the systematic and effective coordination of the resources of school, public, academic, and special libraries and information centers for improved services for their clientele.

''(3) LIBRARY ENTITY.—The term 'library entity' means a library that performs all activities of a library relating to the collection and organization of library materials and other information and that makes the materials and information publicly available. Such term includes State library administrative agencies and the libraries, library related entities, cooperatives, and consortia through which library services are made publicly available.

''(4) PUBLIC LIBRARY.—The term 'public library' means a library that serves free of charge all residents of a community, district, or region, and receives its financial support in whole or in part from public funds. Such term also includes a research library, which, for the purposes of this sentence, means a library, which—

''(A) makes its services available to the public free of charge;

''(B) has extensive collections of books, manuscripts, and other materials suitable for scholarly research which are not available to the public through public libraries;

''(C) engages in the dissemination of humanistic knowledge through services to readers, fellowships, educational and cultural programs, publications of significant research, and other activities; and

''(D) is not an integral part of an institution of higher education.

''(5) STATE.—The term 'State', unless otherwise specified, includes the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the United States Virgin Islands, the Commonwealth of the Northern Mariana Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau.

''(6) STATE ADVISORY COUNCIL.—The term 'State advisory council' means an advisory council established pursuant to section 252.

''(7) STATE LIBRARY ADMINISTRATIVE AGENCY.—The term 'State library administrative agency' means the official agency of a State charged by law of that State with the extension and development of public library services throughout the State, which has adequate authority under law of the State to administer the State plan in accordance with the provisions of this subtitle.

''(8) STATE PLAN.—The term 'State plan' means the document which gives assurances that the officially designated State library administrative agency has the fiscal and legal authority and capability to administer all aspects of this subtitle, provides assurances for establishing the State's policies, priorities, criteria, and procedures necessary to the implementation of all programs under this subtitle, submits copies for approval as required by regulations promulgated by the Director, and identifies a State's library needs and sets forth the activities to be taken toward meeting the identified needs supported with the assistance of Federal funds made available under this subtitle.

''SEC. 214. AUTHORIZATION OF APPROPRIATIONS.

''(a) AUTHORITY.—

''(1) IN GENERAL.—There are authorized to be appropriated to the Secretary of Education—

''(A) for the purpose of awarding grants under subchapter A of chapter 2 and for related administrative expenses, $75,000,000 for fiscal year 1996, and such sums as may be necessary for each of the 4 succeeding fiscal years; and

''(B) for the purpose of awarding grants under subchapter B of chapter 2 and for related administrative expenses, $75,000,000 for fiscal year 1996, and such sums as may be necessary for each of the 4 succeeding fiscal years.

''(2) TRANSFER.—The Secretary of Education shall transfer any funds appropriated under the authority of paragraph (1) to the Director to enable the Director to carry out this subtitle.

''(b) JOINT PROJECTS.—Not less than 5 percent and not more than 7 percent of the funds appropriated under this section for a fiscal year may be made available for projects described in section 204(c)(2) for the fiscal year.

''(c) ADMINISTRATION.—Not more than 10 percent of the funds appropriated under this section for a fiscal year may be used to pay for the Federal administrative costs of carrying out this subtitle.

''CHAPTER 1—BASIC PROGRAM REQUIREMENTS

''SEC. 221. RESERVATIONS AND ALLOTMENTS.

''(a) RESERVATIONS.—From the amount appropriated under the authority of section 214(a) for any fiscal year, the Director—

''(1) shall reserve 1½ percent to award grants in accordance with section 261; and

''(2) shall reserve 8 percent to carry out a national leadership program in library science in accordance with section 262.

''(b) ALLOTMENTS.—

''(1) IN GENERAL.—From the sums appropriated under the authority of section 214(a) and not reserved under subsection (a) for any fiscal year, the Director shall allot the minimum allotment, as determined under paragraph (3), to each State. Any sums remaining after minimum allotments have been made for such year shall be allotted in the manner set forth in paragraph (2).

''(2) REMAINDER.—From the remainder of any sums appropriated under the authority of section 214(a) that are not reserved under subsection (a) and not allotted under paragraph (1) for any fiscal year, the Director shall allot to each State an amount that bears the same relation to such remainder as the population of the State bears to the population of all the States.

''(3) MINIMUM ALLOTMENT.—

''(A) IN GENERAL.—For the purposes of this subsection, the minimum allotment shall be—

''(i) with respect to appropriations for the purposes of subchapter A of chapter 2, $200,000 for each State, except that the minimum allotment shall be $40,000 in the case of Guam, American Samoa, the United States Virgin Islands, the Commonwealth of the Northern Mariana Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau; and

''(ii) with respect to appropriations for the purposes of subchapter B of chapter 2, $200,000 for each State, except that the minimum allotment shall be $40,000 in the case of Guam, American Samoa, the United States Virgin Islands, the Commonwealth of the Northern Mariana Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau.

''(B) RATABLE REDUCTIONS.—If the sums appropriated under the authority of section 214(a) and not reserved under subsection (a) for any fiscal year are insufficient to fully satisfy the aggregate of the minimum allotments for all States for that purpose for such year, each of such minimum allotments shall be reduced ratably.

''(4) DATA.—The population of each State and of all the States shall be determined by the Director on the basis of the most recent data available from the Bureau of the Census.

''SEC. 222. ADMINISTRATION AND EVALUATION.

''(a) IN GENERAL.—Not more than 5 percent of the total funds received under this subtitle for any fiscal year by a State may be used for administration.

''(b) CONSTRUCTION.—Nothing in this section shall be construed to limit spending for evaluation costs under section 251 from sources other than this subtitle.

''SEC. 223. PAYMENTS; FEDERAL SHARE; AND MAINTENANCE OF EFFORT REQUIREMENTS.

''(a) PAYMENTS.—The Director shall pay to each State library administrative agency having a State plan approved under section 224 the Federal share of the cost of the activities described in the State plan.

''(b) FEDERAL SHARE.—

''(1) IN GENERAL.—Except as provided in paragraph (3), the Federal share shall be 50 percent.

''(2) NON-FEDERAL SHARE.—The non-Federal share of payments shall be provided from non-Federal, State, or local sources.

''(3) SPECIAL RULE.—The Federal share—

''(A) for the Commonwealth of Puerto Rico, Guam, American Samoa, the United States Virgin Islands, and the Commonwealth of the Northern Mariana Islands, shall be 66 percent; and

''(B) for the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau, shall be 100 percent.

''(c) MAINTENANCE OF EFFORT.—

''(1) IN GENERAL.—The amount otherwise payable to a State for a fiscal year under chapter 2 shall be reduced if the level of State expenditures, as described in paragraph (2), for the previous fiscal year are less than the average of the total of such expenditures for the 3 fiscal years preceding that previous fiscal year. The amount of the reduction in allotment for any fiscal year shall be in exact proportion to the amount which the State fails to meet the requirement of this subsection.

''(2) LEVEL OF STATE EXPENDITURES.—The level of State expenditures for the purposes of paragraph (1) shall include all State dollars expended by the State library administrative agency for library programs that are consistent with the purposes of this subtitle. All funds included in the maintenance of effort calculation under this subsection shall be expended during the fiscal year for which the determination is made, and shall not include capital expenditures, special one-time project costs, or similar windfalls.

''(3) WAIVER.—The Director may waive the requirements of paragraph (1) if the Director determines that such a waiver would be equitable due to exceptional or uncontrollable circumstances such as a natural disaster or a precipitous and unforeseen decline in the financial resources of the State.

''SEC. 224. STATE PLANS.

''(a) STATE PLAN REQUIRED.—

''(1) IN GENERAL.—In order to be eligible to receive a grant under this subtitle, a State library administrative agency shall submit a State plan to the Director not later than April 1, 1996.

''(2) DURATION.—The State plan shall cover a period of 5 fiscal years.

''(3) REVISIONS.—If a State library administrative agency makes a substantive revision to its State plan, then the State library administrative agency shall submit to the Director an amendment to the State plan containing such revision not later than April 1 of the fiscal year preceding the fiscal year for which the amendment will be effective.

''(b) CONTENTS.—The State plan shall—

''(1) specify priorities for improvement of library services so that all people in the State have convenient and appropriate access to information delivered by libraries through new and emerging technologies assisted under subchapter A of chapter 2;

''(2) identify those persons who need special services under subchapter B of chapter 2 and specify priorities for meeting the purpose described in section 241(a);

''(3) describe how section 243 will be implemented within the State, specify the accountability and evaluation procedures to be followed by public libraries receiving funds under such section, and specify whether and how funds are to be aggregated under section 243(b)(2) to improve library services provided to children in the State described in section 243(a)(2);

''(4) describe the activities and services for which assistance is sought, including—

''(A) priorities for the use of funds under this subtitle; and

''(B) a description of the types of libraries and library entities that will be eligible to receive funds under this subtitle;

''(5) provide that any funds paid to the State in accordance with the State plan shall be expended solely for the purposes for which the funds are authorized and appropriated and that such fiscal control and fund accounting procedures have been adopted as may be necessary to assure proper disbursement of, and account for, Federal funds paid to the State (including any such funds paid by the State to any other entity) under this subtitle;

''(6) provide procedures to ensure that the State library administrative agency shall involve libraries and users throughout the State in policy decisions regarding implementation of this subtitle, and development of the State plan, including establishing the State advisory council;

''(7) provide satisfactory assurance that the State library administrative agency—

''(A) will make such reports, in such form and containing such information, as the Director may require to carry out this subtitle and to determine the extent to which funds provided under this subtitle have been effective in carrying out the purposes of this subtitle, including reports on evaluations under section 251;

''(B) will keep such records and afford such access thereto as the Director may find necessary to assure the correctness and verification of such reports;

''(C) will provide to State advisory council members an orientation regarding the provisions of this subtitle and members' responsibilities, including clear, easily understandable information about the State plan; and

''(D) will report annually at a meeting of the State advisory council on the State library administrative agency's progress toward meeting the goals and objectives of the State plan;

''(8) describe the process for assessing the needs for library and information services within the State, and describe the results of the most recent needs assessment;

''(9) establish goals and objectives for achieving within the State the purposes of this subtitle, including the purposes in sections 212(a), 231(a), and 241(a); and

''(10) describe how the State library administrative agency, in consultation with the State advisory council, will—

''(A) administer this subtitle; and

''(B) conduct evaluations under section 251, including a description of the types of evaluation methodologies to be employed.

''(c) ACCOUNTABILITY.—Each State plan shall—

''(1) establish State-defined performance goals to set forth the level of performance to be achieved by an activity assisted under this subtitle;

''(2) express such goals in an objective, quantifiable, and measurable form unless authorized to be in an alternative form in accordance with section 1115(b) of title 31, United States Code;

''(3) briefly describe the operational processes, skills and technology, and the human, capital, information, or other resources, required to meet the performance goals;

''(4) establish performance indicators in accordance with subsection (d) to be used in measuring or assessing the relevant outputs, service levels, and outcomes, of each activity assisted under this subtitle;

''(5) provide a basis for comparing actual program results with the established performance goals; and

''(6) describe the means to be used to verify and validate measured values.

''(d) PERFORMANCE INDICATORS.—Performance indicators described in subsection (c)(4) shall include—

''(1) evidence of progress toward the national library service goals under section 212(a)(3);

''(2) consultation with the State educational agency;

''(3) identification of activities suitable for nationwide replication; and

''(4) progress in improvement of library services provided to children described in section 243(a)(2).

''(e) APPROVAL.—

''(1) IN GENERAL.—The Director shall approve any State plan under this subtitle that meets the requirements of this subtitle and provides satisfactory assurances that the provisions of such plan will be carried out.

''(2) PUBLIC AVAILABILITY.—Each State library administrative agency receiving a grant under this subtitle shall make the State plan available to the public.

''(3) ADMINISTRATION.—If the Director determines that the State plan does not meet the requirements of this section, the Director shall—

''(A) immediately notify the State library administrative agency of such determination and the reasons for such determination;

''(B) offer the State library administrative agency the opportunity to revise its State plan;

''(C) provide technical assistance in order to assist the State library administrative agency to meet the requirements of this section; and

''(D) provide the State library administrative agency the opportunity for a hearing.

''CHAPTER 2—LIBRARY PROGRAMS

''Subchapter A—Information Access Through Technology

''SEC. 231. GRANTS TO STATES FOR INFORMATION ACCESS THROUGH TECHNOLOGY.

''(a) PURPOSE.—The purpose of this subchapter is to provide for the improvement of library services so that all people have access to information delivered by libraries through new and emerging technologies, whether the information originates locally, from the State, nationally, or globally.

''(b) GRANTS.—

''(1) IN GENERAL.—The Director shall award grants under this subchapter from allotments under section 221(b) to States that have State plans approved under section 224.

''(2) FEDERAL SHARE.—Grants awarded under paragraph (1) shall be used to pay the Federal share of the cost of activities under section 232 that are described in a State plan approved under section 224.

''SEC. 232. AUTHORIZED ACTIVITIES.

''Each State that receives a grant under section 231(b) may use the grant funds to provide statewide services and subgrants to public libraries, other types of libraries and library consortia, or library linkages with other entities, in accordance with the State plan. Such services and subgrants shall involve—

''(1) organization, access, and delivery of information;

''(2) lifelong learning, and workforce and economic development; or

''(3) support of technology infrastructure.

''Subchapter B—Information Empowerment Through Special Services

''SEC. 241. GRANTS TO STATES FOR INFORMATION EMPOWERMENT THROUGH SPECIAL SERVICES.

''(a) PURPOSE.—The purpose of this subchapter is to provide for the improvement of library and information services targeted to persons of all ages and cultures who have difficulty using a library and to communities which are geographically disadvantaged in access to libraries, who or which need special materials or services, or who or which will benefit from outreach services for equity of access to library services and information technologies, including children (from birth through age 17) from families living below the income official poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)) applicable to a family of the size involved).

''(b) GRANTS.—

''(1) IN GENERAL.—The Director shall award grants under this subchapter from allotments under section 221(b) to States that have State plans approved under section 224.

''(2) FEDERAL SHARE.—Grants awarded under paragraph (1) shall be used to pay the Federal share of the cost of the activities under section 242 that are described in a State plan approved under section 224.

''SEC. 242. AUTHORIZED ACTIVITIES.

''Each State that receives a grant under section 241(b) may use the grant funds to provide statewide services and subgrants to public libraries, other types of libraries and library consortia, or library linkages with other entities, in accordance with the State plan. Such services and subgrants shall involve activities that—

''(1) increase literacy and lifelong learning;

''(2) serve persons in rural, underserved, or inner-city areas; or

''(3) support the provision of special services.

''SEC. 243. SERVICES FOR CHILDREN IN POVERTY.

''(a) STATE LEVEL RESERVATION.—

''(1) IN GENERAL.—Except as provided in subsection (c), from the total amount that each State library administrative agency receives under this subchapter for a fiscal year, such agency shall reserve the amount of funds determined under paragraph (2) to provide assistance to public libraries in the State to enable such libraries to enhance the provision of special services to children described in such paragraph who are served by such libraries.

''(2) AMOUNT.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), the amount of funds a State library administrative agency shall reserve under paragraph (1) shall be equal to the sum of—

''(i) $1.50 for every preschooler (birth through age 5) in the State from a family living below the income official poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)) applicable to a family of the size involved); and

''(ii) $1.00 for every school-age child (ages 6 through 17) in the State from such a family.

''(B) MAXIMUM.—The maximum amount that a State library administrative agency may reserve under paragraph (1) for any fiscal year shall not exceed 15 percent of the total amount such agency receives under this subchapter for such year.

''(b) WITHIN STATE DISTRIBUTION.—

''(1) IN GENERAL.—Except as provided in paragraph (2), each public library in a State shall receive under this section for a fiscal year an amount that bears the same relation to the amount the State library administrative agency reserves under subsection (a) for such year as the number of children described in subsection (a)(2) served by such public library for the preceding fiscal year bears to the number of such children served by all public libraries in the State for such preceding fiscal year.

''(2) EXCEPTION.—

''(A) IN GENERAL.—If a State library administrative agency determines that the amount available under paragraph (1) for a fiscal year for 2 or more public libraries is too small to be effective, then such agency may aggregate such amounts for such year.

''(B) REQUIREMENTS.—Each State library administrative agency aggregating amounts under subparagraph (A) for a fiscal year—

''(i) shall only aggregate the amount available under paragraph (1) for a public library for a fiscal year if the amount so available for such year is $3,000 or less; and

''(ii) shall use such aggregated amounts to enhance the library services provided to the children described in subsection (a)(2) served by the public libraries for which such agency aggregated such amounts for such year.

''(c) ADJUSTMENTS.—

''(1) APPROPRIATIONS INCREASE.—For any fiscal year for which the amount appropriated to carry out this subtitle is greater than the amount appropriated to carry out this subtitle for the preceding fiscal year by a percentage that equals or exceeds 10 percent, the amount each State library administrative agency shall reserve under subsection (a)(2) for the fiscal year for which the determination is made shall be increased by the same such percentage.

''(2) APPROPRIATIONS DECREASE.—For any fiscal year for which the amount appropriated to carry out this subtitle is less than the amount appropriated to carry out this subtitle for the preceding fiscal year by a percentage that equals or exceeds 10 percent, the amount each State library administrative agency shall reserve under subsection (a)(2) for the fiscal year for which the determination is made shall be decreased by the same such percentage.

''(d) PLAN.—Each public library desiring assistance under this section shall submit a plan for the expenditure of funds under this section to the State library administrative agency. Such plan shall include a description of how the library will—

''(1) identify the children described in subsection (a)(2);

''(2) collaborate with community representatives to ensure planning and implementation of appropriate, helpful library services; and

''(3) establish indicators of success.

''(e) PRIORITIES.—Priorities for the use of funds under this section may include activities for children described in subsection (a)(2) such as—

''(1) development of after-school homework support and summer and vacation reading programs;

''(2) development of family literacy programs;

''(3) extension of branch hours to provide space and resources for homework;

''(4) development of coalitions and training programs involving libraries and other service providers in the State;

''(5) development of technological resources;

''(6) hiring specialized outreach staff; and

''(7) development of peer tutoring programs.

"CHAPTER 3—ADMINISTRATIVE PROVISIONS

"Subchapter A—State Requirements

"SEC. 251. STATE EVALUATION.

''(a) IN GENERAL.—Each State receiving a grant under this subtitle shall annually evaluate, in accordance with subsections (b) and (c), the activities assisted under subchapters A and B of chapter 2.

''(b) SUBCHAPTER A ACTIVITIES.—Each evaluation of activities assisted under subchapter A of chapter 2 shall include a description of how effective such activities are in ensuring that—

''(1) every American will have affordable access to information resources through electronic networks;

''(2) every public library will be connected to national and international electronic networks;

''(3) every State library agency will promote planning and provide support for full library participation in electronic networks;

''(4) every public librarian will possess the knowledge and skills needed to help people obtain information through electronic sources; and

''(5) every public library will be equipped with the technology needed to help people obtain information in an effective and timely manner.

''(c) SUBCHAPTER B ACTIVITIES.—

''(1) IN GENERAL.—Each evaluation of activities assisted under subchapter B of chapter 2 shall include—

''(A) with respect to activities to increase literacy and lifelong learning—

''(i) an analysis of the current situation in the State;

''(ii) how such activities will meet the needs of the current situation in the State and the target groups to be served; and

''(iii) a report of the effect of such activities in relation to the objectives of such activities;

''(B) with respect to activities to serve people in rural and urban areas—

''(i) procedures used to identify library users within a community;

''(ii) a description of needs and target groups to be served;

''(iii) an analysis of the levels of success to be targeted;

''(iv) a report of the effect of such activities in relation to the objectives of such activities; and

''(v) a description of the background of the current level of library service to people in rural and urban areas, and how such activities will extend, improve, and further provide library resources to such people;

''(C) with respect to activities to support the provision of special services—

''(i) an analysis of the current situation in the State;

''(ii) how such activities will meet the needs of the current situation in the State; and

''(iii) a report of the effect of such activities in relation to the objectives of such activities; and

''(D) with respect to activities to serve children under section 243—

''(i) an analysis of the current local situations;

''(ii) a description of such activities, including objectives and costs of such activities; and

''(iii) a report of the effect of such activities in relation to the objectives of such activities.

''(2) INFORMATION.—Each public library receiving assistance under section 243 shall submit to the State library administrative agency such information as such agency may require to meet the requirements of paragraph (1)(D).

"SEC. 252. STATE ADVISORY COUNCILS.

''(a) COUNCILS REQUIRED.—Each State desiring assistance under this subtitle shall establish a State advisory council.

''(b) COMPOSITION.—Each State advisory council shall be broadly representative of the library entities in the State, including public, school, academic, special, and institutional libraries, and libraries serving individuals with disabilities.

''(c) DUTIES.—Each State advisory council shall—

''(1) consult with the State library administrative agency regarding the development of the State plan;

''(2) advise the State library administrative agency on the development of, and policy matters arising in the administration of, the State plan, including mechanisms for evaluation;

''(3) assist the State library administrative agency in—

''(A) the dissemination of information regarding activities assisted under this subtitle; and

''(B) the evaluation of activities assisted under this subtitle; and

''(4) establish bylaws to carry out such council's duties under this subsection.

"Subchapter B—Federal Requirements

"SEC. 261. SERVICES FOR INDIAN TRIBES.

''(a) GRANTS AUTHORIZED.—From amounts reserved under section 221(a)(1) for any fiscal year the Director shall award grants to organizations primarily serving and representing Indian tribes to enable such organizations to carry out the authorized activities described in subsection (b).

''(b) AUTHORIZED ACTIVITIES.—Grant funds awarded under this section may be used for—

''(1) inservice or preservice training of Indians as library personnel;

''(2) the purchase of library materials;

''(3) the conduct of special library programs for Indians;

''(4) salaries of library personnel;

''(5) transportation to enable Indians to have access to library services;

''(6) dissemination of information about library services;

''(7) assessment of tribal library needs; and

''(8) contracts to provide public library services to Indians living on or near reservations or to accomplish any activities described in paragraphs (1) through (7).

