United States of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 104th CONGRESS, FIRST SESSION

Vol. 141 WASHINGTON, THURSDAY, OCTOBER 19, 1995 No. 162

Senate

(Legislative day of Wednesday, October 18, 1995)

The Senate met at 10 a.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Almighty God, Sovereign of this Nation and Lord of our lives, our purpose is to glorify You by serving our Nation. We want to express an energetic earnestness about our work today. Help us to know what You want and then want what we know; to say what we mean, and mean what we say. Give us resoluteness and intentionality. Free us to listen to You so intently that we can speak with intrepidness. Keep us in the battle for truth rather than ego-skirmishes over secondary issues. Make us party to Your plans so we can give leadership to our parties and then help our parties to work together to accomplish Your purposes. Make us one in the earnestness of our patriotism.

Thank You for calling this Senate family to be a caring community in which we share each other's joys and sorrows. Today, we ask for Your strength and comfort for Senator CHARLES ROBB now at the time of the death of his father. Help us all to live today with an assurance that this life is but an inch on the limitless measurement of eternity. In the name of the Resurrection and the Life. Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The able Senator from Kansas is recognized.

SCHEDULE

Mrs. KASSEBAUM. Mr. President, today, there will be a period for morning business until the hour of 10:30 a.m. At 10:30, the Senate will resume consideration of H.R. 927, the Cuba sanctions bill, with Senator DODD to be recognized to offer his two amendments. The only remaining amendment in order to the bill is the Simon amendment No. 2934, which has a 20-minute time limitation.

Therefore, it is expected that the Senate will complete action on the bill early this afternoon.

MORNING BUSINESS

The PRESIDING OFFICER (Mr. COATS). Under the previous order, there will now be a period for the transaction of morning business not to extend beyond the hour of 10:30 a.m., with Senators permitted to speak therein for up to 5 minutes each.

Under that previous order, the Senator from Kansas [Mrs. KASSEBAUM] is recognized to speak for up to 10 minutes.

Mr. WELLSTONE. Will the Senator yield for a moment?

Mrs. KASSEBAUM. Yes.

Mr. WELLSTONE. Mr. President, I ask unanimous consent that I might be granted 10 minutes to speak as in morning business.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The Senator from Kansas is recognized.

STUDENT LOANS AND BUDGET RECONCILIATION

Mrs. KASSEBAUM. Mr. President, the other evening, the majority leader, Senator DOLE, spoke about the opportunities which the GI bill provided to thousands of Americans following World War II. Enactment of the GI bill in 1944 marked the beginning of Federal efforts to open the door to postsecondary education for individuals who would otherwise be unable to attend. Over the past 50 years, the scope and variety of Federal student aid programs have expanded considerably. Today, any student in need of financial help can obtain it.

My reason for addressing the Senate now is to dispel the notion that, somehow, all this will change if Congress enacts student loan changes as part of the budget reconciliation bill. Unfortunately, misconceptions about this legislation are widespread, and I believe it is important to set the record straight.

A few weeks ago, the Senate Committee on Labor and Human Resources reported its portion of this legislation, providing Federal student loan savings of $10.85 billion over 7 years. Because the Federal student loan program is one of the few mandatory spending programs under the jurisdiction of the Labor and Human Resources Committee, it was the only place we had to turn in order to comply with our instruction.

Granted, $10.85 billion is a substantial sum over 7 years. However, to hear some describe our package, one would assume that it spells the end of higher education as we know it. Mr. President, that is simply not the case.

Federal student loan programs were established to assist students and their parents in financing postsecondary education. These programs have been successful in achieving that goal. Approximately $26 billion in loan funds have been made available this year. The figure will grow next year. Even if the Labor Committee package is approved intact, that volume will grow.

The reason is that the savings in this package were achieved without restricting a student's ability to borrow. In short, there is nothing in the package which limits the amount of loan funds available. Loans will continue to be available to all who qualify. There is nothing in the package which limits the ability of a student to qualify for a

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

Printed on recycled paper containing 100% post consumer waste

Federal loan. The rules are exactly the same as they have been.

There is nothing in the package which increases the cost of the loan to a student who is in school. The only direct cost to students included in the package applies to new borrowers after they leave school. At that point, they will continue to be able to defer loan payments for 6 months—the so-called grace period—but the Federal Government will no longer subsidize interest payments during that period of time.

That, I believe, Mr. President, is reasonable. This package was developed with the clear intention of minimizing costs to students. I believe that purpose was accomplished. It is, therefore, particularly disturbing to me that students and their families are being intentionally misled about the impact of the proposed changes. I fear that this misinformation will discourage some students from even exploring postsecondary education, and that, I believe, would be a real tragedy.

I would like to explain briefly how the $10.85 billion in savings is achieved. First of all, about $4 billion of the savings comes from reductions to entities involved in the guaranteed loan program, such as banks and guaranty agencies.

The elimination for new borrowers of the interest subsidy during the 6-month grace period achieves about $2.7 billion in savings over that 7-year period. This change would mean an extra $1.89 a month for an undergraduate who borrows $5,500 in 1 year. At most, it would mean an additional $22.50 a month for a graduate student who has borrowed the $65,000 maximum through his or her college career.

Capping the direct loan program at 20 percent of loan volume produces about $1.5 billion in savings. Additional savings are achieved through the elimination of fees paid to schools and alternative originators for direct loan administration. Whatever one may believe about the merits or demerits of direct lending, the fact remains that the way a loan is delivered has absolutely nothing to do with the ability of students to borrow or with the amounts they may borrow. The terms and conditions of direct loans are identical to those of guaranteed loans. There is no difference to the students at that juncture. To suggest that paring back the direct loan program will deprive students of loan funds or make those funds more expensive is plainly inaccurate. The one advantage, at this point, of direct loans and direct lending is that it makes a loan available immediately.

It does expedite the process of obtaining a loan by a student. As far as any difference in the loans being more expensive, that is certainly not the case.

The package also calls upon postsecondary education institutions to participate in achieving savings by imposing a fee equal to 0.85 percent of the amount of Federal loans made available to their students. This proposal produces about $1.9 billion over 7 years.

Some have argued that these costs will be passed directly on to the students rather than being absorbed through the efficiencies in other school operations. Perhaps that will be the case. Even if the entire cost is passed on to the student, it would amount to an average of $20 to $25 per student per year. That is at the high end. Others would be about $11 to $12 to $13 per year.

Finally, approximately $700 million in savings is achieved by increasing the interest rate and the interest rate cap on parent loans.

When one looks beyond the hype to see the facts, Mr. President, it is clear that this reconciliation package does not spell disaster for secondary education in this country. Blaming a Republican Congress for reducing access to postsecondary education by increasing its costs may be convenient, but it does not explain away the fact that college tuitions have been growing at a rate surpassing inflation for well over a decade. That is what has caused such enormous problems for students and their families, is the escalating cost of college education due to increased tuition.

Figures recently released by the college board show an average tuition increase this year of 6 percent, more than double the inflation rate. Average tuition in fees at a 4-year public institution are $2,860. For a 4-year private institution, these costs average $12,432.

Mr. President, another 6-percent increase in those amounts next year would mean an additional per-student cost ranging from $171 to $745, presenting far more serious problems for students and their families than anything in this reconciliation package.

Federal student aid is simply not going to be able to pick up the slack in such an environment, nor is that a role for which it was intended. That is what I think we need to understand, Mr. President.

There is not anything in the reconciliation package regarding student loans that I suppose we would be comfortable with. On the other hand, it is not the tragedy that is being portrayed. I think it is very important that students and their families understand that.

No one relishes the task of cutting back. It is much easier to build upon the expensive policies that have brought us to our current budget problems in the first place. However, one can prune the branches without killing the tree. It is a disservice to the American taxpayers to suggest otherwise.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Under the previous unanimous consent, the Senator from Minnesota is recognized.

Mrs. KASSEBAUM. I wonder if the Senator from Minnesota would yield for a few moments for some unanimous-consent requests.

Mr. WELLSTONE. I am happy to yield to the Senator.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION APPROPRIATIONS AUTHORIZATION, FISCAL YEAR 1996

Mrs. KASSEBAUM. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar 204, S. 1048.

The PRESIDING OFFICER. The clerk will report. The legislative clerk read as follows:

A bill (S. 1048) 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.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Commerce, Science, and Transportation, with an amendment to strike all after the enacting clause and inserting in lieu thereof the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the ''National Aeronautics and Space Administration Authorization Act, Fiscal Year 1996''.

SEC. 2. DEFINITIONS.

For the purposes of this Act—

(1) the term ''Administrator'' means the Administrator of the National Aeronautics and Space Administration;

(2) the term ''NASA'' means the National Aeronautics and Space Administration; and

(3) the term ''institution of higher education'' has the meaning given such term in section 1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1141(a)).

TITLE I—AUTHORIZATION OF APPROPRIATIONS

SEC. 101. HUMAN SPACE FLIGHT.

There are authorized to be appropriated to the National Aeronautics and Space Administration for Human Space Flight the following amounts, to become available October 1, 1995:

(1) Space Station, $1,818,800,000.

(2) Russian Cooperation, $129,200,000.

(3) Space Shuttle, $3,031,800,000.

(4) Payload and Utilization Operations, $293,000,000.

SEC. 102. SCIENCE, AERONAUTICS, AND TECHNOLOGY.

There are authorized to be appropriated to the National Aeronautics and Space Administration for Science, Aeronautics, and Technology the following amounts, to become available October 1, 1995:

(1) Space Science, $1,958,900,000, of which $48,700,000 shall be allocated to the Stratospheric Observatory for Infrared Astronomy, $15,000,000 shall be allocated to the Space Infrared Telescope Facility, and $30,000,000 shall be allocated to the New Millennium initiative.

(2) Life and Microgravity Sciences and Applications, $507,000,000, of which $3,000,000 shall be allocated for the construction of an addition to the Microgravity Development Laboratory, Marshall Space Flight Center.

(3) Mission to Planet Earth, $1,360,100,000, of which $17,000,000 shall be allocated to the construction of the Earth Systems Science Building, Goddard Space Flight Center.

(4) Aeronautical Research and Technology, $891,300,000, of which $5,400,000 shall be allocated to the modernization of the Unitary Plan Wind Tunnel Complex, Ames Research Center.

(5) Space Access and Technology, $766,600,000, of which at least $70,000,000 shall be allocated to support a shuttle flight for the Shuttle Imaging

Radar-C, of which $5,000,000 shall be used to establish a Rural Technology Transfer and Commercialization Center for the Rocky Mountains and Upper Plains States region, and of which $159,000,000 shall be allocated to the Reusable Launch Vehicle program.

(6) Mission Communications Services, $461,300,000.

(7) Academic Programs, $104,700,000, of which $3,000,000 shall be allocated to support the establishment of an Upper Plains States regional science education and outreach center and of which $1,000,000 shall be allocated to establish a Rural Teacher Resource Center.

SEC. 103. MISSION SUPPORT.

There are authorized to be appropriated to the National Aeronautics and Space Administration for Mission Support the following amounts, to become available October 1, 1995:

(1) Safety, Reliability, and Quality Assurance, $37,600,000.

(2) Space Communications Services, $219,400,000.

(3) Research and Program Management, including personnel and related costs, travel, and research operations support, $2,047,800,000.

(4) Construction of Facilities, including land acquisition, $135,000,000, including the following:

(A) Restoration of Flight Systems Research Laboratory, Ames Research Center;

(B) Restoration of chilled water distribution system, Goddard Space Flight Center;

(C) Replace chillers, various buildings, Jet Propulsion Laboratory;

(D) Rehabilitation of electrical distribution system, White Sands Test Facility, Johnson Space Center;

(E) Replace main substation switchgear and circuit breakers, Johnson Space Center;

(F) Replace 15kv load break switches, Kennedy Space Center;

(G) Rehabilitation of Central Air Equipment Building, Lewis Research Center;

(H) Restoration of high pressure air compressor system, Marshall Space Flight Center;

(I) Restoration of Information and Electronic Systems Laboratory, Marshall Space Flight Center;

(J) Restoration of canal lock, Stennis Space Center;

(K) Restoration of primary electrical distribution system, Wallops Flight Facility;

(L) Repair of facilities at various locations, not in excess of $1,500,000 per project;

(M) Rehabilitation and modification of facilities at various locations, not in excess of $1,500,000 per project;

(N) Minor construction of new facilities and additions to existing facilities at various locations, not in excess of $1,500,000 per project;

(O) Facility planning and design, not otherwise provided for; and

(P) Environmental compliance and restoration.

SEC. 104. INSPECTOR GENERAL.

There are authorized to be appropriated to the National Aeronautics and Space Administration for Inspector General $17,300,000, to become available October 1, 1995.

SEC. 105. OFFICE OF COMMERCIAL SPACE TRANSPORTATION.

There are authorized to be appropriated to the Office of Commercial Space Transportation of the Department of Transportation $7,000,000, to become available October 1, 1995.

TITLE II—LIMITATIONS AND GENERAL PROVISIONS

SEC. 201. SPACE STATION LIMITATION.

The aggregate amount authorized to be appropriated for Space Station and related activities under sections 101, 102, and 103 shall not exceed $2,100,000,000.

SEC. 202. EXPERIMENTAL PROGRAM TO STIMULATE COMPETITIVE RESEARCH.

Of the amounts appropriated under sections 101 and 102, $6,900,000 are authorized for the Experimental Program to Stimulate Competitive Research in accordance with title III of the National Aeronautics and Space Administration Act, Fiscal Year 1993 (Public Law 102–588; 106 Stat. 5119).

SEC. 203. SPECIAL TECHNOLOGY ENHANCEMENT GRANTS.

(a) IN GENERAL.—

(1) GRANTS.—The Administrator shall make up to 4 special technology enhancement grants to areas or States that have not participated fully in the Administration's aeronautical and space programs in order to enable such areas or States to increase their capabilities in technology development, utilization, and transfer in aeronautics, space science, and related areas. At least one such grant shall be made available to a consortium of States, each one of which has an average population density of less than 12.3 persons per square mile, based on data for 1993 from the Bureau of the Census.

(2) ACTIVITIES.—Grants made under this section shall be available for—

(A) assessment of resources and needs;

(B) development of infrastructure, including incubators and prototype demonstration facilities;

(C) collaborations with industry;

(D) expansion of capabilities in procurement;

(E) development of technology transfer and commercialization support capabilities;

(F) activities to increase participation in the Small Business Innovation Research program and other NASA research, development, and technology utilization and transfer programs;

(G) relevant research of interest to NASA; and

(H) such other activities as the Administrator shall deem appropriate.

(3) SPECIAL CONSIDERATION.—In making grants under this section, the Administrator shall give special consideration to proposals that—

(A) will build upon and expand a developing research and technology base, and

(B) will insure a lasting research and development and technology development and transfer capability.

(b) ELIGIBLE ENTITIES.—Grants under subsection (a)(1) may be made to—

(1) State and local governments;

(2) institutions of higher education; and

(3) organizations with expertise in research and development, technology development, and technology transfer in areas of interest to NASA.

(c) FUNDING OF PROGRAM.—Of the amounts authorized in section 102 for the Space Access and Technology account, $15,000,000 are authorized to be used for grants under subsection (a).

SEC. 204. CLEAR LAKE DEVELOPMENT FACILITY.

The Administrator is authorized to acquire, for no more than $35,000,000, a certain parcel of land, together with existing facilities, located on the site of the property referred to as the Clear Lake Development Facility, Clear Lake, Texas, comprising approximately 13 acres and including a light manufacturing facility, an avionics development facility, and an assembly and test building which shall be modified for use as a neutral buoyancy laboratory in support of human space flight activities.

SEC. 205. YELLOW CREEK FACILITY.

Notwithstanding any other provision of law or regulation, the National Aeronautics and Space Administration (NASA) is authorized to convey, without reimbursement, to the State of Mississippi, all rights, title, and interest of the United States of the United States in the property known as the Yellow Creek Facility and consisting of approximately 1,200 acres near the city of Iuka, Mississippi, including all improvements thereon and any personal property owned by NASA that is currently located on-site and which the State of Mississippi requires to facilitate the transfer: Provided, That appropriated funds shall be used to effect this conveyance: Provided further, That $10,000,000 in appropriated funds otherwise available to NASA shall be transferred to the State of Mississippi to be used in the transition of the facility: Provided further, That each Federal agency with prior contact to the site shall remain responsible for any and all environmental remediation made necessary as a result of its activities on the site: Provided further, That in consideration of this conveyance, NASA may require such other terms and conditions as the Administrator deems appropriate to protect the interests of the United States: Provided further, That the conveyance of the site and the transfer of the funds to the State of Mississippi shall occur not later than 30 days after the date of enactment of this Act.

SEC. 206. RADAR REMOTE SENSING SATELLITES.

(a) FINDINGS.—The Congress finds that—

(1) radar satellites represent one of the most important developments in remote sensing satellite technology in recent years;

(2) the ability of radar satellites to provide high-quality Earth imagery regardless of cloud cover and to provide three-dimensional pictures of the Earth's surface when the satellites are flown in combination dramatically enhance conventional optical remote sensing satellite capabilities and usefulness;

(3) the National Aeronautics and Space Administration has developed a unique background and expertise in developing and operating radar satellites as a result of their activities connected with its radar satellites, Shuttle Imaging Radar (SIR)-A, SIR-B, and SIR-C, which has flown twice on the Space Shuttle;

(4) other nations currently have operational radar satellite systems, including Japan and Western Europe, with other spacefaring nations expected to develop such systems in the near future; and

(5) the development of an operational radar satellite program at NASA featuring free-flying satellites and a related ground system is critical to maintain United States leadership in remote sensing satellite technology and is important to our national security and international competitiveness.

(b) POLICY.—It is the policy of the United States that—

(1) NASA should develop and operate a radar satellite program as soon as practicable;

(2) NASA should build on the experience and knowledge gained from its previous radar endeavors;

(3) NASA should work with other Federal agencies and, as appropriate, with other spacefaring nations, in its radar satellite activities; and

(4) NASA should make maximum use of existing National remote sensing assets such as the Landsat system, activities connected with the Mission to Planet Earth, and the data management facilities of the Department of the Interior in all of its radar satellite activities.

(c) PROGRAM REQUIREMENTS.—NASA shall initiate a program to develop and operate a radar satellite program. The program shall employ the most advanced radar satellite technology currently available. To the maximum extent possible, all of the data processing, dissemination, and archiving functions shall be performed by the Department of the Interior. The program should be planned in such a way that the data from the radar satellite system are converted into a broad range of informational products with research, commercial, and government applications and any other applications that are in the public interest and that such products are distributed over the widest user community that is practicable, including industry, academia, research institutions, local and State governments, and other Federal agencies. The program should coordinate with, and make appropriate use of, other remote sensing satellite programs, such as the Landsat program.

(d) PLAN.—Within 90 days after the enactment of this Act, the Administrator shall submit a detailed plan for implementation of the radar satellite program to the Committee on Commerce,

Science, and Transportation of the Senate and the Committee on Science of the House of Representatives. The plan should include—

(1) the goals and mission of the program;

(2) planned activities for the next 5 years to achieve such goals and mission;

(3) strategies for maximizing the usefulness of the satellite data to the scientific and academic communities, the private sector, all levels of government, and the general public;

(4) concepts for integrating the program with other related NASA activities (such as Mission to Planet Earth), the Landsat program, and other current and emerging remote sensing satellite programs and activities in the Federal government and all other public and private sectors so that the program complements and strengthens such programs and activities and is not duplicative of these efforts;

(5) concepts developed in consultation with Department of the Interior, for processing, archiving, and disseminating the satellite data using, to the maximum extent possible, existing Federal government programs and assets at the Department of the Interior and other Federal agencies;

(6) targets and timetables for undertaking specific activities and actions within the program;

(7) a 5-year budget profile for the program; and

(8) a comparison between the program and the radar satellite programs of other spacefaring nations, addressing their respective costs, capabilities, and other relevant features.

(e) AUTHORIZATION.—Of the funds authorized in section 102 for the Earth Probes account, the Administrator shall allocate at least $15,000,000 to the radar satellite program to conduct Phase A and Phase B studies.

SEC. 207. STUDY OF THE HYDROLOGY OF THE UPPER MISSOURI RIVER BASIN.

The Administrator shall initiate a project to conduct research on the hydrology of the Upper Missouri River Basin. The project shall be part of the Mission to Planet Earth program and shall employ satellite observations, surface-based radar data, and ground-based hydrological and other scientific measurements to develop quantitative models that address complex atmospheric and surface hydrological processes. The project shall be incorporated into NASA's activities connected with the multi-agency Global Energy and Water Cycle Experiment to understand the interactions between the atmosphere and land surfaces. In implementing the project, NASA shall coordinate and consult with other appropriate federal agencies, including the Department of Commerce, the Department of the Interior, and the National Science Foundation. To the maximum extent possible, NASA shall employ the assistance of universities, local and State governments, industry, and any other appropriate entities from the Upper Missouri River Basin region to carry out this program and the Administrator is authorized to support the project-related work of such entities with grants, technical advice, equipment, in-kind help, and any other type of appropriate assistance. Within 90 days after the enactment of this Act, the Administrator shall submit a plan for the implementation of this project, which shall set forth the goals, project costs, planned activities, and overall strategies for the project, to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Science of the House of Representatives. Of the funds authorized in section 102 for Mission to Planet Earth, at least $10,000,000 shall be allocated by the Administrator to the Upper Missouri River Basin project.

SEC. 208. SHUTTLE PRIVATIZATION.

(a) The Administrator is hereby directed to conduct a study of the feasibility of implementing the recommendation of the Independent Shuttle Management Review Team that NASA transition towards the privatization of the Shuttle. The study shall identify, discuss, and, where possible, present options for resolving, the major policy and legal issues that must be addressed before the Shuttle is privatized, including, but not limited to, the following issues—

(1) whether the government or the Shuttle contractor should own the Shuttle orbiters and Shuttle ground facilities;

(2) whether the federal government should indemnify the contractor for any third party liability arising from Shuttle operations, and, if so, under what terms and conditions;

(3) whether commercial payloads should be allowed to be launched on the Shuttle and whether any classes of payloads should be made ineligible for launch consideration;

(4) whether NASA and federal government payloads should have priority over non-federal government payloads in the Shuttle launch assignments and what policies should be developed to prioritize among payloads generally;

(5) whether the public interest requires that certain Shuttle functions continue to be performed by the federal government; and

(6) whether privatization of the Shuttle would produce any significant cost savings and, if so, how much cost savings.

(b) Within 60 days of the enactment of this Act, NASA shall complete the study and shall submit a report on that study to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Science of the House of Representatives.

(c) As a transitional step towards Shuttle privatization, NASA shall take all necessary and appropriate actions to consolidate Shuttle contractor activities under one prime contractor and, within 180 days of the enactment of this Act, report to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Science of the House of Representatives on those actions. If NASA has failed to complete such consolidation by the expiration of the 180-day period, the report shall explain the reasons for that failure and describe the steps being taken by NASA to finalize the consolidation as expeditiously as possible.

SEC. 209. USE OF FUNDS FOR CONSTRUCTION.

(a) AUTHORIZED USES.—The Administrator may use funds appropriate for purposes other than those appropriated for—

(1) construction of facilities;

(2) research and program management, excluding research operations support; and

(3) Inspector General,

for the construction of new facilities and additions to, repair of, rehabilitation of, or modification of, existing facilities at any location in support of the purposes for which such funds are appropriated.

(b) LIMITATION.—None of the funds used pursuant to subsection (a) may be expended for a project, the estimated cost of which to the National Aeronautics and Space Administration, including collateral equipment, exceeds $750,000, until 30 days have passed after the Administrator has notified the Committee on Science of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate of the nature, location, and estimated cost to the National Aeronautics and Space Administration of such project.

SEC. 210. CONSTRUCTION OF FACILITIES.

(a) REPROGRAMMING FOR CONSTRUCTION OF FACILITIES.—If the Administrator determines that—

(1) new developments in the national program of aeronautical and space activities have occurred;

(2) such developments require the use of additional funds for the purpose of construction, expansion, or modification of facilities at any location; and

(3) deferral of such action until the enactment of the next National Aeronautics and Space Administration authorization Act would be inconsistent with the interest of the Nation in aeronautical and space sciences;

the Administrator may use the amounts authorized for construction of facilities pursuant to this Act or previous National Aeronautics and Space Administration authorization Acts for such purposes. The amounts may be used to acquire, construct, convert, rehabilitate, or install temporary or permanent public works, including land acquisition, site preparation, appurtenances, utilities, and equipment. The Administrator may use such amounts for facility consolidations, closures, and demolition required to downsize the NASA physical plant to improve operations and reduce costs.

(c) LIMITATIONS.—

(1) Amounts appropriated for a construction-of-facilities project—

(A) may be varied upward by 10 percent at the discretion of the Administrator; or

(B) may be varied upward by 25 percent to meet unusual cost variations after the expiration of 30 days following a report on the circumstances of such action by the Administrator to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Science of the House of Representatives. The aggregate amount authorized to be appropriated for construction of facilities shall not be increased as a result of actions authorized under this section.

(2) No amounts may be obligated for a construction-of-facilities project until a period of 30 days has passed after the Administrator or the Administrator's designee has transmitted to the Committee on Science of the House of Representatives, and to the Committee on Commerce, Science, and Transportation of the Senate, a written report describing the nature of the acquisition, construction, conversion, rehabilitation, or installation, its cost, and the reasons therefor.

(d) TITLE TO FACILITIES.—If funds are used pursuant to subsection (a) for grants to institutions of higher education, or to nonprofit organizations whose primary purpose is the conduct of scientific research, for purchase or construction of additional research facilities, title to such facilities shall be vested in the United States unless the Administrator determines that the national program of aeronautical and space activities will best be served by vesting title in the grantee institution or organization. Each such grant shall be made under such conditions as the Administrator shall determine to be required to ensure that the United States will receive therefrom benefits adequate to justify the making of that grant.

SEC. 211. AVAILABILITY OF APPROPRIATED AMOUNTS.

To the extent provided in appropriations Acts, appropriations authorized under this Act may remain available without fiscal year limitation.

SEC. 212. CONSIDERATION BY COMMITTEES.

Notwithstanding any other provision of this Act—

(1) no amount appropriated pursuant to this Act may be used for any program deleted by the Congress from requests as originally made to either the Committee on Science of the House of Representatives or the Committee on Commerce, Science, and Transportation of the Senate; and

(2) no amount appropriated pursuant to the Act may be used for any program in excess of the amount actually authorized for that particular program, excluding construction-of-facility projects,

unless a period of 30 days has passed after the receipt by such Committee of notice given by the Administrator or the Administrator's designee containing a full and complete statement of the action proposed to be taken and the facts and circumstances relied upon in support of the proposed action. NASA shall keep those Committees fully and currently informed with respect to all activities and responsibilities within their jurisdiction. Except as otherwise provided by law, any Federal department, agency, or independent establishment shall furnish any information

requested by either such Committee relating to any activity or responsibility.

SEC. 213. USE OF FUNDS FOR SCIENTIFIC CONSULTATIONS OR EXTRAORDINARY EXPENSES.

Funds appropriated under section 103 may be used for scientific consultations or extraordinary expenses upon the authority of the Administrator, but not to exceed $35,000 .

SEC. 214. REPORTING REQUIREMENTS.

(a) REPORTING PERIOD.—Section 206(a) of the National Aeronautics and Space Act of 1958 (42 U.S.C. 2476(a)) is amended—

(1) by striking ''January'' and inserting ''May''; and

(2) by striking ''calendar'' and inserting ''fiscal''.

(b) PROTECTION OF COMMERCIALLY VALUABLE INFORMATION.—Section 303 of the National Aeronautics and Space Act of 1958 (42 U.S.C. 2454) is amended by adding at the end the following:

''(c)(1) The Administrator may delay, for a period not to exceed 5 years, the unrestricted public disclosure of technical data, related to a competitively sensitive technology, in the possession of, or under the control of, the Administration that has been generated in the performance of experimental, developmental, or research activities or programs conducted by, or funded in whole or in part by, the Administration, if the technical data has significant value in maintaining leadership or competitiveness, in civil and governmental aeronautical and space activities by the United States industrial base.