''(c) PROHIBITION.—No funds shall be awarded pursuant to this section unless such funds will be administered by a librarian.

''(d) DUPLICATION.—In awarding grants under this section, the Director shall take such actions as may be necessary to prevent the grant funds provided under this section from being received by any 2 or more entities to serve the same population.

''(e) MAINTENANCE OF EFFORT.—Each organization that receives a grant under this section and supports a public library system shall continue to expend from Federal, State, and local sources an amount not less than the amount expended by such organization from such sources for public library services during the second fiscal year preceding the fiscal year for which the determination is made.

''(f) CONSTRUCTION.—Nothing in this section shall be construed to prohibit the dissemination of restricted collections of tribal cultural materials with funds made available under this section.

''(g) APPLICATION.—

''(1) IN GENERAL.—Any organization which desires to receive a grant under this section shall submit an application to the Director that—

''(A) describes the activities and services for which assistance is sought; and

''(B) contains such information as the Director may require by regulation.

''(2) CRITERIA.—The Director shall issue criteria for the approval of applications under this section, but such criteria shall not include—

''(A) an allotment formula; or

''(B) a matching of funds requirement.

"SEC. 262. NATIONAL LEADERSHIP PROGRAM.

''(a) IN GENERAL.—From the amounts reserved under section 221(a)(2) for any fiscal year the Director shall establish and carry out a program of national leadership and evaluation activities to enhance the quality of library services nationwide. Such activities may include—

''(1) education and training of persons in library and information science, particularly in areas of new technology and other critical needs, including graduate fellowships, traineeships, institutes, or other programs;

''(2) research and demonstration projects related to the improvement of libraries, education in library and information science, enhancement of library services through effective and efficient use of new technologies, and dissemination of information derived from such projects; and

''(3) preservation or digitization of library materials and resources, giving priority to projects emphasizing coordination, avoidance of duplication, and access by researchers beyond the institution or library entity undertaking the project.

''(b) GRANTS OR CONTRACTS.—

''(1) IN GENERAL.—The Director may carry out the activities described in subsection (a) by awarding grants to, or entering into contracts with, library entities, agencies, or institutions of higher education.

''(2) COMPETITIVE BASIS.—Grants and contracts described in paragraph (1) shall be awarded on a competitive basis.

''(c) SPECIAL RULE.—The Director, with policy advice from the Museum Board shall make every effort to ensure that activities assisted under this section are administered by appropriate library and information services professionals or experts and science professionals or experts.

"SEC. 263. STATE AND LOCAL INITIATIVES.

''Nothing in this subtitle shall be construed to interfere with State and local initiatives and responsibility in the conduct of library services. The administration of libraries, the selection of personnel and library books and materials, and insofar as

consistent with the purposes of this subtitle, the determination of the best uses of the funds provided under this subtitle, shall be reserved to the States and their local subdivisions.

"Subtitle C—Museum Services

"SEC. 271. PURPOSE.

''It is the purpose of this subtitle—

''(1) to encourage and assist museums in their educational role, in conjunction with formal systems of elementary, secondary, and postsecondary education and with programs of nonformal education for all age groups;

''(2) to assist museums in modernizing their methods and facilities so that the museums may be better able to conserve the cultural, historic, and scientific heritage of the United States; and

''(3) to ease the financial burden borne by museums as a result of their increasing use by the public.

"SEC. 272. DEFINITIONS.

''As used in this subtitle, the term 'museum' means a public or private nonprofit agency or institution organized on a permanent basis for essentially educational or aesthetic purposes, that utilizes a professional staff, owns or utilizes tangible objects, cares for the tangible objects, and exhibits the tangible objects to the public on a regular basis.

"SEC. 273. MUSEUM SERVICES ACTIVITIES.

''(a) GRANTS.—The Director, subject to the policy direction of the Museum Board, may make grants to museums to pay for the Federal share of the cost of increasing and improving museum services, through such activities as—

''(1) programs to enable museums to construct or install displays, interpretations, and exhibitions in order to improve museum services to the public;

''(2) assisting museums in developing and maintaining professionally trained or otherwise experienced staff to meet their needs;

''(3) assisting museums in meeting their administrative costs in preserving and maintaining their collections, exhibiting the collections to the public, and providing educational programs to the public through the use of the collections;

''(4) assisting museums in cooperating with each other in developing traveling exhibitions, meeting transportation costs, and identifying and locating collections available for loan;

''(5) assisting museums in conservation of their collections; and

''(6) developing and carrying out specialized programs for specific segments of the public, such as programs for urban neighborhoods, rural areas, Indian reservations, and penal and other State institutions.

''(b) CONTRACTS AND COOPERATIVE AGREEMENTS.—

''(1) PROJECTS TO STRENGTHEN MUSEUM SERVICES.—The Director, subject to the policy direction of the Museum Board, is authorized to enter into contracts and cooperative agreements with appropriate entities to pay for the Federal share of enabling the entities to undertake projects designed to strengthen museum services, except that any contracts or cooperative agreements entered into pursuant to this subsection shall be effective only to such extent or in such amounts as are provided in appropriations Acts.

''(2) LIMITATION ON AMOUNT.—The aggregate amount of financial assistance made available under this subsection for a fiscal year shall not exceed 15 percent of the amount appropriated under this subtitle for such fiscal year.

''(3) OPERATIONAL EXPENSES.—No financial assistance may be provided under this subsection to pay for operational expenses.

''(c) FEDERAL SHARE.—

''(1) 50 PERCENT.—Except as provided in paragraph (2), the Federal share described in subsections (a) and (b) shall be not more than 50 percent.

''(2) 100 PERCENT.—The Director may use not more than 20 percent of the funds made available under this section for a fiscal year to make grants under subsection (a), or enter into contracts or agreements under subsection (b), for which the Federal share may be 100 percent.

''(d) REVIEW AND EVALUATION.—The Director shall establish procedures for reviewing and evaluating grants, contracts, and cooperative agreements made or entered into under this section. Procedures for reviewing grant applications or contracts and cooperative agreements for financial assistance under this section shall not be subject to any review outside of the Institute.

"SEC. 274. ASSESSMENTS.

''(a) IN GENERAL.—The Director, subject to the policy direction of the Museum Board and in consultation with appropriate representatives of museums and other types of community institutions, agencies, and organizations, shall undertake an assessment of the collaborative possibilities museums can engage in to serve the public more broadly and effectively.

''(b) CONTENTS.—The assessment shall include—

''(1) an investigation of opportunities to establish collaborative programs between museums within a community, including an investigation of the role that larger institutions can play as mentors to smaller institutions;

''(2) an investigation of opportunities to establish collaborative programs between museums and community organizations;

''(3) an investigation of the potential for collaboration between museums on technology issues to reach a broader audience; and

''(4) an investigation of opportunities for museums to work with each other and with other community resources to serve the public better and to coordinate professional and financial development activities.

''(c) LIMITATION.—This section shall not apply in any fiscal year for which the amount appropriated under section 277(a) is less than $28,700,000.

"SEC. 275. AWARD.

''The Director, with the advice of the Museum Board, may annually award a National Award for Museum Service to outstanding museums that have made significant contributions in service to their communities.

"SEC. 276. NATIONAL MUSEUM SERVICES BOARD.

''(a) ESTABLISHMENT.—There is established in the Institute a National Museum Services Board.

''(b) COMPOSITION AND QUALIFICATIONS.—

''(1) COMPOSITION.—The Museum Board shall consist of the Director and 14 members appointed by the President, by and with the advice and consent of the Senate.

''(2) QUALIFICATIONS.—The appointive members of the Museum Board shall be selected from among citizens of the United States—

''(A) who are members of the general public;

''(B) who are or have been affiliated with—

''(i) resources that, collectively, are broadly representative of the curatorial, conservation, educational, and cultural resources of the United States; and

''(ii) museums that, collectively, are broadly representative of various types of museums, including museums relating to science, history, technology, and art, zoos, and botanical gardens; and

''(C) who are recognized for their broad knowledge, expertise, or experience in museums or commitment to museums.

''(3) GEOGRAPHIC AND OTHER REPRESENTATION.—Members of the Museum Board shall be appointed to reflect persons from various geographic regions of the United States. The Museum Board may not include, at any time, more than 3 members from a single State. In making such appointments, the President shall give due regard to equitable representation of women, minorities, and persons with disabilities who are involved with museums.

''(c) TERMS.—

''(1) IN GENERAL.—Each appointive member of the Museum Board shall serve for a term of 5 years, except that—

''(A) of the members first appointed, 3 shall serve for terms of 5 years, 3 shall serve for terms of 4 years, 3 shall serve for terms of 3 years, 3 shall serve for terms of 2 years, and 2 shall serve for terms of 1 year, as designated by the President at the time of nomination for appointment; and

''(B) any member appointed to fill a vacancy shall serve for the remainder of the term for which the predecessor of the member was appointed.

''(2) REAPPOINTMENT.—No member of the Museum Board who has been a member for more than 7 consecutive years shall be eligible for reappointment.

''(3) SERVICE UNTIL SUCCESSOR TAKES OFFICE.—Notwithstanding any other provision of this subsection, a member shall serve after the expiration of the term of the member until the successor to the member takes office.

''(d) DUTIES AND POWERS.—The Museum Board shall have the responsibility for general policies with respect to the duties, powers, and authorities vested in the Institute relating to museum services, including general policies with respect to—

''(1) financial assistance awarded under this title for museum services;

''(2) projects described in section 204(c)(2); and

''(3) measures to ensure that the policies and activities of the Institute for Museum and Library Services are coordinated with other activities of the Federal Government.

''(e) CHAIRPERSON.—The President shall designate 1 of the appointive members of the Museum Board as Chairperson of the Museum Board.

''(f) MEETINGS.—

''(1) IN GENERAL.—The Museum Board shall meet—

''(A) not less than 3 times each year, including—

''(i) not less than 2 times each year separately; and

''(ii) not less than 1 time each year in a joint meeting with the Commission, convened for purposes of making general policies with respect to financial assistance for projects described in section 204(c)(2); and

''(B) at the call of the Director.

''(2) VOTE.—All decisions by the Museum Board with respect to the exercise of the duties and powers of the Museum Board shall be made by a majority vote of the members of the Museum Board who are present. All decisions by the Commission and the Museum Board with respect to the policies described in paragraph (1)(A)(ii) shall be made by a ⅔ majority vote of the total number of the members of the Commission and the Museum Board who are present.

''(g) QUORUM.—A majority of the members of the Museum Board shall constitute a quorum for the conduct of business at official meetings of the Museum Board, but a

lesser number of members may hold hearings. A majority of the members of the Commission and a majority of the members of the Museum Board shall constitute a quorum for the conduct of business at official joint meetings of the Commission and the Museum Board.

''(h) COMPENSATION AND TRAVEL EXPENSES.—

''(1) COMPENSATION.—Each member of the Museum Board who is not an officer or employee of the Federal Government shall be compensated at a rate to be fixed by the President, but not to exceed the daily equivalent of the maximum rate authorized for a position above grade GS–15 of the General Schedule under section 5108 of title 5, United States Code, for each day (including travel time) during which such member is engaged in the performance of the duties of the Museum Board. All members of the Museum Board who are officers or employees of the Federal Government shall serve without compensation in addition to compensation received for their services as officers or employees of the Federal Government.

''(2) TRAVEL EXPENSES.—The members of the Museum Board shall be allowed travel expenses, including per diem in lieu of subsistence, in the same amounts and to the same extent, as authorized under section 5703 of title 5, United States Code, for persons employed intermittently in Federal Government service.

''(i) COORDINATION.—The Museum Board, with the advice of the Director, shall take steps to ensure that the policies and activities of the Institute are coordinated with other activities of the Federal Government.

''SEC. 277. AUTHORIZATION OF APPROPRIATIONS.

''(a) GRANTS.—For the purpose of carrying out this subtitle, there are authorized to be appropriated to the Director $28,700,000 for the fiscal year 1996, and such sums as may be necessary for each of the fiscal years 1997 through 2000.

''(b) ADMINISTRATION.—Not more than 10 percent of the funds appropriated under this section for a fiscal year may be used to pay for the administrative costs of carrying out this subtitle.

''(c) JOINT PROJECTS.—Not less than 5 percent and not more than 7 percent of the funds appropriated under this section for a fiscal year may be made available for projects described in section 204(c)(2) for the fiscal year.

''(d) SUMS REMAINING AVAILABLE.—Sums appropriated pursuant to subsection (a) for any fiscal year shall remain available for obligation until expended.''.

SEC. ___2. NATIONAL COMMISSION ON LIBRARIES AND INFORMATION SCIENCE.

(a) FUNCTIONS.—Section 5 of the National Commission on Libraries and Information Science Act (20 U.S.C. 1504) is amended—

(1) by redesignating subsections (b) through (d) as subsections (d) through (f), respectively; and

(2) by inserting after subsection (a) the following:

''(b) The Commission shall have the responsibility to advise the Director of the Institute of Museum and Library Services on general policies with respect to the duties and powers vested in the Institute of Museum and Library Services relating to library services, including—

''(1) general policies with respect to—

''(A) financial assistance awarded under the Museum and Library Services Act for library services; and

''(B) projects described in section 204(c)(2) of such Act; and

''(2) measures to ensure that the policies and activities of the Institute of Museum and Library Services are coordinated with other activities of the Federal Government.

''(c)(1) The Commission shall meet not less than 1 time each year in a joint meeting with the National Museum Services Board, convened for purposes of providing advice on general policy with respect to financial assistance for projects described in section 204(c)(2) of such Act.

''(2) All decisions by the Commission and the National Museum Services Board with respect to the advice on general policy described in paragraph (1) shall be made by a ⅔ majority vote of the total number of the members of the Commission and the National Museum Services Board who are present.

''(3) A majority of the members of the Commission and a majority of the members of the National Museum Services Board shall constitute a quorum for the conduct of business at official joint meetings of the Commission and the National Museum Services Board.''.

(b) MEMBERSHIP.—Section 6 of the National Commission on Libraries and Information Science Act (20 U.S.C. 1505) is amended—

(1) in subsection (a)—

(A) in the first sentence, by striking ''Librarian of Congress'' and inserting ''Librarian of Congress, the Director of the Institute of Museum and Library Services (who shall serve as an ex officio, nonvoting member),'';

(B) in the second sentence—

(i) by striking ''special competence or interest in'' and inserting ''special competence in or knowledge of; and

(ii) by inserting before the period the following: ''and at least one other of whom shall be knowledgeable with respect to the library and information service and science needs of the elderly'';

(C) in the third sentence, by inserting ''appointive'' before ''members''; and

(D) in the last sentence, by striking ''term and at least'' and all that follows and inserting ''term.''; and

(2) in subsection (b), by striking ''the rate specified'' and all that follows through ''and while'' and inserting ''the daily equivalent of the maximum rate authorized for a position above grade GS–15 of the General Schedule under section 5108 of title 5, United States Code, for each day (including traveltime) during which the members are engaged in the business of the Commission. While''.

SEC. ___3. TRANSFER OF FUNCTIONS FROM INSTITUTE OF MUSEUM SERVICES.

(a) DEFINITIONS.—For purposes of this section, unless otherwise provided or indicated by the context—

(1) the term ''Federal agency'' has the meaning given to the term ''agency'' by section 551(1) of title 5, United States Code;

(2) the term ''function'' means any duty, obligation, power, authority, responsibility, right, privilege, activity, or program; and

(3) the term ''office'' includes any office, administration, agency, institute, unit, organizational entity, or component thereof.

(b) TRANSFER OF FUNCTIONS.—There are transferred to the Institute of Museum and Library Services established under section 203 of the Museum and Library Services Act all functions that the Director of the Institute of Museum Services exercised before the date of enactment of this section (including all related functions of any officer or employee of the Institute of Museum Services).

(c) DETERMINATIONS OF CERTAIN FUNCTIONS BY THE OFFICE OF MANAGEMENT AND BUDGET.—If necessary, the Office of Management and Budget shall make any determination of the functions that are transferred under subsection (b).

(d) DELEGATION AND ASSIGNMENT.—Except where otherwise expressly prohibited by law or otherwise provided by this section, the Director of the Institute of Museum and Library Services may delegate any of the functions transferred to the Director of the Institute of Museum and Library Services by this section and any function transferred or granted to such Director of the Institute of Museum and Library Services after the effective date of this section to such officers and employees of the Institute of Museum and Library Services as the Director of the Institute of Museum and Library Services may designate, and may authorize successive redelegations of such functions as may be necessary or appropriate. No delegation of functions by the Director of the Institute of Museum and Library Services under this section or under any other provision of this section shall relieve such Director of the Institute of Museum and Library Services of responsibility for the administration of such functions.

(e) REORGANIZATION.—The Director of the Institute of Museum and Library Services may allocate or reallocate any function transferred under subsection (b) among the officers of the Institute of Museum and Library Services, and may establish, consolidate, alter, or discontinue such organizational entities in the Institute of Museum and Library Services as may be necessary or appropriate.

(f) RULES.—The Director of the Institute of Museum and Library Services may prescribe, in accordance with chapters 5 and 6 of title 5, United States Code, such rules and regulations as the Director of the Institute of Museum and Library Services determines to be necessary or appropriate to administer and manage the functions of the Institute of Museum and Library Services.

(g) TRANSFER AND ALLOCATIONS OF APPROPRIATIONS AND PERSONNEL.—Except as otherwise provided in this section, the personnel employed in connection with, and the assets, liabilities, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds employed, used, held, arising from, available to, or to be made available in connection with the functions transferred by this section, subject to section 1531 of title 31, United States Code, shall be transferred to the Institute of Museum and Library Services. Unexpended funds transferred pursuant to this subsection shall be used only for the purposes for which the funds were originally authorized and appropriated.

(h) INCIDENTAL TRANSFERS.—The Director of the Office of Management and Budget, at such time or times as the Director shall provide, may make such determinations as may be necessary with regard to the functions transferred by this section, and make such additional incidental dispositions of personnel, assets, liabilities, grants, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds held, used, arising from, available to, or to be made available in connection with such functions, as may be necessary to carry out this section. The Director of the Office of Management and Budget shall provide for the termination of the affairs of all entities terminated by this section and for such further measures and dispositions as may be necessary to effectuate the purposes of this section.

(i) EFFECT ON PERSONNEL.—

(1) IN GENERAL.—Except as otherwise provided by this section, the transfer pursuant to this section of full-time personnel (except special Government employees) and part-time personnel holding permanent positions shall not cause any such employee to be separated or reduced in grade or compensation for 1 year after the date of transfer of such employee under this section.

(2) EXECUTIVE SCHEDULE POSITIONS.—Except as otherwise provided in this section, any

person who, on the day preceding the effective date of this section, held a position compensated in accordance with the Executive Schedule prescribed in chapter 53 of title 5, United States Code, and who, without a break in service, is appointed in the Institute of Museum and Library Services to a position having duties comparable to the duties performed immediately preceding such appointment shall continue to be compensated in such new position at not less than the rate provided for such previous position, for the duration of the service of such person in such new position.

(j) SAVINGS PROVISIONS.—

(1) CONTINUING EFFECT OF LEGAL DOCUMENTS.—All orders, determinations, rules, regulations, permits, agreements, grants, contracts, certificates, licenses, registrations, privileges, and other administrative actions—

(A) that have been issued, made, granted, or allowed to become effective by the President, any Federal agency or official of a Federal agency, or by a court of competent jurisdiction, in the performance of functions that are transferred under this section; and

(B) that were in effect before the effective date of this section, or were final before the effective date of this section and are to become effective on or after the effective date of this section;

shall continue in effect according to their terms until modified, terminated, superseded, set aside, or revoked in accordance with law by the President, the Director of the Institute of Museum and Library Services or other authorized official, a court of competent jurisdiction, or by operation of law.

(2) PROCEEDINGS NOT AFFECTED.—This section shall not affect any proceedings, including notices of proposed rulemaking, or any application for any license, permit, certificate, or financial assistance pending before the Institute of Museum Services on the effective date of this section, with respect to functions transferred by this section. Such proceedings and applications shall be continued. Orders shall be issued in such proceedings, appeals shall be taken from the orders, and payments shall be made pursuant to the orders, as if this section had not been enacted, and orders issued in any such proceedings shall continue in effect until modified, terminated, superseded, or revoked by a duly authorized official, by a court of competent jurisdiction, or by operation of law. Nothing in this paragraph shall be construed to prohibit the discontinuance or modification of any such proceeding under the same terms and conditions and to the same extent that such proceeding could have been discontinued or modified if this section had not been enacted.

(3) SUITS NOT AFFECTED.—This section shall not affect suits commenced before the effective date of this section, and in all such suits, proceedings shall be had, appeals taken, and judgments rendered in the same manner and with the same effect as if this section had not been enacted.

(4) NONABATEMENT OF ACTIONS.—No suit, action, or other proceeding commenced by or against the Institute of Museum Services, or by or against any individual in the official capacity of such individual as an officer of the Institute of Museum Services, shall abate by reason of the enactment of this section.

(5) ADMINISTRATIVE ACTIONS RELATING TO PROMULGATION OF REGULATIONS.—Any administrative action relating to the preparation or promulgation of a regulation by the Institute of Museum Services relating to a function transferred under this section may be continued by the Institute of Museum and Library Services with the same effect as if this section had not been enacted.

(k) TRANSITION.—The Director of the Institute of Museum and Library Services may utilize—

(1) the services of such officers, employees, and other personnel of the Institute of Museum Services with respect to functions transferred to the Institute of Museum and Library Services by this section; and

(2) funds appropriated to such functions for such period of time as may reasonably be needed to facilitate the orderly implementation of this section.