''(2) The Administrator shall publish biannually in the Federal Register a list of all competitively sensitive technology areas which it believes have a significant value in maintaining the United States leadership or competitiveness in civil and governmental aeronautical and space activities. The list shall be generated after consultation with appropriate Government agencies and a diverse cross section of companies—

''(A) that conduct a significant level of research, development, engineering, and manufacturing in the United States; and

''(B) the majority ownership or control of which is held by United States citizens.

''(3) The Administrator shall provide an opportunity for written objections to the list within a 60-day period after it is published. After the expiration of that 60-day period, and after consideration of all written objections received by the Administrator during that period, NASA shall issue a final list of competitively sensitive technology areas.

''(4) For purposes of this subsection, the term 'technical data' means any recorded information, including computer software, that is or may be directly applicable to the design, engineering, development, production, manufacture, or operation of products or processes that may have significant value in maintaining leadership or competitiveness in civil and governmental aeronautical and space activities by the United States industrial base.''.

SEC. 215. INDEPENDENT RESEARCH AND DEVELOPMENT.

The Congress finds that it is appropriate for costs contributed by a contractor under a cooperative agreement with the National Aeronautics and Space Administration to be considered as allowable independent research and development costs, for purposes of section 31.205–18 of the Federal Acquisition Regulations if the work performed would have been allowable as contractor independent research and development costs had there been no cooperative agreement. The Administration shall seek a revision to that section of the Federal Acquisition Regulations to reflect the intent of the Congress expressed in the preceding sentence.

SEC. 216. RESTRUCTURING OF THE EARTH OBSERVING SYSTEM DATA AND INFORMATION SYSTEM.

The Administrator is prohibited from restructuring or downscaling the baseline plan for the Earth Observing System Data and Information System in place at the time of the President's budget submission for NASA for fiscal year 1996 unless, 60 days before undertaking such action, the Administrator has submitted to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Science of the House of Representatives a written report containing—

(1) a detailed description of the planned agency action;

(2) the reasons and justifications for such action;

(3) an analysis of the cost impact of such action;

(4) an analysis of the impact of the action on the scientific benefits of the program and the effect of the action on the expected applications of the satellite data from the System in such areas as global climate research, land-use planning, state and local government management, mineral exploration, agriculture, forestry, national security, and any other areas that the Administrator deems appropriate;

(5) an analysis of the impact of the action on the United States Global Climate Change Research program and international global climate change research activities; and

(6) an explanation of what measures, if any, are planned by NASA to compensate for any likely reductions in the scientific value and data collection, processing, and distribution capabilities of the System as a result of the action.

TITLE III—COMMERCIAL SPACE LAUNCH ACT AMENDMENTS

SEC. 301. AMENDMENT OF TITLE 49.

Except as otherwise expressly provided, whenever in this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 49, United States Code.

SEC. 302. AMENDMENT OF SECTION 70101.

Section 70101 (relating to findings and purposes) is amended—

(1) by inserting ''microgravity research,'' after ''information services,'' in subsection (a)(3);

(2) by inserting ''commercial space transportation services, including in-space transportation activities and'' after ''providing'' in subsection (a)(4);

(3) by striking ''commercial launch vehicles'' in subsection (a)(5) and inserting ''commercial space transportation including commercial launch vehicles, in-space transportation activities, reentry vehicles,'';

(4) by striking ''launch'' in subsection (a)(6) and inserting ''launch, in-space transportation, and reentry'';

(5) by striking ''launches'' each place it appears in subsection (a)(7) and inserting ''launches, in-space transportation activities, reentries'' after ;

(6) by striking ''sites and complementary facilities, the providing of launch'' in subsection (a)(8) and inserting ''sites, in-space transportation control sites, reentry sites, and complementary facilities, the providing of launch, in-space transportation, and reentry'';

(7) by inserting ''in-space transportation control sites, reentry sites,'' after ''launch sites,'' in subsection (a)(9);

(8) by striking ''launch vehicles'' in subsection (b)(2) and inserting ''commercial space transportation services, including launch vehicles, in-space transportation activities, reentry vehicles,'';

(9) by striking ''launch'' the first place it appears in subsection (b)(3) and inserting ''launch, in-space transportation vehicle, and reentry'';

(10) by striking ''commercial launch'' the second place it appears in subsection (b)(3); and

(11) by inserting ''in-space transportation vehicle control facilities, and development of reentry sites'' after ''facilities,'' in subsection (b)(4).

SEC. 303. AMENDMENT OF SECTION 70102.

Section 70102 (relating to definitions) is amended—

(1) by inserting ''from Earth, including a reentry vehicle and its payload, if any'' after ''and any payload'' in paragraph (3);

(2) by striking ''object'' the first place it appears in paragraph (8) and inserting ''object, including a reentry vehicle and its payload, if any,'';

(3) by redesignating paragraphs (9) through (12) as paragraphs (16) through (19), respectively;

(4) by inserting after paragraph (8) the following:

''(9) 'in-space transportation vehicle' means any vehicle designed to operate in space and designed to transport any payload or object substantially intact from one orbit to another orbit.

''(10) 'in-space transportation services' means—

''(A) those activities involved in the direct transportation or attempted transportation of a payload or object from one orbit to another;

''(B) the procedures, actions, and activities necessary for conduct of those transportation services; and

''(C) the conduct of transportation services.

''(11) 'in-space transportation control site' means a location from which an in-space transportation vehicle is controlled or operated (as such terms may be defined in any license the Secretary issues or transfers under this chapter).

''(12) 'reenter' and 'reentry' mean to return purposefully, or attempt to return, a reentry vehicle and payload, if any, from Earth orbit or outer space to Earth.

''(13) 'reentry services' means—

''(A) activities involved in the preparation of a reentry vehicle and its payload, if any, for reentry; and

''(B) the conduct of a reentry.

''(14) 'reentry site' means the location on Earth to which a reentry vehicle is intended to return (as defined in a license the Secretary issues or transfers under this chapter).

''(15) 'reentry vehicle' means any vehicle designed to return substantially intact from Earth orbit or outer space to Earth.'';

(5) by striking ''launch'' each place it appears in paragraph (18), as redesignated and inserting ''launch services, in-space transportation activities, or reentry''.

SEC. 304. AMENDMENT OF SECTION 70103.

Section 70103(b) (relating to facilitating commercial launches) is amended—

(1) by striking ''LAUNCHES'' in the caption and inserting ''SPACE ACTIVITIES'';

(2) by striking ''commercial space launches'' in paragraph (1) and inserting ''commercial space transportation services''; and

(3) by striking ''a space launch'' in subsection (b)(2) and inserting ''space transportation''.

SEC. 305. AMENDMENT OF SECTION 70104.

Section 70104 (relating to restrictions on launches and operations) is amended—

(1) by striking the section caption and inserting the following:

''Restrictions on launches, in-space transportation activities, operations, and reentries'';

(2) by striking ''site'' each place it appears in subsection (a) and inserting ''site, an in-space transportation operations site, reentry site, or reenter a reentry vehicle,'';

(3) by striking ''launch or operation'' in subsections (a) (3) and (4) and inserting ''launch, in-space transportation activity, or reentry operation'';

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

''(b) COMPLIANCE WITH PAYLOAD REQUIREMENTS.—The holder of a license under this chapter may launch a payload, operate an in-space transportation vehicle, or reenter a payload only if the payload or vehicle complies with all requirements of the laws of the United States

related to launching a payload, operating an in-space transportation vehicle, or reentering a payload.'';

(5) by striking the caption of subsection (c) and inserting the following: ''(c) PREVENTING LAUNCHES, IN-SPACE TRANSPORTATION ACTIVITIES, OR REENTRIES.—''; and

(6) by striking ''launch'' each place it appears in subsection (c) and inserting ''launch, in-space transportation activity, or reentry''.

SEC. 306. AMENDMENT OF SECTION 70105.

Section 70105 (relating to license applications and requirements) is amended—

(1) by striking ''site'' in subsection (b)(1) and inserting ''site, an in-space transportation control site, or a reentry site or the reentry of a reentry vehicle,''; and

(2) by striking ''or operation'' and inserting in lieu thereof '', in-space transportation activity, operation, or reentry'' in subsection (b)(2)(A).

SEC. 307. AMENDMENT OF SECTION 70106.

Section 70106(a) (relating to monitoring activities general requirements) is amended—

(1) by striking ''launch site'' and inserting ''launch site, in-space transportation control site, or reentry site'';

(2) by inserting ''in-space transportation vehicle, or reentry vehicle,'' after ''launch vehicle,'' and

(3) by striking ''vehicle.'' and inserting ''vehicle, in-space transportation vehicle, or reentry vehicle.''.

SEC. 308. AMENDMENT OF SECTION 70108.

Section 70108 (relating to prohibition, suspension, and end of launches and operation of launch sites) is amended—

(1) by striking the section caption and inserting the following:

''Prohibition, suspension, and end of launches, in-space transportation activities, reentries, or operation of launch sites, in-space transportation control sites, or reentry sites'';

and

(2) by striking ''site'' in subsection (a) and inserting ''site, in-space transportation control site, in-space transportation activity, or reentry site, or reentry of a reentry vehicle,''; and

(3) by striking ''launch or operation'' in subsection (a) and inserting ''launch, in-space transportation activity, operation, or reentry''.

SEC. 309. AMENDMENT OF SECTION 70109.

(a) CAPTION.—The section caption of section 70109 (relating to preemption of scheduled launches) is amended to read as follows:

''Preemption of scheduled launches, in-space transportation activities, or reentries''.

(b) AMENDMENT OF SUBSECTION (a).—Subsection (a) is amended—

(1) by inserting ''or reentry'' after ''ensure that a launch'';

(2) by striking ''site'' in the first sentence and inserting ''site, reentry site,'';

(3) by inserting ''nor shall an in-space transportation activity or operation be preempted,'' after ''launch property,'' in the first sentence;

(4) by inserting ''or reentry date commitment'' after ''launch date commitment'';

(5) by inserting ''or reentry'' after ''obtained for a launch'';

(6) by striking ''site'' in the second sentence and inserting ''site, reentry site,'';

(7) by striking ''services'' in the second sentence and inserting ''services, or services related to a reentry,'';

(8) by inserting ''or reentry'' after ''the scheduled launch''; and

(9) by adding at the end thereof the following: ''A licensee or transferee preempted from access to a reentry site does not have to pay the Government agency responsible for the preemption any amount for reentry services attributable only to the scheduled reentry prevented by the preemption.''.

(c) AMENDMENT OF SUBSECTION (c).—Subsection (c) is amended by inserting ''or reentry'' after ''prompt launching'' in subsection (c).

SEC. 310. AMENDMENT OF SECTION 70110.

Section 70110 (relating to administrative hearings and judicial review) is amended—

(1) by striking ''launch'' in subsection (a)(2) and inserting ''launch, in-space transportation activity, or reentry''; and

(2) by striking ''site'' in subsection (a)(3)(B) and inserting ''site, in-space transportation control site, in-space transportation activity, reentry site, or reentry of a reentry vehicle,''.

SEC. 311. AMENDMENT OF SECTION 70111.

Section 70111 (relating to acquiring United States Government property and services) is amended—

(1) by inserting ''in-space transportation activities, or reentry services'' after ''launch services,'' in subsection (a)(1)(B);

(2) by striking ''services'' in subsection (a)(2) and inserting ''services, in-space transportation activities, or reentry services'';

(3) by inserting ''or reentry'' after ''launch'' in subsection (a)(2)(A);

(4) by inserting ''or reentry'' after ''launch'' the first place it appears in subsection (a)(2)(B);

(5) by striking ''launch'' each place it appears in subsection (b)(1) and inserting ''launch, in-space transportation activity, or reentry'';

(6) by striking ''services'' the first place it appears in subsection (b)(2)(C) and inserting ''services, in-space transportation activities or services, or reentry services''; and

(7) by striking subsection (d) and inserting the following:

''(d) COLLECTION BY OTHER GOVERNMENTAL HEADS.—The head of a department, agency, or instrumentality of the Government may collect a payment for any activity involved in producing a launch vehicle, in-space transportation vehicle, or reentry vehicle or its payload for launch, in-space transportation activity, or reentry if the activity was agreed to by the owner or manufacturer of the launch vehicle, in-space transportation vehicle, reentry vehicle, or payload.''.

SEC. 312. AMENDMENT OF SECTION 70112.

Section 70112 (relating to liability insurance and financial responsibility requirements) is amended—

(1) by inserting ''one reentry, or to the operations of each in-space transportation vehicle'' after ''launch,'' in subsection (a)(3);

(2) by inserting ''in-space transportation activities, or reentry services,'' after ''launch services,'' each place it appears in subsections (a)(4) and (b)(2);

(3) by striking ''services'' in subsection (b)(1) and the third place it appears in subsection (b)(2) and inserting ''services, in-space transportation activities, or reentry services,'';

(4) by inserting ''applicable'' after ''carried out under the'' in subsections (b)(1) and (2);

(5) by striking ''Science, Space, and Technology'' in subsection (d) and inserting ''Science'';

(6) by striking ''LAUNCHES'' in the caption of subsection (e) and inserting ''LAUNCHES, IN-SPACE TRANSPORTATION ACTIVITIES, OR REENTRIES''; AND

(7) by striking ''site'' in subsection (e) and inserting ''site, in-space transportation control site, or control of an in-space transportation vehicle or activity, or reentry site or a reentry''.

SEC. 313. AMENDMENT OF SECTION 70113.

Section 70113 (relating to paying claims exceeding liability insurance and financial responsibility requirements) is amended by striking ''launch'' each place it appears in subsections (a)(1), (d)(1), and (d)(2) and inserting ''launch, operation of one in-space transportation vehicle, or one reentry''.

SEC. 314. AMENDMENT OF SECTION 70115.

Section 70115(b)(1)(D)(i) (relating to enforcement and penalty general authority) is amended—

(1) by inserting ''in-space transportation control site, or reentry site,'' after ''launch site,'';

(2) by inserting ''in-space transportation vehicle, or reentry vehicle'' after ''launch vehicle,''; and

(3) by striking ''vehicle'' the second place it appears and inserting ''vehicle, in-space transportation vehicle, or reentry vehicle''.

SEC. 315. AMENDMENT OF SECTION 70117.

Section 70117 (relating to relationship to other executive agencies, laws, and international obligations) is amended—

(1) by striking ''vehicle or operate a launch site.'' in subsection (a) and inserting ''vehicle, operate a launch site, perform in-space transportation activities or operate an in-space transportation control site or reentry site, or reenter a reentry vehicle.'';

(2) by striking ''launch'' in subsection (d) and inserting ''launch, perform an in-space transportation activity, or reentry'';

(3) by striking subsections (f) and (g), and inserting the following:

''(f) LAUNCH NOT AN EXPORT OR IMPORT.—A launch vehicle, reentry vehicle, or payload that is launched or reentered is not, because of the launch or reentry, an export or import for purposes of a law controlling exports or imports.

''(g) NONAPPLICATION.—This chapter does not apply to—

''(1) a launch, in-space transportation activity, reentry, operation of a launch vehicle, in-space transportation vehicle, or reentry vehicle, or of a launch site, in-space transportation control site, or reentry site, or other space activity the Government carries out for the Government; or

''(2) planning or policies related to the launch, in-space transportation activity, reentry, or operation.''.

SEC. 316. REPORT TO CONGRESS.

Chapter 701 is amended by adding at the end thereof the following new section:

''§ 70120. Report to Congress

''The Secretary of Transportation shall submit to Congress an annual report to accompany the President's budget request that—

''(1) describes all activities undertaken under this chapter, including a description of the process for the application for and approval of licenses under this chapter and recommendations for legislation that may further commercial launches and reentries; and

''(2) reviews the performance of the regulatory activities and the effectiveness of the Office of Commercial Space Transportation.''.

SEC. 317. AMENDMENT OF TABLE OF SECTIONS.

The table of sections for chapter 701 of title 49, United States Code, is amended—

(1) by amending the item relating to section 70104 to read as follows:

''70104. Restrictions on launches, in-space transportation activities, operations, and reentries'';

(2) by amending the item relating to section 70108 to read as follows:

''70108. Prohibition, suspension, and end of launches, in-space transportation activities, reentries, or operation of launch sites, in-space transportation control sites, or reentry sites'';

(3) by amending the item relating to section 70109 to read as follows:

''70109. Preemption of scheduled launches, in-space transportation activities, or reentries'';

and

(4) by adding at the end the following new item:

''70120. Report to Congress''.

SEC. 318. REGULATIONS.

The Secretary of Transportation shall issue regulations under chapter 701 of title 49, United States Code, that include—

(1) guidelines for industry to obtain sufficient insurance coverage for potential damages to third parties;

(2) procedures for requesting and obtaining licenses to operate a commercial launch vehicle and reentry vehicle;

(3) procedures for requesting and obtaining operator licenses for launch and reentry; and

(4) procedures for the application of government indemnification.

SEC. 319. SPACE ADVERTISING.

(a) DEFINITION.—Section 70102, as amended by section 303, is amended by redesignating paragraphs (12) through (19) as (13) through (20), respectively, and by inserting after paragraph (11) the following new paragraph:

''(12) 'obtrusive space advertising' means advertising in outer space that is capable of being recognized by a human being on the surface of the earth without the aid of a telescope or other technological device;''.

(b) PROHIBITION.—Chapter 701 is amended by inserting after section 70109 the following new section:

''§ 70109a. Space advertising

''(a) LICENSING.—Notwithstanding the provisions of this chapter or any other provision of law, the Secretary shall not—

''(1) issue or transfer a license under this chapter; or

''(2) waive the license requirements of this chapter;

for the launch of a payload containing any material to be used for the purposes of obtrusive space advertising.

''(b) LAUNCHING.—No holder of a license under this chapter may launch a payload containing any material to be used for purposes of obtrusive space advertising on or after the date of enactment of the National Aeronautics and Space Administration Authorization Act, Fiscal Year 1996.

''(c) COMMERCIAL SPACE ADVERTISING.—Nothing in this section shall apply to nonobtrusive commercial space advertising, including advertising on commercial space transportation vehicles, space infrastructure, payloads, space launch facilities, and launch support facilities.''.

(c) NEGOTIATION WITH FOREIGN LAUNCHING NATIONS.—

(1) The President is requested to negotiate with foreign launching nations for the purpose of reaching an agreement or agreements that prohibit the use of outer space for obtrusive space advertising purposes.

(2) It is the sense of Congress that the President should take such action as is appropriate and feasible to enforce the terms of any agreement to prohibit the use of outer space for obtrusive space advertising purposes.

(3) As used in this subsection, the term ''foreign launching nation'' means a nation—

(A) which launches, or procures the launching of, a payload into outer space; or

(B) from whose territory or facility a payload is launched into outer space.

(d) CLERICAL AMENDMENT.—The table of sections for chapter 701 is amended by inserting the following after the item relating to section 70109:

''70109a. Space advertising''.

AMENDMENT NO. 2939

(Purpose: To authorize funds for operation of the Upper Midwest Aerospace Consortium, and to clarify authorization)

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

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Kansas [Mrs. KASSEBAUM], for Mr. PRESSLER, proposed an amendment numbered 2939.

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

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

The amendment is as follows:

On page 46, line 2, after ''Center'' insert a comma and the following: ''and of which $2,000,000 shall be allocated in fiscal year 1996, and such sums as are necessary thereafter, for the operation of the Upper Midwest Aerospace Consortium (UMAC) of institutions in the Upper Great Plains Region for the purpose of making information derived from Mission to Planet Earth data available to the general public''.

On page 57, line 18, strike ''shall'' and insert ''is authorized to''.

On page 57, line 25, strike ''The'' and insert ''If initiated, the''.

On page 58, line 15, strike ''Within'' and insert ''If this project is initiated, then within''.

Mr. PRESSLER. Mr. President, I am pleased that today the Senate is considering S. 1048, the NASA Authorization Act for fiscal year 1996, which I introduced as chairman of the Senate Committee on Commerce, Science, and Transportation. Let me also take this opportunity to thank Senator BURNS, who is chairman of our Space Subcommittee, for his fine contributions to this bill and his leadership in space policy matters.

NASA faces two challenges. The first is maintaining America's leadership in aeronautics and space. The second is accomplishing these leadership goals within the confines of a balanced Federal budget. This authorization bill allows NASA to meet both of these challenges.

NASA started out this year with a plan to cut $5 billion over 5 years from its budget. Then, the Senate and House developed budget plans requiring even deeper cuts. In keeping with this new fiscal reality, our bill authorizes a total of $13.8 billion for NASA in Fiscal Year 1996, a 3-percent decrease from the current funding level of $14.26 billion.

Despite the funding cut, the bill manages to support a diverse and forward-looking space program. It authorizes all of NASA's major current programs such as Mission to Planet Earth, space station, space science, and aeronautics and, in almost all cases, at their requested funding levels. At the same time, it prepares NASA for the future by authorizing a number of new starts—including the new reusable launch vehicle technology development program aimed at providing private industry the technology to eventually build a shuttle replacement, and a new radar satellite program to develop and make use of the latest advances in satellite remote sensing technology.

Mr. President, I would now like to make special mention of certain portions of the bill.

I believe Mission to Planet Earth may be NASA's most important and relevant program. The satellite data from Mission to Planet Earth will deliver direct benefits to the taxpayer in contrast to the speculative spinoffs promised by other space activities. For this reason, the bill fully funds this activity at $1.36 billion. Using the latest satellite technology, Mission to Planet Earth will help researchers understand and predict the global climate trends that affect our lives. As a Senator representing a State whose economy is dependent upon agriculture, I have a keen interest in this program's potential to provide detailed data on soil conditions, topography, crops, and other information critical to the farming and ranching community. I also take great pride in the selection of the EROS Data Center in Sioux Falls, SD, as one of the regional data centers that will collect and distribute this satellite data.

If Mission to Planet Earth is to realize its full potential, we must ensure its satellite data are converted to useful information that can be applied to real life problems. Reflecting that thinking, our bill authorizes $10 million for an Upper Missouri River Basin project to support hydrology studies of that flood-plagued region. This project will enable a consortium of regional institutions led by the South Dakota School of Mines and Technology to apply NASA's space-age technology to develop better systems for managing and investigating floods and other natural disasters. I am hopeful NASA will undertake more projects of this type in order to put our country's wealth of scientific knowledge and talent to work for the taxpayers' benefit.

I am pleased with the current direction of the Mission to Planet Earth Program, but, equally significant, so is the scientific community. In September, the National Academy of Sciences released its long-awaited report on the program. The report, which was based on a 10-day workshop featuring the Nation's finest scientists, strongly endorsed the program's goals, missions, and activities. In short, the scientific community formally declared that Mission to Planet Earth is indeed good science.

It is because this program is on the right track that I am deeply concerned about the possibility of NASA taking any imprudent and unnecessary efforts to further restructure the program. Mission to Planet Earth has just completed a restructuring exercise. In my view, further redesigns to the program would only add costs, produce schedule delays, and reduce scientific capabilities. To guard against this occurrence, the bill specifically prohibits NASA from changing the data management component of the program, unless, 60 days before such action, NASA has reported to Congress on the nature and overall impact of the planned changes.

Mr. President, the bill also provides the full $2.1 billion requested funding for space station. However, this authorization should not be interpreted as a ringing endorsement of that program. I am a longstanding supporter of the program, but, in recent years, I have become concerned that it has become too expensive, too complex, and too dependent on the contributions of Russia, the latest station partner.

In a June 1995 report, the General Accounting Office [GAO] estimated the total cost of the design, launch, and operation of the space station will be $94 billion. That is almost seven times the entire annual budget for NASA. Given the history of past missions, it is fair to assume the $94 billion price tag for the program will increase over time. If that happens, we may wake up to find the enormous space station budget has crowded out every other NASA program to become NASA's only mission. Earlier this year, I voted for space station funding, but I may well reconsider my support in the future if the program starts to threaten the balance in our space program.

As important as current space programs are, we also have an obligation to prepare NASA for the future. To that end, the bill supports several new initiatives at NASA to extend its vision into the next century. The bill authorizes a reusable launch vehicle program, which will support NASA's X–33 and X–34 activities to pave the way for the later development by the private sector of a replacement for the shuttle in the next decade.

Employing 1970's technologies and costing $400 million per flight, the shuttle may have outlived its usefulness. However, within today's budget constraints, the Government cannot afford to foot the entire bill for a new multibillion-dollar spacecraft development program. That is why the reusable launch vehicle program—with its emphasis on sharing development costs with industry and its goal of moving our national space transportation system toward privatization—seems a viable concept worth pursuing.

The bill also authorizes the New Millennium initiative to develop new microminiature technologies aimed at reducing the cost and development times for satellites, and provides funding for two infrared astronomy programs to help us better understand the vast universe in which we live.

Mr. President, radar satellites are one of the most important new technologies in satellite remote sensing. In recognition of that, S. 1048 authorizes a new radar satellite program and a third shuttle flight for the shuttle imaging radar ''C'' satellite. Because radar satellites have the ability to ''see'' through cloud cover, they will dramatically enhance the capability of America's existing optical-based satellite systems such as Landsat. Japan and Europe already operate radar satellite systems, and Canada is set to deploy one later this year. To maintain our scientific leadership as well as protect our national security, the United States must not get left behind in this critical technology.

In my role as chairman of the Senate Commerce Committee, it has become apparent to me that small city, rural States like my home State of South Dakota are often forgotten in our vast $70 billion Federal science and technology enterprise. That part of America wants to be part of the technological revolution. More importantly, it wants to contribute.

It is in the national interest to strengthen the scientific talent, resources, and infrastructure in our rural States through appropriate research, education, and outreach activities. The bill attempts to accomplish this in several ways. It increases funding for the Experimental Program to Stimulate Competitive Research Program [EPSCoR] from its current level of $4.9 to $6.9 million. NASA's EPSCoR Program, as well as similar programs in six other science agencies, have been instrumental in providing Federal funding for quality academic research in rural States. Our bill also funds a rural teacher resource center, a rural technology transfer and commercialization center, and a regional science education and outreach center for the Plains States region.

Mr. President, I believe NASA is up to the challenge of keeping America preeminent in aeronautics and space despite the intense budget pressure and despite the increasing competition from other spacefaring nations. It is my belief this authorization bill provides NASA with the support it needs to meet that challenge.

I wish to thank my colleagues for their contributions and support and I urge the Senate to pass S. 1048 as amended.

Mr. ROCKEFELLER. Mr. President, I rise today in support of S. 1048, the National Aeronautics and Space Administration Authorization Act, fiscal year 1996. While both the administration and I have some concerns with this bill, it is in general a ringing endorsement of the bipartisan space and aeronautics programs and a strong statement in support of our Nation's future in space.

The bill strongly supports the space station and funds NASA's most important new satellite initiative, Mission to Planet Earth. It authorizes full funding for research on reusable launch vehicles, and supports the important Cassini and Mars Surveyor projects. It also fully authorizes the President's requested funding for aeronautical research and technology, thus continuing the industry-government partnership that is so vital to the long-term strength of our vital aircraft industry.

In addition, the bill requires the NASA Administrator to conduct a study of the feasibility of privatizing the space shuttle—an important step in the on-going debate about how to reduce shuttle costs and bureaucracy without jeopardizing safety or Government requirements. And I am proud that the bill continues the small but very valuable NASA Experimental Program to Stimulate Competitive Research [EPSCOR]. I also support the bill's authorization for the Office of Commercial Space Transportation at the Transportation Department, and the title III amendments that will update the important Commercial Space Launch Act.

Mr. President, the administration does have several concerns about the NASA portions of this bill. The most important concerns the bill's proposed $200 million reduction in shuttle funding. NASA is committed to reducing shuttle costs over time, but the agency is concerned that the assumption that $200 million can be cut in 1 year is unrealistic. The second is the administration's concern about several other cuts the bill makes, including funding cuts for the gravity probe-B satellite project, high-performance computing in the aeronautical program, and a $100 million reduction in the Tracking and Data Relay Satellite System Replenishment Program. Third, the administration also objects to the $123 million in new, unrequested projects authorized by the bill. I believe that these are all important issues, and I will discuss them further with Chairman PRESSLER and Chairman BURNS as S. 1048 moves through the legislative process.

Overall, however, there is much to commend in this bill. I commend Chairman PRESSLER and Chairman BURNS for their dedication to NASA issues and for working with us on this legislation. I support S. 1048 and its strong endorsement of our Nation's space and aeronautical objectives, and I urge our colleagues to join me in voting for it.

Mr. BURNS. Mr. President, today I stand in support of bill, S. 1048, the NASA authorization bill for fiscal year 1996 which I have enthusiastically cosponsored. The bill authorizes a total of $13.8 billion for the agency, a 3-percent decrease from the requested level of $14.26 billion. That funding should allow NASA to continue the important missions already underway such as space station, mission to planet Earth, and the aeronautics and space science programs. It should also prepare NASA for the future by authorizing several new missions, such as an effort to develop a shuttle replacement and a new radar satellite program.

Mr. President, as you know, we are in a budget crisis and NASA deserves a great deal of credit as one of few Federal agencies to respond to it early and responsibly. In 3 years, NASA cut the space shuttle budget from $4 billion to $3.1 billion. It developed a redesign of space station that was $5 billion less expensive than the earlier space station *Freedom* concept. Mission to planet Earth has been reduced from a $17 billion armada of satellites to a $7 billion focused satellite system. Earlier this year, faced with the prospect of deep congressional budget cuts across Government, NASA took the initiative and developed a plan to cut $5 billion in 5 years, without reducing program content.

But NASA did not stop there. This year, it conducted a comprehensive zero-based review of all of its activities and programs to achieve even greater savings. That review looked at a broad

range of money-saving measures such as workforce reductions, elimination of redundant activities, consolidation of functions, and operating more efficiently. I understand that, within the administration, NASA's efforts are often cited as the model for reinventing Government.

After 3 consecutive years of substantial budget cuts, NASA is now down to the bone. To require additional reductions would force NASA to cancel important space programs, close vital facilities, or layoff essential skilled personnel. That would decimate the Nation's science and technology base. Equally important, it would decimate the morale of the good men and women who have made our space program the subject of movies like ''Apollo 13'' and inspired thousands of scientists, engineers, and schoolchildren across our country.

It is time to give NASA the support it needs to face the challenges of the future. This NASA authorization bill is designed to do just that.

The bill provides the full $2.1 billion requested level for space station. This program is NASA's most costly, complex, and controversial activity and we are all aware of the many criticisms leveled against it. However, space station is precisely the kind of bold vision that NASA was created to pursue. Space station will enable the United States and the international science community to conduct unique microgravity research and expand our knowledge about humans' ability to live and work in space. If past missions are any indication, the space station will undoubtedly yield breakthroughs in biomedicine and advanced materials. We can probably also expect exciting spinoffs just as past space missions have spawned microelectronics, pacemakers, advance water filtration systems, communications, and many other products and services we now take for granted.

I am a strong station supporter and the funding provided in the bill will keep the program on track for a first element launch in 1997.

The bill also provides full funding for Mission to Planet Earth. Mission to Planet Earth is NASA's $7 billion satellite program aimed at studying how the oceans, land, and atmosphere work as a system in order to understand and predict global climate change. For those of us representing farm States, weather and water are our lifeblood. Mission to Planet Earth promises dramatic improvements in our ability to predict climate change and manage our scarce water resources. If those expectations are met, the program will easily pay for itself in lives and property saved and improved water management.

Mr. President, in my view, one of the most important areas within NASA is aeronautics—the first ''A'' in NASA. For many years, aeronautics seemed to be reduced to a small ''a'' status. It always seemed to take a back seat to the higher profile space missions. However, under Dan Goldin's leadership, that is beginning to change and NASA is giving aeronautics the backing it deserves.

To me, the aeronautics research is critical to maintaining U.S. technological leadership and aerospace competitiveness. For instance, the High-Speed Research Program is developing precompetitive technologies in support of supersonic aircraft. It is estimated that the first country to market such an aircraft stands to gain $200 billion in sales and 140,000 new jobs. Similarly, the Advanced Subsonic Technology Program funds research in support of subsonic airplanes—a market that generates 1 million jobs and contributes over $25 billion annually to the U.S. trade balance. These programs are moneymakers and it is in the national interest to give them the support they need. Accordingly, our NASA bill authorizes aeronautics research at the requested level of $891 million for fiscal year 1996.

As a final point, Mr. President, I note that the bill also authorizes a collection of activities and initiatives designed to extend NASA's vision to include our rural States. Our rural States can make an enormous contribution to the civilian space program if only given the chance. For example, in May, Prof. Steve Running of the University of Montana testified before the Science Subcommittee about his efforts to use remote sensing satellite data in forest and crop management. To embrace our rural States in our space program, the bill contains a $2 million increase for the EPSCoR Program, which funds important research in our rural States. It also funds another rural teacher resource center to the existing nine centers, as well as an additional rural technology transfer and commercialization center, to fill in coverage gaps in those two programs.

Mr. President, I believe that this bill provides NASA with the support it requires to continue and build on its important work in space and aeronautics and I urge my colleagues to support this legislation.

Mr. LEVIN. Mr. President, my colleague from Michigan, Senator ABRAHAM and I would like to engage the chairman of the Senate Committee on Commerce, Science, and Transportation in a brief colloquy concerning the treatment of the Consortium for International Earth Sciences Information Network [CIESIN] is S. 1048.

The committee's report suggests that funding for CIESIN should be eliminated since it is,

> . . . an activity which was deemed largely irrelevant to NASA's goals and missions and which has been severely criticized in the past by NASA's Inspector General.

Unfortunately, the committee report's assertion is based on the draft inspector general's [IG] report. The final version of the IG's report states:

> By rescoping CIESIN's mission to include only SEDAC-related activities, NASA now possesses the necessary expertise to manage CIESIN. Because the context within which SEDAC will operate is data management and integration, NASA is more uniquely qualified for this role than any other federal agency.

Further, NASA itself, in a letter from the Associate Administrator for Mission to Planet Earth to the president of CIESIN (July 6, 1995), states:

> The contribution CIESIN has made toward information technology and access to environmental data are highly beneficial to NASA and to society.

There are many more examples which I can provide that directly and factually challenge the committee report's assertion. We would appreciate the chairman's clarification of these statements.

Mr. PRESSLER. I appreciate the remarks of the senior Senator from Michigan and the information he has provided. I understand that the NASA IG's final report does not make any recommendation regarding termination of CIESIN's EOS related activities and finds CIESIN's SEDAC activity well within the goals of the EOS and EOSDIS programs.

Mr. ABRAHAM. Mr. President, I would like to touch on a related subject. During consideration of H.R. 2099, the VA, HUD, and independent agencies appropriations bill for fiscal year 1996, I provided to the distinguished subcommittee chairman, Senator BOND, a brief summary of the value of CIESIN's work for NASA.

CIESIN is one of NASA's nine Distributed Active Archive Centers [DAAC's] supporting the Earth Observing System Data and Information System. CIESIN is the only one that provides integrated socioeconomic data access for the study of the affect society has upon the environment. This is a unique capability and one that NASA officials consider vital to EOS. As the distinguished manager of the bill may know, the Senate's version of H.R. 2099 advises NASA to integrate CIESIN into the EOS plan for 1996.

Obviously, CIESIN's SEDAC activity is hardly irrelevant to NASA's mission and should not be eliminated, as proposed in the committee's report. And, CIESIN's valuable skills and expertise may be of use to NASA in non-SEDAC ares or to other Federal agencies. The House's NASA authorization bill explicitly provides that CIESIN will not be precluded from receiving contracts awarded following a full and open competition and that the rights of any parties under existing contracts shall not be affected. This language would allow CIESIN to compete for NASA or any other Federal agency grants or contracts.

Would the chairman be able to support this non-controversial language?

Mr. PRESSLER. I understand the Senator's point and will certainly work in conference to obtain similar language in the final bill regarding CIESIN's ability to bid on contracts.

Mr. ABRAHAM. I appreciate the Senator's assistance.

Mr. LEVIN. I would also like to add my thanks for the manager's consideration.

Mr. GLENN. Mr. President, I rise to express my serious reservations concerning section 205 of the NASA authorization bill S. 1048. This provision authorizes the conveyance of approximately 1,200 acres of Federal property, including all improvements and any personal property located there to the State of Mississippi. Additionally this provision provides $10 million in transition assistance to the State of Mississippi. Would the distinguished chairman of the Committee, Senator PRESSLER, care to discuss this issue with me?

Mr. PRESSLER. I would be pleased to discuss this issue with my friend from Ohio.

Mr. GLENN. I thank my friend. This provision concerns me because it skirts existing law, namely the Federal Property Act, which governs the process by which the Federal Government disposes of excess property. The Federal Property Act sets up a process designed to ensure that taxpayers—who footed the bill to acquire the property as well as the buildings and personal property associated with it—get the best return on their investment.

Mr. PRESSLER. I agree with the Senator that the Federal Property Act helps ensure that the taxpayers interest are protected.

Mr. GLENN. In particular, the Property Act helps to ensure that we avoid the situation of one agency of Government giving property away, while another agency, unbeknownst to the first, may be trying to acquire similar property. Now, Mr. President, I cannot say that such a situation is happening in this case. We simply cannot say for sure because no screening has taken place. However, we have encountered such situations in the past, and I can assure my colleagues, that in such circumstances, the taxpayer ends up on the short end of the stick.

One of the main purposes of the Federal Property Act is to ensure that, before Federal property is determined to be excess, a screening period occur during which time other Federal agencies have an opportunity to show that they have a compelling need for the property. The General Services Administration, the property management experts in the Federal Government, coordinate this screening. If no Federal agency speaks up during the screening process, then the property is made available to the States and other eligible nonprofit organizations. Can my friend from South Dakota tell me whether or not the Yellow Creek property has undergone my formal, or even informal, screening? If so, what have been the results?

Mr. PRESSLER. No formal screening has occurred. However, NASA contacted the following agencies which it believed could make use of the Yellow Creek facilities: the Department of the Air Force, the Department of the Navy, the Department of the Army, the Department of Energy, and the Environmental Protection Agency. After much discussion between NASA and these parties, none of these agencies indicated that it could make use of this facility.

Mr. GLENN. Would the Senator agree that it is in the best interest of the United States and the taxpayer that some form of informal Federal screening by the General Services Administration be conducted—in an expedited fashion, no more than 30 days—to assure us that other Federal agencies cannot make use of this facility?

Mr. PRESSLER. I agree that such action would be in the best interests of all taxpayers.

Mr. GLENN. Finally I would ask my colleague whether he has an estimate of the market value of the real and personal property which is covered in this section?

Mr. PRESSLER. It is my understanding, based on information from NASA that the breakdown of the market value of the real and personal property at the site is: Land—$3.8 million based on a recent appraisal; fixed assets, buildings—about $10 million in market value because of their uniqueness to rocket manufacture, their completion status, and location; personal property—about $10 to $15 million in market value, some of which is so unique to rocket manufacture that it can only be sold as scrap.

However because of the limited purposes for which the property can be used, these figures may somewhat overestimate the real market value of the property.

Mr. GLENN. I thank my colleague and look forward to working with him to address this issue as this bill moves into conference with the other body.

Mrs. KASSEBAUM. Mr. President, I ask unanimous consent that the amendment be agreed to, the committee substitute, as amended, be agreed to, the bill be deemed to have been read a third time and passed, and the motion to reconsider be laid upon the table, and that any statements relating to the bill be placed in the appropriate place in the RECORD.

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

The amendment (No. 2939) was agreed to.

The committee substitute, as amended, was agreed to.

The bill (S. 1048) was deemed read for a third time and passed; as follows:

S. 1048

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 Aeronautics and Space Administration Authorization Act, Fiscal Year 1996''.

SEC. 2. DEFINITIONS.

For the purposes of this Act—

(1) the term ''Administrator'' means the Administrator of the National Aeronautics and Space Administration;

(2) the term ''NASA'' means the National Aeronautics and Space Administration; and

(3) the term ''institution of higher education'' has the meaning given such term in section 1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1141(a)).

TITLE I—AUTHORIZATION OF APPROPRIATIONS

SEC. 101. HUMAN SPACE FLIGHT.

There are authorized to be appropriated to the National Aeronautics and Space Administration for Human Space Flight the following amounts, to become available October 1, 1995:

(1) Space Station, $1,818,800,000.

(2) Russian Cooperation, $129,200,000.

(3) Space Shuttle, $3,031,800,000.

(4) Payload and Utilization Operations, $293,000,000.

SEC. 102. SCIENCE, AERONAUTICS, AND TECHNOLOGY.

There are authorized to be appropriated to the National Aeronautics and Space Administration for Science, Aeronautics, and Technology the following amounts, to become available October 1, 1995:

(1) Space Science, $1,958,900,000, of which $48,700,000 shall be allocated to the Stratospheric Observatory for Infrared Astronomy, $15,000,000 shall be allocated to the Space Infrared Telescope Facility, and $30,000,000 shall be allocated to the New Millennium initiative.

(2) Life and Microgravity Sciences and Applications, $507,000,000, of which $3,000,000 shall be allocated for the construction of an addition to the Microgravity Development Laboratory, Marshall Space Flight Center.

(3) Mission to Planet Earth, $1,360,100,000, of which $17,000,000 shall be allocated to the construction of the Earth Systems Science Building, Goddard Space Flight Center, and of which $2,000,000 shall be allocated in fiscal year 1996, and such sums as are necessary thereafter, for the operation of the Upper Midwest Aerospace Consortium (UMAC) of institutions in the Upper Great Plains Region for the purpose of making information derived from Mission to Planet Earth data available to the general public.

(4) Aeronautical Research and Technology, $891,300,000, of which $5,400,000 shall be allocated to the modernization of the Unitary Plan Wind Tunnel Complex, Ames Research Center.

(5) Space Access and Technology, $766,600,000, of which at least $70,000,000 shall be allocated to support a shuttle flight for the Shuttle Imaging Radar-C, of which $5,000,000 shall be used to establish a Rural Technology Transfer and Commercialization Center for the Rocky Mountains and Upper Plains States region, and of which $159,000,000 shall be allocated to the Reusable Launch Vehicle program.

(6) Mission Communications Services, $461,300,000.

(7) Academic Programs, $104,700,000, of which $3,000,000 shall be allocated to support the establishment of an Upper Plains States regional science education and outreach center and of which $1,000,000 shall be allocated to establish a Rural Teacher Resource Center.

SEC. 103. MISSION SUPPORT.

There are authorized to be appropriated to the National Aeronautics and Space Administration for Mission Support the following amounts, to become available October 1, 1995:

(1) Safety, Reliability, and Quality Assurance, $37,600,000.

(2) Space Communications Services, $219,400,000.

(3) Research and Program Management, including personnel and related costs, travel, and research operations support, $2,047,800,000.

(4) Construction of Facilities, including land acquisition, $135,000,000, including the following:

(A) Restoration of Flight Systems Research Laboratory, Ames Research Center;

(B) Restoration of chilled water distribution system, Goddard Space Flight Center;

(C) Replace chillers, various buildings, Jet Propulsion Laboratory;

(D) Rehabilitation of electrical distribution system, White Sands Test Facility, Johnson Space Center;

(E) Replace main substation switchgear and circuit breakers, Johnson Space Center;

(F) Replace 15kv load break switches, Kennedy Space Center;

(G) Rehabilitation of Central Air Equipment Building, Lewis Research Center;

(H) Restoration of high pressure air compressor system, Marshall Space Flight Center;

(I) Restoration of Information and Electronic Systems Laboratory, Marshall Space Flight Center;

(J) Restoration of canal lock, Stennis Space Center;

(K) Restoration of primary electrical distribution system, Wallops Flight Facility;

(L) Repair of facilities at various locations, not in excess of $1,500,000 per project;

(M) Rehabilitation and modification of facilities at various locations, not in excess of $1,500,000 per project;

(N) Minor construction of new facilities and additions to existing facilities at various locations, not in excess of $1,500,000 per project;

(O) Facility planning and design, not otherwise provided for; and

(P) Environmental compliance and restoration.

SEC. 104. INSPECTOR GENERAL.

There are authorized to be appropriated to the National Aeronautics and Space Administration for Inspector General $17,300,000, to become available October 1, 1995.

SEC. 105. OFFICE OF COMMERCIAL SPACE TRANSPORTATION.

There are authorized to be appropriated to the Office of Commercial Space Transportation of the Department of Transportation $7,000,000, to become available October 1, 1995.

TITLE II—LIMITATIONS AND GENERAL PROVISIONS

SEC. 201. SPACE STATION LIMITATION.

The aggregate amount authorized to be appropriated for Space Station and related activities under sections 101, 102, and 103 shall not exceed $2,100,000,000.

SEC. 202. EXPERIMENTAL PROGRAM TO STIMULATE COMPETITIVE RESEARCH.

Of the amounts appropriated under sections 101 and 102, $6,900,000 are authorized for the Experimental Program to Stimulate Competitive Research in accordance with title III of the National Aeronautics and Space Administration Act, Fiscal Year 1993 (Public Law 102–588; 106 Stat. 5119).

SEC. 203. SPECIAL TECHNOLOGY ENHANCEMENT GRANTS.

(a) IN GENERAL.—

(1) GRANTS.—The Administrator shall make up to 4 special technology enhancement grants to areas or States that have not participated fully in the Administration's aeronautical and space programs in order to enable such areas or States to increase their capabilities in technology development, utilization, and transfer in aeronautics, space science, and related areas. At least one such grant shall be made available to a consortium of States, each one of which has an average population density of less than 12.3 persons per square mile, based on data for 1993 from the Bureau of the Census.

(2) ACTIVITIES.—Grants made under this section shall be available for—

(A) assessment of resources and needs;

(B) development of infrastructure, including incubators and prototype demonstration facilities;

(C) collaborations with industry;

(D) expansion of capabilities in procurement;

(E) development of technology transfer and commercialization support capabilities;

(F) activities to increase participation in the Small Business Innovation Research program and other NASA research, development, and technology utilization and transfer programs;

(G) relevant research of interest to NASA; and

(H) such other activities as the Administrator shall deem appropriate.

(3) SPECIAL CONSIDERATION.—In making grants under this section, the Administrator shall give special consideration to proposals that—

(A) will build upon and expand a developing research and technology base, and

(B) will insure a lasting research and development and technology development and transfer capability.

(b) ELIGIBLE ENTITIES.—Grants under subsection (a)(1) may be made to—

(1) State and local governments;

(2) institutions of higher education; and

(3) organizations with expertise in research and development, technology development, and technology transfer in areas of interest to NASA.

(c) FUNDING OF PROGRAM.—Of the amounts authorized in section 102 for the Space Access and Technology account, $15,000,000 are authorized to be used for grants under subsection (a).

SEC. 204. CLEAR LAKE DEVELOPMENT FACILITY.

The Administrator is authorized to acquire, for no more than $35,000,000, a certain parcel of land, together with existing facilities, located on the site of the property referred to as the Clear Lake Development Facility, Clear Lake, Texas, comprising approximately 13 acres and including a light manufacturing facility, an avionics development facility, and an assembly and test building which shall be modified for use as a neutral buoyancy laboratory in support of human space flight activities.

SEC. 205. YELLOW CREEK FACILITY.

Notwithstanding any other provision of law or regulation, the National Aeronautics and Space Administration (NASA) is authorized to convey, without reimbursement, to the State of Mississippi, all rights, title, and interest of the United States of the United States in the property known as the Yellow Creek Facility and consisting of approximately 1,200 acres near the city of Iuka, Mississippi, including all improvements thereon and any personal property owned by NASA that is currently located on-site and which the State of Mississippi requires to facilitate the transfer: *Provided*, That appropriated funds shall be used to effect this conveyance: *Provided further*, That $10,000,000 in appropriated funds otherwise available to NASA shall be transferred to the State of Mississippi to be used in the transition of the facility: *Provided further*, That each Federal agency with prior contact to the site shall remain responsible for any and all environmental remediation made necessary as a result of its activities on the site: *Provided further*, That in consideration of this conveyance, NASA may require such other terms and conditions as the Administrator deems appropriate to protect the interests of the United States: *Provided further*, That the conveyance of the site and the transfer of the funds to the State of Mississippi shall occur not later than 30 days after the date of enactment of this Act.

SEC. 206. RADAR REMOTE SENSING SATELLITES.

(a) FINDINGS.—The Congress finds that—

(1) radar satellites represent one of the most important developments in remote sensing satellite technology in recent years;

(2) the ability of radar satellites to provide high-quality Earth imagery regardless of cloud cover and to provide three-dimensional pictures of the Earth's surface when the satellites are flown in combination dramatically enhance conventional optical remote sensing satellite capabilities and usefulness;

(3) the National Aeronautics and Space Administration has developed a unique background and expertise in developing and operating radar satellites as a result of their activities connected with its radar satellites, Shuttle Imaging Radar (SIR)-A, SIR-B, and SIR-C, which has flown twice on the Space Shuttle;

(4) other nations currently have operational radar satellite systems, including Japan and Western Europe, with other spacefaring nations expected to develop such systems in the near future; and

(5) the development of an operational radar satellite program at NASA featuring free-flying satellites and a related ground system is critical to maintain United States leadership in remote sensing satellite technology and is important to our national security and international competitiveness.

(b) POLICY.—It is the policy of the United States that—

(1) NASA should develop and operate a radar satellite program as soon as practicable;

(2) NASA should build on the experience and knowledge gained from its previous radar endeavors;

(3) NASA should work with other Federal agencies and, as appropriate, with other spacefaring nations, in its radar satellite activities; and

(4) NASA should make maximum use of existing National remote sensing assets such as the Landsat system, activities connected with the Mission to Planet Earth, and the data management facilities of the Department of the Interior in all of its radar satellite activities.

(c) PROGRAM REQUIREMENTS.—NASA shall initiate a program to develop and operate a radar satellite program. The program shall employ the most advanced radar satellite technology currently available. To the maximum extent possible, all of the data processing, dissemination, and archiving functions shall be performed by the Department of the Interior. The program should be planned in such a way that the data from the radar satellite system are converted into a broad range of informational products with research, commercial, and government applications and any other applications that are in the public interest and that such products are distributed over the widest user community that is practicable, including industry, academia, research institutions, local and State governments, and other Federal agencies. The program should coordinate with, and make appropriate use of, other remote sensing satellite programs, such as the Landsat program.

(d) PLAN.—Within 90 days after the enactment of this Act, the Administrator shall submit a detailed plan for implementation of the radar satellite program to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Science of the House of Representatives. The plan should include—

(1) the goals and mission of the program;

(2) planned activities for the next 5 years to achieve such goals and mission;

(3) strategies for maximizing the usefulness of the satellite data to the scientific and academic communities, the private sector, all levels of government, and the general public;

(4) concepts for integrating the program with other related NASA activities (such as Mission to Planet Earth), the Landsat program, and other current and emerging remote sensing satellite programs and activities in the Federal government and all other public and private sectors so that the program complements and strengthens such programs and activities and is not duplicative of these efforts;

(5) concepts developed in consultation with Department of the Interior, for processing, archiving, and disseminating the satellite data using, to the maximum extent possible, existing Federal government programs and assets at the Department of the Interior and other Federal agencies;

(6) targets and timetables for undertaking specific activities and actions within the program;

(7) a 5-year budget profile for the program; and

(8) a comparison between the program and the radar satellite programs of other spacefaring nations, addressing their respective costs, capabilities, and other relevant features.

(e) AUTHORIZATION.—Of the funds authorized in section 102 for the Earth Probes account, the Administrator shall allocate at least $15,000,000 to the radar satellite program to conduct Phase A and Phase B studies.

SEC. 207. STUDY OF THE HYDROLOGY OF THE UPPER MISSOURI RIVER BASIN.

The Administrator is authorized to initiate a project to conduct research on the hydrology of the Upper Missouri River Basin. The project shall be part of the Mission to Planet Earth program and shall employ satellite observations, surface-based radar data, and ground-based hydrological and other scientific measurements to develop quantitative models that address complex atmospheric and surface hydrological processes. If initiated, the project shall be incorporated into NASA's activities connected with the multiagency Global Energy and Water Cycle Experiment to understand the interactions between the atmosphere and land surfaces. In implementing the project, NASA shall coordinate and consult with other appropriate federal agencies, including the Department of Commerce, the Department of the Interior, and the National Science Foundation. To the maximum extent possible, NASA shall employ the assistance of universities, local and State governments, industry, and any other appropriate entities from the Upper Missouri River Basin region to carry out this program and the Administrator is authorized to support the project-related work of such entities with grants, technical advice, equipment, in-kind help, and any other type of appropriate assistance. If this project is initiated, then within 90 days after the enactment of this Act, the Administrator shall submit a plan for the implementation of this project, which shall set forth the goals, project costs, planned activities, and overall strategies for the project, to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Science of the House of Representatives. Of the funds authorized in section 102 for Mission to Planet Earth, at least $10,000,000 shall be allocated by the Administrator to the Upper Missouri River Basin project.

SEC. 208. SHUTTLE PRIVATIZATION.

(a) The Administrator is hereby directed to conduct a study of the feasibility of implementing the recommendation of the Independent Shuttle Management Review Team that NASA transition towards the privatization of the Shuttle. The study shall identify, discuss, and, where possible, present options for resolving, the major policy and legal issues that must be addressed before the Shuttle is privatized, including, but not limited to, the following issues—

(1) whether the government or the Shuttle contractor should own the Shuttle orbiters and Shuttle ground facilities;

(2) whether the federal government should indemnify the contractor for any third party liability arising from Shuttle operations, and, if so, under what terms and conditions;

(3) whether commercial payloads should be allowed to be launched on the Shuttle and whether any classes of payloads should be made ineligible for launch consideration;

(4) whether NASA and federal government payloads should have priority over non-federal government payloads in the Shuttle launch assignments and what policies should be developed to prioritize among payloads generally;

(5) whether the public interest requires that certain Shuttle functions continue to be performed by the federal government; and

(6) whether privatization of the Shuttle would produce any significant cost savings and, if so, how much cost savings.

(b) Within 60 days of the enactment of this Act, NASA shall complete the study and shall submit a report on that study to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Science of the House of Representatives.

(c) As a transitional step towards Shuttle privatization, NASA shall take all necessary and appropriate actions to consolidate Shuttle contractor activities under one prime contractor and, within 180 days of the enactment of this Act, report to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Science of the House of Representatives on those actions. If NASA has failed to complete such consolidation by the expiration of the 180-day period, the report shall explain the reasons for that failure and describe the steps being taken by NASA to finalize the consolidation as expeditiously as possible.

SEC. 209. USE OF FUNDS FOR CONSTRUCTION.

(a) AUTHORIZED USES.—The Administrator may use funds appropriate for purposes other than those appropriated for—

(1) construction of facilities;

(2) research and program management, excluding research operations support; and

(3) Inspector General,

for the construction of new facilities and additions to, repair of, rehabilitation of, or modification of, existing facilities at any location in support of the purposes for which such funds are appropriated.

(b) LIMITATION.—None of the funds used pursuant to subsection (a) may be expended for a project, the estimated cost of which to the National Aeronautics and Space Administration, including collateral equipment, exceeds $750,000, until 30 days have passed after the Administrator has notified the Committee on Science of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate of the nature, location, and estimated cost to the National Aeronautics and Space Administration of such project.

SEC. 210. CONSTRUCTION OF FACILITIES.