(l) REFERENCES.—A reference in any other Federal law, Executive order, rule, regulation, or delegation of authority, or any document of or relating to—

(1) the Director of the Institute of Museum Services with regard to functions transferred under subsection (b), shall be deemed to refer to the Director of the Institute of Museum and Library Services; and

(2) the Institute of Museum Services with regard to functions transferred under subsection (b), shall be deemed to refer to the Institute of Museum and Library Services.

(m) ADDITIONAL CONFORMING AMENDMENTS.—

(1) RECOMMENDED LEGISLATION.—After consultation with the appropriate committees of Congress and the Director of the Office of Management and Budget, the Director of the Institute of Museum and Library Services shall prepare and submit to the appropriate committees of Congress recommended legislation containing technical and conforming amendments to reflect the changes made by this section.

(2) SUBMISSION TO CONGRESS.—Not later than 6 months after the effective date of this section, the Director of the Institute of Museum and Library Services shall submit to the appropriate committees of Congress the recommended legislation referred to under paragraph (1).

SEC. ___4. SERVICE OF INDIVIDUALS SERVING ON DATE OF ENACTMENT.

Notwithstanding section 204 of the Museum and Library Services Act, the individual who was appointed to the position of Director of the Institute of Museum Services under section 205 of the Museum Services Act (as such section was in effect on the day before the date of enactment of this Act) and who is serving in such position on the day before the date of enactment of this Act shall serve as the first Director of the Institute of Museum and Library Services under section 204 of the Museum and Library Services Act (as added by section ___1 of this Act), and shall serve at the pleasure of the President.

SEC. ___5. CONSIDERATION.

Consistent with title 5, United States Code, in appointing employees of the Office of Library Services, the Director of the Institute of Museum and Library Services shall give strong consideration to individuals with experience in administering State-based and national library and information services programs.

SEC. ___6. REPEALS AND TECHNICAL AND CONFORMING AMENDMENTS.

(a) REPEALS.—

(1) LIBRARY SERVICES AND CONSTRUCTION ACT.—The Library Services and Construction Act (20 U.S.C. 351 et seq.) is repealed.

(2) HIGHER EDUCATION ACT OF 1965.—Title II of the Higher Education Act of 1965 (20 U.S.C. 1021 et seq.) is repealed.

(b) REFERENCES TO LIBRARY SERVICES AND CONSTRUCTION ACT.—

(1) OMNIBUS EDUCATION RECONCILIATION ACT OF 1981.—Section 528 of the Omnibus Education Reconciliation Act of 1981 (20 U.S.C. 3489) is amended—

(A) by striking paragraph (12); and

(B) by redesignating paragraphs (13) through (15) as paragraphs (12) through (14), respectively.

(2) ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965.—Section 3113(10) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6813(10)) is amended by striking ''section 3 of the Library Services and Construction Act'' and inserting ''section 213(7) of the Library Services and Technology Act''.

(3) COMMUNITY IMPROVEMENT VOLUNTEER ACT OF 1994.—Section 7305 of the Community Improvement Volunteer Act of 1994 (40 U.S.C. 276d–3) is amended—

(A) by striking paragraph (1); and

(B) by redesignating paragraphs (2) through (6) as paragraphs (1) through (5), respectively.

(4) APPALACHIAN REGIONAL DEVELOPMENT ACT OF 1965.—Section 214(c) of the Appalachian Regional Development Act of 1965 (40 U.S.C. App. 214(c)) is amended by striking ''Library Services and Construction Act;''.

(5) DEMONSTRATION CITIES AND METROPOLITAN DEVELOPMENT ACT OF 1966.—Section 208(2) of the Demonstration Cities and Metropolitan Development Act of 1966 (42 U.S.C. 3338(2)) is amended by striking ''title II of the Library Services and Construction Act;''.

(6) PUBLIC LAW 87–688.—Subsection (c) of the first section of the Act entitled ''An Act to extend the application of certain laws to American Samoa'', approved September 25, 1962 (48 U.S.C. 1666(c)) is amended by striking ''the Library Services Act (70 Stat. 293; 20 U.S.C. 351 et seq.),''.

(c) REFERENCES TO INSTITUTE OF MUSEUM SERVICES.—

(1) TITLE 5, UNITED STATES CODE.—Section 5315 of title 5, United States Code, is amended by striking the following:

''Director of the Institute of Museum Services.'' and inserting the following:

''Director of the Institute of Museum and Library Services.''.

(2) DEPARTMENT OF EDUCATION ORGANIZATION ACT.—Section 301 of the Department of Education Organization Act (20 U.S.C. 3441) is amended—

(A) in subsection (a)—

(i) by striking paragraph (5); and

(ii) by redesignating paragraphs (6) and (7) as paragraphs (5) and (6), respectively; and

(B) in subsection (b)—

(i) by striking paragraph (4); and

(ii) by redesignating paragraphs (5) through (7) as paragraphs (4) through (6), respectively.

(3) ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965.—

(A) Sections 2101(b), 2205(c)(1)(D), 2208(d)(1)(H)(v), and 2209(b)(1)(C)(vi), and subsections (d)(6) and (e)(2) of section 10401 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6621(b), 6645(c)(1)(D), 6648(d)(1)(H)(v), 6649(b)(1)(C)(vi), and 8091 (d)(6) and (e)(2)) are amended by striking ''the Institute of Museum Services'' and inserting ''the Institute of Museum and Library Services''.

(B) Section 10412(b) of such Act (20 U.S.C. 8102(b)) is amended—

(i) in paragraph (2), by striking ''the Director of the Institute of Museum Services,'' and inserting ''the Director of the Institute of Museum and Library Services,''; and

(ii) in paragraph (7), by striking ''the Director of the Institute of Museum Services,'' and inserting ''the Director of the Institute of Museum and Library Services,''.

(C) Section 10414(a)(2)(B) of such Act (20 U.S.C. 8104(a)(2)(B)) is amended by striking clause (iii) and inserting the following new clause:

''(iii) the Institute of Museum and Library Services.''.

(d) REFERENCES TO HIGHER EDUCATION ACT OF 1965.—

(1) HIGHER EDUCATION ACT OF 1965.—Paragraph (2) of section 356(b) of the Higher Education Act of 1965 (20 U.S.C. 1069b(b)) is amended by striking ''II,''.

(2) HIGHER EDUCATION AMENDMENTS OF 1986.—Part D of title XIII of the Higher Education Amendments of 1986 (20 U.S.C. 1029 note) is repealed.

(e) REFERENCES TO OFFICE OF LIBRARIES AND LEARNING RESOURCES.—

(1) EDUCATION AMENDMENTS OF 1974.—Section 519 of the Education Amendments of 1974 (20 U.S.C. 1221i) is repealed.

(2) DEPARTMENT OF EDUCATION ORGANIZATION ACT.—Section 413(b)(1) of the Department of Education Organization Act (20 U.S.C. 3473(b)(1)) is amended—

(A) by striking subparagraph (H); and

(B) by redesignating subparagraphs (I) through (M) as subparagraphs (H) through (L), respectively.

SEC. ___7. ARTS AND ARTIFACTS.

The Arts and Artifacts Indemnity Act (20 U.S.C. 971 et seq.) is amended to read as follows:

''SECTION 1. SHORT TITLE.

''This Act may be cited as the 'Arts and Artifacts Indemnity Act'.

''SEC. 2. INDEMNITY FOR EXHIBITIONS OF ARTS AND ARTIFACTS.

''The Director of the Institute of Museum and Library Services may enter into agreements to indemnify against loss or damage such items as may be eligible for such indemnity agreements under section 3—

''(1) in accordance with the provisions of this Act; and

''(2) on such terms and conditions as the Director shall prescribe, by regulation, in order to achieve the objectives of this Act and, consistent with such objectives, to protect the financial interest of the United States.

''SEC. 3. ELIGIBLE ITEMS.

''(a) TYPES OF ITEMS.—The Director may enter into an indemnity agreement under section 2 with respect to items—

''(1) that are—

''(A) works of art, including tapestries, paintings, sculpture, folk art, and graphics and craft arts;

''(B) manuscripts, rare documents, books, or other printed or published materials;

''(C) other artifacts or objects; or

''(D) photographs, motion pictures, or audio and video tape;

''(2) that are of educational, cultural, historical, or scientific value; and

''(3) the exhibition of which is certified (where appropriate) by the Secretary of State or the designee of the Secretary of State as being in the national interest.

''(b) ITEMS ON EXHIBITION.—

''(1) SCOPE.—An indemnity agreement made under this Act shall cover eligible items while on exhibition, generally when the items are part of an exchange of exhibitions. An item described in subsection (a) that is part of an exhibition that originates either in the United States or outside the United States and that is touring the United States shall be considered to be an eligible item.

''(2) DEFINITION.—For purposes of this subsection, the term 'on exhibition' includes the period of time beginning on the date the eligible items leave the premises of the lender or place designated by the lender and ending on the date such items are returned to the premises of the lender or place designated by the lender.

''SEC. 4. APPLICATIONS.

''(a) IN GENERAL.—Any person, nonprofit agency, institution, or government desiring to enter into an indemnity agreement for eligible items under this Act shall submit an application to the Director at such time, in such manner and in accordance with such procedures, as the Director shall, by regulation, prescribe.

''(b) CONTENTS.—An application submitted under subsection (a) shall—

''(1) describe each item to be covered by the agreement (including an estimated value of such item);

''(2) show evidence that the item is an item described in section 3(a); and

''(3) set forth policies, procedures, techniques, and methods with respect to preparation for, and conduct of, exhibition of the item, and any transportation related to such item.

''(c) APPROVAL.—On receipt of an application under this section, the Director shall review the application as described in section 5 and, if the Director agrees with the estimated value described in the application and if such application conforms with the requirements of this Act, approve the application and enter into an indemnity agreement with the applicant under section 2. On such approval, the agreement shall constitute a contract between the Director and the applicant pledging the full faith and credit of the United States to pay any amount for which the Director becomes liable under such agreement. The Director, for such purpose, is authorized to pledge the full faith and credit of the United States.

''SEC. 5. INDEMNITY AGREEMENT.

''(a) REVIEW.—On receipt of an application meeting the requirements of subsections (a) and (b) of section 4, the Director shall review the estimated value of the items for which coverage by an indemnity agreement is sought.

''(b) AGGREGATE AMOUNT OF LOSS OR DAMAGE.—The aggregate amount of loss or damage covered by indemnity agreements made under this Act shall not exceed $3,000,000,000, at any one time.

''(c) INDIVIDUAL AMOUNT OF LOSS OR DAMAGE.—No indemnity agreement for a single exhibition shall cover loss or damage in excess of $300,000,000.

''(d) EXTENT OF COVERAGE.—If the estimated value of the items covered by an indemnity agreement for a single exhibition is—

''(1) $2,000,000 or less, then coverage under this Act shall extend only to loss or damage in excess of the first $15,000 of loss or damage to the items covered;

''(2) more than $2,000,000 but less than $10,000,000, then coverage under this Act shall extend only to loss or damage in excess of the first $25,000 of loss or damage to the items covered;

''(3) not less than $10,000,000 but less than $125,000,000, then coverage under this Act shall extend only to loss or damage in excess of the first $50,000 of loss or damage to the items covered;

''(4) not less than $125,000,000 but less than $200,000,000, then coverage under this Act shall extend only to loss or damage in excess of the first $100,000 of loss or damage to the items covered; or

''(5) $200,000,000 or more, then coverage under this Act shall extend only to loss or damage in excess of the first $200,000 of loss or damage to the items covered.

''SEC. 6. REGULATIONS AND CERTIFICATION.

''(a) REGULATIONS.—The Director shall prescribe regulations providing for prompt adjustment of valid claims for loss or damage to items that are covered by an agreement entered into pursuant to section 2, including provision for arbitration of issues relating to the dollar value of damages involving less than total loss or destruction of such covered items.

''(b) CERTIFICATION.—In the case of a claim of loss or damage with respect to an item that is covered by an agreement entered into pursuant to section 2, the Director shall certify the validity of the claim and the amount of the loss to the Speaker of the House of Representatives and the President pro tempore of the Senate.

''SEC. 7. REPORT.

''The Director shall prepare, and submit at the end of each fiscal year to the appropriate committees of Congress, a report containing information on—

''(1) all claims paid pursuant to this Act during such year;

''(2) pending claims against the Director under this Act as of the end of such year; and

''(3) the aggregate face value of contracts entered into by the Director that are outstanding at the end of such year.

''SEC. 8. AUTHORIZATION OF APPROPRIATIONS.

''There are authorized to be appropriated such sums as may be necessary—

''(1) to enable the Director to carry out the functions of the Director under this Act; and

''(2) to pay claims certified pursuant to section 6(b).''.

KASSEBAUM AMENDMENT NO. 2897

Mrs. KASSEBAUM proposed an amendment to amendment No. 2885 proposed by her to the bill S. 143, supra; as follows:

On line 19, strike lines 5 through 14 and insert the following:

''(35) WELFARE RECIPIENT.—The term 'welfare recipient' means an individual who receives welfare assistance.''

On page 50, strike lines 7 through 12 and insert the following: ''viduals to participate in the statewide system; and

''(N) followup services for participants who are placed in unsubsized employment.''

On page 65, line 5 and 6, strike ''section 103(a)(1)'' and insert ''this subtitle for workforce employment activities.''

On page 69, line 10, strike ''and'' and insert a comma.

On page 69, line 14, strike ''and'' and insert ''or''.

On page 70, line 7, strike ''and'' and insert ''or''.

On page 70, line 14, strike ''and'' and insert ''or''.

On page 70, line 19, strike ''and'' and insert ''or''.

On page 70, line 20, strike ''to'' and insert ''for''.

On page 71, line 12, strike ''and'' and insert ''or''.

On page 71, line 21, strike ''and'' and insert ''or''.

On page 96, strike line 6 and insert the following:

''(1) IN GENERAL.—

''(A) NEGOTIATION AND AGREEMENT.—After a Governor submits''.

On page 96, between lines 13 and 14, insert the following:

''(B) WORKFORCE EDUCATION ACTIVITIES.—In carrying out activities under this section, a local partnership or local workforce development board described in subsection (b) may make recommendations with respect to the allocation of funds for, or administration of, workforce education activities in the State involved, but such allocation and administration shall be carried out in accordance with sections 111 through 117 and section 119.''

On page 108, strike lines 10 through 12 and insert the following:

''(A) welfare recipients;''

In subparagraph (B)(ii) of the matter inserted on page 114, after line 14, strike ''reduce'' and insert ''reduce by 10 percent''.

In subparagraph (C)(iii) of the matter inserted on page 114, after line 14, strike ''strategic plan of the State referred to in section 104(b)(2)'' and insert ''integrated State plan of the State referred to in section 104(b)(5)''.

After subparagraph (D) of the matter inserted on page 114, after line 14, insert the following:

''(E) DEFINITION.—As used in this paragraph, the term 'portion of the allotment'—

''(i) used with respect to workforce employment activities, means the funds made available under paragraph (1) or (3) of section 103(a) for workforce employment activities (less any portion of such funds made available under section 6 of the Wagner-Peyser Act (29 U.S.C. 49e)); and

''(ii) used with respect to workforce education activities, means the funds made available under paragraph (2) or (3) of section 103(a) for workforce education activities''.

On page 175, line 25, strike ''; and'' and insert a semicolon.

On page 176, line 2, insert ''and'' after the semicolon.

On page 176, between lines 2 and 3, insert the following:

''(E) career development planning and decisionmaking;''

On page 176, line 11, strike the period and insert '', including training of counselors, teachers, and other persons to use the products of the nationwide integrated labor market and occupational information system to improve career decisionmaking.''.

On page 184, lines 18 through 20, strike '', which models'' and all that follows through ''didactic methods''.

On page 222, line 10, strike ''from'' and insert ''for''.

On page 239, line 19, strike ''of'' and insert ''of the''.

On page 248, line 23, strike ''98-524'' and insert ''98–524''.

On page 250, line 11, strike ''and'' and insert ''and inserting''.

On page 255, line 25, add a period at the end.

On page 290, line 14, strike ''to'' and insert ''to the''.

On page 290, line 17, strike ''(a) IN GENERAL.—''.

Beginning on page 290, strike line 23 and all that follows through page 291, line 5.

On page 292, strike lines 9 through 12 and insert the following:

''(a) IN GENERAL.—Section 3(a) of the Wagner-Peyser Act (29 U.S.C. 49b(a)) is amended to read as follows:''

On page 293, strike lines 2 through 13 and insert the following: ''tion.''.''

On page 294, lines 9 through 14, strike ''subsection (b)'' and all that follows through ''(2)'' and insert ''subsection (b)(2)''.

On page 296, line 12, strike ''to'' and insert ''to the''.

On page 304, line 6, strike ''members'' and insert ''member's''.

On page 309, lines 20 and 21, strike ''technologies'' and insert ''technologies,''.

On page 311, line 7, strike ''purchases'' and insert ''purchased''.

THE CUBAN LIBERTY AND DEMOCRATIC SOLIDARITY (LIBERTAD) ACT OF 1995

DOLE (AND OTHERS) AMENDMENT NO. 2898

Mr. DOLE (for himself, Mr. HELMS, Mr. MACK, Mr. COVERDELL, Mr. GRAHAM, Mr. D'AMATO, Mr. HATCH, Mr. GRAHAM, Mr. THURMOND, Mr. FAIRCLOTH, Mr. GREGG, Mr. INHOFE, Mr. HOLLINGS, Ms. SNOWE, Mr. KYL, Mr. THOMAS, Mr. SMITH, Mr. LIEBERMAN, Mr. WARNER, Mr. NICKLES, Mr. ROBB, Mr. CRAIG, Mr. COHEN, Mr. BURNS, Mr. REID, Mr. LOTT, Mr. STEVENS, Mr. SPECTER, Mr. SHELBY, and Mr. PRESSLER) proposed an amendment to the bill (H.R. 927) to seek international sanctions against the Castro Government in Cuba, to plan for support of a transition Government leading to a democratically elected government in Cuba, and for other purposes; as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as ''Cuban Liberty and Democratic Solidarity (LIBERTAD) Act of 1995''.

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

Sec. 1. Short Title; table of contents.
Sec. 2. Findings.
Sec. 3. Purposes.
Sec. 4. Definitions.

TITLE I—STRENGTHENING INTERNATIONAL SANCTIONS AGAINST THE CASTRO GOVERNMENT

Sec. 101. Statement of Policy.
Sec. 102. Authorization of support for democratic and human rights groups and international observers.
Sec. 103. Enforcement of the economic embargo of Cuba.
Sec. 104. Prohibition against indirect financing of Cuba.
Sec. 105. United States opposition to Cuban membership in international financial institutions.
Sec. 106. United States opposition to the termination of the suspension of the Government of Cuba from participation in the Organization of American States.
Sec. 107. Assistance by the independent states of the former Soviet Union for the Government of Cuba.
Sec. 108. Television broadcasting to Cuba.
Sec. 109. Reports on commerce with, and assistance to, Cuba from other foreign countries.
Sec. 110. Importation safeguard against certain Cuban products.
Sec. 111. Reinstitution of family remittances and travel to Cuba.
Sec. 112. News bureaus in Cuba.
Sec. 113. Impact on lawful U.S. Government activities.

TITLE II—SUPPORT FOR A FREE AND INDEPENDENT CUBA

Sec. 201. Policy toward a transition government and a democratically elected government in Cuba.
Sec. 202. Assistance for the Cuban people.
Sec. 203. Implementation; reports to Congress.
Sec. 204. Termination of the economic embargo of Cuba.
Sec. 205. Requirements for a transition government.
Sec. 206. Factors for determining a democratically elected government.
Sec. 207. Settlement of outstanding U.S. claims to confiscated property in Cuba.

TITLE III—PROTECTION OF PROPERTY RIGHTS OF UNITED STATES NATIONALS AGAINST CONFISCATORY TAKINGS BY THE CASTRO REGIME

Sec. 301. Statement of Policy.
Sec. 302. Liability for trafficking in confiscated property claimed by United States nationals.
Sec. 303. Proof of ownership of claims to confiscated property.
Sec. 304. Exclusivity of Foreign Claims Settlement Commission certification procedure.

SEC. 2. FINDINGS.

The Congress makes the following findings:

(1) The economy of Cuba has experienced a decline of approximately 60 percent in the last 5 years as a result of—

(A) the reduction in subsidies from the former Soviet Union;

(B) 36 years of Communist tyranny and economic mismanagement by the Castro government;

(C) the precipitous decline in trade between Cuba and the countries of the former Soviet bloc; and

(D) the policy of the Russian Government and the countries of the former Soviet bloc to conduct economic relations with Cuba predominantly on commercial terms.

(2) At the same time, the welfare and health of the Cuban people have substantially deteriorated as a result of Cuba's economic decline and the refusal of the Castro regime to permit free and fair democratic elections in Cuba or to adopt any economic or political reforms that would lead to democracy, a market economy, or an economic recovery.

(3) The repression of the Cuban people, including a ban on free and fair democratic elections and the continuing violation of fundamental human rights, has isolated the Cuban regime as the only nondemocratic government in the Western Hemisphere.

(4) As long as no such economic or political reforms are adopted by the Cuban government, the economic condition of the country and the welfare of the Cuban people will not improve in any significant way.

(5) Fidel Castro has defined democratic pluralism as ''pluralistic garbage'' and has made clear that he has no intention of permitting free and fair democratic elections in Cuba or otherwise tolerating the democratization of Cuban society.

(6) The Castro government, in an attempt to retain absolute political power, continues to utilize, as it has from its inception, torture in various forms (including psychiatric abuse), execution, exile, confiscation, political imprisonment, and other forms of terror and repression as most recently demonstrated by the massacre of more than 40 Cuban men, women, and children attempting to flee Cuba.

(7) The Castro government holds hostage in Cuba innocent Cubans whose relatives have escaped the country.

(8) The Castro government has threatened international peace and security by engaging in acts of armed subversion and terrorism, such as the training and supplying of groups dedicated to international violence.

(9) Over the past 36 years, the Cuban government has posed a national security threat to the United States.