(a) REPROGRAMMING FOR CONSTRUCTION OF FACILITIES.—If the Administrator determines that—

(1) new developments in the national program of aeronautical and space activities have occurred;

(2) such developments require the use of additional funds for the purpose of construction, expansion, or modification of facilities at any location; and

(3) deferral of such action until the enactment of the next National Aeronautics and Space Administration authorization Act would be inconsistent with the interest of the Nation in aeronautical and space sciences;

the Administrator may use the amounts authorized for construction of facilities pursuant to this Act or previous National Aeronautics and Space Administration authorization Acts for such purposes. The amounts may be used to acquire, construct, convert, rehabilitate, or install temporary or permanent public works, including land acquisition, site preparation, appurtenances, utilities, and equipment. The Administrator may use such amounts for facility consolidations, closures, and demolition required to downsize the NASA physical plant to improve operations and reduce costs.

(c) LIMITATIONS.—

(1) Amounts appropriated for a construction-of-facilities project—

(A) may be varied upward by 10 percent at the discretion of the Administrator; or

(B) may be varied upward by 25 percent to meet unusual cost variations after the expiration of 30 days following a report on the circumstances of such action by the Administrator to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Science of the House of Representatives. The aggregate amount authorized to be appropriated for construction of facilities shall not be increased as a result of actions authorized under this section.

(2) No amounts may be obligated for a construction-of-facilities project until a period of 30 days has passed after the Administrator or the Administrator's designee has transmitted to the Committee on Science of the House of Representatives, and to the Committee on Commerce, Science, and Transportation of the Senate, a written report describing the nature of the acquisition, construction, conversion, rehabilitation, or installation, its cost, and the reasons therefor.

(d) TITLE TO FACILITIES.—If funds are used pursuant to subsection (a) for grants to institutions of higher education, or to nonprofit organizations whose primary purpose is the conduct of scientific research, for purchase or construction of additional research facilities, title to such facilities shall be vested in the United States unless the Administrator determines that the national program of aeronautical and space activities will best be served by vesting title in the grantee institution or organization. Each such grant shall be made under such conditions as the Administrator shall determine to be required to ensure that the United States will receive therefrom benefits adequate to justify the making of that grant.

SEC. 211. AVAILABILITY OF APPROPRIATED AMOUNTS.

To the extent provided in appropriations Acts, appropriations authorized under this Act may remain available without fiscal year limitation.

SEC. 212. CONSIDERATION BY COMMITTEES.

Notwithstanding any other provision of this Act—

(1) no amount appropriated pursuant to this Act may be used for any program deleted by the Congress from requests as originally made to either the Committee on Science of the House of Representatives or the Committee on Commerce, Science, and Transportation of the Senate; and

(2) no amount appropriated pursuant to the Act may be used for any program in excess of

the amount actually authorized for that particular program, excluding construction-of-facility projects,

unless a period of 30 days has passed after the receipt by such Committee of notice given by the Administrator or the Administrator's designee containing a full and complete statement of the action proposed to be taken and the facts and circumstances relied upon in support of the proposed action. NASA shall keep those Committees fully and currently informed with respect to all activities and responsibilities within their jurisdiction. Except as otherwise provided by law, any Federal department, agency, or independent establishment shall furnish any information requested by either such Committee relating to any activity or responsibility.

SEC. 213. USE OF FUNDS FOR SCIENTIFIC CONSULTATIONS OR EXTRAORDINARY EXPENSES.

Funds appropriated under section 103 may be used for scientific consultations or extraordinary expenses upon the authority of the Administrator, but not to exceed $35,000.

SEC. 214. REPORTING REQUIREMENTS.

(a) REPORTING PERIOD.—Section 206(a) of the National Aeronautics and Space Act of 1958 (42 U.S.C. 2476(a)) is amended—

(1) by striking ''January'' and inserting ''May''; and

(2) by striking ''calendar'' and inserting ''fiscal''.

(b) PROTECTION OF COMMERCIALLY VALUABLE INFORMATION.—Section 303 of the National Aeronautics and Space Act of 1958 (42 U.S.C. 2454) is amended by adding at the end the following:

''(c)(1) The Administrator may delay, for a period not to exceed 5 years, the unrestricted public disclosure of technical data, related to a competitively sensitive technology, in the possession of, or under the control of, the Administration that has been generated in the performance of experimental, developmental, or research activities or programs conducted by, or funded in whole or in part by, the Administration, if the technical data has significant value in maintaining leadership or competitiveness, in civil and governmental aeronautical and space activities by the United States industrial base.

''(2) The Administrator shall publish biannually in the Federal Register a list of all competitively sensitive technology areas which it believes have a significant value in maintaining the United States leadership or competitiveness in civil and governmental aeronautical and space activities. The list shall be generated after consultation with appropriate Government agencies and a diverse cross section of companies—

''(A) that conduct a significant level of research, development, engineering, and manufacturing in the United States; and

''(B) the majority ownership or control of which is held by United States citizens.

''(3) The Administrator shall provide an opportunity for written objections to the list within a 60-day period after it is published. After the expiration of that 60-day period, and after consideration of all written objections received by the Administrator during that period, NASA shall issue a final list of competitively sensitive technology areas.

''(4) For purposes of this subsection, the term 'technical data' means any recorded information, including computer software, that is or may be directly applicable to the design, engineering, development, production, manufacture, or operation of products or processes that may have significant value in maintaining leadership or competitiveness in civil and governmental aeronautical and space activities by the United States industrial base.''.

SEC. 215. INDEPENDENT RESEARCH AND DEVELOPMENT.

The Congress finds that it is appropriate for costs contributed by a contractor under a cooperative agreement with the National Aeronautics and Space Administration to be considered as allowable independent research and development costs, for purposes of section 31.205–18 of the Federal Acquisition Regulations if the work performed would have been allowable as contractor independent research and development costs had there been no cooperative agreement. The Administration shall seek a revision to that section of the Federal Acquisition Regulations to reflect the intent of the Congress expressed in the preceding sentence.

SEC. 216. RESTRUCTURING OF THE EARTH OBSERVING SYSTEM DATA AND INFORMATION SYSTEM.

The Administrator is prohibited from restructuring or downscaling the baseline plan for the Earth Observing System Data and Information System in place at the time of the President's budget submission for NASA for fiscal year 1996 unless, 60 days before undertaking such action, the Administrator has submitted to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Science of the House of Representatives a written report containing—

(1) a detailed description of the planned agency action;

(2) the reasons and justifications for such action;

(3) an analysis of the cost impact of such action;

(4) an analysis of the impact of the action on the scientific benefits of the program and the effect of the action on the expected applications of the satellite data from the System in such areas as global climate research, land-use planning, state and local government management, mineral exploration, agriculture, forestry, national security, and any other areas that the Administrator deems appropriate;

(5) an analysis of the impact of the action on the United States Global Climate Change Research program and international global climate change research activities; and

(6) an explanation of what measures, if any, are planned by NASA to compensate for any likely reductions in the scientific value and data collection, processing, and distribution capabilities of the System as a result of the action.

TITLE III—COMMERCIAL SPACE LAUNCH ACT AMENDMENTS

SEC. 301. AMENDMENT OF TITLE 49.

Except as otherwise expressly provided, whenever in this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 49, United States Code.

SEC. 302. AMENDMENT OF SECTION 70101.

Section 70101 (relating to findings and purposes) is amended—

(1) by inserting ''microgravity research,'' after ''information services,'' in subsection (a)(3);

(2) by inserting ''commercial space transportation services, including in-space transportation activities and'' after ''providing'' in subsection (a)(4);

(3) by striking ''commercial launch vehicles'' in subsection (a)(5) and inserting ''commercial space transportation including commercial launch vehicles, in-space transportation activities, reentry vehicles,'';

(4) by striking ''launch'' in subsection (a)(6) and inserting ''launch, in-space transportation, and reentry'';

(5) by striking ''launches'' each place it appears in subsection (a)(7) and inserting ''launches, in-space transportation activities, reentries'' after ;

(6) by striking ''sites and complementary facilities, the providing of launch'' in subsection (a)(8) and inserting ''sites, in-space transportation control sites, reentry sites, and complementary facilities, the providing of launch, in-space transportation, and reentry'';

(7) by inserting ''in-space transportation control sites, reentry sites,'' after ''launch sites,'' in subsection (a)(9);

(8) by striking ''launch vehicles'' in subsection (b)(2) and inserting ''commercial space transportation services, including launch vehicles, in-space transportation activities, reentry vehicles,'';

(9) by striking ''launch'' the first place it appears in subsection (b)(3) and inserting ''launch, in-space transportation vehicle, and reentry'';

(10) by striking ''commercial launch'' the second place it appears in subsection (b)(3); and

(11) by inserting ''in-space transportation vehicle control facilities, and development of reentry sites'' after ''facilities,'' in subsection (b)(4).

SEC. 303. AMENDMENT OF SECTION 70102.

Section 70102 (relating to definitions) is amended—

(1) by inserting ''from Earth, including a reentry vehicle and its payload, if any'' after ''and any payload'' in paragraph (3);

(2) by striking ''object'' the first place it appears in paragraph (8) and inserting ''object, including a reentry vehicle and its payload, if any,'';

(3) by redesignating paragraphs (9) through (12) as paragraphs (16) through (19), respectively;

(4) by inserting after paragraph (8) the following:

''(9) 'in-space transportation vehicle' means any vehicle designed to operate in space and designed to transport any payload or object substantially intact from one orbit to another orbit.

''(10) 'in-space transportation services' means—

''(A) those activities involved in the direct transportation or attempted transportation of a payload or object from one orbit to another;

''(B) the procedures, actions, and activities necessary for conduct of those transportation services; and

''(C) the conduct of transportation services.

''(11) 'in-space transportation control site' means a location from which an in-space transportation vehicle is controlled or operated (as such terms may be defined in any license the Secretary issues or transfers under this chapter).

''(12) 'reenter' and 'reentry' mean to return purposefully, or attempt to return, a reentry vehicle and payload, if any, from Earth orbit or outer space to Earth.

''(13) 'reentry services' means—

''(A) activities involved in the preparation of a reentry vehicle and its payload, if any, for reentry; and

''(B) the conduct of a reentry.

''(14) 'reentry site' means the location on Earth to which a reentry vehicle is intended to return (as defined in a license the Secretary issues or transfers under this chapter).

''(15) 'reentry vehicle' means any vehicle designed to return substantially intact from Earth orbit or outer space to Earth.'';

(5) by striking ''launch'' each place it appears in paragraph (18), as redesignated and inserting ''launch services, in-space transportation activities, or reentry''.

SEC. 304. AMENDMENT OF SECTION 70103.

Section 70103(b) (relating to facilitating commercial launches) is amended—

(1) by striking ''LAUNCHES'' in the caption and inserting ''SPACE ACTIVITIES'';

(2) by striking ''commercial space launches'' in paragraph (1) and inserting ''commercial space transportation services''; and

(3) by striking ''a space launch'' in subsection (b)(2) and inserting ''space transportation''.

SEC. 305. AMENDMENT OF SECTION 70104.

Section 70104 (relating to restrictions on launches and operations) is amended—

(1) by striking the section caption and inserting the following:

''Restrictions on launches, in-space transportation activities, operations, and reentries'';

(2) by striking ''site'' each place it appears in subsection (a) and inserting ''site, an in-space transportation operations site, reentry site, or reenter a reentry vehicle,'';

(3) by striking ''launch or operation'' in subsections (a) (3) and (4) and inserting ''launch, in-space transportation activity, or reentry operation'';

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

''(b) COMPLIANCE WITH PAYLOAD REQUIREMENTS.—The holder of a license under this chapter may launch a payload, operate an in-space transportation vehicle, or reenter a payload only if the payload or vehicle complies with all requirements of the laws of the United States related to launching a payload, operating an in-space transportation vehicle, or reentering a payload.'';

(5) by striking the caption of subsection (c) and inserting the following: ''(c) PREVENTING LAUNCHES, IN-SPACE TRANSPORTATION ACTIVITIES, OR REENTRIES.—''; and

(6) by striking ''launch'' each place it appears in subsection (c) and inserting ''launch, in-space transportation activity, or reentry''.

SEC. 306. AMENDMENT OF SECTION 70105.

Section 70105 (relating to license applications and requirements) is amended—

(1) by striking ''site'' in subsection (b)(1) and inserting ''site, an in-space transportation control site, or a reentry site or the reentry of a reentry vehicle,''; and

(2) by striking ''or operation'' and inserting in lieu thereof '', in-space transportation activity, operation, or reentry'' in subsection (b)(2)(A).

SEC. 307. AMENDMENT OF SECTION 70106.

Section 70106(a) (relating to monitoring activities general requirements) is amended—

(1) by striking ''launch site'' and inserting ''launch site, in-space transportation control site, or reentry site'';

(2) by inserting ''in-space transportation vehicle, or reentry vehicle,'' after ''launch vehicle,'' and

(3) by striking ''vehicle.'' and inserting ''vehicle, in-space transportation vehicle, or reentry vehicle.''.

SEC. 308. AMENDMENT OF SECTION 70108.

Section 70108 (relating to prohibition, suspension, and end of launches and operation of launch sites) is amended—

(1) by striking the section caption and inserting the following:

''Prohibition, suspension, and end of launches, in-space transportation activities, reentries, or operation of launch sites, in-space transportation control sites, or reentry sites'';

and

(2) by striking ''site'' in subsection (a) and inserting ''site, in-space transportation control site, in-space transportation activity, or reentry site, or reentry of a reentry vehicle,''; and

(3) by striking ''launch or operation'' in subsection (a) and inserting ''launch, in-space transportation activity, operation, or reentry''.

SEC. 309. AMENDMENT OF SECTION 70109.

(a) CAPTION.—The section caption of section 70109 (relating to preemption of scheduled launches) is amended to read as follows:

''Preemption of scheduled launches, in-space transportation activities, or reentries''.

(b) AMENDMENT OF SUBSECTION (a).—Subsection (a) is amended—

(1) by inserting ''or reentry'' after ''ensure that a launch'';

(2) by striking ''site'' in the first sentence and inserting ''site, reentry site,'';

(3) by inserting ''nor shall an in-space transportation activity or operation be preempted,'' after ''launch property,'' in the first sentence;

(4) by inserting ''or reentry date commitment'' after ''launch date commitment'';

(5) by inserting ''or reentry'' after ''obtained for a launch'';

(6) by striking ''site'' in the second sentence and inserting ''site, reentry site,'';

(7) by striking ''services'' in the second sentence and inserting ''services, or services related to a reentry,'';

(8) by inserting ''or reentry'' after ''the scheduled launch''; and

(9) by adding at the end thereof the following: ''A licensee or transferee preempted from access to a reentry site does not have to pay the Government agency responsible for the preemption any amount for reentry services attributable only to the scheduled reentry prevented by the preemption.''.

(c) AMENDMENT OF SUBSECTION (c).—Subsection (c) is amended by inserting ''or reentry'' after ''prompt launching'' in subsection (c).

SEC. 310. AMENDMENT OF SECTION 70110.

Section 70110 (relating to administrative hearings and judicial review) is amended—

(1) by striking ''launch'' in subsection (a)(2) and inserting ''launch, in-space transportation activity, or reentry''; and

(2) by striking ''site'' in subsection (a)(3)(B) and inserting ''site, in-space transportation control site, in-space transportation activity, reentry site, or reentry of a reentry vehicle,''.

SEC. 311. AMENDMENT OF SECTION 70111.

Section 70111 (relating to acquiring United States Government property and services) is amended—

(1) by inserting ''in-space transportation activities, or reentry services'' after ''launch services,'' in subsection (a)(1)(B);

(2) by striking ''services'' in subsection (a)(2) and inserting ''services, in-space transportation activities, or reentry services'';

(3) by inserting ''or reentry'' after ''launch'' in subsection (a)(2)(A);

(4) by inserting ''or reentry'' after ''launch'' the first place it appears in subsection (a)(2)(B);

(5) by striking ''launch'' each place it appears in subsection (b)(1) and inserting ''launch, in-space transportation activity, or reentry'';

(6) by striking ''services'' the first place it appears in subsection (b)(2)(C) and inserting ''services, in-space transportation activities or services, or reentry services''; and

(7) by striking subsection (d) and inserting the following:

''(d) COLLECTION BY OTHER GOVERNMENTAL HEADS.—The head of a department, agency, or instrumentality of the Government may collect a payment for any activity involved in producing a launch vehicle, in-space transportation vehicle, or reentry vehicle or its payload for launch, in-space transportation activity, or reentry if the activity was agreed to by the owner or manufacturer of the launch vehicle, in-space transportation vehicle, reentry vehicle, or payload.''.

SEC. 312. AMENDMENT OF SECTION 70112.

Section 70112 (relating to liability insurance and financial responsibility requirements) is amended—

(1) by inserting ''one reentry, or to the operations of each in-space transportation vehicle'' after ''launch,'' in subsection (a)(3);

(2) by inserting ''in-space transportation activities, or reentry services,'' after ''launch services,'' each place it appears in subsections (a)(4) and (b)(2);

(3) by striking ''services'' in subsection (b)(1) and the third place it appears in subsection (b)(2) and inserting ''services, in-space transportation activities, or reentry services,'';

(4) by inserting ''applicable'' after ''carried out under the'' in subsections (b)(1) and (2);

(5) by striking ''Science, Space, and Technology'' in subsection (d) and inserting ''Science'';

(6) by striking ''LAUNCHES'' in the caption of subsection (e) and inserting ''LAUNCHES, IN-SPACE TRANSPORTATION ACTIVITIES, OR REENTRIES''; and

(7) by striking ''site'' in subsection (e) and inserting ''site, in-space transportation control site, or control of an in-space transportation vehicle or activity, or reentry site or a reentry''.

SEC. 313. AMENDMENT OF SECTION 70113.

Section 70113 (relating to paying claims exceeding liability insurance and financial responsibility requirements) is amended by striking ''launch'' each place it appears in subsections (a)(1), (d)(1), and (d)(2) and inserting ''launch, operation of one in-space transportation vehicle, or one reentry''.

SEC. 314. AMENDMENT OF SECTION 70115.

Section 70115(b)(1)(D)(i) (relating to enforcement and penalty general authority) is amended—

(1) by inserting ''in-space transportation control site, or reentry site,'' after ''launch site,'';

(2) by inserting ''in-space transportation vehicle, or reentry vehicle'' after ''launch vehicle,''; and

(3) by striking ''vehicle'' the second place it appears and inserting ''vehicle, in-space transportation vehicle, or reentry vehicle''.

SEC. 315. AMENDMENT OF SECTION 70117.

Section 70117 (relating to relationship to other executive agencies, laws, and international obligations) is amended—

(1) by striking ''vehicle or operate a launch site.'' in subsection (a) and inserting ''vehicle, operate a launch site, perform in-space transportation activities or operate an in-space transportation control site or reentry site, or reenter a reentry vehicle.'';

(2) by striking ''launch'' in subsection (d) and inserting ''launch, perform an in-space transportation activity, or reentry'';

(3) by striking subsections (f) and (g), and inserting the following:

''(f) LAUNCH NOT AN EXPORT OR IMPORT.—A launch vehicle, reentry vehicle, or payload that is launched or reentered is not, because of the launch or reentry, an export or import for purposes of a law controlling exports or imports.

''(g) NONAPPLICATION.—This chapter does not apply to—

''(1) a launch, in-space transportation activity, reentry, operation of a launch vehicle, in-space transportation vehicle, or reentry vehicle, or of a launch site, in-space transportation control site, or reentry site, or other space activity the Government carries out for the Government; or

''(2) planning or policies related to the launch, in-space transportation activity, reentry, or operation.''.

SEC. 316. REPORT TO CONGRESS.

Chapter 701 is amended by adding at the end thereof the following new section:

"§ 70120. Report to Congress

''The Secretary of Transportation shall submit to Congress an annual report to accompany the President's budget request that—

''(1) describes all activities undertaken under this chapter, including a description of the process for the application for and approval of licenses under this chapter and recommendations for legislation that may further commercial launches and reentries; and

''(2) reviews the performance of the regulatory activities and the effectiveness of the Office of Commercial Space Transportation.''.

SEC. 317. AMENDMENT OF TABLE OF SECTIONS.

The table of sections for chapter 701 of title 49, United States Code, is amended—

(1) by amending the item relating to section 70104 to read as follows:

''70104. Restrictions on launches, in-space transportation activities, operations, and reentries.'';

(2) by amending the item relating to section 70108 to read as follows:

''70108. Prohibition, suspension, and end of launches, in-space transportation activities, reentries, or operation of launch sites, in-space transportation control sites, or reentry sites.'';

(3) by amending the item relating to section 70109 to read as follows:

''70109. Preemption of scheduled launches, in-space transportation activities, or reentries.'';

and

(4) by adding at the end the following new item:

''70120. Report to Congress.''.

SEC. 318. REGULATIONS.

The Secretary of Transportation shall issue regulations under chapter 701 of title 49, United States Code, that include—

(1) guidelines for industry to obtain sufficient insurance coverage for potential damages to third parties;

(2) procedures for requesting and obtaining licenses to operate a commercial launch vehicle and reentry vehicle;

(3) procedures for requesting and obtaining operator licenses for launch and reentry; and

(4) procedures for the application of government indemnification.

SEC. 319. SPACE ADVERTISING.

(a) DEFINITION.—Section 70102, as amended by section 303, is amended by redesignating paragraphs (12) through (19) as (13) through (20), respectively, and by inserting after paragraph (11) the following new paragraph:

''(12) 'obtrusive space advertising' means advertising in outer space that is capable of being recognized by a human being on the surface of the earth without the aid of a telescope or other technological device;''.

(b) PROHIBITION.—Chapter 701 is amended by inserting after section 70109 the following new section:

"§ 70109a. Space advertising

''(a) LICENSING.—Notwithstanding the provisions of this chapter or any other provision of law, the Secretary shall not—

''(1) issue or transfer a license under this chapter; or

''(2) waive the license requirements of this chapter;

for the launch of a payload containing any material to be used for the purposes of obtrusive space advertising.

''(b) LAUNCHING.—No holder of a license under this chapter may launch a payload containing any material to be used for purposes of obtrusive space advertising on or after the date of enactment of the National Aeronautics and Space Administration Authorization Act, Fiscal Year 1996.

''(c) COMMERCIAL SPACE ADVERTISING.—Nothing in this section shall apply to nonobtrusive commercial space advertising, including advertising on commercial space transportation vehicles, space infrastructure, payloads, space launch facilities, and launch support facilities.''.

(c) NEGOTIATION WITH FOREIGN LAUNCHING NATIONS.—

(1) The President is requested to negotiate with foreign launching nations for the purpose of reaching an agreement or agreements that prohibit the use of outer space for obtrusive space advertising purposes.

(2) It is the sense of Congress that the President should take such action as is appropriate and feasible to enforce the terms of any agreement to prohibit the use of outer space for obtrusive space advertising purposes.

(3) As used in this subsection, the term ''foreign launching nation'' means a nation—

(A) which launches, or procures the launching of, a payload into outer space; or

(B) from whose territory or facility a payload is launched into outer space.

(d) CLERICAL AMENDMENT.—The table of sections for chapter 701 is amended by inserting the following after the item relating to section 70109:

''70109a. Space advertising.''.

NATIONAL MAMMOGRAPHY DAY

Mrs. KASSEBAUM. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Senate Resolution 177, reported today by the Judiciary Committee.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A resolution (S. Res. 177) to designate October 19, 1995, National Mammography Day.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mrs. MURRAY. Mr. President, I am proud to join my colleagues in offering this important resolution to designate October 19, 1995 as ''National Mammography Day.'' I am pleased to support this effort to set aside 1 day in the midst of National Breast Cancer Awareness Month to increase awareness about the best method of reducing the breast cancer mortality rate—early detection by mammography.

This frightening disease has taken the lives of far too many women, including many of my own friends. It is one of the leading killers of women—claiming the lives of more than 46,000 women each year. Breast cancer is a growing public health problem in this Nation, and a great threat to women's health.

We can all agree that more must be done to educate us about the risks, prevention and treatment of breast cancer. I also believe we must be vigilant in supporting continued research on breast cancer, and clear up the mixed messages that women receive about ways to protect themselves from this disease.

But, there is one indisputable fact that is very clear: early detection by mammography saves women's lives. Mammograms can detect 90 to 95 percent of all breast cancers and is the most reliable method of detection. In addition, and perhaps the most tragic feature of this disease—9 out of 10 women could survive breast cancer if detected early and treated properly.

Mr. President, there is no question that education and awareness are some of our best tools for fighting this disease; combined with continued research and treatment breakthroughs. This day is critical in our efforts to win the battle against breast cancer. We owe it to our mothers; our daughters; our sisters; our neighbors and our friends to get the word out—early detection can save your life. And we must not let our efforts diminish; every month should be Breast Cancer Awareness Month.

I would like to thank my colleagues for expressing their commitment to saving women's lives, and for paying particular attention to raising awareness about the importance of mammography. I encourage all of you to support this resolution, and help us protect women from the tragedy of breast cancer.

Mr. BRADLEY. Mr. President, I am very pleased to join my colleagues in recognizing today, October 19, as National Mammography Day.

Today, 500 women will be diagnosed with breast cancer. Most likely, each will be frightened, uncertain about her future, and in search of a treatment that, if it cannot cure her, will at least prolong her life. Each woman's family and friends, co-workers and caregivers, will worry deeply about her.

Today, 150 women will die of breast cancer. Their lives will be ended prematurely. Their families and friends, coworkers and caregivers will be grief-stricken.

Tragically, today's numbers are every day's numbers in our Nation. Listen to the enormity of this disease: one out of nine women will get breast cancer; since 1960 nearly 1 million women have died from this disease. With their deaths, millions of their loved ones, including children and aging parents dependent on them, have suffered as well. We stagger under these numbers, as we search for the causes and the cure.

All women are at risk for breast cancer, with the incidence increasing among older women and the mortality rate higher for African-American women. While other factors that may put women at risk are being thoroughly investigated, we are still ourselves at risk for feeling helpless in the face of this killer.

However, we do have one sure thing to offer to women and today we bring that to national attention. With mammography, we offer the possibility of

early detection. Along with breast self-examination, this is one of the best steps women can take for themselves in the fight against breast cancer. And it is the single best service our health care system can make available to all women in this struggle. Offering this service is not enough. We must also assure the quality of the service, especially the equipment used.

Early detection made possible by mammography is wise health care. With early detection we can reduce the mortality rate by one-third. Furthermore, early discovery of the disease allows for less radical and less costly treatments. Equally important, with the provision of mammography, we say to American women that we understand the trauma of this disease and will persist in efforts to triumph over it.

Remembering that these women are our wives, sisters, mothers, daughters, and friends, I am proud to add my voice in recognition of National Mammography Day.

NATIONAL MAMMOGRAPHY DAY

Ms. SNOWE. Mr. President, today, I would like to call attention to a day of critical importance to women across this Nation—National Mammography Day.

America's women are facing a devastating crisis, and its name is breast cancer.

It is a devastating crisis that targets women's lives, their confidence in health care, their work, their friends and their families.

It is a crisis that results in approximately 182,000 new cases of breast cancer being diagnosed each year, and 46,000 deaths.

Breast cancer is a crisis that has become the most common form of cancer and the second leading cause of cancer deaths among American women—an estimated 2.6 million in the United States are living with breast cancer, 1.6 million have been diagnosed, and an estimated 1 million women do not yet know they have breast cancer.

It is a crisis in which one out of eight women in our country will come to develop breast cancer in their lifetimes—a risk that was one out of 14 in 1960. In fact, this year, a new case of breast cancer will be diagnosed every 3 minutes, and a woman will die from breast cancer every 11 minutes.

It is a crisis that has tragically claimed the lives of almost 1 million women of all ages and backgrounds since 1960. This is more than two times the number of all Americans who have died in World War I, World War II, the Korean war, the Vietnam war, and the Persian Gulf war, and 48 percent of these deaths occurred in the past 10 years alone.

Finally, it is a crisis that has become the leading cause of death for women aged 40 to 44, and the leading cause of cancer death in women aged 25 to 54.

But what really hits home for this Senator is the fact that my mother died of breast cancer when I was only 9 years old, as well as the fact that 900 Maine women were diagnosed with breast cancer last year.

This is the most commonly diagnosed cancer among Maine women, and this represents more than 30 percent of all new cancers among women in Maine.

We all know these statistics, we live with them every day of our lives and face them with a growing concern and deepening sorrow, and they are a constant reminder of the work that remains to be done.

But we know that they represent more than just numbers—each number represents the life of a mother, sister, grandmother, aunt, daughter, wife, friend, or co-worker. They are the fabric of our families, our communities, our States and our Nation.

As a former co-chair of the Congressional Caucus for Women's Issues, I have joined other members of that caucus in working diligently to bring the respect and action that is needed to the struggle against breast cancer.

In past years, we have introduced and passed vital legislation to help us win this struggle—and that has included the Women's Health Equity Act, which in 1993 included the National Breast Cancer Strategy Act, which established a National Breast Cancer Commission—an interagency office on breast cancer—and authorizes $300 million for increased breast cancer research at NIH.

The WHEA also contained the Breast and Cervical Cancer Mortality Prevention Act Reauthorization, which provides much-needed grants to States for mammograms and pap-smears for low-income women and was passed by Congress and signed into law in late 1993.

And we also passed the NIH Revitalization Act, which authorized increased funding for clinical research on breast, cervical and other reproductive cancers in women.

But these are just the first steps in our crusade to find a cure for breast cancer and to bring relief and comfort to its victims and their families.

Our fight goes on. We need more funding. We need more research. We need more education and awareness of breast cancer and its causes. We need more understanding. We need more compassion. And we need a cure.

Yet despite these frightening statistics, we know that with early detection and regular screening, a survival rate of over 90 percent can be achieved. Unfortunately, these statistics reveal that not enough women are taking advantage of preventive measures with proven benefits—such as mammograms. In fact, the Director of the National Cancer Institute announced yesterday that ''one of the biggest barriers to reducing breast cancer mortality is lack of information.''

Given that such a promising survival rate is associated with early detection and treatment, it is essential that we be relentless in our efforts to increase public awareness of this terrible disease. The lives of our mothers, daughters, sisters and friends may well depend on our ability to educate them about the importance of mammograms.

This year, I submitted Senate Concurrent Resolution 8, expressing the sense of Congress on the need for accurate guidelines for breast cancer screening for women ages 40–49. However, on this day, National Mammography Day, there are things we can all do to ensure there are no more victims of breast cancer, but only survivors. Talk to the women in your family and your home States about the importance of breast cancer screening. Tell them to arrange for a physical, including a clinical breast exam. Tell them to schedule a mammogram for themselves or a loved one. Talk to them. Talk to them today. Tell them not to wait.

Mrs. KASSEBAUM. Mr. President, I ask unanimous consent that the resolution be agreed to, the preamble be agreed to, and the motion to reconsider be laid upon the table, and that any statements relating to the resolution appear in the appropriate place in the RECORD.

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

The resolution (S. Res. 177) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 177

Whereas, according to the American Cancer Society, one hundred eighty-two thousand women will be diagnosed with breast cancer in 1995, and forty-six thousand women will die from this disease;

Whereas, in the decade of the 1990's, it is estimated that about two million women will be diagnosed with breast cancer, resulting in nearly five hundred thousand deaths;

Whereas the risk of breast cancer increases with age, with a woman at age seventy having twice as much of a chance of developing the disease than a woman at age fifty.

Whereas 80 percent of the women who get breast cancer have no family history of the disease;

Whereas mammograms, when operated professionally at a certified facility, can provide a safe and quick diagnosis;

Whereas experts agree that mammography is the best method of early detection of breast cancer, and early detection is the key to saving lives; and

Whereas mammograms can reveal the presence of small cancers of up to two years or more before regular clinical breast examination or breast self-examination (BSE), saving as many as one-third more lives: Now, therefore, be it

Resolved, That the Senate designate October 19, 1995 as ''National Mammography Day.'' The Senate requests that the President issue a proclamation calling upon the people of the United States to observe such day with appropriate programs and activities.

REFERRAL OF AMTRAK APPROPRIATIONS AUTHORIZATION

Mrs. KASSEBAUM. Mr. President, I ask unanimous consent that Calendar 206, S. 1318, the Amtrak and Local Rail

Revitalization Act of 1995, be referred to the Finance Committee solely for the consideration of title 10 of the bill, for not to exceed 15 calendar days; and further, that if the bill has not been reported from the committee after the 15 days, it automatically be discharged and placed on the calendar.

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

CLOSE TAX BREAK LOOPHOLES

Mr. WELLSTONE. Mr. President, today I rise before the Senate to comment on some of the provisions of the legislation to be reported out of the Senate Finance Committee.

I want to start out by asking a simple question: Why are we reducing revenue and investment in Medicare and medical assistance and higher education and other programs, which are critical to communities and people in Minnesota and all across the country, before going after some of the tax breaks for special interests that have been embedded in the tax code for decades?

If we are serious about deficit reduction, it seems to me that all these loopholes and deductions and giveaways ought to also be on the table.

Mr. President, what kind of priorities are these that are reflected in this bill? They are certainly not the priorities of the people I represent, who understand the value of having funding available to take care of elderly people, understand the value of taking care of vulnerable people who are in nursing homes, of boosting kids' chances to go to college, of helping struggling families enter the middle class, of ensuring that elderly people can afford health care, of making sure that children have adequate nutrition. It makes no sense at all, Mr. President.

After days of closed-door meetings, this week Republicans on the committee announced their proposal for a $245 billion tax cut. Taken as a whole, this proposal includes serious reductions and cuts in Medicare and Medicaid and, in addition, includes some enormous new tax breaks for wealthy corporations and others, further worsening our budget crisis.

Mr. President, instead of scaling back billions of dollars in tax breaks, it provides billions for firms with high-powered tax lobbyists and almost nothing for working families.

In fact, by slashing the earned income tax credit for working families by over $42 billion, this legislation will greatly increase the tax burden on millions of citizens throughout the country.

In my State of Minnesota, there will be an increase of taxes for 172,740 Minnesota taxpayers. Mr. President, these are low- and moderate-income families that are trying to work their way into the middle class.

At the same time, the bill makes only a tiny, token effort to partially scale back a few loopholes in the Tax Code. And the proceeds from these modest changes are, in turn, used to subsidize new and much bigger tax breaks precisely for those taxpayers in the Nation who least need them.

For example, it relaxes the alternative minimum tax that was established in 1986. What was the idea back then? The idea was that large and profitable corporations, often multinational corporations, after taking a variety of different deductions and credits and exclusions, still are going to have to pay some minimum tax. It is a part of fairness. Now what we have is a provision to scale that back. That provision ought to be struck from this piece of legislation. It is truly outrageous.

If you ask people in the country, ''Do you believe that tax cuts should be a priority while at the same time we are trying to reduce the deficit?'' most would say—and the polls bear this out—''No.'' If you ask people, ''Do you believe that tax breaks for large, profitable corporations ought to be expanded rather than scaled back?'' virtually every single Minnesotan would say, ''No.'' Even so, that is exactly what the Finance Committee is about the business of doing.

I offered an amendment on the budget resolution earlier this year to require that the Senate Finance Committee close $70 billion of tax loopholes over the next several years. That amendment was defeated. Next week, or the following week when we take up the reconciliation bill, I intend to have specific proposals and amendments on the floor to close tax loopholes, with up-or-down votes.

If we are going to have the deficit reduction, if we are going to pay the interest on the debt—all of which we agree on—there ought to be a standard of fairness. And rather than focusing so much on the cuts in Medicare and medical assistance, rather than focusing on cuts in benefits for veterans, rather than causing great pain for children and the most vulnerable in our country, it seems to me it is not too much to ask that large corporations, wealthy corporations, pay their fair share. That is why we ought to plug some of these narrowly focused tax breaks and loopholes which allow the privileged few to escape paying their fair share, focusing on other people and forcing other people to pay higher taxes to make up the difference. This is a question of fairness. If you are going to have sacrifice, it ought to be equitable sacrifice.

Let me make a point here that is often overlooked. We can spend money just as easily through the Tax Code, through tax breaks, as we can through the normal appropriations process. Spending is spending, whether it comes in the form of a Government check or whether it is a tax break for some special purpose like a subsidy, a credit, a deduction, accelerated depreciation—you name it. Some of these tax expenditures are justified, they ought to be kept. But it does seem to me that, in a time of tight budgets, in a time when we are focusing on deficit reduction, in a time when we are cutting into nutritional programs for children and higher education and health care and environmental protection, why in the world are not the tax subsidies for the large pharmaceutical companies and oil companies and tobacco companies and insurance companies and you name it, why are they not on the table?

Various groups, from all ideological perspectives, from the National Taxpayers Union to the Cato Institute to the Progressive Policy Institute to Citizens for Tax Justice, have prepared a list of tax loopholes and other subsidies which they believe should be eliminated. But, despite the logic of their approach, which is a Minnesota standard of fairness, my colleagues on the other side of the aisle have chosen the path of least political resistance: Slash the programs for the vulnerable elderly, slash the programs for the vulnerable poor, slash the earned-income tax credit, slash the programs for child care, slash the programs for middle-income people. But when it comes to these large, multinational corporate interests who march on Washington every day, the big players, the heavy hitters, people who have the lobbyists, for some reason, we do not ask them to tighten their belts at all.

It is only fair that this be a part of the agenda. So I want to just outline very briefly some of the areas on which I want to focus the attention of my colleagues next week. Let me give but a few examples.

I already talked about the minimum tax. The effort is to scale that back for certain corporations. That's wrong. Everybody ought to pay some minimum tax.

Second, let me talk about expensing for the oil and gas industry. This has been a special break for this industry. They get to expense their oil and gas exploration costs, instead of depreciating them over time. It is an expensive tax benefit for this industry. Why should the oil and gas industry receive special treatment in the Tax Code which is not generally available to other companies and industries? It is a simple question. If we are about the business of deficit reduction, we ought to close this loophole.

Or take section 936, the Puerto Rico tax credit that has been debated in some detail in recent years. The Finance Committee has finally acknowledged there ought to be some change. But what it does is it repeals this over a fairly long period of time, 7 years or so, with generous transition benefits for corporations in the interim period. If we are going to repeal it, I think what we have to do is move as quickly as possible. It simply makes no sense. For those who support a flatter tax or a fairer tax or tax justice and think we ought to make the cuts and ought to do the belt tightening, this ought to be on the table.

Or consider the special exclusion for foreign-earned income that has been in this code for decades. This little gem will cost taxpayers between $8 and $9 billion over the next 5 years. If you are a U.S. citizen living abroad, you get an exclusion of taxation for the first $70,000 you make. You get an exclusion of taxation on the first $70,000 you make. So, if you make $170,000, you do not pay anything on $70,000 of that. Again, let us talk about a standard of fairness and let us make some of these cuts, not just based upon the path of least political resistance, but on the basis of a path of some fairness.

The PRESIDING OFFICER. The Chair will advise the Senator from Minnesota that his 10 minutes have expired.

Mr. WELLSTONE. Mr. President, I ask unanimous consent that I have 3 more minutes to conclude my remarks.

The PRESIDING OFFICER. The Senator is recognized for 3 additional minutes.

Mr. WELLSTONE. Mr. President, there is a provision right now on some of the corporate-owned life insurance that has generated some opposition from the insurance industry and large employers. Frankly, it had been abused. I refer my colleagues to an article by Allan Sloan, ''Companies Find a Premium Way To Take an Unjustified Tax Break.'' He talks about Wal-Mart taking out this insurance on virtually all their employees. The money does not go to their employees as beneficiaries, but Wal-Mart gets to take a deduction on whatever money they put into the insurance for every single employee. Again, we are talking about losing billions of dollars over the years. I am going to be talking about this at some great length when we finally get down to the debate on this reconciliation bill and when we finally get down to the point where the rubber meets the road.

These are about four or five examples. I intend to come to the floor with at least some of these specific provisions. What I am going to be saying to my colleagues is: Look, eliminate them. Because what happens is, when these companies or these citizens who do not need this assistance get these kind of breaks, other citizens end up having to pay more taxes. It is not fair. It is not tax fairness. And, in addition, it is an expenditure of Government money that we can no longer afford. That is what it amounts to.

If we are going to do the deficit reduction, we ought to do it on the basis of a standard of fairness. I ask the question one more time, by way of conclusion today. How come we are focusing so much on the elderly? How come we are focusing so much on the children? How come we are focusing so much on health care? How come we are focusing so much on working families, low- and moderate-income families? How come we are stripping away environmental protection? How come we are stripping away some basic consumer safety provisions that are important to all of the citizens of this country, but at the same time, when it comes to some of this corporate welfare, some of these outrageous breaks that go to some of the largest corporations in America and throughout the world that are just doing fine and can afford to tighten their belts, they are not asked to be a part of the sacrifice?

These votes next week will be a litmus test of whether or not Democrats and Republicans are serious about deficit reduction based upon a standard of fairness. I look forward to the debate.

Mr. President, in the absence of any colleagues here, I ask unanimous consent that morning business be extended for an additional 7 minutes.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered. Without objection, morning business is extended for an additional 7 minutes.

Mr. WELLSTONE. Mr. President, I also want to speak on one other matter that I think is very important to the country.

The PRESIDING OFFICER. The Chair will advise the Senator that his previously granted time has expired. Does the Senator wish additional time?

Mr. WELLSTONE. Mr. President, I ask unanimous consent for an additional 7 minutes to speak as in morning business.

The PRESIDING OFFICER. The Senator from Minnesota is recognized for an additional 7 minutes.

Mr. WELLSTONE. Mr. President, I also rise today to strongly oppose drilling in the Arctic National Wildlife Refuge [ANWR]. This has been an issue that I have been involved in from the time I first came to the Senate. There was a filibuster over ANWR that I led when I was here just a short period of time and now ANWR is back again. The Energy Committee has voted, over the objections of a large bipartisan group of Senators, to open up ANWR for drilling and to use the revenue to meet reconciliation instructions. I note a letter from former President Bush to my distinguished colleague from Alaska, that is on everybody's desk, supporting this.

I am both aware of and respectful of the need to balance the budget. That is why I have stood here on the Senate floor and voted for many spending cuts.

But there are other ways and measures that do not balance the budget at the expense of our natural resources. Unfortunately, though, all I see is big industry, oil companies included, winning big, and our natural resources losing big.

This is poor energy policy, poor environmental policy, and it is politics that in many ways I think is profoundly wrongheaded and even cynical.

First, let me talk about energy policy. The argument is that drilling in ANWR will lessen our reliance on foreign oil, but we do not really know whether there even is oil in ANWR. And if there is, we do not know how much. The latest numbers from the U.S. Geological Survey suggest that it is, at best, 4 million to 5 million barrels. This is equal to 1 year's worth of U.S. oil consumption. That is no long-term solution to energy dependence, and dependence on foreign oil.

Furthermore, there is a mixed message. At the same time proponents of ANWR say that we ought to lessen our dependence on foreign oil, they are pushing to lift the North Slope oil export ban and selling off oil reserves in the Strategic Petroleum Reserve.

I do not see how it is possible to make the argument for drilling in ANWR, at the same time that we are exporting some of our oil. It is just inconsistent, and it is bad energy policy.

The discussion about ANWR supplying jobs is also way off the mark. If you just look at some statistics from the American Council for an Energy Efficient Economy, they estimate that by the year 2010, we could generate 1.1 million jobs, by getting serious about saved energy and efficient energy use, which makes far more sense.

Now, let me talk about environmental policy. The Arctic National Wildlife Refuge is one of this country's greatest treasures. The preservation of this land and its plants and its animals and the way of life they support is vital. ANWR contains the Nation's most significant polar bear denning habitat on land, supports 300,000 snow geese, migratory birds from six continents, and a concentrated porcupine caribou calving ground.

Given all that ANWR has to offer, I am appalled that many of my colleagues are willing to drill in ANWR without the usual procedure of an Environmental Impact Statement as required by current law. I pushed in committee to have such an environmental impact statement but my amendment was defeated. When it was being considered, my colleagues asked me how it would affect scoring. This points to exactly what is going on here: We are selling important environmental protections, and we are mortgaging the environment for a momentary short-run budgetary gain.

Mr. President, finally, let me just make a concluding point. For thousands of years, the Gwich'in people have relied on the porcupine caribou to provide their food and meet their spiritual needs. I have heard them speak very eloquently and directly about what oil drilling in ANWR would do to their way of life. In fact, many of them may have to leave a way of life they have practiced for thousands of years if drilling in ANWR happens.

This is a one-sided battle. People like the Gwich'in want to save the environment. But they are not the big oil companies. They do not have the money. They do not have the lobbyists, and they do not have the lawyers here every day.

I believe, once again, to open up ANWR to oil drilling through the back door of the budgetary process is profoundly mistaken. It is not the basis on

which we should make this decision, and I think it would be a huge mistake for this Nation.

Our natural resources are among the most important things we can leave to future generations. Those resources are in our care. Our children and our grandchildren—we keep talking about our children and our grandchildren—deserve more than what this bad energy policy, bad environmental policy, and shortsighted politicking would leave them.

I urge my colleagues to support an amendment to the reconciliation bill to strike the provision opening ANWR to drilling. It is time to get our priorities right, and if we are serious about doing well for our children and our grandchildren, we will make the protection of the environment and the protection of ANWR our very highest priority.

Mr. President, I yield the floor.

SUPPORTING DAY OF CONFRONTING VIOLENCE AGAINST WOMEN

e will make the protection of the environment and the protection of ANWR our very highest priority.

Mr. COVERDELL. Mr. President, I rise in support of observing a Day of Confronting Violence Against Women and this week as a Week Without Violence.

Widely publicized media reports, especially those most recent, have literally seized the attention of the American public and brought to the forefront alarming instances of violence against women. When I learn that three out of four women will be victims of violence at some time in their life, it makes me angry, as it should every Member of the U.S. Senate.

This issue should strike each of us at the heart of our homes and families. Why? Because we are not just talking about numbers and statistics here, we are talking about our mothers, our sisters, and our daughters. We may even be talking about some of our colleagues. When you consider that every 15 seconds a women is battered in America, four women have been cruelly beaten since I began my statement only a minute ago. When every 5 minutes a women is sexually attacked, sadly enough, one woman's life is forever destroyed by the time I conclude my remarks.

In our country, one in every four relationships involve physical abuse. In my home State, I am sad to say, 250,000 women are abused each year. This is why violence against women is an issue very important to me. One of my first acts as Senator was to sign onto Senator DOLE's Violence Against Women Act. Last year two antistalking amendments I offered were adopted by the Senate. They provided for training of criminal justice officials and victims' service providers as well as funding for further research.

Most recently, I am proud to have been a cosponsor of an amendment to the fiscal year 1996 Commerce, State, Justice appropriations bill to target an additional $75 million funding to prevent violence against women—an amendment that was unanimously adopted. It included support of counseling and assistance to victims and witnesses to support them throughout the prosecution process of offenders, funding for safe homes for victims of violence, and improving the database that collects nationwide information on stalkers.

In closing, let me applaud the tireless work of Majority Leader DOLE, Senators HATCH, BIDEN, and SNOWE and many others to bring an end to violence against women in this country. Even though there have been some tragic setbacks recently, we cannot give up hope. We need to continue to support these efforts in the Senate and to support women who are victims of violence.

Mr. President, I yield the floor.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is now closed.

CUBAN LIBERTY AND DEMOCRATIC SOLIDARITY [LIBERTAD] ACT OF 1995

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of H.R. 927, which the clerk will report.

The legislative 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.

Pending:

Dole amendment No. 2898, in the nature of a substitute.

Helms amendment No. 2936 (to amendment No. 2898), to strengthen international sanctions against the Castro government and to support for a free and independent Cuba.

Simon modified amendment No. 2934 (to Amendment No. 2936), to protect the constitutional right of Americans to travel to Cuba.

The Senate resumed consideration of the bill.

Mr. HELMS addressed the Chair.

The PRESIDING OFFICER. The Senator from North Carolina.

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

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

Mr. DODD. Mr. President, I have a couple of amendments that I would like to offer to the pending legislation. I point out we have already spent, I guess, 4 or 5 days on this bill, and I think people might suggest probably more time than the legislation deserves, but nonetheless it is taking a great deal of time.

What I would like to do, if my colleague and chairman of the Foreign Relations Committee would agree, rather than having separate debates on amendments, I will try to confine my remarks to both amendments—they are related, I would say to my colleague from North Carolina—and then either have back-to-back votes on them or, if he prefers, I could ask unanimous consent that these two amendments be considered as one amendment for the purpose of a single rollcall vote. Either way is fine with me, and I will yield to my colleague for any particular comment he may have on procedurally how we handle it.

Mr. HELMS. Mr. President, I am perfectly willing to have the two amendments voted en bloc. And I would further ask the distinguished Senator from Connecticut if he would be willing to enter into a time agreement?

Mr. DODD. I am happy to, if he wants. I know some of our colleagues have—there is one other amendment pending, the Simon amendment.

Mr. HELMS. Yes.

Mr. DODD. I believe he needs 20 minutes.

Mr. HELMS. There is a time agreement.

Mr. DODD. Of 20 minutes. I would say 40 minutes, and it may not even be that amount of time necessarily.

Mr. HELMS. Forty minutes equally?

Mr. DODD. Yes.

Mr. HELMS. I ask unanimous consent that the time agreement be 40 minutes equally divided—on the two amendments?

Mr. DODD. That is fine.

Mr. HELMS. Very well.

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

Mr. HELMS. I thank the Chair. I thank the Senator.

The PRESIDING OFFICER. Without objection, the amendments will be considered en bloc.

Mr. DODD. Fine. Mr. President, I will wait to ask for the yeas and nays.

AMENDMENTS NOS. 2906 AND 2908 TO AMENDMENT NO. 2936

Mr. DODD. Mr. President, the amendments are at the desk. They are numbered 2906 and 2908. I ask for their immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendments.

The legislative clerk read as follows:

The Senator from Connecticut [Mr. DODD] proposes amendments numbered 2906 and 2908 to amendment No. 2936:

The amendments are as follows:

AMENDMENT NO. 2906

On page 23 of the pending amendment beginning with line 18, strike all through line 21 on page 24.

AMENDMENT NO. 2908

On page 28 of the pending amendment beginning with line 42, strike all through line 32 on page 32.

Mr. DODD. Mr. President, let me explain, both of these amendments are related to title II of this bill.

Let me explain both of these amendments. I should begin by thanking my colleague from North Carolina that we have gotten to this point and that we are considering the bill, having dropped title III of the bill.

I should, before discussing these two amendments, make clear, having read the comments of the distinguished majority leader and others, that title III of the bill will come back in the bill, I guess, or at least there are threats of that when the House and the Senate go to their conference on this legislation. On the assumption that the bill is passed out of the Senate, I would just notify my colleagues that if that is the case and it comes back, we will be back in the same position we were in earlier this week where I strongly objected to title III of the bill and would take appropriate actions if that is the case.

I certainly understand and respect the right of the conferees to have and decide what they are going to decide, but I would have to also put my colleagues on notice that I would use whatever procedural vehicles are available to me as a Member of this body to stop consideration of the legislation if that were to occur.

Mr. President, these two amendments, as I mentioned a moment ago, strike portions of title II of the bill that I think unduly hamper the ability of our country to provide assistance—and let me emphasize this—to a post-Castro government. Title II does not talk about Fidel Castro's government in Cuba today. Title II exclusively talks about the government that comes after Fidel Castro.

So my colleagues who are worried here that they may in some way, if they were to adopt these amendments I am proposing, do something to support Fidel Castro, they have nothing to do with Fidel Castro. The language specifically refers to the post-Castro government. And I want to emphasize that point because I think it sets new ground, that is, the language in the bill, that I think is dangerous, in my view, and precedent setting.

The restrictions, of course, I mentioned are not restrictions on how we relate to the existing government. Rather, they are restrictions on a relationship with a future Cuban Government, a government in transition from dictatorship to democracy. And, Mr. President, this does not make any sense at all to me. Title II of this legislation relates in large measure to what the United States' policy should be toward a post-Castro government.

It states, among other things—I am quoting here:

> It is the policy of the United States to support the self-determination of the Cuban people and to be impartial toward any individual or entity in the selection by the Cuban people of their future government.

That is a beautiful statement. I endorse it 1000 percent. It is exactly the position we ought to have. Let me repeat it again.

> It is the policy of the United States to support the self-determination of the Cuban people and to be impartial toward any individual or entity in the selection by the Cuban people of their future government.

That is exactly the position we ought to have. In fact, if it ended right there I would be standing up here urging all my colleagues to support this. But unfortunately, Mr. President, if you read further on in here, we seem to then contradict the very statement that I have just read to you. And I suspect that many of my colleagues—most would endorse the first statement. However, key provisions of title II belie that statement.

I would urge my colleagues to take a look, if they would, at sections 205, 206, and 207 of title II which set forth a laundry list of conditions and requirements that either must or should be met before the President, our President, the President of the United States, can provide even very limited assistance to help the Cuban people make the very difficult transition from dictatorship to democracy.

These conditions, Mr. President, go on for four pages here, laying out, in some cases, ''shall,'' and what we ''must'' do.

Section 205:

> (a) A determination . . . 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 . . .

Most of the list I do not have any problem with whatsoever except that it gets to micromanagement in a sense and lays out in great specificity exactly what we are going to require before we provide any assistance to the people of that new government.

Again, I go back, Mr. President, to read, if you will, the statement I read a moment ago when we started talking about it. ''The policy of the United States to support the self-determination of the Cuban people and to be impartial toward any individual or entity.'' Again, we are talking about a post-Castro government here. Presumably, they are getting rid of the dictatorship and moving in the right direction.

Now, I am not suggesting we ought to say we are going to provide help to anybody that becomes a transition government or becomes the new government after Castro. I would oppose just as strongly any suggestion in legislation that we automatically ought to be providing assistance. But I also think it gets rather ridiculous if we lay out four pages, Mr. President, of conditionality here that a government must meet absolutely in many ways if we are going to provide any assistance at all. I am talking about humanitarian assistance to people in transition.

And, in fact, these standards that we have here, as much as I think they have value, and although I think some of the language is a little less than precise, I do not—''legalizing all political activity''—I do not know what ''all political activity'' means. I do not know what we mean about that in this country. But I am not going to quibble about the individual wording in it, Mr. President. I think there is value in each one of these statements.

But my point is, if we applied these standards to the New Independent States that emerged after the collapse of the Soviet Union, we still would not be providing any assistance to them, and we would not be allowed to under this, if adopted. We need to provide Presidents and Congresses in the future with the flexibility to respond to a transition in Cuba. And to sit down and have a four-page minutia detail by detail by detail, steps that they have to go through before we can help them, I think just is wrong, wrong headed.

Again, this has nothing to do with Fidel Castro. This title II works on the presumption he is gone, he is out of there. Now, we are talking about a new government.

Mr. President, I just think it is a mistake to be passing legislation that micromanages and goes into such detail. It is not just this President. Maybe people are talking about this administration somehow. No one can say with certainty when the transition is going to occur in Cuba. We all hope it occurs peacefully and occurs soon. But it may very well not be for a year or 2 or 3 or 4 for 5. Who can say?

We have listened to nine Presidents since Dwight Eisenhower talk about the change coming in Cuba. It has not happened yet. Now, again, all of us here, I presume, would like to see it happen quickly. But if it does not happen during this administration but some future administration, including the administration of some of our colleagues who are in this Chamber today, they could face four pages we adopt into law setting out in detail what that government must look like before we can provide assistance to them, despite the fact that we said earlier in the bill that it is the policy of our Government to support the self-determination of the Cuban people and to be impartial, impartial toward any individual or entity in the election by the Cuban people of their future government.

Again, I would not suggest in any way whatsoever, Mr. President, that we ought to write a bill that would say no matter what happens, no matter who follows Fidel Castro, we ought to provide aid to them.