(10) The completion and any operation of a nuclear-powered facility in Cuba, for energy generation or otherwise, poses an unacceptable threat to the national security of the United States.

(11) The unleashing on United States shores of thousands of Cuban refugees fleeing Cuban oppression will be considered an act of aggression.

(12) The Government of Cuba engages in illegal international narcotics trade and harbors fugitives from justice in the United States.

(13) The totalitarian nature of the Castro regime has deprived the Cuban people of any peaceful means to improve their condition and has led thousands of Cuban citizens to risk or lose their lives in dangerous attempts to escape from Cuba to freedom.

(14) Attempts to escape from Cuba and courageous acts of defiance of the Castro regime by Cuban pro-democracy and human rights groups have ensured the international community's continued awareness of, and concern for, the plight of Cuba.

(15) The Cuban people deserve to be assisted in a decisive manner in order to end the tyranny that has oppressed them for 36 years.

(16) Radio Marti and Television Marti have been effective vehicles for providing the people of Cuba with news and information and have helped to bolster the morale of the Cubans living under tyranny.

(17) The consistent policy of the United States towards Cuba since the beginning of the Castro regime, carried out by both Democratic and Republican administrations, has sought to keep faith with the people of Cuba, and has been effective in isolating the totalitarian Castro regime.

SEC. 3. PURPOSES.

The purposes of this Act are—

(1) to assist the Cuban people in regaining their freedom and prosperity, as well as in joining the community of democratic countries that are flourishing in the Western Hemisphere;

(2) to strengthen international sanctions against the Castro government;

(3) to provide for the continued national security of the United States in the face of continuing threats from the Castro government of terrorism, theft of property from United States nationals, and the political manipulation of the desire of Cubans to escape that results in mass migration to the United States;

(4) to encourage the holding of free and fair democratic elections in Cuba, conducted under the supervision of internationally recognized observers;

(5) to provide a policy framework for United States support to the Cuban people in response to the formation of a transition government or a democratically elected government in Cuba; and

(6) to protect American nationals against confiscatory takings and the wrongful trafficking in property confiscated by the Castro regime.

SEC. 4. DEFINITIONS.

As used in this Act, the following terms have the following meanings:

(1) AGENCY OR INSTRUMENTALITY OF A FOREIGN STATE.—The term ''agency or instrumentality of a foreign state'' has the meaning given that term in section 1603(b) of title 28, United States Code, except as otherwise provided for in this Act under paragraph 4(5).

(2) APPROPRIATE CONGRESSIONAL COMMITTEES.—The term ''appropriate congressional committees'' means the Committee on International Relations and the Committee on Appropriations of the House of Representatives and the Committee on Foreign Relations and the Committee on Appropriations of the Senate.

(3) COMMERCIAL ACTIVITY.—The term ''commercial activity'' has the meaning given that term in section 1603(d) of title 28, United States Code.

(4) CONFISCATED.—The term ''confiscated'' refers to

(A) the nationalization, expropriation, or other seizure by the Cuban government of ownership or control of property, on or after January 1, 1959,—

(i) without the property having been returned or adequate and effective compensation provided; or

(ii) without the claim to the property having been settled pursuant to an international claims settlement agreement or other mutually accepted settlement procedure; and

(B) the repudiation by the Cuban government of, the default by the Cuban government on, or the failure by the Cuban government to pay, on or after January 1, 1959—

(i) a debt of any enterprise which has been nationalized, expropriated, or otherwise taken by the Cuban government,

(ii) a debt which is a charge on property nationalized, expropriated, or otherwise taken by the Cuban government, or

(iii) a debt which was incurred by the Cuban government in satisfaction or settlement of a confiscated property claim.

(5) CUBAN GOVERNMENT.—(A) The terms ''Cuban government'' and ''Government of Cuba'' include the government of any political subdivision of Cuba, and any agency or instrumentality of the Government of Cuba.

(B) For purposes of subparagraph (A), the term ''agency or instrumentality'' is used within the meaning of section 1603(b) of title 28, United States Code.

(6) DEMOCRATICALLY ELECTED GOVERNMENT IN CUBA.—The term ''democratically elected government in Cuba'' means a government that the President has determined as being democratically elected, taking into account the factors listed in section 206.

(7) ECONOMIC EMBARGO OF CUBA.—The term ''economic embargo of Cuba'' refers to the economic embargo imposed against Cuba pursuant to section 620(a) of the Foreign Assistance Act of 1961 (22 U.S.C. 2370(a)), section 5(b) of the Trading With the Enemy Act (50 U.S.C. App. 5(b)), the International Emergency Economic Powers Act (50 U.S.C. 1701 and following), the Export Administration Act of 1979 (50 U.S.C. App. 2401 and following), as modified by the Cuban Democracy Act of 1992 (22 U.S.C. 6001 and following).

(8) FOREIGN NATIONAL.—The term ''foreign national'' means—

(A) an alien, or

(B) any corporation, trust, partnership, or other juridical entity not organized under the laws of the United States, or of any State, the District of Columbia, or the Commonwealth of Puerto Rico, or any other territory or possession of the United States.

(9) KNOWINGLY.—The term ''knowingly'' means with knowledge or having reason to know.

(10) OFFICIAL OF THE CUBAN GOVERNMENT OR THE RULING POLITICAL PARTY IN CUBA.—The term ''official of the Cuban Government or the ruling political party in Cuba'' refers to members of the Council of Ministers, Council of State, central committee of the Cuban Communist Party, the Politburo, or their equivalents.

(11) PROPERTY.—The term ''property'' means any property (including patents, copyrights, trademarks, and any other form of intellectual property), whether real, personal or mixed, and any present, future, or contingent right, security, or other interest therein, including any leasehold interest.

(B) For purposes of title III of this Act, the term ''property'' shall not include real property used for residential purposes, unless, at the time of enactment of this Act—

(i) the claim to the property is held by a United States national and the claim has been certified under title V of the International Claims Settlement Act of 1949; or

(ii) the property is occupied by an official of the Cuban government or the ruling political party in Cuba.

(12) TRAFFICS.—(A) As used in title III, a person or entity ''traffics'' in property if that person or entity knowingly and intentionally—

(i) sells, transfers, distributes, dispenses, brokers, manages, or otherwise disposes of confiscated property, or purchases, leases, receives, possesses, obtains control of, manages, uses or otherwise acquires or holds an interest in confiscated property,

(ii) engages in a commercial activity using or otherwise benefitting from a confiscated property, or

(iii) causes, directs, participates in, or profits from, trafficking (as described in clauses (i) and (ii)) by another person, or otherwise engages in trafficking (as described in clauses (i) and (ii)) through another person.

without the authorization of the United States national who holds a claim to the property.

(B) The term ''traffic'' does not include—

(i) the delivery of international telecommunications signals to Cuba;

(ii) the trading or holding of securities publicly traded or held, unless the trading is with or by a person determined by the Secretary of the Treasury to be a specially designated national;

(iii) transactions and uses of property incident to lawful travel to Cuba, to the degree that such transactions and uses of property are necessary to the conduct of such travel; or

(iv) transactions and uses of property for residential purposes by a person who is both a citizen of Cuba and a resident of Cuba, and who is not an official of the Cuban government or the ruling political party in Cuba, unless, at the time of enactment of this Act, the claim to the property is held by a United States national and the claim has been certified under title V of the International Claims Settlement Act of 1949.

(13) TRANSITION GOVERNMENT IN CUBA.—The term ''transition government in Cuba'' means a government that the President determines as being a transition government consistent with the requirements and factors listed in section 205.

(14) UNITED STATES NATIONAL.—The term ''United States national'' means—

(A) any United States citizen; or

(B) any other legal entity which is organized under the laws of the United States, or of any State, the District of Columbia, or the Commonwealth of Puerto Rico, or any other territory or possession of the United States, and which has its principal place of business in the United States.

TITLE I—STRENGTHENING INTERNATIONAL SANCTIONS AGAINST THE CASTRO GOVERNMENT

SEC. 101. STATEMENT OF POLICY.

It is the sense of the Congress that—

(1) the acts of the Castro government, including its massive, systematic, and extraordinary violations of human rights, are a threat to international peace;

(2) the President should advocate, and should instruct the United States Permanent Representative to the United Nations to propose and seek within the Security Council a mandatory international embargo against the totalitarian government of Cuba pursuant to chapter VII of the Charter of the United Nations, employing efforts similar to consultations conducted by United States representatives with respect to Haiti;

(3) any resumption of efforts by an independent state of the former Soviet Union to make operational the nuclear facility at Cienfuegos, Cuba, and the continuation of intelligence activities from Cuba targeted at the United States and its citizens will have a detrimental impact on United States assistance to such state; and

(4) in view of the threat to the national security posed by the operation of any nuclear facility, and the Castro government's continuing blackmail to unleash another wave of Cuban refugees fleeing from Castro's oppression, most of whom find their way to United States shores further depleting limited humanitarian and other resources of the United States, the President should do all in his power to make it clear to the Cuban government that—

(A) the completion and operation of any nuclear power facility, or

(B) any further political manipulation of the desire of Cubans to escape that results in mass migration to the United States,

will be considered an act of aggression which will be met with an appropriate response in order to maintain the security of the national borders of the United States and the health and safety of the American people.

SEC. 102. AUTHORIZATION OF SUPPORT FOR DEMOCRATIC AND HUMAN RIGHTS GROUPS AND INTERNATIONAL OBSERVERS.

(a) AUTHORIZATION.—The President is authorized to furnish assistance to and make available other support for individuals and nongovernmental organizations to support democracy-building efforts in Cuba, including the following:

(1) Published and information matter, such as books, videos, and cassettes, on transitions to democracy, human rights, and market economies to be made available to independent democratic groups in Cuba.

(2) Humanitarian assistance to victims of political repression and their families.

(3) Support for democratic and human rights groups in Cuba.

(4) Support for visits and permanent deployment of independent international human rights monitors in Cuba.

(b) DENIAL OF FUNDS TO THE GOVERNMENT OF CUBA.—In implementing this section, the President shall take all necessary steps to ensure that no funds or other assistance are provided to the Government of Cuba or any of its agencies, entities, or instrumentalities.

(c) SUPERSEDING OTHER LAWS.—Assistance may be provided under this section notwithstanding any other provision of law, except for section 634A of the Foreign Assistance Act of 1961 (22 U.S.C. 2394) and comparable notification requirements contained in sections of the annual foreign operations, export financing, and related programs appropriations Act.

SEC. 103. ENFORCEMENT OF THE ECONOMIC EMBARGO OF CUBA.

(a) POLICY.—(1) The Congress hereby reaffirms section 1704(a) of the Cuban Democracy Act of 1992, which states the President should encourage foreign countries to restrict trade and credit relations with Cuba in a manner consistent with the purposes of that Act.

(2) The Congress further urges the President to take immediate steps to apply the sanctions described in section 1704(b)(1) of such Act against countries assisting Cuba.

(b) DIPLOMATIC EFFORTS.—The Secretary of State should ensure that United States diplomatic personnel abroad understand and, in their contacts with foreign officials are communicating the reasons for the United States economic embargo of Cuba, and are urging foreign governments to cooperate more effectively with the embargo.

(c) EXISTING REGULATIONS.—The President shall instruct the Secretary of the Treasury and the Attorney General to enforce fully the Cuban Assets Control Regulations in part 515 of title 31, Code of Federal Regulations.

(d) TRADING WITH THE ENEMY ACT.—(1) Subsection (b) of section 16 of the Trading With the Enemy Act (50 U.S.C. App. 16(b)), as added by Public Law 102–484, is amended to read as follows:

''(b)(1) A civil penalty of not to exceed $50,000 may be imposed by the Secretary of the Treasury on any person who violates any license, order, rule, or regulation issued in compliance with the provisions of this Act.

''(2) Any property, funds, securities, papers, or other articles or documents, or any vessel, together with its tackle, apparel, furniture, and equipment, that is the subject of a violation under paragraph (1) shall, at the direction of the Secretary of the Treasury, be forfeited to the United States Government.

''(3) The penalties provided under this subsection may be imposed only on the record after opportunity for an agency hearing in accordance with sections 554 through 557 of title 5, United States Code, with the right to prehearing discovery.

''(4) Judicial review of any penalty imposed under this subsection may be had to the extent provided in section 702 of title 5, United States Code''.

(2) Section 16 of the Trading With the Enemy Act is further amended—

(A) by striking subsection (b), as added by Public Law 102–393; and

(B) by striking subsection (c).

(e) COVERAGE OF DEBT-FOR-EQUITY SWAPS UNDER THE ECONOMIC EMBARGO OF CUBA.—Section 1704(b)(2) of the Cuban Democracy Act of 1992 (22 U.S.C. 6003(b)(2)) is amended—

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

(2) by redesignating subparagraph (B) as subparagraph (C); and

(3) by inserting after subparagraph (A) the following new subparagraph:

''(B) includes an exchange, reduction, or forgiveness of Cuban debt owed to a foreign country in return for a grant of an equity interest in a property, investment, or operation of the Government of Cuba or of a Cuban national; and''.

SEC. 104. PROHIBITION AGAINST INDIRECT FINANCING OF CUBA.

(a) PROHIBITION.—Notwithstanding any other provision of law, no loan, credit, or other financing may be extended knowingly by a United States national, a permanent resident alien, or a United States agency to a foreign or United States national for the purpose of financing transactions involving any property confiscated by the Cuban government the claim to which is owned by a United States national as of the date of enactment of this Act, except for financing by the owner of the property or the claim thereto for a permitted transaction.

(b) SUSPENSION AND TERMINATION OF PROHIBITION.—(1) the President is authorized to suspend this prohibition upon a determination pursuant to section 203(a).

(2) The prohibition in subsection (a) shall cease to apply on the date of termination of the economic embargo of Cuba, as provided for in section 204.

(c) PENALTIES.—Violations of subsection (a) shall be punishable by such civil penalties as are applicable to similar violations of the Cuban Assets Control Regulations in part 515 of title 31, Code of Federal Regulations.

SEC. 105. UNITED STATES OPPOSITION TO CUBAN MEMBERSHIP IN INTERNATIONAL FINANCIAL INSTITUTIONS.

(a) CONTINUED OPPOSITION TO CUBAN MEMBERSHIP IN INTERNATIONAL FINANCIAL INSTITUTIONS.—

(1) Except as provided in paragraph (2), the Secretary of the Treasury shall instruct the United States executive director of each international financial institution to use the voice and vote of the United States to oppose the admission of Cuba as a member of such institution until the President submits a determination pursuant to section 203(c).

(2) Once the President submits a determination under section 203(a) that a transition government in Cuba is in power—

(A) the President is encouraged to take steps to support the processing of Cuba's application for membership in any international financial institution, subject to the membership taking effect after a democratically elected government in Cuba is in power, and

(B) the Secretary of the Treasury is authorized to instruct the United States executive director of each international financial institution to support loans or other assistance to Cuba only to the extent that such loans or assistance contribute to a stable foundation for a democratically elected government in Cuba.

(b) REDUCTION IN UNITED STATES PAYMENTS TO INTERNATIONAL FINANCIAL INSTITUTIONS.—If any international financial institution approves a loan or other assistance to the Cuban government over the opposition of the United States, then the Secretary of the Treasury shall withhold from payment to such institution an amount equal to the amount of the loan or other assistance, with respect to each of the following types of payment:

(1) The paid-in portion of the increase in capital stock of the institution.

(2) The callable portion of the increase in capital stock of the institution.

(c) DEFINITION.—For purposes of this section, the term ''international financial institution'' means the International Monetary Fund, the International Bank for Reconstruction and Development, the International Development Association, the International Finance Corporation, the Multilateral Investment Guaranty Agency, and the Inter-American Development Bank.

SEC. 106. UNITED STATES OPPOSITION TO TERMINATION OF THE SUSPENSION OF THE GOVERNMENT OF CUBA FROM PARTICIPATION IN THE ORGANIZATION OF AMERICAN STATES.

The President should instruct the United States Permanent Representative to the Organization of American States to oppose and vote against any termination of the suspension of the Cuban government from participation in the Organization until the President determines under section 203(c) that a democratically elected government in Cuba is in power.

SEC. 107. ASSISTANCE BY THE INDEPENDENT STATES OF THE FORMER SOVIET UNION FOR THE GOVERNMENT OF CUBA.

(a) REPORTING REQUIREMENT.—Not later than 90 days after the date of enactment of this Act, the President shall submit to the appropriate congressional committees a report detailing progress toward the withdrawal of personnel of any independent state of the former Soviet Union (within the meaning of section 3 of the FREEDOM Support Act (22 U.S.C. 5801)), including advisers, technicians, and military personnel, from the Cienfuegos nuclear facility in Cuba.

(b) CRITERIA FOR ASSISTANCE.—Section 498A(a)(11) of the Foreign Assistance Act of 1961 (22 U.S.C. 2295a(a)(1)) is amended by striking ''of military facilities'' and inserting ''military and intelligence facilities, including the military and intelligence facilities at Lourdes and Cienfuegos,''.

(c) INELIGIBILITY FOR ASSISTANCE.—(1) Section 498A(b) of that Act (22 U.S.C. 2295a(b)) is amended—

(A) by striking ''or'' at the end of paragraph (4);

(B) by redesignating paragraph (5) as paragraph (6); and

(C) by inserting after paragraph (4) the following:

''(5) for the government of any independent state effective 30 days after the President has determined and certified to the appropriate congressional committees (and Congress has not enacted legislation disapproving the determination within the 30-day period) that such government is providing assistance for, or engaging in nonmarket based trade (as defined in section 498B(k)(3)) with, the Government of Cuba; or''.

(2) Subsection (k) of section 498B of that Act (22 U.S.C. 2295b(k)), is amended by adding at the end the following:

''(3) Nonmarket based trade.—As used in section 498A(b)(5), the term 'nonmarket based trade' includes exports, imports, exchanges, or other arrangements that are provided for goods and services (including oil and other petroleum products) on terms more favorable than those generally available in applicable markets or for comparable commodities, including—

''(A) exports to the Government of Cuba on terms that involve a grant, concessional price, guarantee, insurance, or subsidy;

''(B) imports from the Government of Cuba at preferential tariff rates;

''(C) exchange arrangements that include advance delivery of commodities, arrangements in which the Government of Cuba is not held accountable for unfulfilled exchange contracts, and arrangements under which Cuba does not pay appropriate transportation, insurance, or finance costs; and

''(D) the exchange, reduction, or forgiveness of Cuban government debt in return for a grant by the Cuban government of an equity interest in a property, investment, or operation of the Government of Cuba or of a Cuban national.''.

''(4) CUBAN GOVERNMENT.—(A) The term Cuban government includes the government of any political subdivision of Cuba, and any agency or instrumentality of the Government of Cuba.

''(B) For purposes of subparagraph (A), the term 'agency or instrumentality' is used within the meaning of section 1603(b) of title 28, United States Code.''.

(d) FACILITIES AT LOURDES, CUBA.—(1) The Congress expresses its strong disapproval of the extension by Russia of credits equivalent to $2000,000,000 in support of the intelligence facility at Lourdes, Cuba, announced in November 1994.

(2) Section 498A of the Foreign Assistance Act of 1961 (22 U.S.C. 2295a) is amended by adding at the end the following new subsection:

''(d) REDUCTION IN ASSISTANCE FOR SUPPORT OF INTELLIGENCE FACILITIES IN CUBA.—(1) Notwithstanding any other provision of law, the President shall withhold from assistance provided, on or after the date of enactment of this subsection, for an independent state of the former Soviet Union under this Act an amount equal to the sum of assistance and credits, if any, provided on or after such date by such state in support of intelligence facilities in Cuba, including the intelligence facility at Lourdes, Cuba.

''(2)(A) The President may waive the requirement of paragraph (1) to withhold assistance if the President certifies to the appropriate congressional committees that the provision of such assistance is important to the national security of the United States, and, in the case of such a certification made with respect to Russia, if the President certifies that the Russian Government has assured the United States Government that the Russian Government is not sharing intelligence data collected at the Lourdes facility with officials or agents of the Cuban Government.

''(B) At the time of a certification made with respect to Russia pursuant to subparagraph (A), the President shall also submit to the appropriate congressional committees a report describing the intelligence activities of Russia in Cuba, including the purposes for which the Lourdes facility is used by the Russian government and the extent to which the Russian Government provides payment or government credits to the Cuban Government for the continued use of the Lourdes facility.

''(C) The report required by subparagraph (B) may be submitted in classified form.

''(D) For purposes of this paragraph, the term appropriate congressional committees, includes the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate.

''(3) The requirement of paragraph (1) to withhold assistance shall not apply with respect to—

''(A) assistance to meet urgent humanitarian needs, including disaster and refugee relief;

''(B) democratic political reform and rule of law activities;

''(C) technical assistance for safety upgrades of civilian nuclear power plants;

''(D) the creation of private sector and nongovernmental organizations that are independent of government control;

''(E) the development of a free market economic system; or

''(F) assistance for the purposes described in the Cooperative Threat Reduction Act of 1993 (title XII of Public Law 103–160)''.

SEC. 108. TELEVISION BROADCASTING TO CUBA.

(a) CONVERSION TO UHF.—The Director of the United States Information Agency shall implement a conversion of television broadcasting to Cuba under the Television Marti Service to ultra high frequency (UHF) broadcasting.

(b) PERIODIC REPORTS.—Not later than 45 days after the date of enactment of this Act, and every three months thereafter until the conversion described in subsection (a) is fully implemented, the Director shall submit a report to the appropriate congressional committees on the progress made in carrying out subsection (a).

(c) TERMINATION OF BROADCASTING AUTHORITIES.—Upon transmittal of a determination under section 203(c), the Television Broadcasting to Cuba Act (22 U.S.C. 1465aa et seq.) and the Radio Broadcasting to Cuba Act (22 U.S.C. 1465 et seq.) are repealed.

SEC. 109. REPORTS ON COMMERCE WITH, AND ASSISTANCE TO, CUBA FROM OTHER FOREIGN COUNTRIES.

(a) REPORTS REQUIRED.—Not later than 90 days after the date of enactment of this Act, and by January 1 each year thereafter until the President submits a determination under section 203(a), the President shall submit a report to the appropriate congressional committees on commerce with, and assistance to, Cuba from other foreign countries during the preceding 12-month period.

(b) CONTENTS OF REPORTS.—Each report required by subsection (a) shall, for the period covered by the report, contain the following, to the extent such information is available—

(1) a description of all bilateral assistance provided to Cuba by other foreign countries, including humanitarian assistance;

(2) a description of Cuba's commerce with foreign countries, including an identification of Cuba's trading partners and the extent of such trade;

(3) a description of the joint ventures completed, or under consideration, by foreign nationals and business firms involving facilities in Cuba, including an identification of the location of the facilities involved and a description of the terms of agreement of the joint ventures and the names of the parties that are involved;

(4) a determination as to whether or not any of the facilities described in paragraph (3) is the subject of a claim against Cuba by a United States national;

(5) a determination of the amount of Cuban debt owed to each foreign country, including—

(A) the amount of debt exchanged, forgiven, or reduced under the terms of each investment or operation in Cuba involving foreign nationals or businesses; and

(B) the amount of debt owned the foreign country that has been exchanged, reduced, or forgiven in return for a grant by the Cuban government of an equity interest in a property, investment, or operation of the Government of Cuba or of a Cuban national;

(6) a description of the steps taken to assure that raw materials and semifinished or finished goods produced by facilities in Cuba involving foreign nationals or businesses do not enter the United States market, either directly or through third countries or parties; and

(7) an identification of countries that purchase, or have purchased, arms or military supplies from Cuba or that otherwise have entered into agreements with Cuba that have a military application, including—

(A) a description of the military supplies, equipment, or other material sold, bartered, or exchanged between Cuba and such countries;

(B) a listing of the goods, services, credits, or other consideration received by Cuba in exchange for military supplies, equipment, or material, and

(C) the terms or conditions of any such agreement.

SEC. 110. IMPORTATION SAFEGUARD AGAINST CERTAIN CUBAN PRODUCTS.

(a) STATEMENT OF POLICY.—(1) The Congress notes that section 515.204 of title 31, Code of Federal Regulations, prohibits the entry of, and dealings outside the United States in, merchandise that—

(A) is of Cuban origin,

(B) is or has been located in or transported from or through Cuba, or

(C) is made or derived in whole or in part of any article which is the growth, produce, or manufacture of Cuba.

(2) The Congress notes that United States accession to the North American Free Trade Agreement does not modify or alter the United States sanctions against Cuba, noting that the statement of administrative action accompanying that trade agreement specifically states the following:

(A) ''The NAFTA rules of origin will not in any way diminish the Cuban sanctions program. * * * Nothing in the NAFTA would operate to override this prohibition.''.

(B) ''Article 309(3) [of the NAFTA] permits the United States to ensure that Cuban products or goods made from Cuban materials are not imported into the United States from Mexico or Canada and that United States products are not exported to Cuba through those countries.''.

(3) The Congress notes that section 902(c) of the Food Security Act of 1985 (Public Law 99–198) required the President not to allocate any of the sugar import quota to a country that is a net importer of sugar unless appropriate officials of that country verify to the President that the country does not import for re-export to the United States any sugar produced in Cuba.

(4) Protection of essential security interests of the United States requires enhanced assurances that sugar products that are entered are not products of Cuba.

(b) IN GENERAL.—(1) Notwithstanding any other provision of law, no sugar or sugar product shall enter the United States unless the exporter of the sugar or sugar product to the United States has certified, to the satisfaction of the Secretary of the Treasury, that the sugar or sugar product is not a product of Cuba.

(2) If the exporter described in paragraph (1) is not the producer of the sugar or sugar product, the exporter may certify the origin of the sugar or sugar product on the basis of—

(A) its reasonable reliance on the producer's written representations as to the origin of the sugar or sugar product; or

(B) a certification of the origin of the sugar product by its producer, that is voluntarily provided to the exporter by the producer.

(c) CERTIFICATION.—The Secretary of the Treasury shall prescribe the form, content, and manner of submission of the certification (including documentation) required in connection with the entry of sugar or sugar products, in order to ensure the strict enforcement of this section. Such certification shall be in a form sufficient to satisfy the Secretary that the exporter has taken steps to ensure that it is not exporting to the United States sugar or sugar products that are a product of Cuba.

(d) PENALTIES.—

(1) UNLAWFUL ACTS.—It is unlawful to—

(A) enter any product or article if such entry is prohibited under subsection (b), or

(B) make a false certification under subsection (c).

(2) FORFEITURE.—Any person or entity that violates paragraph (1) shall forfeit to the United States—

(A) in the case of a violation of paragraph (1)(A), the goods entered in violation of paragraph (1)(A), and

(B) in the case of a violation of paragraph (1)(B), the goods entered pursuant to the false certification that is the subject of the violation.

(3) ENFORCEMENT.—The Customs Service may exercise the authorities it has under sections 581 through 641 of the Tariff Act of 1930 (19 U.S.C. 1581 through 1641) in order to carry out paragraph (2).

(e) REPORTS TO CONGRESS.—The Secretary of the Treasury shall report to the Congress on any unlawful acts and penalties imposed under subsection (d).

(f) PUBLICATION OF LISTS OF VIOLATORS.—(1) The Secretary of the Treasury shall publish in the Federal Register, not later than March 31 and September 30 of each year, a list containing, to the extent such information is available, the name of any person or entity located outside the customs territory of the United States whose acts result in a violation of paragraph (1)(A) of subsection (d) or who violate paragraph (1)(B) of subsection (d).

(2) Any person or entity whose name has been included in a list published under paragraph (1) may petition the Secretary to be removed from such list. If the Secretary finds that such person or entity has not committed any violations described in paragraph (1) for a period of not less than 1 year after the date on which the name of the person or entity was so published, the Secretary shall remove such person from the list as of the next publication of the list under paragraph (1).

(g) DEFINITIONS.—For purposes of this section:

(1) ENTER, ENTRY.—The terms ''enter'' and ''entry''—mean entered, or withdrawn from warehouse for consumption, in the customs territory of the United States.

(2) PRODUCT OF CUBA.—The term ''product of Cuba'' means a product that—

(A) is of Cuban origin,

(B) is or has been located in or transported from or through Cuba, or

(C) is made or derived in whole or in part from any article which is the growth, produce, or manufacture of Cuba.

(3) SUGAR, SUGAR PRODUCT.—The terms ''sugar'' and ''sugar product'' means sugars, syrups, molasses, or products with sugar content described in additional U.S. note 5 to Chapter 17 of the Harmonized Tariff Schedule of the United States.

SEC. 111. REINSTITUTION OF FAMILY REMITTANCES AND TRAVEL TO CUBA.

It is the sense of Congress that the President should, before considering the reinstitution of general licensure for—

(1) family remittances to Cuba—

(A) insist that, prior to such reinstitution, the government of Cuba permit the unfettered operation of small businesses fully endowed with the right to hire others to whom they may pay wages, buy materials necessary in the operation of the business and such other authority and freedom required to foster the operation of small businesses throughout the island, and

(B) require a specific license for remittances above $500; and

(2) travel to Cuba by U.S. resident family members of Cuban nationals resident in Cuba itself insist on such actions by the Government of Cuba as abrogation of the sanction for refugee departure from the island, release of political prisoners, recognition of the right of association and other fundamental freedoms.

SEC. 112. NEWS BUREAUS OF CUBA.

(a) ESTABLISHMENT OF NEWS BUREAUS.—The President is authorized to establish and implement an exchange of news bureaus between the United States and Cuba, if—

(1) the exchange is fully-reciprocal;

(2) the Cuban Government allows free, unrestricted, and uninhibited movement in Cuba of journalists of any United States-based news organizations;

(3) the Cuban Government agrees not to interfere with the news-gathering activities of individuals assigned to work as journalists in the news bureaus in Cuba of United States-based news organizations;

(4) the United States Government is able to ensure that only accredited journalists regularly employed with a news gathering organization avail themselves of the general license to travel to Cuba; and

(5) the Cuban Government agrees not to interfere with the transmission of telecommunications signals of news bureaus or with the distribution within Cuba of any United States-based news organization that has a news bureau in Cuba.

(b) ASSURANCE AGAINST ESPIONAGE.—In implementing this section, the President shall take all necessary steps to assure the safety and security of the United States against espionage by Cuban journalists it believes to be working for the intelligence agencies of the Cuban Government.

(c) FULLY RECIPROCAL.—It is the sense of Congress that the term ''fully reciprocal'' means that all news services, news organizations, and broadcasting services, including such services or organizations that receive financing, assistance or other support from a governmental or official source, are permitted to establish and operate a news bureau in each nation.

SEC. 113. IMPACT ON LAWFUL U.S. GOVERNMENT ACTIVITIES.

Nothing in this Act shall prohibit any lawfully authorized investigative, protective, or intelligence activity of a law enforcement agency or of an intelligence agency of the United States.

TITLE II—SUPPORT FOR A FREE AND INDEPENDENT CUBA

SEC. 201. POLICY TOWARD A TRANSITION GOVERNMENT AND A DEMOCRATICALLY ELECTED GOVERNMENT IN CUBA.

It is the policy of the United States—

(1) to support the self-determination of the Cuban people;

(2) to facilitate a peaceful transition to representative democracy and a free market economy in Cuba;

(3) to be impartial toward any individual or entity in the selection by the Cuban people of their future government;

(4) to enter into negotiations with a democratically elected government in Cuba regarding the status of the United States Naval Base at Guantanamo Bay;

(5) to consider the restoration of diplomatic relations with Cuba and support the reintegration of the Cuban government into the Inter-American System after a transition government in Cuba comes to power and at such a time as will facilitate the rapid transition to a democratic government;

(6) to remove the economic embargo of Cuba when the President determines that there exists a democratically elected government in Cuba; and

(7) to pursue a mutually beneficial trading relationship with a democratic Cuba.

SEC. 202. ASSISTANCE FOR THE CUBAN PEOPLE.

(a) AUTHORIZATION.—

(1) IN GENERAL.—The President may provide assistance under this section for the Cuban people after a transition government, or a democratically elected government, is in power in Cuba, subject to subsections 203 (a) and (c).

(2) EFFECT ON OTHER LAWS.—Subject to section 203, the President is authorized to provide such forms of assistance to Cuba as are provided for in subsection (b), notwithstanding any other provision of law, except for—

(A) this Act;

(B) section 620(a)(2) of the Foreign Assistance Act of 1961 (22 U.S.C. 2370(a)(2)); and

(C) section 634A of the Foreign Assistance Act of 1961 (22 U.S.C. 2394) and comparable notification requirements contained in sections of the annual foreign operations, export financing, and related programs appropriations Act.

(b) RESPONSE PLAN.—

(1) DEVELOPMENT OF PLAN.—The President shall develop a plan detailing, to the extent possible, the manner in which the United States would provide and implement support for the Cuban people in response to the formation of—

(A) a transition government in Cuba; and

(B) a democratically elected government in Cuba.

(2) TYPES OF ASSISTANCE.—Support for the Cuban people under the plan described in paragraph (1) shall include the following types of assistance:

(A) TRANSITION GOVERNMENT.—(i) The plan developed under paragraph (1)(A) for assistance to a transition government in Cuba shall be limited to such food, medicine, medical supplies and equipment, and other assistance as may be necessary to meet the basic human needs of the Cuban people.

(ii) When a transition government in Cuba is in power, the President is encouraged to remove or modify restrictions that may exist on—

(I) remittances by individuals to their relatives of cash or humanitarian items, and

(II) on freedom to travel to visit Cuba other than that the provision of such services and costs in connection with such travel shall be internationally competitive.

(iii) Upon transmittal to Congress of a determination under section 203(a) that a transition government in Cuba is in power, the President should take such other steps as will encourage renewed investment in Cuba to contribute to a stable foundation for a democratically elected government in Cuba.

(B) DEMOCRATICALLY ELECTED GOVERNMENT.—(i) The plan developed under paragraph (1)(B) for assistance for a democratically elected government in Cuba should consist of assistance to promote free market development, private enterprise, and a mutually beneficial trade relationship between the United States and Cuba. Such assistance should include—

(I) financing, guarantees, and other assistance provided by the Export-Import Bank of the United States;

(II) insurance, guarantees, and other assistance provided by the Overseas Private Investment Corporation for investment projects in Cuba;

(III) assistance provided by the Trade and Development Agency;

(IV) international narcotics control assistance provided under chapter 8 of part I of the Foreign Assistance Act of 1961; and

(V) Peace Corps activities.

(c) INTERNATIONAL EFFORTS.—The President is encouraged to take the necessary steps—

(1) to seek to obtain the agreement of other countries and multinational organizations to provide assistance to a transition government in Cuba and to a democratically elected government in Cuba; and

(2) to work with such countries, institutions, and organizations to coordinate all such assistance programs.

(d) REPORT ON TRADE AND INVESTMENT RELATIONS.—

(1) REPORT TO CONGRESS.—The President, following the transmittal to the Congress of a determination under section 203(c) that a democratically elected government in Cuba is in power, shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate and other appropriate congressional committees a report that describes—

(A) acts, policies, and practices which constitute significant barriers to, or distortions of, United States trade in goods or services or foreign direct investment with respect to Cuba;

(B) policy objectives of the United States regarding trade relations with a democratically elected government in Cuba, and the reasons therefor, including possible—

(i) reciprocal extension of nondiscriminatory trade treatment (most-favored-nation treatment);

(ii) designation of Cuba as a beneficiary developing country under title V of the Trade Act of 1974 (relating to the Generalized System of Preferences) or as a beneficiary country under the Caribbean Basin Economic Recovery Act, and the implications of such designation with respect to trade and any other country that is such a beneficiary developing country or beneficiary country or is a party to the North American Free Trade Agreement; and

(iii) negotiations regarding free trade, including the accession of Cuba to the North American Free Trade Agreement;

(C) specific trade negotiating objectives of the United States with respect to Cuba, including the objectives described in section 108(b)(5) of the North American Free Trade Agreement Implementation Act; and

(D) actions proposed or anticipated to be undertaken, and any proposed legislation necessary or appropriate, to achieve any of such policy and negotiating objectives.

(2) CONSULTATION.—The President shall consult with the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate and other appropriate congressional committees and shall seek advice from the appropriate advisory committees established under section 135 of the Trade Act of 1974 regarding the policy and negotiating objectives and the legislative proposals described in paragraph (1).

(e) COMMUNICATION WITH THE CUBAN PEOPLE.—The President is encouraged to take the necessary steps to communicate to the Cuban people the plan developed under this section.

(f) REPORT TO CONGRESS.—Not later than 180 days after the date of the enactment of this Act, the President shall transmit to the appropriate congressional committees a report describing in detail the plan developed under this section.

SEC. 203. IMPLEMENTATION; REPORTS TO CONGRESS.

(a) IMPLEMENTATION WITH RESPECT TO TRANSITION GOVERNMENT.—Upon making a determination, consistent with the requirements and factors in section 205, that a transition government in Cuba is in power, the President shall transmit that determination to the appropriate congressional committees and should, subject to the authorization of appropriations and the availability of appropriations, commence to provide assistance pursuant to section 202(b)(2)(A).

(b) REPORTS TO CONGRESS.—(1) The President shall transmit to the appropriate congressional committees a report setting forth the strategy for providing assistance authorized under section 202(b)(2)(A) to the transition government in Cuba, the types of such assistance, and the extent to which such assistance has been distributed.

(2) The President shall transmit the report not later than 90 days after making the determination referred to in paragraph (1), except that the President shall consult regularly with the appropriate congressional committees regarding the development of the plan.

(c) IMPLEMENTATION WITH RESPECT TO DEMOCRATICALLY ELECTED GOVERNMENT.—Upon making a determination, consistent with section 206, that a democratically elected government in Cuba is in power, the President shall transmit that determination to the appropriate congressional committees and should, subject to the authorization of appropriations and the availability of appropriations, commence to provide such forms of assistance as may be included in the plan for assistance pursuant to section 202(b)(2)(B).

(d) ANNUAL REPORTS TO CONGRESS.—Once the President has transmitted a determination referred to in either subsection (a) or (c), the President shall, not later than 60 days after the end of each fiscal year, transmit to the appropriate congressional committees a report on the assistance to Cuba authorized under section 202, including a description of each type of assistance, the amounts expended for such assistance, and a description of the assistance to be provided under the plan in the current fiscal year.

SEC. 204. TERMINATION OF THE ECONOMIC EMBARGO OF CUBA.

(a) PRESIDENTIAL ACTIONS.—Upon submitting a determination to the appropriate congressional committees under section 203(a) that a transition government in Cuba is in power, the President, after consulting with the Congress, is authorized to take steps to suspend the economic embargo on Cuba and to suspend application of the right of action created in section 302 as to actions thereafter filed against the Government of Cuba, to the extent that such action contributes to a stable foundation for a democratically elected government in Cuba.

(b) SUSPENSION OF CERTAIN PROVISIONS OF LAW.—In carrying out subsection (a), the President may suspend the enforcement of—

(1) section 620(a) of the Foreign Assistance Act of 1961 (22 U.S.C. 2370(a));

(2) section 620(f) of the Foreign Assistance Act of 1961 (22 U.S.C. 2370(f)) with regard to the ''Republic of Cuba'';

(3) sections 1704, 1705(d), and 1706 of the Cuban Democracy Act (22 U.S.C. 6003, 6004(d), 6005);

(4) section 902(c) of the Food Security Act of 1985; and

(5) the prohibitions on transactions described in part 515 of title 31, Code of Federal Regulations.

(c) ADDITIONAL PRESIDENTIAL ACTIONS.—Upon submitting a determination to the appropriate congressional committees under section 203(c) that a democratically elected government in Cuba is in power, the President shall take steps to terminate the economic embargo of Cuba.

(d) CONFORMING AMENDMENTS.—On the date on which the President submits a determination under section 203(c)—

(1) section 620(a) of the Foreign Assistance Act of 1961 (22 U.S.C. 2370(a)) is repealed;

(2) section 620(f) of the Foreign Assistance Act of 1961 (22 U.S.C. 2370(f)) is amended by striking ''Republic of Cuba'';

(3) sections 1704, 1705(d), and 1706 of the Cuban Democracy Act (22 U.S.C. 6003, 6004(d), 6005) are repealed; and

(4) section 902(c) of the Food Security Act of 1985 is repealed.

(e) REVIEW OF SUSPENSION OF ECONOMIC EMBARGO.—

(1) REVIEW.—If the President takes action under subsection (a) to suspend the economic embargo of Cuba, the President shall immediately so notify the Congress. The President shall report to the Congress no less frequently than every 6 months thereafter, until he submits a determination under section 203(c) that a democratically elected government in Cuba is in power, on the progress being made by Cuba toward the establishment of such a democratically elected government. The action of the President under subsection (a) shall cease to be effective upon the enactment of a joint resolution described in paragraph (2).

(2) JOINT RESOLUTIONS.—For purposes of this subsection, the term ''joint resolution'' means only a joint resolution of the 2 Houses of Congress, the matter after the resolving clause of which is as follows: ''That the Congress disapproves the action of the President under section 203(a) of the Cuban Liberty and Democratic Solidarity (LIBERTAD) Act of 1995 to suspend the economic embargo of Cuba, notice of which was submitted to the Congress on _____.'', with the blank space being filled with the appropriate date.

(3) REFERRAL TO COMMITTEES.—Joint resolutions introduced in the House of Representatives shall be referred to the Committee on International Relations and joint resolutions introduced in the Senate shall be referred to the Committee on Foreign Relations.

(4) PROCEDURES.—(A) Any joint resolution shall be considered in the Senate in accordance with the provisions of section 601(b) of the International Security Assistance and Arms Export Control act of 1976.

(B) For the purpose of expediting the consideration and enactment of joint resolutions, a motion to proceed to the consideration of any joint resolution after it has been reported by the appropriate committee shall be treated as highly privileged in the House of Representatives.

(C) Not more than 1 joint resolution may be considered in the House of Representatives and the Senate in the 6-month period beginning on the date on which the President notifies the Congress under paragraph (1) of the action taken under subsection (a), and in each 6-month period thereafter.

SEC. 205. REQUIREMENTS FOR A TRANSITION GOVERNMENT.

(a) A determination under section 203(a) that a transition government in Cuba is in power shall not be made unless that government has taken the following actions—

(1) legalized all political activity;

(2) released all political prisoners and allowed for investigations of Cuban prisons by appropriate international human rights organizations;

(3) dissolved the present Department of State Security in the Cuban Ministry of the Interior, including the Committees for the Defense of the Revolution and the Rapid Response Brigades; and

(4) has committed to organizing free and fair elections for a new government—

(i) to be held in a timely manner within 2 years after the transition government assumes power;

(ii) with the participation of multiple independent political parties that have full access to the media on an equal basis, including (in the case of radio, television, or other telecommunications media) in terms of allotments of time for such access and the times of day such allotments are given; and

(iii) to be conducted under the supervision of internationally recognized observers, such as the Organization of American States, the United Nations, and other election monitors;

(b) In addition to the requirements in subsection (a), in determining whether a transition government is in power in Cuba, the President shall take into account the extent to which that government—

(1) is demonstrably in transition from communist totalitarian dictatorship to representative democracy;

(2) has publicly committed itself to, and is making demonstrable progress in—

(A) establishing an independent judiciary;

(B) respecting internationally recognized human rights and basic freedoms as set forth in the Universal Declaration of Human Rights;

(C) effectively guaranteeing the rights of free speech and freedom of the press, including granting permits to privately owned media and telecommunications companies to operate in Cuba;

(D) permitting the reinstatement of citizenship to Cuban-born nationals returning to Cuba;

(E) assuring the right to private property; and

(F) allowing the establishment of independent trade unions as set forth in conventions 87 and 98 of the International Labor Organization, and allowing the establishment of independent social, economic, and political associations;

(3) has ceased any interference with broadcasts by Radio Marti or the Television Marti Service;

(4) has given adequate assurances that it will allow the speedy and efficient distribution of assistance to the Cuban people; and

(5) permits the deployment throughout Cuba of independent and unfettered international human rights monitors.