Imagine if I wrote a bill that said that, that whoever comes after Fidel Castro automatically qualifies for U.S. assistance. I would be laughed off the floor of the Senate if I suggested a bill that proposed that idea. And yet, what we are doing here today, in a sense, is just like that. We are saying in effect that ''no matter who comes after Fidel Castro, unless you meet these detailed standards, we cannot provide any help to you at all.''

I thought the idea was to encourage a transition, to move to democracy, and to then provide the kind of nurturing

support to see that that transition occurs. Now, it may not occur exactly as we like.

One of the provisions says you must have free elections within 2 years. I wish it was 6 months. I wish it were the next day. What happens if it is 2½ years and not 2 years, or 2 years, 2 months? It is that kind of detail that is in this bill, Mr. President. That is not smart. That is not wise. That is not prudent. I do not know of any other place where we provided this kind of language.

Imagine the Philippines if we tried that. Imagine if we tried it, as I said, in all of these New Independent Republics that have emerged. Our ability to weigh in and create that kind of transition would have been severely hampered had we been required to meet the standards we are going to be adopting in this legislation if my amendment is not approved.

Now, I do not know, again, how this will come out politically. But I hope my colleagues would look and just read the sections 205, 206, and 207. They go on for some pages. Some require ''shall,'' others ''should,'' in the transition.

Last, and it gets into this same area, the settlement of outstanding U.S. claims. And here the language, Mr. President, is pretty emphatic in the bill.

No assistance may be provided under the authority of this act to a transition government in Cuba.

And then it goes on for a page or two here talking about how we resolve these outstanding claims.

Mr. President, I hope that happens. I do not think any U.S. citizen who has property confiscated anywhere in the world ought not to be compensated. But we have now 38 countries in the world, including Cuba, where United States citizens' property has been expropriated, and we are in the process of trying to get those individuals compensated for that property.

Some of the countries where that occurs are very strong allies of ours. Germany is one, I point out. We now have diplomatic relations with Vietnam. The list is lengthy, 38 countries.

We never said before we cannot provide any assistance to those countries until those claims and matters are all settled, and yet that is what we do with this legislation. We are saying we cannot provide under this—the language very specifically in section 207, ''Settlement of Outstanding U.S. Claims to Confiscated Property in Cuba,'' section (A), paragraph 1:

No assistance may be provided—

The assumption is that you are going to set up a mechanism to resolve these claims, again no matter how meritorious they may be, and have that control our foreign policy interests, which would be, I presume, to support the transition to get aid to people to try to establish a presence there and assist that process. To have it totally linked to claims issues, where we do not do that even among our allies around the globe, seems to me to be going too far. It just goes too far.

Again, I realize with everything else going on around here that the attention on something like this may not seem like much to people. I just think it is bad policy, Mr. President, to have this kind of detailed step-by-step requirement that you have to meet and then absolutely hamstring not just this administration, but future administrations, from being able to move intelligently and rapidly to try to shore up a government that will follow Fidel Castro.

Again, I emphasize to my colleagues, none of these provisions has anything to do with the present government in Cuba—not one thing to do with it. It is all about the government that comes afterward. It seems to me we ought to be trying to figure out a way how we can play the most creative role in that transition, to try to move that process toward a democratically elected government as quickly as we can—as quickly as we can. And yet, before we can do that, we now have to go through a series of hoops that will make it very, very difficult for us to respond creatively and imaginatively to a situation that has gone on far too long.

So, Mr. President, I will not dwell on this any longer. I made the point, I hope, and I urge my colleagues to look at these sections of the bill. Some, as I said, are more advisory. Others absolutely demand certain things occur. They can go through and read which is which. It seems to me we ought to stick with the paragraph I read earlier on in my statement, and that is that we provide the kind of flexibility in allowing the Cuban people to determine for themselves what it is that they would like to have as that new government.

We may not decide to support it. It may not meet our standards and we will act accordingly, but the best policy is the one that is included as a preamble to this section, and the preamble to this section is one that every single person in this country, let alone in this body, can support, and that is the policy of the United States to support the self-determination of the Cuban people and be impartial to any selection of the Cuban people as to their government. It is their choice. If they want to make a bad choice, that is their right. We do not have to support it, but that is their right if they so desire.

The idea, then, that we are going to detail in painful minutiae every step that must be met, I think is a mistake. Again, I am not quarreling myself with any provisions here necessarily. There are things I support and I believe make sense. But to spell out as a roadmap what they have to follow in great detail before we can provide any kind of help down there is a mistake, and I urge the adoption of the amendment.

Mr. President, I withhold the remainder of my time.

Mr. HELMS addressed the Chair.

The PRESIDING OFFICER. The Senator from North Carolina [Mr. HELMS], is recognized for 20 minutes.

ORDER OF PROCEDURE

Mr. HELMS. Mr. President, the distinguished President of Estonia waits without in the Vice President's Office. I desire to present him to the Senate, and I shall do so, and I shall go and invite him to come in. In the meantime, I suggest the absence of a quorum, the time to be charged to neither side.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be dispensed with.

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

VISIT TO THE SENATE BY THE PRESIDENT OF ESTONIA, LENNART MERI

Mr. HELMS. Mr. President, I am honored to present to the Senate the President of Estonia, the distinguished Lennart Meri.

RECESS

Mr. HELMS. Mr. President, I ask unanimous consent that the Senate stand in recess for 5 minutes, so that Senators and staff can greet our distinguished guest.

There being no objection, the Senate, at 11:06 a.m., recessed until 11:13 a.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. CAMPBELL).

CUBAN LIBERTY AND DEMOCRATIC SOLIDARITY [LIBERTAD] ACT OF 1995

The Senate continued with the consideration of the bill.

Mr. HELMS addressed the Chair.

The PRESIDING OFFICER. The Senator from North Carolina is recognized.

Mr. HELMS. As I understand it, I have 20 minutes.

The PRESIDING OFFICER. The Senator is correct.

Mr. HELMS. On the two amendments.

The PRESIDING OFFICER. The Senator is correct.

Mr. HELMS. Mr. President, I will not use all that time. I will reserve some. When the Senator from Connecticut is willing, we will yield back what remains of our time.

Mr. President, Senator DODD's amendment proposes to delete from the pending bill any guidance and recommendations to the President from the Congress of the United States as to what constitutes a transition or democratic government in Cuba. I am a little surprised at the thrust of the amendment. But I respect the Senator, although I disagree with him.

The administration has maintained that the President should retain flexibility to deal with the situation in

Cuba once a transition begins. So the beginning trouble with this amendment is that it is in conflict not only with the bill itself but with the administration itself.

As the Libertad bill was drafted, we took the administration's concerns into account, and we agreed that any parameters not be ''overly rigid,'' to quote from an administration statement on the House bill. But we also agreed that Congress should speak as to what constitutes sufficient change in Cuba to merit any support or aid from the United States.

So the result is that the pending bill gives the President of the United States, whomever he may be, a great deal of latitude in making the determination required before—before—any United States aid can begin to flow to a new Cuban Government.

I am not aware that the administration has any problems with the way the pending legislation is drafted. But let me be clear about what is in the Libertad bill. The only specific requirement, Mr. President, that a transition government must meet before United States aid is released is that the Government has legalized political activity, released all political prisoners and allowed for access to Cuban prisons by international human rights organizations. It also stipulates that the Cuban Government must have dissolved the state security and secret police apparatus, and agreed to hold elections within 2 years of taking power and has publicly committed, and is taking steps, to resolve American property claims.

The pending bill contains several additional factors that the President is asked—not required, but asked—to take into account when determining whether a transition or democratic government is in power in Cuba.

Mr. President, Congress offers this type of guidance to the President all the time on various matters. This is not out of the ordinary, nor is it some legislative straitjacket. So that is why I have a little bit of difficulty understanding how anybody could oppose asking, before we give away the United States taxpayers' dollars, that a Cuban Government allow political activity, free political prisoners, dissolve the secret police, and agree to take care of American citizens' property claims. I must ask, what is wrong with that?

As for the property requirements, the President can waive them if he determines that it is in the vital national interest of the United States to do so. This is consistent with existing restrictions on aid to Cuba in section 620(a) of the Foreign Assistance Act.

Now, I find it ironic that Senators would come to the floor, expressing concerns about the Libertad bill, ostensibly in the name of certified property claimants, and then turn around and want to strike a provision that reaffirms the need for Cuba to remedy past wrongs. Whose interest is really being protected by removing this Libertad section? It doesn't appear to be the interests of the property claimants.

It is clearly within Congress' power to set out conditions on providing aid to other nations—we do it all the time. However, the Libertad bill acknowledges that the President will need flexibility in responding to Cuba's political evolution. The language in the Libertad bill represents a balance between these interests and should be retained, and that is why I will move to table the Senator's amendment.

Mr. President, I reserve the remainder of my time, pending Senator DODD's discussion of his other amendment.

I am advised, Mr. President, that Senator DODD has no further comment on his amendments. Is it fair for me to assume that he yields back the remainder of his time? If staff would please inquire of Senator DODD.

Mr. President, while we are waiting, on occasions like this, when important legislation is being considered, I wonder what the reaction of those who come to visit the Senate is with respect to so few Senators being on the floor. The answer to that is that Senators are tied up in committee meetings all over this complex. I, myself, had to get away from a committee meeting to be here to manage this bill and to discuss Senator DODD's amendment.

So I say to our guests that not only do we welcome them, but we beg their understanding that Senators are working; they are just not working here at the moment.

Mr. President, I suggest the absence of a quorum, the time not being charged to either side.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant 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 have been advised—Senator DODD has conveyed to me his desire that his remaining time be yielded back if I yield mine back. I so do.

The PRESIDING OFFICER. All time is yielded back.

Mr. HELMS. Mr. President, I want the Chair to correct me if I am wrong, but there will be one vote on the two Dodd amendments; is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. HELMS. I ask unanimous consent that it be in order for me to ask for the yeas and nays en bloc.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. HELMS. Now, Mr. President, that leaves Senator SIMON's amendment on which a time agreement is already in place.

The PRESIDING OFFICER. The Senator is correct.

EXPLANATION OF CHANGE OF VOTE ON CLOTURE

Mr. HEFLIN. Mr. President, when the Senate first voted October 12 on the cloture petition relative to H.R. 927, the Dole-Helms Cuba sanctions bill, I voted no. Like most of my Democratic colleagues and some Republicans, I strongly opposed title III of the bill as written because of its detrimental effect on U.S. Federal courts. Indeed most of our debate over the last few days on the bill has focused on title III's provisions allowing suits to be filed against companies that acquired property confiscated by the Castro regime after it took power in 1959.

This provision of the measure flouted international law, threatened already severely overburdened courts with costly new litigation, and jeopardized our relations with major trading partners who do business with Cuba. If adopted, this provision would have exponentially expanded the pool of persons in the United States seeking compensation from the Cuban Government for their claims. There could be tens or even hundreds of thousands of persons who would be eligible to file such lawsuits.

While no one knows for certain how many lawsuits could have been filed under title III, if even a fraction of those newly eligible did so, it would prove costly to the Federal courts and greatly complicate the tasks of resolving claims and assisting Cuba's economic recovery once the Castro regime is gone.

After that first cloture vote, I discussed these issues during private conversations with several of my colleagues who supported the measure, including Senator HELMS, and by the time of the second vote on October 17, I had obtained assurances that title III would be substantially modified or eliminated entirely. Therefore, I was able to support cloture when the second vote occurred.

I am happy that we were able to reach a compromise on this legislation which allowed the third cloture vote to succeed on a solid bipartisan vote of 98 to 0 after the announcement that title III would be stricken from the bill.

Mr. PELL. Mr. President, I believe all my colleagues agree on the goals of United States policy toward Cuba—promoting a peaceful transition to democracy, economic liberalization, and greater respect for human rights while controlling immigration from Cuba. Where some of us clearly differ, however, is on how we get there. Despite the changes that have been made to the pending legislation, I believe that it continues to take us further away from achieving these goals. I believe, therefore, that this legislation is contrary to U.S. national interests.

We should undertake policy measures to enhance contact with the Cuban people, because that will serve United States 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.

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. It alienates our allies and tie the administration's foreign policy hands.

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 be more likely to support our policy with respect to Cuba. Today we are virtually alone.

The Helms-Burton bill has gone through a number of changes since it was first introduced. In fact, Senator HELMS' substitute amendment differs in a number of areas from the House-passed bill. However, no version to date resolves the fundamental problem I have with the direction it takes U.S. policy. For these reasons I will vote against this bill and urge my colleagues to do so as well.

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

The PRESIDING OFFICER. The clerk will call the roll. The assistant legislative clerk proceeded to call the roll.

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, in order to save a little time, my distinguished colleague from North Carolina desires to address the Senate, and he understands that Senator SIMON is on his way to discuss his pending amendment.

I ask that the Senator from North Carolina [Mr. FAIRCLOTH] be recognized for the purpose of addressing the Senate.

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

The Senator from North Carolina [Mr. FAIRCLOTH] is recognized.

Mr. FAIRCLOTH. Mr. President, I ask unanimous consent to speak in morning business for 15 minutes.

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

PROMISES TO VOTERS

Mr. FAIRCLOTH. Mr. President, in the closing months of the first session of this 104th Congress, I rise to remind my colleagues of some promises which were made to voters last November.

You may ask why I should be addressing this issue when we have so much work that remains to be done on the budget, but I do so because I am surprised that we have forgotten some fundamental principles about economic growth which we so clearly articulated last year.

Those who embrace these basic truths are now in the majority. The consequence of abandoning that message of hope and opportunity could be profound for the American people.

Many of our colleagues are hard at work trying to balance the Federal budget. This is a necessary and a difficult job. The American people rightly expect us to balance the budget and we must not disappoint them.

In our zeal to put our financial house in order we must not forget why we are doing this in the first place.

I offer this reminder: We are balancing the budget because deficits are a tax on the American people. Today's debt is a tax levied not only on taxpayers, but it is levied on future generations.

We do not usually speak of budget deficits as taxes, but they are. That is very simply what they are. Deficits are taxes.

Who among us would support imposing taxes on our children and grandchildren? Yet every time we vote for deficit spending, we do very simply that.

If the deficit is a tax, then the solution is not an additional tax. The problem is that we are spending money that we do not have on programs we do not need.

The answer is simple. That is, to stop the spending.

Who among us is really convinced that we need to raise taxes to balance a budget? None of us. President Clinton supported the largest tax increase in American history and he now admits that it was wrong.

Yet our national debt continues to grow out of control. While President Clinton has been focused on new ways to take hard-earned money away from the American taxpayers, I believe that we in Congress should focus on ways to drastically decrease spending and allow taxpayers to keep more of their money. The answer is to cut spending.

I regret that I have begun to hear some of my colleagues in both bodies and on both sides of the aisle talk about raising taxes. I regret even more the manner in which they talk about raising them. Just as the deficit is a tax which we do not dare call a tax, a new term, a new euphemism has been invented to hide a new tax increase. The new tax is hiding behind the call to end corporate welfare, a term whose meaning has been distorted.

When the Government levies a tax and then uses that revenue to subsidize certain industries or such activities, it is accurately described as corporate welfare.

Unfortunately, we are now using the term ''corporate welfare'' to describe instances where we have simply chosen not to levy a tax. In other words, a tax we have not voted on. The corporations of this country are now being called corporate welfare simply because we have not levied the tax.

Have we been here in Washington so long that we have forgotten the difference between a subsidy and a tax? It is not a subsidy to allow a corporation to keep more of the money it has earned so that it can reinvest that money, which creates jobs, pays dividends to all shareholders, including large institutional investors responsible for protecting the pension funds of America.

The Federal Government does not own the American people's money. It does not own their land, their homes or their income. Failure to tax is not corporate welfare.

For us to say we are doing the American people some sort of favor by not taxing some aspect of their livelihood is the very height of political and governmental arrogance. We should not hide behind Washington doublespeak and call it corporate welfare.

It we decide to raise the tax, let us call it what it is—a plain and simple tax increase. Let us not say that we are ending corporate welfare when we are, in fact, raising the taxes on the corporations of America.

I find nothing noble in raising taxes. It misses the point of what we are trying to do in the first place.

I campaigned on spending cuts and tax cuts. Closing certain corporate tax breaks certainly increases taxes. The time to address these tax breaks is when we are engaged in comprehensive tax reform such as a flat tax. Now is not the time to rewrite the corporate Tax Code. Now is not the time to impose an arbitrary retroactive tax increase on companies and, more importantly, on their employees who participate in a corporate-owned life insurance policy purchased after 1987.

The only reason some are discussing tax increases now is because we failed to make serious cuts in Government spending and in corporate subsidies. We failed to downsize, eliminate, or privatize boondoggles such as the Export-Import Bank, the International Trade Administration, and the Overseas Private Investment Corporation.

The CATO Institute has identified more than 125 corporate welfare subsidy programs which cost taxpayers over $85 billion in subsidies this year alone. This is true corporate welfare. These are subsidies which we should be attacking. We need to make clear and distinct the difference between a subsidy and a tax increase. We should not be talking about tax increases until we have eliminated indefensible corporate cash subsidies.

As you know, I strongly support dramatic reform in our Social Security social welfare programs. The worst of these programs simply uses tax dollars

to subsidize and promote self-destructive behavior.

In the same way, I oppose corporate welfare which uses tax dollars to subsidize companies in a manner inconsistent with free market principles. Taking money away from individual taxpayers and giving it to businesses is simply wrong, and I support my colleagues on both sides of the aisle who call for an end to that practice.

As we continue our effort to balance the budget, I would hope that we not forget the following:

The deficit is a tax on the American people and on future generations.

To end this tax, we must balance the budget.

Our problem is that we have been spending money that we do not have on programs we do not need.

We need not and should not raise taxes to balance the budget. Raising taxes will not balance the budget. It never has. It only leads to increased spending.

I will not vote for a tax increase, no matter what it is ultimately called.

In ending deficit spending, we are doing the right thing—the honest thing. Let us not stray back into hidden taxes and double-talk about Medicare before we reach our goal of a balanced budget. Let us not give in to the defenders of the status quo whose political bankruptcy has led them to frighten our youth and senior citizens with false and negative rhetoric. I implore my colleagues to abandon the rhetoric of tax increases and embrace spending cuts and tax cuts—to embrace smaller Government and greater individual freedom. As this Congress changes the size and cost of the Federal Government, it is only right that taxpayers share in the dividends. That is why spending cuts, deficit reduction and tax cuts must go hand in hand.

I am a proud cosponsor of legislation to provide tax relief to America's families in the form of a $500 per child credit. I am also a sponsor of a bipartisan bill to provide a capital gains tax cut which we all know is essential and necessary for economic growth and new job creation.

Tax cuts and spending cuts are two ways of putting more money into the hands of America's taxpayers who will invest that money in our children and in our economy and in our country as a whole. Both investments contribute to long-term fiscal responsibility. This is the path to real and sustained deficit reduction. It is what the voters expect and deserve. And, it is what we in Congress owe them.

I yield the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. SIMON addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois [Mr. SIMON] is recognized.

CUBAN LIBERTY AND DEMOCRATIC SOLIDARITY [LIBERTAD] ACT OF 1995

The Senate continued with the consideration of the bill.

AMENDMENT NO. 2934

Mr. SIMON. Mr. President, I see my distinguished colleague and friend, Senator HELMS, on the floor. I think we each have 10 minutes to speak for our sides, in terms of the travel to Cuba debate. If the Parliamentarian gives us his OK, I will be pleased to move ahead and take part of my 10 minutes at this point.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Illinois [Mr. SIMON] proposes an amendment numbered 2934 to amendment No. 2936.

Mr. SIMON. 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 the RECORD of October 18, 1995.)

Mr. SIMON addressed the Chair.

Mr. HELMS. Will the distinguished Senator yield about 30 seconds for a little housekeeping item?

Mr. SIMON. I will always yield to my colleague from North Carolina.

UNANIMOUS-CONSENT AGREEMENT

Mr. HELMS. Mr. President, I ask unanimous consent that when the Senate resumes consideration of the Simon amendment, which it has just done, No. 2934, under the previous 20-minute time limitation, that following the expiration of that debate, the Senate then proceeded to a vote on or in relation to the Simon amendment, No. 2934; and, further, immediately following that vote, there be 4 minutes of debate, equally divided in the usual form, on the Dodd amendments 2906 and 2908, en bloc; and following that debate, the Senate vote on or in relation to the Dodd amendments, 2906 and 2908, en bloc; and, further, that following that vote, there be 10 minutes of debate equally divided in the usual form, to be immediately followed by a vote on the substitute amendment, to be followed by a vote on passage of H.R. 927, as amended, all without any other intervening debate or action.

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

Mr. HELMS. I thank the Senator from Illinois.

Mr. SIMON addressed the Chair.

The PRESIDING OFFICER. The Senator is recognized for 10 minutes.

AMENDMENT NO. 2934

Mr. SIMON. Mr. President, this amendment says simply that Americans can use what I think is a constitutional right to travel. We should not restrict travel to any country unless security is threatened, so that American citizens are not subject to simply propaganda from one side or from our Government.

It is interesting that every other country in the world, so far as I know, permits its citizens to travel to Cuba. Only the United States of America does not.

Listen to what President Eisenhower said: ''Any limitation on the right to travel can only be tolerated in terms of overriding requirements of our national security.''

President Eisenhower was right. The reality is Americans can travel to Cuba, but you have to go to Canada or Mexico or some other country to do it. We do not have the freedom the citizens of every other country in the world have, to travel to Cuba. It just does not make sense.

I will add, the American Association for the Advancement of Science testified before the Senate Judiciary Committee on this question and pointed out that there have been scientific meetings, international scientific meetings held in Cuba, where our scientists have not been able to attend. It just does not make sense.

In one case they were able to attend, but listen to this. In order to attend a meeting of the World Federation of Engineering Organizations, in Havana, beginning on October 17, 1993, they were first denied licenses, and then, ''Finally, members were granted licenses but not without long delays and the necessity of submitting themselves to a detailed screening process by Treasury Department officials.'' All kinds of needless paperwork. And not an American citizen who has gone to Canada or Mexico and traveled to Cuba has been prosecuted, sentenced to prison, or fined. It is just ridiculous, and we look ridiculous in the eyes of the rest of the world.

This limitation on Americans to travel to Cuba does not do one thing in terms of pulling down the Castro regime. There is not a Member of the United States Senate who believes that Castro is doing what he should be doing for the people of Cuba. We do not like his human rights record. But I do not want to impose human rights restrictions on American citizens because he does it in Cuba. So my amendment simply would give American citizens the clear right to travel to Cuba.

Mr. DODD. Mr. President, will my colleague yield?

Mr. SIMON. I yield 2 minutes to the Senator.

Mr. DODD. Just to engage my colleague, I want to commend him for his amendment. What is underlying in this amendment is the notion here that we have to start to get back to the conduct of foreign policy. We are dealing with Cuba as if this were a domestic issue and not a foreign policy issue. If someone can explain to me why it is that we allow unlimited travel to the People's Republic of China, and we allow unlimited travel to Vietnam—even in the case of North Korea, the North Koreans impose restrictions, but we do not impose restrictions. Yet here for the island nation of Cuba, as much

as all of us find the Government there reprehensible, I think most of us believe that access and contact between peoples, particularly free people with the people who are living under a dictatorship, has a tremendous impact, or can have a tremendous impact, to say that no one in this country to the one place throughout the entire globe could travel makes no sense at all.

Again, this is not as if we are talking about any other country. Imagine if we offered an amendment here that included the People's Republic of China, just add that one Communist country that engages in human rights violations—I would argue probably far more egregious than what occurs in Cuba, as bad as that may be—if I would offer that amendment to this, it would be resoundingly defeated if we stopped people going to the People's Republic of China today. And people would argue not just in terms of our own financial interests, but I think most realize there is probably a greater likelihood of achieving change there because there are those contacts. Others will argue with that. But here we are singling out one country 90 miles off our shore where an influx of Americans down there might have a very positive impact on encouraging people to engage in the legitimate, political kind of activity that would create the kind of change we would like to see there.

What my colleague is offering here makes eminently good sense. It is the direction we ought to be going in. It is the most effective way to change the Government there. I commend him for this amendment, and I ask him whether or not he would agree with me, if he knows of any other case anywhere else in the world where we apply this.

Mr. SIMON. Absolutely not. It is interesting that it is the same debate that we went through when we had the Soviet Union. Should we let Americans travel there? We finally made the decision that it might open up the Soviet Union if we would let people travel. And that was the right decision, and that is what we are asking for here. Let us make the right decision on Cuba.

Mr. DODD. I point out as well that it is not just that. But Cuban-Americans themselves—first of all, I have said this before, Mr. President. This notion that we are dealing with a monolithic community here is insulting to many Cuban-Americans. They do not like having people stand up here and suggest that every American of Cuban descent or heritage is of totally like mind on these issues. Many feel that they would like to be able to go back and start meeting with their families, working with their families. To go through the charade of traveling to Canada, going to Mexico, engaging in all kinds of subterfuge in order to make contact with their families and support them is not healthy.

I would suggest that if we could make it possible for Cuban-Americans to go back and be with their old neighbors, friends, and family members, that kind of involvement, that kind of contact, that kind of interchange is probably something Fidel Castro worries more about than the adoption of this kind of language. I suspect he may support the language in this bill because it is that kind of contact which he would most worry about jeopardizing the foundations of his dictatorship.

So, again, I applaud my colleague from Illinois for his proposal. I suspect we may not win in these amendments, regretfully, because this is about domestic policy. It is not about foreign policy.

Mr. SIMON. I will simply add that we should make policy based on the national interest, not national passion. With what we are doing, our present policy is the opposite.

I reserve the remainder of my time.

Mr. HELMS. Mr. President, I suggest the absence of a quorum, and I suggest that the time be charged equally.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant 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.

ORDER FOR RECESS

Mr. HELMS. Mr. President, I ask unanimous consent that the Senate stand in recess at 12 noon today until 4 p.m. and that at 4 p.m. the Senate proceed to the votes under the previous order.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. HELMS. Mr. President, I again suggest the absence of a quorum on the same basis as the first request was made.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant 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, would the Chair state the time situation?

The PRESIDING OFFICER. The Senator from North Carolina has 8 minutes, and the Senator from Illinois has 2 minutes.

Mr. HELMS. I thank the Chair.

Mr. President, what I am about to say may indicate the widest legislative wing span in history, but the State Department and JESSE HELMS agree on something. Both the State Department and JESSE HELMS oppose the Simon amendment. I do so respectfully—and PAUL SIMON is my friend. We do not agree on everything, but that does not matter. He operates in good faith, and I try to.

Let me say very briefly that during the tenure or parts thereof of eight American Presidents, the United States has pursued a bipartisan policy of isolating Fidel Castro, including restrictions on travel to Cuba. Obviously, the Simon amendment would enthusiastically do away with that restriction.

I mentioned yesterday, and I guess I shall reiterate today, that there are good intentions behind anything that PAUL SIMON does. He is a gentleman. I regret the fact on a personal basis that he has announced that he will not seek reelection next year. But having said that, I just cannot support his amendment. And I cannot fail to urge Senators to vote against it because the result of the Simon amendment will not be the free exchange of ideas that they talk about. The result will be to give Fidel Castro access to new and desperately needed hard currency. On this, the State Department and I absolutely agree.

What Castro has to offer is Cuban beaches. That is it. And allowing Americans to sit on Cuban beach does not do anything for the Cuban people who are oppressed and from whom we hear daily pleas to enact the Libertad bill. The Cuban people inside of Cuba—and also the Cuban people in exile in the United States and elsewhere—unanimously, as far as I know, favor the pending bill. Tourism, of course, is one of Fidel Castro's most important sources of hard currency, and for years and years Castro has lured foreigners to Cuba. This has not resulted in any liberalizing of his regime. It has instead resulted in less freedom and worse living circumstances for the Cuban people. Old Fidel, he is ugly, and he is blunt, and he is rough, and he is cruel, but he is not dumb. He knows the value of tourism for his regime. As a matter of fact, if he does not get hard cash from tourism and other aspects of operations, down he goes. And that is the point. We want him to go down. We want to be rid of him. We want the Cuban people to be rid of him so that they can establish a democratic government there that they have not had in a long, long time.