SEC. 206. FACTORS FOR DETERMINING A DEMOCRATICALLY ELECTED GOVERNMENT.

For purposes of determining under section 203(c) of this Act whether a democratically elected government in Cuba is in power, the President shall take into account whether, and the extent to which, that government—

(1) results from free and fair elections—

(A) conducted under the supervision of internationally recognized observers; and

(B) in which opposition parties were permitted ample time to organize and campaign for such elections, and in which all candidates in the elections were permitted full access to the media;

(2) is showing respect for the basic civil liberties and human rights of the citizens of Cuba;

(3) is substantially moving toward a market-oriented economic system based on the right to own and enjoy property;

(4) is committed to making constitutional changes that would ensure regular free and fair elections and the full enjoyment of basic civil liberties and human rights by the citizens of Cuba; and

(5) is continuing to comply with the requirements of section 205.

SEC. 207. SETTLEMENT OF OUTSTANDING U.S. CLAIMS TO CONFISCATED PROPERTY IN CUBA.

(a) SUPPORT FOR A TRANSITION GOVERNMENT.—Notwithstanding any other provision of this Act—

(1) no assistance may be provided under the authority of this Act to a transition government in Cuba, and

(2) the Secretary of the Treasury shall instruct the United States executive director of each international financial institution to vote against any loan or other utilization of the funds of such bank or institution for the benefit of a transition government in Cuba, except for assistance to meet the emergency humanitarian needs of the Cuban people,

unless the President determines and certifies to Congress that such a government has publicly committed itself, and is taking appropriate steps, to establish a procedure under its law or through international arbitration to provide for the return of, or prompt, adequate, and effective compensation for, property confiscated by the Government of Cuba on or after January 1, 1959, from any person or entity that is a United States national who is described in section 620(a)(2) of the Foreign Assistance Act of 1961.

(b) SUPPORT FOR A DEMOCRATICALLY ELECTED GOVERNMENT.—Notwithstanding any other provision of this Act—

(1) no assistance may be provided under the authority of this Act to a democratically elected government in Cuba, and

(2) the Secretary of the Treasury shall instruct the United States executive director of each international financial institution to vote against any loan or other utilization of the funds of such bank or institution for the benefit of a democratically elected government in Cuba,

unless the President determines and certifies to Congress that such a government has adopted and is effectively implementing a procedure under its law or through international arbitration to provide for the return of, or prompt, adequate, and effective compensation for, property confiscated by the Government of Cuba on or after January 1, 1959, from any person or entity that is a United States national who is described in section 620(a)(2) of the Foreign Assistance Act of 1961.

(c) REPORT TO CONGRESS.—Not later than 180 days after the date of enactment of this Act, the Secretary of State shall provide a report to the appropriate congressional committees containing an assessment of the property dispute question in Cuba, including—

(1) an estimate of the number and amount of claims to property confiscated by the Cuban government held by United States nationals beyond those certified under section 507 of the International Claims Settlement Act of 1949,

(2) an assessment of the significance of promptly resolving confiscated property claims to the revitalization of the Cuban economy,

(3) a review and evaluation of technical and other assistance that the United States could provide to help either a transition government in Cuba or a democratically elected government in Cuba establish mechanisms to resolve property questions,

(4) an assessment of the role and types of support the United States could provide to help resolve claims to property confiscated by the Cuban government held by United States nationals who did not receive or qualify for certification under section 507 of the International Claims Settlement Act of 1949, and

(5) an assessment of any areas requiring legislative review or action regarding the resolution of property claims in Cuba prior to a change of government in Cuba.

(d) SENSE OF CONGRESS.—It is the sense of the Congress that the satisfactory resolution of property claims by a Cuban government recognized by the United States remains an essential condition for the full resumption of economic and diplomatic relations between the United States and Cuba.

(e) WAIVER.—The President may waive the prohibitions in subsections (a) and (b) if the President determines and certifies to the Congress that it is in the vital national interest of the United States to provide assistance to contribute to the stable foundation for a democratically elected government in Cuba.

TITLE III—PROTECTION OF PROPERTY RIGHTS OF UNITED STATES NATIONALS AGAINST CONFISCATORY TAKINGS BY THE CASTRO REGIME

SEC. 301. STATEMENT OF POLICY.

The Congress makes the following findings:

(1) Individuals enjoy a fundamental right to own and enjoy property which is enshrined in the United States Constitution.

(2) The wrongful confiscation or taking of property belonging to United States nationals by the Cuban government, and the subsequent exploitation of this property at the expense of the rightful owner, undermines the comity of nations, the free flow of commerce, and economic development.

(3) Since Fidel Castro seized power in Cuba in 1959—

(A) he has trampled on the fundamental rights of the Cuban people, and

(B) through his personal despotism, he has confiscated the property of—

(i) millions of his own citizens,

(ii) thousands of United States nationals, and

(iii) thousands more Cubans who claimed asylum in the United States as refugees because of persecution and later became naturalized citizens of the United States.

(4) It is in the interest of the Cuban people that the government of Cuba respect equally the property rights of Cuban and foreign nationals.

(5) The Cuban government is offering foreign investors the opportunity to purchase an equity interest in, manage, or enter into joint ventures with property and assets some of which were confiscated from United States nationals.

(6) This ''trafficking'' in confiscated property provides badly needed financial benefit, including hard currency, oil and productive investment and expertise, to the current government of Cuba and thus undermines the foreign policy of the United States—

(A) to bring democratic institutions to Cuba through the pressure of a general economic embargo at a time when the Castro regime has proven to be vulnerable to international economic pressure, and

(B) to protect the claims of United States nationals who had property wrongfully confiscated by the Cuban government.

(7) The U.S. State Department has notified other governments that the transfer of properties confiscated by the Cuban government to third parties ''would complicate any attempt to return them to their original owners.''

(8) The international judicial system, as currently structured, lacks fully effective remedies for the wrongful confiscation of property and for unjust enrichment from the use of wrongfully confiscated property by governments and private entities at the expense of the rightful owners of the property.

(9) International law recognizes that a nation has the ability to provide for rules of law with respect to ''conduct outside its territory that has or is intended to have substantial effect within its territory''.

(10) The United States Government has an obligation to its citizens to provide protection against wrongful confiscations by foreign nations and their citizens, including the provision of private remedies.

(11) To deter trafficking in wrongfully confiscated property, United States nationals who were the victims of these confiscations

should be endowed with a judicial remedy in the courts of the United States that would deny traffickers any profits from economically exploiting Castro's wrongful seizures.

SEC. 302. LIABILITY FOR TRAFFICKING IN CONFISCATED PROPERTY CLAIMED BY UNITED STATES NATIONALS.

(a) CIVIL REMEDY.—(1) LIABILITY OF TRAFFICKERS.—(A) Except as otherwise provided in this section, any person or entity, including any agency or instrumentality of a foreign state in the conduct of a commercial activity, that after the end of the 6-month period beginning on the date of enactment of this Act traffics in property which was confiscated by the Government of Cuba on or after January 1, 1959, shall be liable to the United States national who owns the claim to such property for money damages in an amount equal to the sum of—

(i) the amount which is the greater of—

(I) the amount, if any, certified to the claimant by the Foreign Claims Settlement Commission under the International Claims Settlement Act of 1949, plus interest;

(II) the amount determined under section 303(a)(2), plus interest; or

(III) the fair market value of that property, calculated as being the then current value of the property, or the value of the property when confiscated plus interest, whichever is greater; and

(ii) reasonable court costs and attorneys' fees.

(B) Interest under subparagraph (A)(I) shall be at the rate set forth in section 1961 of title 28, United States Code, computed by the court from the date of confiscation of the property involved to the date on which the action is brought under this subsection.

(2) PRESUMPTION IN FAVOR OF THE CERTIFIED CLAIMS.—There shall be a presumption that the amount for which a person or entity, including any agency or instrumentality of a foreign state in the conduct of a commercial activity, is liable under clause (i) of paragraph (1)(A) is the amount that is certified under subclause (I) of that clause. The presumption shall be rebuttable by clear and convincing evidence that the amount described in subclause (II) or (III) of that clause is the appropriate amount of liability under that clause.

(3) REQUIREMENT FOR PRIOR NOTICE AND INCREASED LIABILITY FOR SUBSEQUENT ADDITIONAL NOTICE.—(A) Following the conclusion of 180 days after the date of enactment of this Act but at least 30 days prior to instituting suit hereunder, notice of intention to institute a suit pursuant to this section must be served on each intended party or, in the case of ongoing intention to add any party to ongoing litigation hereunder, to each such additional party.

(B) Except as provided in this section, any person or entity, including any agency or instrumentality of a foreign state in the conduct of commercial activity, that traffics in confiscated property after having received—

(i) a subsequent additional notice of a claim to ownership of the property by the United States national who owns the claim to the confiscated property, and

(ii) notice of the provisions of this section,

shall be liable to that United States national for money damages in an amount which is the sum of the amount equal to the amount determined under paragraph (1)(A)(ii), plus triple the amount determined applicable under subclause (I), (II), or (III) of paragraph (1)(A)(i).

(4) APPLICABILITY.—(A) Except as otherwise provided in this paragraph, actions may be brought under paragraph (1) with respect to property confiscated before, on, or after the date of enactment of this Act.

(B) In the case of property confiscated by the Government of Cuba before the date of enactment of this title, no United States national may bring an action under this section unless such national acquired ownership of the claim to the confiscated property before such date of enactment.

(C) In the case of property confiscated on or after the date of the enactment of this Act, no United States national who acquired ownership of a claim to confiscated property by assignment for value after such date of enactment may bring an action on the claim under this section.

(5) TREATMENT OF CERTAIN ACTIONS.—(A) In the case of any action brought under this section by a Untied States national who was eligible to file the underlying claim in the action with the Foreign Claims Settlement Commission under title V of the International Claims Settlement Act of 1949 but did not so file the claim, the court may hear the case only if the court determines that the United States national had good cause for not filing the claim.

(B) In the case of any action brought under this section by a United States national whose claim in the action was timely filed with the Foreign Claims Settlement Commission under title V of the International Claims Settlement Act of 1949 but was denied by the Commission, the court may assess the basis for the denial and may accept the findings of the Commission on the claim as conclusive in the action under this section unless good cause justifies another result.

(6) INAPPLICABILITY OF ACT OF STATE DOCTRINE.—No court of the United States shall decline, based upon the act of state doctrine, to make a determination on the merits in an action brought under paragraph (1).

(7) Notwithstanding any other provision of law, an action under this section may be brought and may be settled, and a judgment rendered in such action may be enforced, without the necessity of obtaining any license or other permission from any agency of the United States, except that this subsection shall not apply to the execution of a judgment against or the settlement of actions involving property blocked under the authority of the Trading with the Enemy Act (Appendix to title 50, United States Code, sections 1 through 44).

(8) Notwithstanding any other provision of law, any claim against the Government of Cuba shall not be deemed an interest in property the transfer of which required or requires a license or permission of any agency of the United States.

(b) AMOUNT IN CONTROVERSY.—An action may be brought under this section by a United States national only where the matter in controversy exceeds the sum or value of $50,000, exclusive of costs.

(c) SERVICE OF PROCESS.—(1) Service of process shall be effected against an agency of instrumentality of a foreign state in the conduct of a commercial activity, or against individuals acting under color of law in conformity with section 1608 of title 28, United States Code, except as provided by paragraph (3) of this subsection.

(2) Service of process shall be effected against all parties not included under the terms of paragraph (1) in conformity with section 1331 of title 28, United States Code.

(3) For all actions brought under section 302 of the Cuban Liberty and Democratic Solidarity (LIBERTAD) Act of 1995, no judgment by default shall be entered by a court of the United States against the government of Cuba, its political subdivision, or its agencies or instrumentalities, unless a government recognized by the United States in Cuba and with which it has diplomatic relations is given the opportunity to cure and be heard thereon and the claimant establishes his claim or right to relief by evidence satisfactory to the court.

(d) CERTAIN PROPERTY IMMUNE FROM EXECUTION.—Section 1611 of title 28, United States Code, is amended by adding at the end of the following:

''(c) Notwithstanding the provisions of section 1610 of this chapter, the property of a foreign state shall be immune from attachment and from execution in an action brought under section 1605(7) to the extent the property is a facility or installation used by an accredited diplomatic mission for official purposes.''.

(e) ELECTION OF REMEDIES.—

(1) ELECTION.—Subject to paragraph (2), and except for an action or proceeding commenced prior to enactment of this Act—

(A) any United States national that brings an action under this section may not bring any other civil action or proceeding under the common law, Federal law, or the law of any of the several states, the District of Columbia, or any territory or possession of the United States that seeks monetary or nonmonetary compensation by reason of the same subject matter; and

(B) any person who brings, under the common law or any provision of law other than this section, a civil action or proceeding for monetary or nonmonetary compensation arising out of a claim for which an action would otherwise be cognizable under this section may not bring an action under this section on that claim.

(2) TREATMENT OF CERTIFIED CLAIMANTS.—In the case of any United States national that brings an action under this section based on a claim certified under title V of the International Claims Settlement Act of 1949—

(A) if the recovery in the action is equal to or greater than the amount of the certified claim, the United States national may not receive payment on the claim under any agreement entered into between the United States and Cuba settling claims covered by such title, and such national shall be deemed to have discharged the United States from any further responsibility to represent the United States national with respect to that claim;

(B) if the recovery in the action is less than the amount of the certified claim, the United States national may receive payment under a claims agreement described in subparagraph (A) but only to the extent of the difference between the amount of the recovery and the amount of the certified claim; and

(C) If there is no recovery in the action, the United States national may receive payment on the certified claim under a claims agreement described in subparagraph (A) to the same extent as any certified claimant who does not bring an action under this section.

(f) DEPOSIT OF EXCESS PAYMENTS BY CUBA UNDER CLAIMS AGREEMENT.—Any amounts paid by Cuba under any agreement entered into between the United States and Cuba settling certified claims under title V of the International Claims Settlement Act of 1949 that are in excess of the payments made on such certified claims after the application of subsection (e) shall be deposited into the United States Treasury.

(g) TERMINATION OF RIGHTS.—(1) All rights created under this section to bring an action for money damages with respect to property confiscated by the Government of Cuba before the date of enactment of this Act shall cease upon transmittal to the Congress of a determination of the President under section 203(c).

(2) The termination of rights under paragraph (1) shall not affect suits commenced before the data of such termination, and in all such suits, proceedings shall be had, appeals taken, and judgments rendered in the

same manner and with the same effect as if this subsection had not been enacted.

SEC. 303. PROOF OF OWNERSHIP OF CLAIMS TO CONFISCATED PROPERTY.

(a) EVIDENCE OF OWNERSHIP.—(1) In any action brought under this Act, the courts shall accept as conclusive proof of ownership a certification of a claim to ownership that has been made by the Foreign Claims Settlement Commission pursuant to title V of the International Claims Settlement Act of 1949 (22 U.S.C. 1643 and following).

(2) In the case of a claim that has not been certified by the Foreign Claims Settlement Commission before the enactment of this Act, a court may appoint a Special Master, including the Foreign Claims Settlement Commission, to make determinations regarding the amount and ownership of claims to ownership of confiscated property by the Government of Cuba. Such determinations are only for evidentiary purposes in civil actions brought under this Act and do not constitute certifications pursuant to title V of the International Claims Settlement Act of 1949.

(3) In determining ownership, courts shall not accept as conclusive evidence of ownership any findings, orders, judgments, or decrees from administrative agencies or courts of foreign countries or international organizations that invalidate the claim held by a United States national, unless the invalidation was found pursuant to binding international arbitration to which the United States submitted the claim.

(b) AMENDMENT OF THE INTERNATIONAL CLAIMS SETTLEMENT ACT OF 1949.—Title V of the International Claims Settlement Act of 1949 (22 U.S.C. 1643 and following) is amended by adding at the end of the following new section:

''DETERMINATION OF OWNERSHIP CLAIMS REFERRED BY DISTRICT COURTS OF THE UNITED STATES

''SEC. 514. Notwithstanding any other provision of this Act and only for purposes of section 302 of the Cuban Liberty and Democratic Solidarity (LIBERTAD) Act of 1995, a United States district court, for fact-finding purposes, may refer to the Commission, and the Commission may determine, questions of the amount and ownership of a claim by a United States nationals (as defined in section 4 of the Cuban Liberty and Democratic Solidarity (LIBERTAD) Act of 1995, resulting from the confiscations of property by the Government of Cuba described in section 503(a), whether or not the United States national qualified as a national of the United States (as defined in section 502(1)) at the time of action by the Government of Cuba''.

(c) RULE OF CONSTRUCTION.—Nothing in this Act or in section 514 of the International Claims Settlement Act of 1949, as added by subsection (b), shall be construed—

(1) to require or otherwise authorize the claims of Cuban nationals who became United States citizens after their property was confiscated to be included in the claims certified to the Secretary of State by the Foreign Claims Settlement Commission for purposes of future negotiation and espousal of claims with a friendly government in Cuba when diplomatic relations are restored; or

(2) as superseding, amending, or otherwise altering certifications that have been made pursuant to title V of the International Claims Settlement Act of 1949 before the enactment of this Act.

SEC. 304. EXCLUSIVITY OF FOREIGN CLAIMS SETTLEMENT COMMISSION CERTIFICATION PROCEDURE.

Title V of the International Claims Settlement Act of 1949 (22 U.S.C. 1643 and following), as amended by section 303, is further amended by adding at the end the following new section:

''EXCLUSIVITY OF FOREIGN CLAIMS SETTLEMENT COMMISSION CERTIFICATION PROCEDURE

''SEC. 515. (a) Subject to subsection (b) neither any national of the United States who was eligible to file a claim under section 503 but did not timely file such claim under that section, nor any national of the United States (on the date of the enactment of this section) who was not eligible to file a claim under that section nor any national of Cuba, including any agency, instrumentality, subdivision, or enterprise of the Government of Cuba or any local government of Cuba in place on the date of the enactment of this section, nor any successor thereto, whether or not recognized by the United States, shall have a claim to, participate in, or otherwise have an interest in, the compensation proceeds or non-monetary compensation paid or allocated to a national of the United States by virtue of a claim certified by the Commission pursuant to section 507, nor shall any district court of the United States have jurisdiction to adjudicate any such claim.

''(b) Nothing in subsection (a) shall be construed to detract from or otherwise affect any rights in the shares of capital stock of nationals of the United States owning claims certified by the Commission under section 507.''.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. HELMS. Mr. President, I ask unanimous consent that the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate on Wednesday, October 11, 1995, to conduct a hearing on Iran sanctions.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON EAST ASIAN AND PACIFIC AFFAIRS

Mr. HELMS. Mr. President, I ask unanimous consent that the Subcommittee on East Asian and Pacific Affairs of the Committee on Foreign Relations be authorized to meet during the session of the Senate on Wednesday, October 11, 1995, at 2 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

EDIBLE OIL REGULATORY REFORM ACT

• Mr. CHAFEE. Mr. President, the Senate received from the House today H.R. 436, the Edible Oil Regulatory Reform Act. The bill would amend the Oil Production Act of 1990, or OPA–90. As chairman of the Environment and Public Works Committee, which has exclusive jurisdiction over OPA–90, I support the Senate's passage of H.R. 436 by unanimous consent without delay.

As a member of the Environment and Public Works Committee at the time the committee reported the bill that became OPA–90, I am well acquainted with the statute. As many of us will recall, the Congress enacted OPA–90 in the aftermath of the catastrophic *Exxon Valdez* oilspill in Prince William Sound, AK.

One of the key elements of OPA–90 requires all vessels to demonstrate a certain minimum level of financial responsibility to cover the costs of cleanup and damages in the event of an oilspill. The intent behind this requirement is to ensure that an entity that discharges oil into our natural environment pay for the costs and damages arising from the spill—not the U.S. taxpayer. This intent remains sound and should continue to inform the application of the statute.

In passing OPA–90, however, Congress did not intend to abandon the use of common sense. As the act currently stands, there is no distinction made in the financial responsibility requirements for oil-carrying vessels, regardless of the kind of oil being carried. Therefore, a vessel carrying sunflower oil is held to the same requirements under OPA–90 as a carrier of deep crude.

H.R. 436 simply recognizes that vegetable oils and animal fats are different from petroleum oils. Most important, they are different in ways that make it less likely that a spill of vegetable oil or animal fat will cause the same kind of environmental damage as would a petroleum oil spill. For example, vegetable oils and animal fats contain none of the toxic components of petroleum oil.

This is not to suggest that a spill of vegetable oil or animal fat will have no adverse environmental impacts. Experience has shown to the contrary, especially in the case of the Blue Earth River spill in Minnesota in the mid–1960's. Here it is important to note that H.R. 436 would not provide an exemption for carriers of vegetable oil or animal fats. They still would be subject to a mandatory minimum financial responsibility requirement under OPA–90.

Thus, H.R. 436 will lend more rationality to the application of OPA–90 while maintaining the fundamental integrity of the act's purpose and approach. I commend my colleagues in the House for recognizing an opportunity to improve the implementation of an environmental statute.

Finally, as chairman of the Environment and Public Works Committee, let me say that I appreciate the willingness of all Senators to expedite action on this bill. Without unanimous consent, H.R. 436 would have been referred to the Committee on Environment and Public Works. My review of the bill has convinced me that it is a straightforward, commonsense piece of legislation on which committee hearings are unnecessary and to which I can lend my support.•

NATIONAL FIRE PREVENTION WEEK

• Mr. SARBANES. Mr. President, this week is National Fire Prevention

Week, a time for us to look back on the year's efforts to prevent fire-related deaths, injuries, and property damage, and an occasion to reflect on the important role of the brave men and women who comprise our national fire service.

Mr. President, as you know, fire is a serious problem in the United States—an average of 4,000 Americans die from fire annually and nearly 30,000 Americans sustain fire-related injuries every year.

Fire Prevention Week falls on the anniversary of the Great Chicago Fire of 1871 which tragically killed 250 people, burned 17,000 buildings, and rendered over 100,000 people homeless. As a Nation, we have made significant progress in our efforts to improve firefighting and prevention methods since then, but we still have a long way to go. More recently, the Happy Land Social Club fire of 1990 in New York City which claimed the lives of 87 people reminds us of the massive destruction that can be caused by fire.

Increasingly, however, the efforts of our fire service and organizations such as the National Fire Protection Association, the annual sponsor of National Fire Prevention Week, are making a difference. Due to a thoughtful, multipronged attack, in which battles are won by not having them fought in the first place, fire-related deaths are at an alltime low—reduced to 4,275 last year from 8,900 deaths in 1913 when standardized recordkeeping began.

No one is immune to the dangers of fire. On February 26, 1994, nine Marylanders were killed in a single family home simply because a candle was placed too close to a sofa bed. In order to avoid tragedies like these, members of the fire service, the National Fire Protection Association, and others use National Fire Prevention Week each year to renew and strengthen their commitment to fire-related education programs, construction and engineering improvements, and more effective fire regulations. In line with a recent escalation in efforts to minimize fires caused by carelessness or neglect, the theme of this year's Fire Prevention Week is ''Watch What You Heat.''

I salute the American Fire Service on the occasion of National Fire Prevention Week and I join in their call to make our country as fire safe as possible.●

ETHEL STAATS CELEBRATES 100TH BIRTHDAY

● Mrs. BOXER. Mr. President, I invite my colleagues to join me in congratulating Mrs. Ethel Staats from my hometown, Greenbrae, CA, on the very special occasion of her upcoming 100th birthday on October 22, 1995.

Mrs. Statts has, throughout her 100 years, been a devoted mother, grandmother, and great-grandmother. She had 3 children, 14 grandchildren, and 17 great-grandchildren. She has been the foundation of a very strong and close family.

In addition, she has dedicated herself to the care and support of others in the community. In her youth, she was a respected nurse, caring for others, and now, in her later years, she has been spending much of her time babysitting and caring for the children of our neighborhood. When my grown children were babies, Mrs. Staats was always there to lend a hand.

She continues to enjoy baseball and football on the radio, with a particular interest in the San Francisco Giants and the Cincinnati Reds.

She happily resides at Rafael Convalescent Hospital in San Rafael, CA. As she says, ''If I have to be some place other than home, this place is great.''

Ethel Staats is a special woman, one of those senior citizens whom we can all look to with admiration, and who deserves mentioning on her very special day. I wish her the best for her future years and happiest of birthdays.●

TRIBUTE TO ROBERT J. LEWIS

● Mr. BIDEN. Mr. President, one of the greatest pleasures of our service in the Senate, is that we have the opportunity to call the Nation's attention to acts of extraordinary service and sacrifice by our citizens, and to record those acts as a part of our proud and uniquely American history of leadership by the People.

On more occasions than any of us can count, Mr. President, our praise and thanks have been earned by members of a group who truly embody the highest ideals of citizenship and service—our Nation's firefighters. During this National Fire Prevention Week, I am especially proud to pay tribute to a firefighter from my State, Capt. Robert J. Lewis of the Talleyville Fire Company.

On June 30 of this year, the Talleyville Fire Company was dispatched to help battle a house fire in Brandywood, a community just north of Wilmington, DE. There was heavy smoke coming from the attic, and the firefighters immediately went to work with handlines directed to the upper floor of the house.

An engine crew from the nearby Claymont Fire Company was assigned to search the main attic. In the course of that search, Claymont Firefighter Greg Denston was caught when fire broke through the wall, engulfing the attic in flames and leaving little chance of escape by way of the staircase.

In the course of working his way to the attic, Firefighter Denston had lost his helmet, and his protective mask had become dislodged when the flames broke through the wall. He alertly activated his personal safety signal device, hoping that someone would hear his call for help.

Rescue Capt. Robert J. Lewis did hear, Mr. President, and he responded.

Captain Lewis found a Claymont Fire Company helmet at the bottom of the attic staircase. He fought his way through heavy smoke and intense heat, and managed to get to the attic by way of the kind of fold-down stairs that can be hard to navigate under the best of circumstances. And these were surely the worst of circumstances.

The attic was literally under siege by the fire. But Captain Lewis managed to locate Firefighter Denston and to pull him down the stairs, where several other firefighters helped get their injured comrade out of the house and on his way to medical treatment. Firefighter Denston was hospitalized for 7 days, and has continued his recovery at home.

The hope of that recovery is only possible, Mr. President, because Robert Lewis answered the call for help, as firefighters do every day in cities and towns across America.

Captain Lewis' professional instincts—and all firefighters are professionals—his professional instincts were perfect; he acted precisely as his training had taught him.

But training can only teach you how to save a life. It cannot make you do it.

The personal instinct that led Captain Lewis to act quickly and decisively—automatically, without pausing to weigh the pros and cons, putting his concern for another above his concern for his own safety—that instinct comes from deep within. It is something hard to define, but it makes ordinary citizens into heroes every day.

One American writer described it this way: ''There is a certain blend of courage, integrity, character and principle which has no satisfactory dictionary name but has been called different things at different times, in different countries. Our American name for it is 'guts.' '' Training makes a professional; guts, Mr. President, make a hero.

Capt. Robert J. Lewis of the Talleyville Fire Company did not become a hero on June 30, 1995. He was already a hero, as were his fellow firefighters, because they know that every time they answer the call they may be putting their lives at risk. And still they answer—without pausing to weigh the pros and cons, putting their concern for others above their concern for their own safety—each and every time.

In recognizing Captain Lewis for his extraordinary service, we recognize all firefighters. They represent and summon the best in us—the best of the American character—and we are grateful to them all.●

ORDERS FOR THURSDAY, OCTOBER 12, 1995

Mr. HELMS. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 9:30 a.m. tomorrow, Thursday, October 12, 1995; that following the prayer, the Journal of proceedings be deemed approved to date, the time for the two leaders be reserved for their use later in the day; that there be a period of

morning business until the hour of 11 a.m. with Senators to speak for up to 5 minutes each with the exception of the following: Mr. KOHL, 10 minutes; Mr. BURNS, 10 minutes; Mr. HATCH, 30 minutes.

I further ask unanimous consent that at 11 a.m. the Senate resume consideration of H.R. 927, the Cuba sanctions bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, I further ask that any first-degree amendments be filed up to 1 p.m. tomorrow under the provisions of rule XXII.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. HELMS. Mr. President, for the information of all Senators, a cloture motion was filed on the pending substitute amendments to the Cuba sanctions bill, and it is the hope of the two leaders that the cloture vote could occur tomorrow late evening.

A second cloture motion was filed, and that vote is expected to occur Friday morning. Also, the Senate could begin consideration of the State Department reauthorization bill if available.

RECESS UNTIL 9:30 A.M. TOMORROW

Mr. HELMS. Mr. President, if there is no further business to come before the Senate, I now ask unanimous consent that the Senate stand in recess under the previous order.

There being no objection, the Senate, at 6:31 p.m., recessed until Thursday, October 12, 1995, at 9:30 a.m.

NOMINATIONS

Executive nominations received by the Senate October 11, 1995:

THE JUDICIARY

P. MICHAEL DUFFY, OF SOUTH CAROLINA, TO BE U.S. DISTRICT JUDGE FOR THE DISTRICT OF SOUTH CAROLINA VICE MATTHEW J. PERRY, JR., RETIRED.

SUE E. MYERSCOUGH, OF ILLINOIS, TO BE U.S. DISTRICT JUDGE FOR THE CENTRAL DISTRICT OF ILLINOIS, VICE HAROLD A. BAKER, RETIRED.

JED S. RAKOFF, OF NEW YORK, TO BE U.S. DISTRICT JUDGE FOR THE SOUTHERN DISTRICT OF NEW YORK, VICE DAVID N. EDELSTEIN, RETIRED.

NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES

WILLIAM P. FOSTER, OF FLORIDA, TO BE A MEMBER OF THE NATIONAL COUNCIL ON THE ARTS FOR A TERM EXPIRING SEPTEMBER 3, 2000, VICE ROY M. GOODMAN, TERM EXPIRED.

FARM CREDIT ADMINISTRATION

LOWELL LEE JUNKINS, OF IOWA, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE FEDERAL AGRICULTURAL MORTGAGE CORPORATION, VICE EDWARD CARLES WILLIAMSON.

IN THE COAST GUARD

THE FOLLOWING CADET OF THE U.S. COAST GUARD ACADEMY FOR APPOINTMENT TO THE GRADE OF ENSIGN:

JORDAN D. ISAAC

THE FOLLOWING OFFICERS OF THE U.S. COAST GUARD PERMANENT COMMISSIONED TEACHING STAFF AT THE COAST GUARD ACADEMY FOR PROMOTION TO THE GRADE OF COMMANDER:

KURT J. COLELLA
GEORGE J. RAZENDES

IN THE NAVY

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF VICE ADMIRAL IN THE U.S. NAVY WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10 U.S.C., SECTION 601:

To be vice admiral

REAR ADM. ALEXANDER J. KREKICH, 000–00–0000

IN THE AIR FORCE

THE FOLLOWING-NAMED OFFICERS FOR PERMANENT PROMOTION IN THE U.S. AIR FORCE, UNDER THE PROVISIONS OF SECTIONS 618 AND 628, TITLE 10, U.S.C., AS AMENDED, WITH DATE OF RANK TO BE DETERMINED BY THE SECRETARY OF THE AIR FORCE.

LINE OF THE AIR FORCE

To be colonel

LARRY E. FREEMAN, 000–00–0000
JOHN S. NEWTON, 000–00–0000
DOUGLAS B. WALTER, 000–00–0000

To be lieutenant colonel

JASON BAIRD, 000–00–0000
WILLIAM J. BUCKLEY, 000–00–0000
JAMES D. CARNAHAN, 000–00–0000
CALVIN W. MORRIS, 000–00–0000

To be major

SEAN P. CAIN, 000–00–0000
DAVID A. FENNELL, 000–00–0000
JAMES D. HEDGES, 000–00–0000
CHARLES D. HOWLAND, 000–00–0000
JAMES R. KING, 000–00–0000
KURT R. LA FRANCE, 000–00–0000
RICHARD C. MC EACHIN, 000–00–0000
ROBERT S. MC GEHEE, 000–00–0000
ROBERT F. STAMMLER, 000–00–0000

MEDICAL SERVICE CORPS

To be lieutenant colonel

JOHN B. CARLETON, 000–00–0000

DENTAL CORPS

To be colonel

GERALD R. CRANE, 000–00–0000

To be lieutenant colonel

JOHN R. EMBRY, 000–00–0000

MEDICAL CORPS

To be colonel

STEPHEN A. MC GUIRE, 000–00–0000

To be major

CHARLES R. FRIEND, 000–00–0000
TERRY L. HASKE, 000–00–0000
PATRICK M. LASSEN, 000–00–0000

CHAPLAIN

To be major

ALLEN L. HECKMAN, 000–00–0000
BOBBY V. PAGE, 000–00–0000

THE FOLLOWING OFFICERS FOR APPOINTMENT IN THE REGULAR AIR FORCE UNDER THE PROVISIONS OF SECTION 531, TITLE 10, U.S.C., WITH GRADE AND DATE OF RANK TO BE DETERMINED BY THE SECRETARY OF THE AIR FORCE PROVIDED THAT IN NO CASE SHALL THE OFFICERS BE APPOINTED IN A GRADE HIGHER THAN THAT INDICATED.

LINE OF THE AIR FORCE

To be captain

MICHAEL A. FRALEY, 000–00–0000
DENNIS WREN, 000–00–0000

THE FOLLOWING OFFICER FOR APPOINTMENT IN THE REGULAR AIR FORCE UNDER THE PROVISIONS OF SECTION 531, TITLE 10, U.S.C., WITH A VIEW TO DESIGNATION UNDER THE PROVISIONS OF SECTION 8067, TITLE 10, U.S.C., TO PERFORM DUTIES INDICATED WITH GRADE AND DATE OF RANK TO BE DETERMINED BY THE SECRETARY OF THE AIR FORCE PROVIDED THAT IN NO CASE SHALL THE FOLLOWING OFFICER BE APPOINTED IN A HIGHER GRADE THAN INDICATED.

NURSE CORPS

To be captain

TIMOTHY L. COOK, 000–00–0000

IN THE ARMY

THE FOLLOWING-NAMED OFFICER, ON THE ACTIVE DUTY LIST, FOR PROMOTION TO THE GRADE INDICATED IN THE U.S. ARMY IN ACCORDANCE WITH SECTIONS 618, 624 AND 628, TITLE 10, UNITED STATES CODE.

To be lieutenant colonel

DEREK J. HARVEY, 000–00–0000

THE FOLLOWING-NAMED OFFICERS FOR PROMOTION IN THE RESERVE OF THE ARMY, UNDER THE PROVISIONS OF TITLE 10, U.S.C., SECTIONS 12203(A) AND 3370:

ARMY NURSE CORPS

To be colonel

BARBARA HASBARGEN, 000–00–0000
PATRICIA PELLEGRINO, 000–00–0000
ELIZABETH PIDCOCK, 000–00–0000

DENTAL CORPS

To be colonel

STEPHEN J. GOEPFERD, 000–00–0000

MEDICAL CORPS

To be colonel

STANLEY L. FLEMMING, 000–00–0000
RICHARD A. HURD, 000–00–0000
BILLY R. NORDYKE, 000–00–0000
CARL A. PATOW, 000–00–0000

MEDICAL SERVICE CORPS

To be colonel

ALAN K. ABRAHAM, 000–00–0000
ROGER S. BLACKSTOCK, 000–00–0000
THOMAS R. BROWN, 000–00–0000
MICHAEL R. CHEEK, 000–00–0000
MALCOLM B. WESTCOTT, 000–00–0000
ROBERT A. WIRTZ, 000–00–0000

ARMY MEDICAL SPECIALIST CORPS

To be colonel

WILLIAM H. O'GRADY, 000–00–0000

VETERINARY CORPS

To be colonel

GARY VROEGINDEWEY, 000–00–0000

THE FOLLOWING-NAMED OFFICERS FOR PROMOTION IN THE RESERVE OF THE ARMY, UNDER THE PROVISIONS OF TITLE 10, U.S.C., SECTIONS 12203(A) AND 3366:

ARMY NURSE CORPS

To be lieutenant colonel

MARY B. ALEXANDER, 000–00–0000
HELEN E. ALM, 000–00–0000
JUDITH B. ANDERSON, 000–00–0000
SHERYL L. ANDRAKIN, 000–00–0000
FRANCES ARROWSMITH, 000–00–0000
PAULA M. ATTWELL, 000–00–0000
KIMBERLY BALLANTYNE, 000–00–0000
LINDA A. BARILE, 000–00–0000
RICHARD B. BARNES, 000–00–0000
TERRY V. BAXTER, 000–00–0000
SUK K. BEARDTAYLOR, 000–00–0000
MARY T. BENNETT, 000–00–0000
IRMA L. BERNARD, 000–00–0000
STEPHEN BLACKBURN, 000–00–0000
JANET M. BLOK, 000–00–0000
MARY E. BOUDREAU, 000–00–0000
DAVID M. BOUDREAUX, 000–00–0000
CAROL L. BOWDOIN, 000–00–0000
SHARON W. BRAMMER, 000–00–0000
MARIA A. BRANSON, 000–00–0000
BOBBY L. BREWTON, 000–00–0000
MERRY A. BRINKLEY, 000–00–0000
VIVIAN J. BURDICK, 000–00–0000
LORETTA BURTON, 000–00–0000
MARK S. BUTCHER, 000–00–0000
MARY K. BUTRUM, 000–00–0000
DORIS P. CALDWELL, 000–00–0000
DEBORAH K. CAMPBELL, 000–00–0000
KATHLEEN CAMPBELL, 000–00–0000
CHRISTINE CARRS, 000–00–0000
ROBBIN L. CARTER, 000–00–0000
MINNIE E. CLARK, 000–00–0000
SANDRA G. COLE, 000–00–0000
PATRICIA J. COMEAU, 000–00–0000
CLARICE COMISSIONG, 000–00–0000
RICHARD N. COONRADT, 000–00–0000
TERRY M. CRASS, 000–00–0000
JOYCE L. CROCKETT, 000–00–0000
CHRISTINE CROMARTY, 000–00–0000
ROBYN R. DADIG, 000–00–0000
GARY R. DALEGOWSKI, 000–00–0000
MILDRED R. DAMICO, 000–00–0000
ELLEN M. DENNIS, 000–00–0000
LYNN M. DERICKSON, 000–00–0000
DIANA M. DISTEFANO, 000–00–0000
MAUREEN C. DONER, 000–00–0000
FLOYD D. DRAKE, 000–00–0000
SHARON A. DRAYTON, 000–00–0000
MICHAEL W. DURAN, 000–00–0000
JOHN R. EDDY, 000–00–0000
PETER ENG, 000–00–0000
I. FERNANDEZDELGADO, 000–00–0000
NOREENE L. FOSTER, 000–00–0000
ROBERT L. FOSTER, 000–00–0000
JEWERLENE FOWLER, 000–00–0000
MARIA FUENTESTORRES, 000–00–0000
MARK A. GALANTOWICZ, 000–00–0000
RONALD G. GAMACHE, 000–00–0000
TERESA K. GAMBLIN, 000–00–0000
HELEN L. GANT, 000–00–0000
DEBRA A. GAYER, 000–00–0000
HAYWARD S. GILL, JR., 000–00–0000
MICHAEL F. GNASTER, 000–00–0000
CONNIE F. GODJIKIAN, 000–00–0000
JEROME L. GONZALES, 000–00–0000
KAREN M. GOODMAN, 000–00–0000
JAMES R. GOODWIN, 000–00–0000
MARY A. GOULD, 000–00–0000
KATHY M. GRAHAM, 000–00–0000
LINDA J. GRAVES, 000–00–0000
JOHN A. GREEN, 000–00–0000
SANDRA GREEN, 000–00–0000
LARRY D. GRONLAND, 000–00–0000
MARY A. GROSS, 000–00–0000
LINDA A. HAFENBREDL, 000–00–0000
MORRIS W. HALL, 000–00–0000
WANDA G. HALL, 000–00–0000
DIANE A. HAMMER, 000–00–0000
PAMELA K. HANSON, 000–00–0000
MICHAEL D. HARPER, 000–00–0000
RUTH M. HARRIS, 000–00–0000