Now, back in June, Castro began imposing a 100 percent tariff on all new articles brought into Cuba with a value between $100 and $1,000. And that means, Mr. President, if Castro officials, his cronies, determine that an item being brought into Cuba by a tourist is new, or if it is something that will be left behind when the tourist departs, then Cuba can charge 100 percent of the cost of that item. The tax on tourists benefits nobody but Fidel Castro and his cronies.

Critics of the travel restrictions argue that we should remove them since they are not fully enforced. I recognize that the Treasury Department has encountered some problems in enforcing travel regulations. They probably encounter some problems in enforcing a lot of regulations. The reason for any problem they have in this regard is that currently only criminal penalties can be imposed for violations.

The administration supports the enactment of civil penalties as the best means of enforcing existing restrictions, and that is exactly what we do in the Libertad bill. So there goes that wide wingspread again from left to right.

Mr. President, I am going to reserve the remainder of my time because I have one or two other points that I may want to make, but I want there to be enough time for Senator SIMON to make whatever rebuttal he wishes to make.

Mr. SIMON. Mr. President, I think if we can, before we vote—I understand we are going to vote at 4 o'clock.

Mr. HELMS. Yes.

Mr. SIMON. If each of us can have 2 minutes, if that is satisfactory to the Senator from North Carolina, that is satisfactory to me.

Mr. HELMS. Mr. President, that is certainly a fair and reasonable request. I ask unanimous consent that 4 minutes equally divided be provided at 4 o'clock on the Simon amendment.

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

Mr. SIMON. I would yield back the remainder of my time.

Mr. HELMS. And I yield back the remainder of my time. I see the distinguished majority leader. I am glad to yield to the majority leader.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. DOLE. I understand the chairman has gotten the consent that we stand in recess at noon until 4 p.m.

I might explain to my colleagues, the purpose of this is so that the Finance Committee can complete action on the tax cut package. They agreed yesterday to have 7 hours and then they would vote. They started at 9 o'clock this morning. We cannot get consent for the Finance Committee to meet while the Senate is in session, so we have no recourse but to let the Finance Committee meet all afternoon. But right now they are moving along at a pretty rapid pace, and they would like to complete action. Hopefully, at 4 o'clock, they could finish and the Senate could come in and, as I understand, there will be three votes and then final passage.

Then after that we will hopefully take up the Labor, HHS appropriations bill or, if there has been any progress, State Department reorganization. I understand there is another meeting, the chairman has another meeting this afternoon at 2 o'clock. So hopefully we can finish action this afternoon on the tax cut package. Chairman ROTH and the ranking member, Senator MOYNIHAN, are trying to get that done by 4 o'clock. That would go to the Budget Committee. It is our hope that next Wednesday we will take up the reconciliation package on the Senate floor, Wednesday and Thursday. In the meantime, we have a number of items on which we hope to complete action.

I would also indicate that we will have, hopefully, next week a Transportation conference report; legislative branch appropriations, a new bill, but it is identical to the one vetoed by the President. That will be available early to midweek; energy and water conference report. That conference is going to convene next Tuesday at 9 o'clock. We hope to finish that day and then take that up. We are trying to get more and more of the appropriations bills to the President. We hope that he would indicate he will sign the bills.

BALANCING THE BUDGET

Mr. DOLE. Mr. President, before we recess, I would like to take a moment to discuss President Clinton's appearance before reporters at the White House this morning.

Republicans have been willing to work with the President in our efforts to finally balance the budget. Regrettably, the President's veto threat today makes us wonder whether he is serious about working with the congressional majority to fulfill the mandate the American people gave us. If anyone needs to think again, in my view it is President Clinton. Rather than continuing his cynical reelection campaign designed to scare the American people, particularly senior citizens, he should show some leadership and work with us to balance the budget, cut taxes for American families, protect Medicare from bankruptcy, and overhaul welfare.

If any plan puts America's elderly at risk, it is the President's plan, which fails to offer any long-term reforms, any choices for seniors, and any real solutions, just sort of a Band-Aid to get us beyond the next election in 1996.

I think it is interesting that the President confessed this week he raised taxes too much in 1993. I think a $265 billion tax increase is a bit too much. It affected senior citizens, people who drive automobiles, subchapter S corporations, a lot of Americans who did not consider themselves rich until the President announced that only the rich pay taxes. But he has learned since 1993 that other people pay these increased taxes, too, who are not rich, when he increased taxes on Social Security, when he increased taxes on gasoline, when he increased taxes on subchapter S corporations, and a number of other people who were not rich.

So I think now that he has confessed he made a mistake on raising taxes, he ought to confess he has made a mistake on not wanting to adopt a balanced budget. He fought us in an effort to pass a constitutional amendment to balance the budget. He convinced six Democrats who voted for a balanced budget last year to vote no this year. We lost by one vote. We had 66. We needed 67.

So it seems to me the President is now saying, well, I raised taxes too much but it was not my fault; Republicans are responsible. Not a single Republican in the House or the Senate voted for the tax increase. I do not understand how he can blame us for that. It was the biggest tax increase in American history. In fact, I think the Senator from New York [Mr. MOYNIHAN] said, no, it was the biggest tax increase in world history, and it probably was.

So I would ask the President today, now that he is feeling in a mood to say he has made mistakes—and we all make mistakes from time to time—we would be happy to have him join us in this budget debate in balancing the budget by the year 2002 and protecting, preserving, strengthening Medicare and overhauling welfare and providing tax cuts for families with children, the very thing that the President proposed, I might add.

About 70 percent of our total tax credit goes to families. They are not rich. On the Senate side we have capped what your total income could be if you are going to be eligible for the tax credit for your children.

So, Mr. President, we agree you raised taxes too much. We agree it hurt the economy. We agree it probably cost a lot of jobs in America. We agree it cost a lot of dislocation, a lot of pain, a lot of suffering. But now that you have confessed to making that mistake, let us not make another mistake. Let us work together. Let us try to balance the budget, Mr. President. Let us try to save Medicare, Mr. President, and try to have a good tax cut for families with children and stimulate the economy with the capital gains rate reduction, and then reform welfare, which the President indicates he supports.

We are prepared. I know the Speaker is prepared. I hope that we might have some cooperation.

I yield the floor. And I think it is 12 o'clock.

RECESS UNTIL 4 P.M.

The PRESIDING OFFICER. The hour of 12 o'clock having arrived, the Senate stands in recess until 4 p.m.

Thereupon, at 12 noon, the Senate recessed until 4 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. THOMPSON).

CUBAN LIBERTY AND DEMOCRATIC SOLIDARITY [LIBERTAD] ACT OF 1995

The Senate continued with consideration of the bill.

AMENDMENT NO. 2934

The PRESIDING OFFICER. The pending business is the Simon amendment numbered 2934. There are 4 minutes of debate equally divided.

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. 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.

Mr. SIMON. Mr. President, our parliamentary situation now I believe is that I have 2 minutes to speak on behalf of my amendment and my colleague from North Carolina has 2 minutes to speak in opposition.

The PRESIDING OFFICER. The Senator is correct.

Mr. SIMON. Mr. President, this is a fairly clear and simple issue: Do we follow the advice of people like President Eisenhower who said, ''Any limitation on the right to travel can only be tolerated in terms of overriding requirements of our national security.''

Americans can travel to North Korea and China. Name the dictatorship anywhere, we can travel there. The one country we cannot: Cuba. Citizens of every other country in the world can travel to Cuba, but Americans cannot do it legally.

Now, we can go by way of Mexico or Canada and violate the law and do it, but that should not be the way we do things around here.

It is very interesting that in the Soviet Union we had this same question: Should we cut them off and isolate them, or should we have American visitors who go there and help to ameliorate their policy? We, fortunately, made the right decision that Americans could travel there. That should be what we do today.

Americans ought to have the right to travel anywhere where there is not a security risk for Americans. That ought to be part of the freedom that every American has.

Mr. President, I know there will be a motion to table. I hope, despite that motion, the amendment will be agreed to.

Mr. HELMS. Mr. President, I said earlier this morning when Senator SIMON and I were on the floor together that this amendment has prompted the widest political legislative extremes in history: The State Department and JESSE HELMS agree it is a very bad amendment.

I believe the distinguished Senator from Florida [Mr. GRAHAM] will move to table.

This amendment undercuts the embargo that has been in effect for eight Presidents. It does not help the Cuban people. Tourism will not change Castro. In fact, it will merely contribute to Castro's economic status a little bit.

I hope that the Senate will vote to table the amendment. I say that with all due respect to my friend and neighbor, PAUL SIMON.

I yield back the balance of my time.

Mr. GRAHAM. If I could use the remaining time of Senator HELMS for the purpose of a couple of points. First, the current Cuban Democracy Act provides for limited travel under controlled circumstances to Cuba by three groups of Americans: those who are traveling for educational, religious, or humanitarian purposes. The President, within the last 2 weeks, has given greater definition to who will fall within those three categories and will receive authorization to travel to Cuba.

The basic prohibition on general travel is a cornerstone of the United States' effort to isolate the dictatorship in Cuba while we were attempting to reach out to the people of Cuba with a hand of friendship. If we were to eliminate this prohibition on travel, we would be pouring dollars into Castro's thin coffers, dollars which would allow him to continue to operate the most repressive state security apparatus left in the world, one which has set new standards for human rights abuses. We would also prop up his regime against the inexorable forces which are leading toward its downfall.

Mr. President, I urge the defeat of this amendment by adopting the motion that I will offer to table the Simon amendment.

The PRESIDING OFFICER. Does the Senator from Illinois wish to use his remaining 25 seconds?

Mr. SIMON. Mr. President, the assistance to Castro in terms of economic terms is almost nil. What this amendment does is give Americans the freedom that citizens in every other country in the world have: To travel to Cuba. I think that ought to be a basic right of Americans—to travel to any country where there is not a security threat.

The PRESIDING OFFICER. The Senator from Florida.

Mr. GRAHAM. Mr. President, I move to table the Simon amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table the SIMON amendment.

The yeas and nays have been ordered.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Delaware [Mr. BIDEN] is necessarily absent.

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

The result was announced—yeas 73, nays 25, as follows:

[Rollcall Vote No. 492 Leg.]

YEAS—73

Abraham	DeWine	Kassebaum
Ashcroft	Dole	Kempthorne
Bennett	Domenici	Kerry
Bond	Exon	Kohl
Bradley	Faircloth	Kyl
Breaux	Ford	Lautenberg
Brown	Frist	Lieberman
Bryan	Glenn	Lott
Burns	Gorton	Lugar
Byrd	Graham	Mack
Campbell	Gramm	McCain
Chafee	Grams	McConnell
Coats	Grassley	Mikulski
Cochran	Gregg	Murkowski
Cohen	Hatch	Nickles
Conrad	Heflin	Nunn
Coverdell	Helms	Pressler
Craig	Hollings	Reid
D'Amato	Hutchison	Robb
Daschle	Inhofe	Rockefeller
Roth	Smith	Thompson
Santorum	Snowe	Thurmond
Sarbanes	Specter	Warner
Shelby	Stevens	
Simpson	Thomas	

NAYS—25

Akaka	Harkin	Moseley-Braun
Baucus	Hatfield	Moynihan
Bingaman	Inouye	Murray
Boxer	Jeffords	Pell
Bumpers	Johnston	Pryor
Dodd	Kennedy	Simon
Dorgan	Kerrey	Wellstone
Feingold	Leahy	
Feinstein	Levin	

NOT VOTING—1

Biden

So the motion to lay on the table the amendment (No. 2934) was agreed to.

Mr. HELMS. Mr. President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

AMENDMENTS NOS. 2906 AND 2908

The PRESIDING OFFICER. Under the previous order, the question now occurs on the en bloc consideration of amendments numbered 2906 and 2908 offered by the Senator from Connecticut [Mr. DODD]. Debate is limited to 4 minutes equally divided in the usual form.

Mr. DODD addressed the Chair.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. DODD. Mr. President, very briefly, the amendments we are about to vote on, or two amendments which were combined en bloc, deal with the issue of title II of this bill.

Regardless of how anyone feels about the present government in Cuba, title II of this bill does not deal with the Castro government in Cuba. It deals with the next government in Cuba. It says that the next government in Cuba must meet a set of four pages of criteria before we can provide even transitional assistance to the next government in Cuba.

Mr. President, I do not know what the next government in Cuba is going to look like. Hopefully, it will be a democratic government. But it seems to me that we ought not to be conditioning our assistance on some future government in Cuba in this piece of legislation.

Whatever else we may want to do to the Castro government, why would we want to tie the hands of this administration or future administrations when you have a change in Cuba? If we applied the same rules and the same criteria that are located in title II of this bill, we would not be able to provide the transitional assistance to many of the New Independent States that have emerged after the collapse of the Soviet Union.

I urge my colleagues in the next few minutes to just read sections 205 through 208 of this bill. They are four pages of criteria. Whatever else you may feel about Fidel Castro, however you want to change the government in Cuba, do not make it impossible for this administration or the next one to

deal effectively with that new government. This amendment strikes those sections of the bill, and I urge adoption of the amendment.

Mr. HELMS addressed the Chair.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. I yield 30 seconds to the distinguished Senator from New Jersey.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. BRADLEY. Mr. President, I rise in opposition to the amendment by the Senator from Connecticut. Title II is authored by the only Cuban-American Democrat in the Congress, BOB MENENDEZ of New Jersey. For once, we should be ready when the commander of a Communist dictatorship falls. All this says is when the dictatorship falls, we should have in place emergency relief measures and assistance that will effect the transition from a command economy to a market economy, from a totalitarian state to a democracy. It says for once let us be ready when a Communist dictator falls.

Mr. HELMS addressed the Chair.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. In that connection, let me read one paragraph from a letter dated today by Congressman MENENDEZ to the distinguished minority leader, Mr. DASCHLE:

> Dear Mr. DASCHLE. As the author of title II of the Helms-Burton Libertad legislation and the only Cuban American Democrat in the Congress, I am writing to urge you to vote against the Dodd amendments which seek to gut title II of the legislation.

I yield the remainder of my time to the distinguished Senator from Florida.

Mr. GRAHAM addressed the Chair.

The PRESIDING OFFICER (Mr. BURNS). The Senator from Florida.

Mr. GRAHAM. Mr. President, I, too, rise in opposition to the amendments offered by our colleague from Connecticut. This proposal lays out a rational transition from the current authoritarian Communist regime to what we hope will soon be a democratic and marketplace political and economic system in Cuba. It is consistent with the provisions that were contained in the Cuban Democracy Act which was passed by this body by an overwhelming vote in 1993, but it continues the dual track of the United States providing pressure against the regime in Cuba while it opens up to the people of Cuba, including opening up with a clear statement of how we will assist the transition to democracy.

Mr. President, I move to table the amendments of the Senator from Connecticut.

I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The time has expired under the control of the Senator from North Carolina. The Senator from Connecticut has 21 seconds.

Mr. DODD. I yield back my time.

The PRESIDING OFFICER. The time has been yielded back.

The question now occurs on agreeing to the motion to table the amendments numbered 2906 and 2908, en bloc. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senate from Delaware [Mr. BIDEN] is necessarily absent.

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

The result was announced—yeas 64, nays 34, as follows:

[Rollcall Vote No. 493 Leg.]

YEAS—64

Abraham	Ford	McCain
Ashcroft	Frist	McConnell
Bennett	Gorton	Murkowski
Bond	Graham	Nickles
Bradley	Gramm	Pressler
Breaux	Grams	Reid
Brown	Grassley	Robb
Bryan	Gregg	Rockefeller
Burns	Hatch	Roth
Campbell	Helms	Santorum
Coats	Hollings	Shelby
Cochran	Hutchison	Simpson
Cohen	Inhofe	Smith
Conrad	Kassebaum	Snowe
Coverdell	Kempthorne	Specter
Craig	Kerry	Stevens
D'Amato	Kyl	Thomas
DeWine	Lautenberg	Thompson
Dole	Lieberman	Thurmond
Domenici	Lott	Warner
Dorgan	Lugar	
Faircloth	Mack	

NAYS—34

Akaka	Glenn	Mikulski
Baucus	Harkin	Moseley-Braun
Bingaman	Hatfield	Moynihan
Boxer	Heflin	Murray
Bumpers	Inouye	Nunn
Byrd	Jeffords	Pell
Chafee	Johnston	Pryor
Daschle	Kennedy	Sarbanes
Dodd	Kerrey	Simon
Exon	Kohl	Wellstone
Feingold	Leahy	
Feinstein	Levin	

NOT VOTING—1

Biden

So the motion to lay on the table the amendments (Nos. 2906 and 2908) was agreed to.

Mr. HELMS. Mr. President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

Mr. DOLE. Mr. President, what is the pending business?

The PRESIDING OFFICER. Pending is the Helms amendment.

Mr. DOLE. I ask that the yeas and nays be vitiated.

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

Mr. DOLE. Have the yeas and nays been ordered on final passage?

The PRESIDING OFFICER. They have not.

Mr. DOLE. 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.

Mr. DOLE. How much time is left on the Helms amendment?

The PRESIDING OFFICER. There are 10 minutes of debate on the Helms amendment.

Mr. DOLE. Mr. President, we are about to conclude action on the Cuban Liberty and Democratic Solidarity Act. The Senate has spent a week on this bill. We had three cloture votes. A sustained lobbying campaign by the White House forced Chairman HELMS to delete a significant section of the bill. The Senate will pass the bill today, and the conference will certainly address the issue of stolen property.

I am confident that the House-Senate conference will be able to find a way to prevent Fidel Castro from using foreign investment to prolong his tyranny. That is the issue—do we want to allow the hemisphere's last dictator to replace his lost aid from the Soviet empire with western investment? The Senate will have another chance to address this issue when the conference report comes back.

We should be clear on what is still in this bill. Title I strengthens the international embargo on Cuba. It requires the United States to oppose Cuban membership in international financial institutions. It conditions aid to Russia on an end to support for Cuba. It tightens the restrictions against the importation of Cuban sugar. And it authorizes assistance to the real victims of Castro's repression—the Cuban people.

In the debate, some of the advocates of lifting the embargo have said this bill looks backward, that this bill does not respond to current conditions. Nothing could be further from the truth. Title II of the bill requires the President to look ahead—to look at the inevitable post-Castro period. Title II provides for support for a free and independent Cuba and authorizes suspension for the embargo and other restrictions once a transitional government is in place. Title II also provides incentives for a truly democratic government in Cuba.

So I think the President, the Senate is going to speak loudly today—in support of the Cuban people and in opposition to Fidel Castro. He should know that as he prepares to come to New York for whatever he is going to do at the United Nations. The White House has made its views known. By allowing Fidel Castro to enter the United States, and by vigorously lobbying against this bill, there is no doubt where they stand. Today, the Senate can make its views known, and I urge my colleagues to support the bill.

I thank Senator HELMS for his outstanding work on this issue.

Mr. DODD. Mr. President, I said at the very outset of this debate that when we consider legislation aimed at a foreign country, we ought to ask ourselves two basic questions. Is what is being proposed in the best interest of our Nation, and is it likely to achieve the desired results in the country in question—in this case, Cuba?

I have had grave concerns, Mr. President, about title III of this bill. That

section has been taken out. I thank my colleagues for supporting us in that effort. Notwithstanding, however, Mr. President, this changed. The two basic questions I raised at the outset of these remarks remain. In my view, the answer to both of those questions, if one reads this bill carefully, is ''no.''

It is not in our interest to complicate our relations with the governments of Russia or other New Independent State countries. Yet, provisions of this bill would do just that by linking our assistance to these countries, to their policies toward Cuba. We provide, Mr. President, assistance to Russia, and other of the New Independent States, because we want to see them carry out the kinds of programs that we are funding, because we want to continue to strengthen their still fragile democratic institutions. Conditioning, Mr. President, that assistance on what is going on in Cuba, I think, is counterproductive.

Provisions of this bill ultimately hinge on our arms control treaties with Russia, specifically, on Russian verification of United States compliance. While it is certainly legitimate for the United States to discuss the types of activities that appropriately fall within the scope of verification of arms control treaties, that should be done bilaterally with the Government of Russia, not unilaterally imposed by the Congress in the context of a debate about Cuba.

Other provisions of this bill bar Cuban participation in international financial institutions until after democracy has been established in that country. We all know, Mr. President, the critical roles played by the World Bank and International Monetary Fund in the early days of Russia's transition to democracy. It is foolhardy, Mr. President, to prohibit the IMF and the World Bank from offering their assistance and expertise to a post-Castro government as it grapples with the complicated task of dismantling a command economy.

Mr. President, I have already mentioned those provisions of the bill which my amendment would have sought to strike, provisions that severely limit the flexibility of the United States to respond to the change in Cuba when it comes. This bill could also have the United States spend more money on TV Marti, this time converting from VHF to UHF broadcasting. We all know that TV Marti has been a complete failure. GAO report after GAO report after GAO report has found that it is totally ineffective, that virtually nobody watches it, and that it is a total waste of taxpayer money.

More than just the individual provisions of the bill, Mr. President, the entire thrust of this legislation makes no sense whatsoever. Calling Castro names does not get Cuba any closer to democracy. We have spent a week debating this. It is too long.

Perhaps the only individual who will truly benefit from this debate is Fidel Castro. Once again, we have managed to make him larger than life. Once again, we have given him excuses on why his government has failed and why the Cuban economy is in a shambles. Once again, we will force our allies to come to his defense because they profoundly disagree with our tactics. None of this, Mr. President, makes any sense whatsoever. We all know that to be the case, but frankly, to state it bluntly, because of domestic political considerations, we continue to take actions counterproductive to our own self-interest. I urge defeat of this amendment.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. HELMS. What is the time situation, Mr. President?

The PRESIDING OFFICER. The Senator from North Carolina has 3 minutes 34 seconds. The Senator from Connecticut has a minute 26 seconds.

Mr. HELMS. Mr. President, passage of the Libertad bill will send a message that Congress wants a tightening of the screws on Fidel Castro.

Castro knows that this bill will expedite his departure from power. Why on Earth would Castro have launched such a huge campaign against this bill if it wasn't harmful to his rule? He knows that the Libertad Act will help set the Cuban people free—free from oppression, free from communism, free from Castro's dictatorship.

As several principal cosponsors of this bill have already stated on this floor, including Senators DOLE and GRAMM, we are going to fight hard—and I mean very hard—to keep the pressure on Castro—and on this administration to work for Castro's removal.

Mr. President, let me say this: Fidel Castro is going to come to New York City this weekend to address the United Nations. Since the State Department has just given Mr. Castro a visa to enter this country, I want to give Mr. Castro an early Christmas gift to be delivered to the people of Cuba—a gift called the Libertad Act, on which we will vote final passage in a moment.

I yield the remainder of my time.

Mr. DODD. Mr. President, I point out that Richard Nixon also gave Fidel Castro a visa to come to this country. That kind of political rhetoric does not advance our cause. He is going to be larger than life when he comes to the United Nations. What we do here today is going to make him a hero when he comes to the United Nations. I regret that. I yield back my time.

The PRESIDING OFFICER. Under the previous order, the question is on agreeing to amendment No. 2936 by the Senator from North Carolina [Mr. HELMS].

The amendment (No. 2936) was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the substitute amendment No. 2898, as amended, offered by the Senator from Kansas [Mr. DOLE].

The amendment (No. 2898), as amended, was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the amendments and third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read a third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall the bill pass?

The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Delaware [Mr. BIDEN] is necessarily absent.

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

The result was announced—yeas 74, nays 24, as follows:

[Rollcall Vote No. 494 Leg.]

YEAS—74

Abraham	Faircloth	Lugar
Ashcroft	Ford	Mack
Baucus	Frist	McCain
Bennett	Glenn	McConnell
Bond	Gorton	Mikulski
Bradley	Graham	Murkowski
Breaux	Gramm	Nickles
Brown	Grams	Pressler
Bryan	Grassley	Reid
Burns	Gregg	Robb
Campbell	Hatch	Rockefeller
Chafee	Heflin	Roth
Coats	Helms	Santorum
Cochran	Hollings	Sarbanes
Cohen	Hutchison	Shelby
Conrad	Inhofe	Simpson
Coverdell	Kassebaum	Smith
Craig	Kempthorne	Snowe
D'Amato	Kerrey	Specter
Daschle	Kerry	Stevens
DeWine	Kohl	Thomas
Dole	Kyl	Thompson
Domenici	Lautenberg	Thurmond
Dorgan	Lieberman	Warner
Exon	Lott	

NAYS—24

Akaka	Harkin	Moseley-Braun
Bingaman	Hatfield	Moynihan
Boxer	Inouye	Murray
Bumpers	Jeffords	Nunn
Byrd	Johnston	Pell
Dodd	Kennedy	Pryor
Feingold	Leahy	Simon
Feinstein	Levin	Wellstone

NOT VOTING—1

Biden

So the bill (H.R. 927), as amended, was passed.

[The text of the bill will appear in a future edition of the RECORD.]

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

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

The motion to lay on the table was agreed to.

(At the request of Mr. FORD, the following statement was ordered to be printed in the RECORD.)

● Mr. BIDEN. Mr. President, a serious family emergency in Pennsylvania has required me to leave this afternoon on the spur of the moment. Had I been present, I would have voted against the amendments offered by Senator SIMON and Senator DODD, and in favor of final passage of the bill.●

Mr. KERRY. Mr. President, I do not want my vote for final passage of H.R. 927, the Cuban Liberty and Democratic Solidarity Act to be misunderstood. I was strongly opposed to the centerpiece of the legislation—title III. This title would have altered 45 years of international and domestic law and practice with respect to the resolution of claims resulting from the expropriation of U.S. property abroad. I supported efforts to ensure that that title was deleted from the bill.

I will oppose any conference report that restores this title or adds draconian provisions. I will join with my colleagues in utilizing all parliamentary procedures to ensure that a conference report containing what was title III is not enacted into law.

MORNING BUSINESS

Mr. COCHRAN. Mr. President, I ask, at the request of the Republican leader, unanimous consent that there now be a period for the transaction of routine morning business during which Senators may speak for up to 10 minutes each.

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

THE BUDGET RECONCILIATION

Mr. COCHRAN. Mr. President, I was just looking at a letter that was given to me by the chairman of the Budget Committee, the Honorable Senator from New Mexico [Mr. DOMENICI], advising that the Congressional Budget Office has had an opportunity to review the budget reconciliation package that has been assembled and will be presented to the Senate, we assume during next week. The good news is that the Congressional Budget Office's analysis of the bill as assembled at this point, assuming that the tax bill being reported in the Finance Committee is within the budget reconciliation targets, not only will achieve a balanced budget by the year 2002 but will actually result in a small surplus.

The letter from the Director of the Congressional Budget Office goes into more detail with the analysis that she and her staff have made of this reconciliation package. But I hope that between now and next week, when the Senate will have an opportunity to take up and debate the reconciliation bill, Senators will review these documents and the analysis that has been done, because this is the centerpiece of the effort to achieve the balanced budget by the target that was set in the budget resolution that has passed both Houses and is reflected in the conference report that earlier passed the Congress.

This is the centerpiece, this is the heart and soul of the effort to achieve a balanced budget. And we are about to embark upon a very historic debate for the first time in anybody's memory on a plan to actually achieve an annual operating budget that is in balance, that changes entitlement programs as well as the appropriated bills that have passed the Congress which is about to take place. I hope that we will have an opportunity as we approach that period to talk about some of the changes that we foresee and the resulting influence that it is going to have for good on the fiscal policies of the country, as well as the effect on interest rates, the effect on the general overall economic environment for job creation and business activity, which will be positive and continue to move us in the right direction in terms of economic growth and economic well-being as a nation.