VALERIE L. HARRIS, 000–00–0000
STEPHA HATTON-WARD, 000–00–0000
JOYCE T. HAYNIE, 000–00–0000
JOAN A. HEANEY, 000–00–0000
KENNETH E. HELLER, 000–00–0000
LEOMA M. HERRINGTON, 000–00–0000
CONNIE R. HILLBERG, 000–00–0000
LYNDA S. HILLIARD, 000–00–0000
TIMOTHY A. HOHON, 000–00–0000
VIRGINIA HOLLOWAY, 000–00–0000
VIRGINIA M. HOLT, 000–00–0000
WARREN M. HOVE, 000–00–0000
SHARON L. HUBBARD, 000–00–0000
THOMAS B. HUNTER, 000–00–0000
KENNETH J. HYLE, 000–00–0000
CHRISTINE H. INOUYE, 000–00–0000
KATHRYN L. JANSKY, 000–00–0000
ALAN R. JONES, 000–00–0000
VICTO JURGENSMEIER, 000–00–0000
CAROL A. KABAN, 000–00–0000
CHARLES R. KELLNER, 000–00–0000
ELIZABETH KINDSCHI, 000–00–0000
DIANE E. KNECHT, 000–00–0000
VICTORIA KNIGHTON, 000–00–0000
FAYE L. KNOCHENMUS, 000–00–0000
JAMES V. KOLLAR, 000–00–0000
CONNIE J. KOTEFKA, 000–00–0000
RICHARD KRAJEWSKI, 000–00–0000
SHIRLEY C. KYLES, 000–00–0000
KATHRYN L. LANDOSKI, 000–00–0000
JAMES E. LAUGHLIN, 000–00–0000
KATHLEEN M. LENIHAN, 000–00–0000
JINNA A. LESSARD, 000–00–0000
BARBARA N. LETT, 000–00–0000
SUSAN LINDQUIST, 000–00–0000
PATRICIA A. LITTLE, 000–00–0000
STANTON J. LLOYD, 000–00–0000
KATHLEEN S. LUTZ, 000–00–0000
DONNA L. LYNCH, 000–00–0000
PFEIFFER A. MACLEOD, 000–00–0000
ARNEATHA MARTIN, 000–00–0000
JOANN B. MARTIN, 000–00–0000
JUANJ. MARTINEZ, 000–00–0000
STEPHEN D. MASSEY, 000–00–0000
SHIRLEY S. MAYER, 000–00–0000
JOANNE M. MC CARTHY, 000–00–0000
MICHAEL A. MC LAIN, 000–00–0000
CAROLJEAN C. MC LEAN, 000–00–0000
KATHLEEN A. MC NULTY, 000–00–0000
KAY A. MC WHIRTER, 000–00–0000
BARBARA MELVEN, 000–00–0000
LOUISA R. MENYHERT, 000–00–0000
DOUGLAS MEUWISSEN, 000–00–0000
JUDITH M. MORGAN, 000–00–0000
DENINE V. MOYER, 000–00–0000
FRANCIS J. MURPHY, 000–00–0000
MARYANN NADEAU, 000–00–0000
NORMA J. NATION, 000–00–0000
MAUREEN A. NICHE, 000–00–0000
LAURA J. NORWOOD, 000–00–0000
PHILIP NOTO, 000–00–0000
PATRICIA NOWOSACKI, 000–00–0000
BRUCE R. O'DONNELL, 000–00–0000
SHARON R. PARDUE, 000–00–0000
SHARON C. PENN, 000–00–0000
JOANNE L. PICHASKE, 000–00–0000
CHERYL D. PIKE, 000–00–0000
ALMA T. POINTZES, 000–00–0000
JESSE J. POMPA, 000–00–0000
REBECCA K. POOLE, 000–00–0000
KAREN H. PRICE, 000–00–0000
MICHAEL J. PROTO, JR., 000–00–0000
HELEN K. QUINN, 000–00–0000
KENNETH R. RAMDAS, 000–00–0000
MARTHA M. RANKIN, 000–00–0000
ZENAIDA C. RAYBON, 000–00–0000
DARLA M. REED, 000–00–0000
ERNESTINE REMBERT, 000–00–0000
CELIA L. RICHARDS, 000–00–0000
DEMETRIA J. RODGERS, 000–00–0000
OLGA C. RODRIGUEZ, 000–00–0000
CLYDE V. ROSE, 000–00–0000
DONALD RUTHERFORD, 000–00–0000
KATHLEEN M. RYALS, 000–00–0000
JEFFER Y. SABINO, 000–00–0000
HAROLD E. SAILSBURY, 000–00–0000
VIVIAN Z. SALGADO, 000–00–0000
BARBARA J. SAMPSON, 000–00–0000
LUZ E. SANTOSRIVERA, 000–00–0000
ROBERT J. SARGENT, 000–00–0000
NANCY G. SAUNDERS, 000–00–0000
PAULINE T. SAXTON, 000–00–0000
ANDRE C. SCHUETZ, 000–00–0000
CHERYL D. SHARP, 000–00–0000
PAULINE W. SHAVER, 000–00–0000
MARY P. SHERMAN, 000–00–0000
RUBY M. SIMMONS, 000–00–0000
IDEL SIMMONSAUSTIN, 000–00–0000
JANE L. SINNOTT, 000–00–0000
JOHN T. SLAGLE, 000–00–0000
JAMES A. SLATER, 000–00–0000
PATRICIA A. SMITH, 000–00–0000
FRANCES I. SNELL, 000–00–0000
JOSE R. SOTO, 000–00–0000
MARIA I. SOTOORTIZ, 000–00–0000
KENNETH A. SPANTON, 000–00–0000
DONNA M. SPICER, 000–00–0000
JAMES A. SPIVEY, 000–00–0000
HANNAH L. STEPHEN, 000–00–0000
DONALD STEVENS, 000–00–0000
JOSEPH V. STEWART, 000–00–0000
MARIA O. STEWART, 000–00–0000
DEBORAH STITTSWORTH, 000–00–0000
LYNNE A. TAYLOR, 000–00–0000
TERESA C. TAYLOR, 000–00–0000
LISA F. THOMPSON 000–00–0000
ARMIDA TORRES, 000–00–0000
CONSTANCE A. TRIPP, 000–00–0000
JANET M. TROY, 000–00–0000
TOMMY R. TRUEBLOOD, 000–00–0000
ELIZABETH URBANIAK, 000–00–0000
DONNA J. URDAHL, 000–00–0000
DONALD VANDERHEYDEN, 000–00–0000
AUDREY J. VEAL, 000–00–0000
PAMELA S. WALKER, 000–00–0000
COX E. WALLACE, 000–00–0000
DANIEL T. WALTERS, 000–00–0000
DEBORAH L. WATSON, 000–00–0000
FRANCES L. WEST, 000–00–0000
CARL A. WHEELER, 000–00–0000
JOHN A. WHITFIELD, 000–00–0000
JOHN A. WILD, 000–00–0000
ARMANTINE WILLIAMS, 000–00–0000
SHARLOTTA W. WILSON, 000–00–0000
THRESA A. WILSON, 000–00–0000
MICHAEL WIRSCHING, 000–00–0000
GLORIA G. WOODS, 000–00–0000
MARYELLEN YACKA, 000–00–0000
JOSEPH G. ZILLA, 000–00–0000
TIMOTHY G. ZOELLE, 000–00–0000
MARK K. ZYGMOND, 000–00–0000

DENTAL CORPS

To be lieutenant colonel

PAUL F. ABBEY, 000–00–0000
ROBERT S. AYERS, 000–00–0000
BRUCE A. BAKER, 000–00–0000
JOSEPH E. BAPTISTE, 000–00–0000
JAMES N. BAUM, 000–00–0000
JOSEPH G. BECKER, 000–00–0000
JIMMY D. BLANCHARD, 000–00–0000
THOMAS G. BRAUN, 000–00–0000
RONALD BURKHOLDER, 000–00–0000
ROBIN K. DARLING, 000–00–0000
KEVIN DILLMAN, 000–00–0000
JEFFREY D. DOW, 000–00–0000
JOHN H. FULMER, 000–00–0000
ROBERT E. GARDNER, 000–00–0000
GLENN E. GARLAND, 000–00–0000
DAVID B. GILBERT, 000–00–0000
ROLLO E. GOWER, 000–00–0000
STEPHEN P. GRADY, 000–00–0000
JOHN W. HARDEN, 000–00–0000
JAMES D. HARDISON, 000–00–0000
DONALD S. HART, 000–00–0000
ROBERT HWANG, 000–00–0000
LEE P. JOHNS, JR., 000–00–0000
CHARLES M. KING, 000–00–0000
RICHARD LINNEMEIER, 000–00–0000
MICHAEL F. MC CARTHY, 000–00–0000
MICHAEL J. MC GOWAN, 000–00–0000
TIMOTHY P. NARY, 000–00–0000
RODERICK A. NEITZEL, 000–00–0000
PETER A. PATE, 000–00–0000
ALLEN B. QUEEN, 000–00–0000
WILLIAM R. REED, 000–00–0000
BRENT SCHVANEVELDT, 000–00–0000
THOMAS P. TRESKA, 000–00–0000
MARK G. TURNER, 000–00–0000
PETER C. WEE, 000–00–0000
STANLEY L. WENDT, 000–00–0000
CHARLES W. WHATTON, 000–00–0000
CURTIS S. WILKENSON, 000–00–0000
DENISE WILLIAMS, 000–00–0000

MEDICAL CORPS

To be lieutenant colonel

N.M. ADIELE, 000–00–0000
AQUILIO C. AGLIAM, 000–00–0000
JOHN H. ANSOHN, 000–00–0000
PINAR E. ATAKENT, 000–00–0000
ALLAN F. AVBEL, 000–00–0000
BENNIE L. BAKER, 000–00–0000
STEVEN T. BALDWIN, 000–00–0000
DENIE BARNETTSCOTT, 000–00–0000
CHARLES R. BEASLEY, 000–00–0000
THOMAS F. BENDOWSKI, 000–00–0000
JEFFREY A. BERMAN, 000–00–0000
OMKAR N. BHATT, 000–00–0000
PETER J. BIGHAM, 000–00–0000
ENRIQ BLANCOTORRES, 000–00–0000
EDGAR O. BORRERO, 000–00–0000
WALTER D. BRANCH, 000–00–0000
JACK L. BREAUX, 000–00–0000
ARNOLD J. BRENDER, 000–00–0000
MICHAEL R. BRENNAN, 000–00–0000
ARNOLD D. BRIDGES, 000–00–0000
BOBBY J. BROOKS, 000–00–0000
DEBRA M. BROWN, 000–00–0000
LARRY D. BROWN, 000–00–0000
LAWRENCE BRUBAKER, 000–00–0000
MICHAEL V. CANALE, 000–00–0000
SUSAN H. CAPPS, 000–00–0000
ANAVEL O. CARIN, 000–00–0000
JOHN F. CARLETON, 000–00–0000
LIE P. CHANG, 000–00–0000
SARVESWA CHERUKURI, 000–00–0000
MATILDE M. CHUA, 000–00–0000
BOGDAN A. CHUMAK, 000–00–0000
NICKOLAS COLLUCCI, 000–00–0000
HECTOR F. COLON, 000–00–0000
MATTHEW M. CONKLIN, 000–00–0000
CHRISTOPHER CONNER, 000–00–0000
MARC G. COTE, 000–00–0000
LAUREN M. CURTIS, 000–00–0000
ASDGHIG D. DADERIAN, 000–00–0000
BERNARD DEKONGING, 000–00–0000
HOWARD F. DETWILER, 000–00–0000
JAN V. DICKEY, 000–00–0000
THOMAS R. DORSEY, 000–00–0000
PEDRO R. DUMADAG, 000–00–0000
MARK S. DWYER, 000–00–0000
ROBERT J. EGIDIO, 000–00–0000
DOUGLAS D. ELIASON, 000–00–0000
ANTONIO EXPOSITO, 000–00–0000
TOD F. FORMAN, 000–00–0000
MARK L. FRANCIS, 000–00–0000
MICHAEL F. FRY, 000–00–0000
JEFFREY FULLENKAMP, 000–00–0000
GUY GARCIAVARGAS, 000–00–0000
JOHN G. GAROFALO, 000–00–0000
MICHAEL P. GAVIN, 000–00–0000
MATTHEW J. GERVAIS, 000–00–0000
HENRY S. GINDT, 000–00–0000
PHILIPPE H. GIRERD, 000–00–0000
MARIO F. GOLLE, 000–00–0000
PATRICK L. GOMEZ, 000–00–0000
RONALD I. GROSS, 000–00–0000
SYED S. HAQQIE, 000–00–0000
CHARLES M. HARRISON, 000–00–0000
CARL D. HEINECKE, 000–00–0000
JEAN C. HENRY, 000–00–0000
BARNEY J. HENSON, 000–00–0000
ROBERT L. HOLMES, 000–00–0000
THOMAS E. HOLTHUS, 000–00–0000
PHILLIP M. HUTCHINS, 000–00–0000
KENNETH W. LAIRD, 000–00–0000
WINSTON I. LEVY, 000–00–0000
BRIAN K. LOW, 000–00–0000
DAVID E. LUDLOW, 000–00–0000
SCOTT M. MALOWNEY, 000–00–0000
DANNEN MANNSCHRECK, 000–00–0000
LOUIS S. MARKEL, 000–00–0000
JOSEPH E. MC ANDREW, 000–00–0000
THOMAS D. MC CLAIN, 000–00–0000
STEVE L. MC KENZIE, 000–00–0000
HORST B. MEHNER, 000–00–0000
CONCEPCION MENDOZA, 000–00–0000
MARGARET A. MILLER, 000–00–0000
BARBARA C. MOLINA, 000–00–0000
RAMANATHPUR MURTHY, 000–00–0000
JONATHAN NEWMARK, 000–00–0000
DAVID P. NICHOLS, 000–00–0000
PHILLIP A. NOKES, 000–00–0000
DOROTHY A. O'KEEFE, 000–00–0000
MARTIN G. PAUL, 000–00–0000
KEVIN L. PEHR, 000–00–0000
LAURENCE R. PLUMB, 000–00–0000
CARY S. POLLACK, 000–00–0000
ALEXANDER PRUITT, 000–00–0000
JOAN M. RADJIESKI, 000–00–0000
FELICITAS E. RAMOS, 000–00–0000
JOSEPHINE G. REYES, 000–00–0000
ROBERT P. RYAN, 000–00–0000
STEPHEN SAHLSTROM, 000–00–0000
COSWIN K. SAITO, 000–00–0000
MOHAMMAD SAKLAYEN, 000–00–0000
DAVID M. SCHMIDT, 000–00–0000
DAVID T. SCHULZ, 000–00–0000
STEVE SCHWAITZBERG, 000–00–0000
ERIC W. SCOTT, 000–00–0000
PAUL C. SHAKIN, 000–00–0000
ROGER S. SIMMS, 000–00–0000
SUSAN G. SKEA, 000–00–0000
LEE STEVENS, 000–00–0000
DANIEL P. STOLTZFUS, 000–00–0000
AHMED N. SYED, 000–00–0000
DONALD R. TAYLOE, 000–00–0000
CHARLES L. TRUWIT, 000–00–0000
GENE E. TULLIS, 000–00–0000
STEPHEN C. ULRICH, 000–00–0000
CHARLES M. WARE, 000–00–0000
ASA M. WARMACK, 000–00–0000
DAVID B. WILDE, 000–00–0000
CAROL J. WILKERSON, 000–00–0000
KEVIN K. WOISARD, 000–00–0000
GEORGE W. WRIGHT, 000–00–0000
DENNIS C. ZACHARY, 000–00–0000
FRANK A. ZIMBA, 000–00–0000

MEDICAL SERVICE CORPS

To be lieutenant colonel

ROBERT B. ALFORD, JR., 000–00–0000
TERRY T. ALLMOND, 000–00–0000
DOUGLAS J. ANDERSON, 000–00–0000
LEON E. ANDREWS, 000–00–0000
BRUCE J. ASHBAUGH, 000–00–0000
WILLIAM R. BAGWELL, 000–00–0000
ERIC D. BEACH, 000–00–0000
RAYMOND M. BELKNAP, 000–00–0000
JAMES M. BISHOP, 000–00–0000
JEANNE J. BLAES, 000–00–0000
TIMOTHY A. BRIGGS, 000–00–0000
JOSEPH L. BROWN, 000–00–0000
RICHARD S. CAREY, 000–00–0000
DOUGLAS R. CARNEY, 000–00–0000
JOHN A. CAYNON, 000–00–0000
ABIE R. CHADDERDON, 000–00–0000
KHALID A. CHAUGHTAI, 000–00–0000
ELIZABETH M. CLARK, 000–00–0000
ROBERT L. COLEGATE, 000–00–0000
JEFFREY E. CONDIT, 000–00–0000
CURTIS A. CONKLIN, 000–00–0000
HERMAN A. CORNISH, 000–00–0000
MORRIS F. CRISLER, 000–00–0000
PHILIP E. CROMER, 000–00–0000
STEVEN C. DANIELL, 000–00–0000
JERRY A. DAVENPORT, 000–00–0000
WALTER J. DAVIS, 000–00–0000
OVILA J. DIONNE, 000–00–0000
EILEEN P. DOHERTY, 000–00–0000
MICHAEL C. DOHERTY, 000–00–0000
JOHN S. DOMENECH, 000–00–0000
RICHARD H. DRENNAN, 000–00–0000
KARL A. DRERUP, 000–00–0000
CHARLES S. DRESBACH, 000–00–0000
HARRY L. DURRIE, 000–00–0000
LEE D. ELLIS, 000–00–0000

WILLIAM H. ETTINGER, 000–00–0000
ROOSEVELT EUBANKS, 000–00–0000
TRAVIS A. EVERETT, 000–00–0000
JAMES M. FORD, 000–00–0000
RICHARD V. FRANCIS, 000–00–0000
DONALD E. GARWOOD, 000–00–0000
JUAN C. GOMEZ, 000–00–0000
RICARDO R. GONZALES, 000–00–0000
BRUCE J. GORAL, 000–00–0000
EDWARD L. GRIFFIN, 000–00–0000
EDWARD F. HALLIDAY, 000–00–0000
GEORGE E. HAMILTON, 000–00–0000
EDWIN L. HARLESS, 000–00–0000
NORMAN K. HARTLEY, 000–00–0000
AARON HEARD, JR., 000–00–0000
PAUL R. HELLMOLD, 000–00–0000
STEPHEN J. HICKS, 000–00–0000
MARION N. HOLLEY, 000–00–0000
STACY H. INOUYE, 000–00–0000
LULA M, JACKSON, 000–00–0000
EDWARD J. JASON, 000–00–0000
JEFFREY D. JOHNSON, 000–00–0000
SUSANNE L. JOHNSON, 000–00–0000
BOBBIE G. JONES, 000–00–0000
PEGGY H. JOYNER, 000–00–0000
JAMES W. KAMERMAN, 000–00–0000
DANIEL E. KARNES, 000–00–0000
RICHARD H. KEILIG, 000–00–0000
BERIC E. KIMBALL, 000–00–0000
MICHAEL KNUTSON, 000–00–0000
JOSEPH R. KOHUT, 000–00–0000
LELAND V. KUHN, 000–00–0000
RICHARD KUZNIA, 000–00–0000
DONALD M. LAIRD, 000–00–0000
JULIO C. LARACUENTE, 000–00–0000
ROBERT LEE, 000–00–0000
GREGORY F. LINDEN, 000–00–0000
ROGER T. LITTLE, 000–00–0000
MARCEL C. LOH, 000–00–0000
ERNEST LYONS, JR., 000–00–0000
BARBARA M. MACKNIK, 000–00–0000
GEORGE MASTROIANNI, 000–00–0000
ARTHUR M. MC CARTHY, 000–00–0000
NIKKI S. MC CARTY, 000–00–0000
ROBERT M. MC DERMOTT, 000–00–0000
ROBERT F. MC DONNELL, 000–00–0000
ROBERT E. MC MILLAN, 000–00–0000
REINALDO MELENDEZ, 000–00–0000
DENNIS R. MILLER, 000–00–0000
JERRY C. MILLER, 000–00–0000
MICHAEL R. MOHN, 000–00–0000
LINWOOD MOORE, 000–00–0000
ROBERT H. OLDFIELD, 000–00–0000
MARK D. OLSON, 000–00–0000
PAUL J. ORTMANN, 000–00–0000
MARK J. PEDDLE III, 000–00–0000
KAREN M. PFAU, 000–00–0000
RONALD D. PHILLIPS, 000–00–0000
DEENA G. PITTMAN, 000–00–0000
KATHERINE PLATONI, 000–00–0000
FLOYD W. PRIESTER, 000–00–0000
SANDRA L. PRIOR, 000–00–0000
WILLIAM A. PULIG, 000–00–0000
LARRY E. RAAF, 000–00–0000
WILLIAM RAFFERTY, 000–00–0000
PAUL E. RAMSDEN, 000–00–0000
JAMES P. RANDOLPH, 000–00–0000
WILLIAM J. RICKMAN, 000–00–0000
JOHN W. RIDLEY, 000–00–0000
WILLIAM R. RILEY, 000–00–0000
VAN S. ROMINE, 000–00–0000
O.D. ROSABORGES, 000–00–0000
ROBERT A. ROSICS, 000–00–0000
MARCUS R. RUSSELL, 000–00–0000
THOMAS O. SALMON, 000–00–0000
JERALD W. SAWYER, 000–00–0000
MARK R. SEYMOUR, 000–00–0000
TERRY W. SHOCKLEY, 000–00–0000
PAUL D. SIMPSON, 000–00–0000
ALBERT R. SMITH, 000–00–0000
JAMES E. SMITH, 000–00–0000
PETER N. SMITH, 000–00–0000
KENNETH SPOTO, 000–00–0000
DAVID S. STEIN, 000–00–0000
ROBERT J. STEPPLING, 000–00–0000
STEVEN R. STINGER, 000–00–0000
LINUS W. STORMS, 000–00–0000
ROBERT H. STRETCH, 000–00–0000
GREG S. SWANSON, 000–00–0000
CLIFTON K. TAKENAKA, 000–00–0000
DEBRA J. TENNEY, 000–00–0000
NOEL H. THOMAS, 000–00–0000
CARY T. THREAT, 000–00–0000
PRASAD TIRUNAGARU, 000–00–0000
JOSEPH TORRES, JR., 000–00–0000
LELAND C. TOY, 000–00–0000
DEAN E. TREMBLE, 000–00–0000
DAVID L. TURNER, 000–00–0000
STANLEY D. TURNER, 000–00–0000
WILLIAM UROSEVICH, 000–00–0000
WILLEM VANDEMERWE, 000–00–0000
MARTIN P. WATSON, 000–00–0000
JEROME WESTERGAARD, 000–00–0000
JOHN R. WIECHEC, 000–00–0000
ROBERT J. WIETZEL, 000–00–0000
MARK J. WOLCOTT, 000–00–0000
NEIL L. WOODIEL, 000–00–0000
HORACE J. YOUNG, 000–00–0000
RALPH S. ZELLEM, 000–00–0000
HENRY A. ZOMPA, 000–00–0000

ARMY MEDICAL SPECIALIST CORPS

To be lieutenant colonel

REMEDIOS M. BALAN, 000–00–0000
ANDREW DALESSANDRO, 000–00–0000
NANCY L. ELLWOOD, 000–00–0000
MARY W. ERICKSON, 000–00–0000
MARIA C. GARZA, 000–00–0000
KIM R. GOTTSHALL, 000–00–0000
GARY J. HAGUE, 000–00–0000
KAREN S. JOHNSON, 000–00–0000
KENDRA, KATTELMANN, 000–00–0000
PATRICIA I. KING, 000–00–0000
KAREN F. KLINKNER, 000–00–0000
WILLIAM LINNENKOHL, 000–00–0000
TERRI LOWELL, 000–00–0000
JOHN L. LUTE, 000–00–0000
MICHAEL MACLIN, 000–00–0000
ROBERT J. MOORE, 000–00–0000
JANE M. MORRICAL, 000–00–0000
MARILYN A. O'BANNON, 000–00–0000
MARGARET B. O'NEIL, 000–00–0000
NANCY M. PRICKETT, 000–00–0000
CYNTHIA A. SPENCE, 000–00–0000
ARLENE SPIRER, 000–00–0000
DENISE C. SPRAGUE, 000–00–0000
ZACHARY D. TRUITT, 000–00–0000

VETERINARY CORPS

To be lieutenant colonel

WOODROW P. BUTLER, 000–00–0000
JOHNNIE J. EIGHMY, 000–00–0000
MARK E. GANTS, 000–00–0000
GEORGE A. JACOBY, 000–00–0000
WADE B. LAWRENCE, 000–00–0000
WILLIAM W. MC BETH, 000–00–0000
MARSHALL MOULIERE, 000–00–0000
WILLIAM A. NUSZ, 000–00–0000
DANNY R. RAGLAND, 000–00–0000
EDMOND C. STALEY, 000–00–0000
CHARLES TEMPLETON, 000–00–0000
CRAIG L. WARDRIP, 000–00–0000