But I congratulate the distinguished chairman of the Budget Committee, Senator DOMENICI, for his good work and his strong leadership in bringing us to this point. We look forward to the debate on the resolution.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

RECONCILIATION LEGISLATION

Mr. DORGAN. Thank you, Mr. President. It is a timely opportunity to take the floor to follow my friend from Mississippi.

My friend from Mississippi was quoting from a letter dated October 18 from the CBO signed by Director June O'Neill. It is a letter that says that based on those estimates—referring to estimates in the letter—using the economic and technical assumptions underlying the budget resolution and assuming—this is the way economists talk—the level of discretionary spending specified in that resolution, the CBO projects that enactment of the reconciliation legislation submitted to the Budget Committee would produce a small budget surplus in the year 2002.

The Senator is quite correct about what this letter said. That is dated yesterday.

Let me, however, read a letter dated today signed by the same person, the Director of the Congressional Budget Office, June O'Neill. This is in response to a letter that Senator CONRAD and I wrote to her yesterday saying:

> This is a curious letter you have sent to Congress, saying it is going to produce a surplus. Would you please tell us what the impact of the reconciliation bill will be on this country's fiscal policy? In other words, what kind of surplus or deficit will we have if you follow the law that exists in this country, in fact, the law written by the Senator from South Carolina, Senator Hollings, that says you cannot use Social Security trust funds as revenues to balance the budget?

So we sent the letter to Director O'Neill of the Congressional Budget Office, and here is the letter we received today from the Congressional Budget Office, this afternoon. The letter says in the first paragraph—the same kind of language from economists—''Excluding an estimated off-budget surplus of $108 billion''—translated, it means by and large excluding the Social Security trust fund surplus in 2001 from the calculation—''the CBO would project an on-budget deficit of $98 billion in the year 2002.''

Now, I have an 8-year-old son who, when we last went to Toys 'R Us, was fascinated by vanishing ink. We passed this little thing. They sell vanishing ink. He said, ''Daddy, how do they do that?'' I said

> I do not really know. I know it is simple. It does not cost very much. We could buy it and take it home. But I do not know how they do vanishing ink.

I could tell my son that we do not have to stop at Toys 'R Us. We have folks who have Ph.D.'s that know how to deal with vanishing ink.

Here we have an October 18 letter that says: ''You Republicans have asked me, an appointee of the Republicans, how has our plan fared in your eyes?'' And you said, ''Well, we think you are doing real good. In fact, you have produced a surplus.''

We sent a letter to the same person who said:

> But if you do this the right way, if you calculate this the right way and do not take the Social Security trust funds, because you cannot misuse those, those are Social Security trust funds, do not bring them over here in the operating budget, that that is the way you do it, that is the way the law requires that you do it.

Then what happens is the same person 1 day later says, ''By the way, in the year 2002 there is not a balanced budget. There is a $98 billion deficit.''

Mr. BUMPERS. Will the Senator yield for a question?

Mr. DORGAN. I would be happy to yield.

Mr. BUMPERS. The thing even more perplexing on the point which the Senator from North Dakota raises is this. This is the conference report of the budget bill. Let me read it. It says:

> Section 205 of the conference agreement requires the chairman of the Budget Committee to submit the committee's responses to the first reconciliation instruction to the Congressional Budget Office.

So the committee has to send all of these things to the Congressional Budget Office.

Next sentence, if the Congressional Budget Office ''certifies''—this is the operative word—if the Congressional Budget Office certifies that these legislative recommendations will reduce spending by an amount that will lead to a balanced budget by the year 2002, the second reconciliation instruction is triggered.

If you read the letter from the Congressional Budget Office, she does not certify anything; she projects a balanced budget.

Mr. DORGAN. Only yesterday. Today, there is a deficit.

Mr. BUMPERS. But the point is, certification is a certification. You look in the dictionary. It says: ''certifies: to be accurate.'' I could project a balanced budget. But certification and projection are two entirely different words.

I wrote her a letter, and I think the Senator from North Dakota, my colleague, and several others of us sent a letter to her saying:

When you send this letter over, you should be very careful to make sure that you are absolutely certain that all of this is going to lead to a balanced budget, because you have been instructed not to project but to certify.

Mr. DORGAN. I wonder if the Senator might let me reclaim my time.

Mr. BUMPERS. I would be happy to.

Mr. DORGAN. That is a great point.

I want to say Harry Truman—you know, a fine-spoken guy from Independence, MO, could not always follow all of the logic, or at least the presumed logic, by the Congress. He finally says in exasperation

For God's sake, give me a one-armed economist. I am so tired of hearing economists saying ''on the one hand'' and ''on the other hand.'' Give me a one-armed economist.

Here it is. If Harry Truman were here, he would say, This is, on the one hand, yesterday. This plan produces a surplus. But, on the other hand, today, when asked by Senator CONRAD and myself, if you really do it right, the way the law requires, then how does it add up?

Well, on the other hand, this produces a $98 billion deficit in the year 2002.

My son tonight is going to be real excited to hear that you can get this right in the Senate without paying for it—vanishing ink, 24 hours, a new letter, a new projection. This is not a balanced budget. It is a $100 billion deficit in the year 2002.

Mr. CONRAD. Will the Senator yield for a question?

Mr. DORGAN. I will be happy to yield.

Mr. CONRAD. Is it not amazing what a day makes?

Yesterday, the American people were told, you enact the Republican plan, you have a balanced budget. You even have a little bit of a surplus. But when we asked the question, yes, but what if you obey the law of the United States, which says you cannot count Social Security surpluses—and, of course, the reason you cannot count Social Security surpluses is because no accountant anywhere would allow you to take the reserve funds, the retirement funds of your people, and throw those into the pot and call it a balanced budget. That is why we have a law that says you cannot count the Social Security surplus. And when you ask the question, what do you do if you obey the law? then the head of the Budget Office comes back and says, including an estimated off-budget surplus of $180 billion, which is the Social Security surpluses, CBO would project an on-budget deficit of $98 billion in 2002—$98 billion. In fact, the Republican plan, in order to balance, takes every penny of Social Security surpluses over the next 7 years—$650 billion. It takes all those Social Security surpluses, throws those into the pot and says, hallelujah, we have a balanced budget.

Well, of course, they do not have a balanced budget. They do not have a balanced budget by the law of the United States. They do not have a balanced budget that any accountant would anywhere certify to in America.

I say to my colleague, is it not interesting the difference a day makes, from a surplus to a massive deficit in the year 2002 under the Republican plan? There is no balanced budget here, just a big fraud.

Mr. HOLLINGS addressed the Chair.

Mr. DORGAN. Mr. President, let me just make one additional comment and yield the floor.

Mr. HOLLINGS. I am sorry.

Mr. DORGAN. We will talk a little bit more about this next week. The only reason we bothered to do this is because some of us yesterday found it not believable, those who held up with great pride this missive from the CBO. We felt if you are going to misuse the Social Security trust funds to the tune of $100 billion in the year 2002, there is a law on the books—and the law was written, incidentally, by the Senator who will speak now, the Senator who is now standing—which says you cannot use the Social Security trust fund.

Why would we do that? Because Social Security trust funds come out of people's paychecks and they are dedicated to go into a trust fund to be used only for one purpose and no other purpose, Social Security. We are creating a surplus because we need it for the future. It is one of the few responsible things we have done in the last 15 years. That surplus under today's budget scheme is now being used as revenue in the operating budget, and that is the basis on which yesterday's letter was issued improperly. Today we say issue it properly and then tell us what the impact is.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The time of the Senator from North Dakota has expired.

The Senator from South Carolina.

Mr. HOLLINGS. I thank the Chair.

NO BALANCED BUDGET

Mr. HOLLINGS. Mr. President, let me first congratulate the distinguished Senator from North Dakota, Senator DORGAN, and the distinguished Senator from North Dakota, Senator CONRAD. These two gentlemen have been persistent on this issue, and this particular Senator from South Carolina is most grateful because for a long time I have felt a little like a Johnny One Note. I took the floor 2 days ago and now again today to reiterate what Senator DORGAN just said—namely, that the Republican budget is not balanced. A couple weeks ago, when we were passing the State, Justice, Commerce Appropriations bill I said that if there were a way to balance the budget without increasing revenues as well as holding the line on spending, I would jump off the Capitol dome.

Let me turn, Mr. President, to the subject raised by these two gentlemen and the response given to their inquiry by the Director of the Congressional Budget Office.

While my distinguished colleague from Mississippi congratulated the chairman of the Budget Committee, I was sorry that I could not join in those congratulations, and I wish to explain in a very dignified way just exactly why.

On July 10, 1990, we voted in the Budget Committee by a vote of 20 to 1 to put the Social Security trust fund off budget—20 yeas, 1 nay. The one nay was the distinguished Senator from Texas, Mr. GRAMM, but the distinguished present chairman of the Budget Committee, Senator DOMENICI, voted for my Social Security preservation amendment.

I ask unanimous consent to include the committee rollcall in the RECORD.

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

JULY 10, 1990—HOLLINGS MOTION TO REPORT THE SOCIAL SECURITY PRESERVATION ACT

The Committee agreed to the Hollings motion to report the Social Security Preservation Act by a vote of 20 yeas to 1 nay:

Yeas	Nays
Mr. Sasser	Mr. Gramm
Mr. Hollings	
Mr. Johnston	
Mr. Riegle	
Mr. Exon	
Mr. Lautenberg	
Mr. Simon	
Mr. Sanford	
Mr. Wirth	
Mr. Fowler	
Mr. Conrad	
Mr. Dodd	
Mr. Robb	
Mr. Domenici	
Mr. Boschwitz	
Mr. Symms	
Mr. Grassley	
Mr. Kasten	
Mr. Nickles	
Mr. Bond	

Mr. HOLLINGS. I thank the Chair. On October 18, 1990, I toiled alongside the distinguished Senator from Pennsylvania, our late, wonderful Senator and friend, John Heinz. He had been working diligently on this issue as well. He was not on the Budget Committee, but I said to John, if you can get the votes on the Republican side, I think we can really finally fix this problem. It needed fixing because everyone had been playing games.

The truth of the matter is, Mr. President, that beyond using the surpluses in the Social Security trust fund, another $12 billion comes from other trust funds. They use the highway trust fund. They use the airport and airways trust fund, the civil service retirement, the military retirement trust fund. You can go right on down the list. Back in 1990, you could not get anybody's attention talking about these other trust funds, but I said on Social Security I think we have got them.

Mr. President, the vote on October 18, 1990, was 98 to 2.

I ask unanimous consent to have printed in the RECORD the Senate vote on the Hollings-Heinz amendment putting Social Security off budget.

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

Subject.—Hollings-Heinz, et al., amendment which excludes the Social Security Trust Funds from the budget deficit calculation, BEGINNING in FY 1991.

YEAS (98)

Democrats (55 or 100%)—Adams, Akaka, Baucus, Bentsen, Biden, Bingaman, Boren, Bradley, Breaux, Bryan, Bumpers, Burdick, Byrd, Conrad, Cranston, Daschle, DeConcini, Dixon, Dodd, Exon, Ford, Fowler, Glenn, Gore, Graham, Harkin, Heflin, Hollings, Inouye, Johnston, Kennedy, Kerrey, Kerry, Kohl, Lautenberg, Leahy, Levin, Lieberman, Metzenbaum, Mikulski, Mitchell, Moynihan, Nunn, Pell, Pryor, Reid, Riegle, Robb, Rockefeller, Sanford, Sarbanes, Sasser, Shelby, Simon, Wirth.

Republicans (43 or 96%)—Bond, Boschwitz, Burns, Chafee, Coats, Cochran, Cohen, D'Amato, Danforth, Dole, Domenici, Durenberger, Garn, Gorton, Gramm, Grassley, Hatch, Hatfield, Heinz, Helms, Humphrey, Jeffords, Kassebaum, Kasten, Lott, Lugar, Mack, McCain, McClure, McConnell, Murkowski, Nickles, Packwood, Pressler, Roth, Rudman, Simpson, Specter, Stevens, Symms, Thurmond, Warner, Wilson.

NAYS (2)

Democrats (0 or 0%).

Republicans (2 or 4%)—Armstrong, Wallop.

NOT VOTING (0)

Democrats (0).

Republicans (0).

Mr. HOLLINGS. I thank the distinguished Chair.

And then on November 5, Mr. President, George Bush, President George Bush, signed into law, Public Law 101–508, saying here:

Section 301(a) of the Congressional Budget Act of 1974 is amended by adding at the end the following: The concurrent resolution shall not include the outlays and revenue totals of the old age, survivors and disability insurance program established under title II of the Social Security Act or the related provisions of the Internal Revenue Code of 1986 in the surplus or deficit totals required by this subsection or in any other surplus or deficit totals required by this title.

I ask unanimous consent to include in the RECORD at this particular point section 13301 of Public Law 101–508 of the United States.

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

Subtitle C—Social Security

SEC. 13301. OFF-BUDGET STATUS OF OASDI TRUST FUNDS.

(a) EXCLUSION OF SOCIAL SECURITY FROM ALL BUDGETS.—Notwithstanding any other provision of law, the receipts and disbursements of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund shall not be counted as new budget authority, outlays, receipt, or deficit or surplus for purposes of—

(1) the budget of the United States Government as submitted by the President,

(2) the congressional budget, or

(3) the Balanced Budget and Emergency Deficit Control Act of 1985.

(b) EXCLUSION OF SOCIAL SECURITY FROM CONGRESSIONAL BUDGET.—Section 301(a) of the Congressional Budget Act of 1974 is amended by adding at the end the following: ''The concurrent resolution shall not include the outlays and revenue totals of the old age, survivors, and disability insurance program established under title II of the Social Security Act or the related provisions of the Internal Revenue Code of 1986 in the surplus or deficit totals required by this subsection or in any other surplus or deficit totals required by this title.''.

Mr. HOLLINGS. I thank the distinguished Chair.

Mr. President, my friends on the other side are well rehearsed in repeating their little drumbeat—balanced budget, balanced budget, balanced budget, balanced budget. But like they say back home: no matter how many times you say it, it doesn't make it so.

Chairman KASICH filed a conference report on June 26, 1995, and on page 3 you will see the word ''deficit''—not ''balance''—for fiscal 2002, $108.4 billion.

We need to open our eyes. When we started the budget process at the beginning of the year, the distinguished chairman of the committee said that we were going to provide the American people with a down payment. We were not going to balance the budget.

As we marked up the budget, the distinguished chairman of the Budget Committee said, ''Now, we require that the reconciliation bill be passed into law before we do any tax cut.''

That has been changed, Mr. President. Now we have a different process where we give CBO certain assumptions. We send them over one day and they say we have a $10 billion surplus. We come back the next day and they say you have a $100 billion deficit.

In the Commerce Committee, where I am the ranking member, we are charged with saving $15 billion. Mr. President, $8 billion of our allotment has already been spent on the telecommunications bill. Half of our assigned savings in the Commerce Committee is absolutely false. The same may be true in other committees as well.

It is like Cato's famous couplet, ''The politician makes his own little laws and sits attentive to his own applause.'' Why, heavens above, you will probably be able to say something else tomorrow.

What we are trying to do is to level with the American people. What we are trying to do is cut spending, freeze spending, close loopholes. But you cannot balance the budget, Mr. President, you cannot do it without also increasing revenues. Nobody around here wants to say that, but that is the truth.

I was put to the metal when the distinguished chairman of the Budget Committee, and others, appeared on December 18. Mr. KASICH, Senator DOMENICI, and others, said, ''We are going to have three budgets. We don't care what the President has got. We are going to balance the budget without taxes.'' I went to the budget staff and said, ''I'm missing something.''

I had worked with Senator Baker on a freeze and back in 1981. Then I got together with Senator GRAMM and Senator Rudman, and we had a freeze and cuts across the board. In 1986 we closed the loopholes with tax reform. Then in 1989 and in 1990 we appeared before the Finance Committee and in the Budget Committee proposing a value-added tax.

We got eight votes in the Budget Committee on that proposal. We got Senator Danforth, Senator Boschwitz and others to work as part of a bipartisan group with truth-in-budgeting.

But now we have a big act going on now. Pressure is being exerted by the House leadership over there, pressuring my friend, the distinguished chairman of the Budget Committee. He should know better than anybody else that this budget we are talking about has no idea of being balanced by the year 2002.

Mr. President, I ask unanimous consent to have printed in the RECORD a budget table compiled by my staff using CBO figures at this particular point.

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

BUDGET TABLES

[Outlays in billions]

Year	Government budget	Turst funds	Unified deficit	Real deficit	Grosss federal debt	Gross interest
1968	178.1	3.1	−25.2	−28.3	368.7	14.6
1969	183.6	−0.3	+3.2	+2.9	365.8	16.6
1970	195.6	12.3	−2.8	−15.1	380.9	19.3
1971	210.2	4.3	−23.0	−27.3	408.2	21.0
1972	230.7	4.3	−23.4	−27.7	435.9	21.8
1973	245.7	15.5	−14.9	−30.4	466.3	24.2
1974	269.4	11.5	−6.1	−17.6	483.9	29.3
1975	332.3	4.8	−53.2	−58.0	541.9	32.7
1976	371.8	13.4	−73.7	−87.1	629.0	37.1
1977	409.2	23.7	−53.7	−77.4	706.4	41.9
1978	458.7	11.0	−59.2	−70.2	776.6	48.7
1979	504.0	12.2	−40.7	−52.9	829.5	59.9
1980	590.9	5.8	−73.8	−79.6	909.1	74.8

BUDGET TABLES—Continued

[Outlays in billions]

Year	Government budget	Turst funds	Unified deficit	Real deficit	Grosss federal debt	Gross interest
1981	678.2	6.7	−79.0	−85.7	994.8	95.5
1982	745.8	14.5	−128.0	−142.5	1,137.3	117.2
1983	808.4	26.6	−207.8	−234.4	1,371.7	128.7
1984	851.8	7.6	−185.4	−193.0	1,564.7	153.9
1985	946.4	40.6	−212.3	−252.9	1,817.6	178.9
1986	990.3	81.8	−221.2	−303.0	2,120.6	190.3
1987	1,003.0	75.7	−149.8	−225.5	2,346.1	195.3
1988	1.064.1	100.0	−155.2	−255.2	2,601.3	214.1
1989	1,143.2	114.2	−152.5	−266.7	2,868.0	240.9
1990	1,252.7	117.2	−221.4	−338.6	3,206.6	264.7
1991	1,323.8	122.7	−269.2	−391.9	3,598.5	285.5
1992	1.380.9	113.2	−290.4	−403.6	4,002.1	292.3
1993	1,408.2	94.2	−255.1	−349.3	4,351.4	292.5
1994	1,460.6	89.1	−203.2	−292.3	4,643.7	296.3
1995	1,518.0	121.9	−161.4	−283.3	4,927.0	336.0
1996 estimated	1,583.0	121.8	−189.3	−311.1	5,238.0	348.0

Source: CBO's 1995 Economic and Budget Outlook: An Update, August 1995.

	Year 2002 (billion)
1996 Budget: Kasich Conf. Report, p. 3 (deficit)	−$108
1996 Budget Outlays (CBO est.)	1,583
1995 Budget Outlays	1,518
Increase spending	+65
CBO Baseline Assuming Budget Resolution:	
Outlays	$1,874
Revenues	1,884
This Assumes:	
(1) Discretionary Freeze Plus Additional Cuts (in 2002)	−121
(2) Other Spending Cuts (in 2002)	−226
(3) Using SS Trust Fund (in 2002)	−109
Total reductions (in 2002)	−456

Mr. HOLLINGS. Since my time is limited here, let me just point out one thing. The interest costs are growing faster than the cuts. The interest costs on the gross debt are scheduled to total $348 billion for this fiscal year. That is almost $1 billion a day. In addition, over the 7-year period you know how much we use of Social Security, $636 billion. It is not a balanced budget, Mr. President, and it's high time we recognize this fact.

The PRESIDING OFFICER. The Senator from South Carolina's time has expired.

Mr. HOLLINGS. I thank the Chair.

Mr. INHOFE addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma.

BALANCING THE BUDGET

Mr. INHOFE. I hope that everyone is watching what is going on right now. I cannot tell you how long many of us have been working on the problem of the deficits in this country. And we are finally to a point where we can do something about it.

It is hard for Americans to understand the obstacles that we are facing. There are those of us who really want to do something, really want to balance the budget, with the obstacles we face, and not just the things that are said that are not true, but the fact that I cannot help but believe there are some people who really do not care that much about balancing the budget.

This goes back a long, long time. I can remember, Mr. President, U.S. Senator Carl Curtis from Nebraska. I saw the Senator from Nebraska a moment ago. I was hoping he would still be here when I talked about his home State. He came up with an idea way back in 1972. Carl Curtis said the only way we are ever going to get a balanced budget amendment to the Constitution is to get something ratified in advance from the States to show that there is enough grassroots support to pass it.

And so he devised this plan. He said, we are going to have the State senates and State legislatures throughout America pass and preratify an amendment to the Constitution so that will give us the power that is necessary and influence necessary to get this thing passed. He came to Oklahoma. I was in the State senate at that time.

I remember back in 1972 the total national debt was something like $200 billion. And I remember a TV ad that they had to try to impress upon people to quantify how much money this really was. They had $100 bills that they stacked up and then finally it was up to the height of the Empire State Building, which was a tall building at that time. That was $200 billion. That was 1972. Well, anyway, I passed a resolution in the State senate of the State of Oklahoma to preratify it even though technically we know that would not work. And so he came in and we talked about it. That is how long we have been working on this.

Now since that time in my own personal life we have had four children. Now they are all grown. Now we have grandchildren.

We talked on the floor of this Senate as to the significance of the discussion that has taken place right now of the fact that we really have an opportunity to make a vote, to take a step that the CBO and everybody else says is going to balance the budget, is going to eliminate the deficit by the year 2002. Many of us would like to do it earlier than that. But we are satisfied in knowing that we cannot continue on the course that we are on.

During the national prayer breakfast that took place in February of this year I had the honor of participating in that and of talking to many groups that came in from foreign countries. One was a gentleman who came in from one of the former Soviet Republics. I cannot recall the name of which one it was at this time. But they just recently found their freedoms in that country.

He asked me a question in front of a group. This is during a national prayer breakfast discussion. He said, ''Senator Inhofe, in your country, how much can you keep?''

I said, ''No. I don't understand what you are saying.''

He said, ''How much money can you keep?''

Then after a little while I figured out what he was talking about.

What he was really saying is how much do you have to give the Government in America? He was very proud to announce to us that under their new democracy, under their new freedom, that they are able to keep 20 percent. In other words, in that particular country, they turned around and had to give the government 80 percent of everything they earned on a periodic basis like every month or every 2 months. I do not remember the exact timeframe.

And I thought, my goodness, he is so proud of this freedom. Then we looked at a study that no one has refuted, and no one in this Chamber today will refute it, that if we do not do something to change the course that we are on, that by the time someone who is born today, like my three grandchildren, during the course of their lifetimes, they will have to pay, not 80 percent, but 82 percent of their lifetime income just to support the Federal Government.

Now, that is what we are looking at right now. That is why this is significant. That is why we are at a point we cannot say that we are just going to be business as usual. The elections of 1994 were very specific. They had mandates in those elections. All of the post-election surveys have indicated there are about four areas that people want in this country. First, they want less Government involvement in their lives; second, a stronger national defense; third, punishing criminals; and fourth, which actually came out first, they want to do something about eliminating the deficit, about starting to cut into reducing the debt.

Now, obviously you cannot do that until you stop increasing the deficits. We have a program now, that will accomplish that by the year 2002.

I yesterday took to the floor and talked about some of the new allies that those of us who really want to do something constructive about eliminating the deficit have, some new allies that are coming along. We are seeing right now responsible but liberal editorial boards throughout America are now saying, ''Look. We have heard enough of this lie that is being perpetrated by the leadership of the Democrats in both the House and the Senate, trying to draw a connection between tax relief and balancing the budget.''

And I suggest to you that the choice is not taking that amount of money that is going to be coming out in tax relief and putting it toward the deficit because we know if we are going to be honest with ourselves all that would do is go to more social programs which this administration wants. They do not want cuts. They do not want freezes. They do not want to control growth. They want to increase the social programs. They want business as usual.

Mr. President, the times are changed now. This is not the way it would have been 2 years ago or 4 years ago or 6 years ago.

Mr. FORD. Mr. President, will the distinguished Senator yield?

Mr. INHOFE. I will not yield yet. We are on a timeframe. There are a couple things I want to cover first. The Senator will have an opportunity to have his 10 minutes.

Mr. FORD. I just want to ask a question.

Mr. INHOFE. With this timeframe we are looking at now, it is so critical that we ignore the demagogs and those who are trying to ignore this problem.

I suggest, as I did yesterday, that one of these newspapers which has always been pro-Democrat, as opposed to Republican, which has been liberal in their editorial policy, the Washington Post, had an editorial just the other day, September 15. This editorial is called ''Medagogues.'' In this editorial, they talk about how the Democrats are trying to draw a relationship between tax relief and balancing the budget.

I suggest that anyone—and it has been suggested in some of these editorials, not this particular one, that if anyone was opposed to the tax increase of the Clinton administration of 1993—this is back when the Democrats controlled the House and the Senate and this was characterized as the largest single tax increase in the history of public finance in America or anyplace in the world, and that was not JIM INHOFE, a conservative Republican talking, that happened to be a Democrat on the floor of the Senate talking, that that was the largest single tax increase in 1993.

What did they do? It was a tax increase on, among other people, the senior citizens, a 50-percent tax increase in Social Security, raising it from 50 to 80 percent. This is something the American people did not want.

So I suggest to you, Mr. President, that if there is anyone out there, including Democrats or Republicans, who opposed that tax increase, they should be for tax relief now. Essentially all we are trying to do is repeal the damage that was done to the American people back in 1993.

''Medagogues'' is the name of the editorial:

> What the Democrats have instead is a lot of expostulation, TV ads and scare talk.

They go on and on.

> But there isn't any evidence that they would ''lose their Medicare'' or lose their choice of doctor under the Republican plan.

This is something that is very critical, because this is an important part of the bill that will be considered.

Ten days later, they came out again, and I think this is the first time probably in the history of the Washington Post that they came out twice on the same subject taking the conservative side of an issue. The last two sentences of this editorial are:

> 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.

I want to conclude, because my time is almost up. I have to be very critical of the Democratic Senatorial Campaign Committee. They are flooding the airwaves throughout America with propaganda such as this one that says: ''Inhofe Feasts on Tax Cut for the Privileged While Children Go to Bed Hungry.''

Just the other day this was sent out to every newspaper in Oklahoma characterizing me as some kind of monster abusing the children, abusing the elderly. All we are trying to do is protect America for the next generation, my grandchildren, which, if we do not do it, will have to spend 82 percent of their lifetime income just to support this monstrous Government.

So, Mr. President, this is what conservatives are going up against. This is the ridicule we have been subjected to. These are the slings and arrows that are happening to us.

I can tell you right now, the American people understand the same as they understood they did not want our health care delivery system turned over to Government, they understand this is the last opportunity we are going to have in America to actually bring this budget under control and, in this case, to eliminate the deficit by the year 2002.

I will conclude by quoting one of my favorite people, Churchill, who said: ''Truth is incontrovertible. Panic may rescind it, ignorance may deride it, malice may destroy it, but there it is.'' And the truth is going to come through. We are going to succeed in this effort. Thank you, Mr. President.

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER (Mr. BENNETT). The Senator from Arkansas.

A TAX INCREASE FOR 50 PERCENT OF AMERICAN PEOPLE

Mr. BUMPERS. Mr. President, I never will forget in 1981 how the wind swept through this Senate and accepted Ronald Reagan's promise that if we just pass this massive tax cut, it would generate so much economic activity and so many taxes that we would balance the budget in 3 years, no more than 4 years. That was $4 trillion ago.

I am happy to report I was 1 of 11 Senators that did not buy that for one instant. And, Mr. President, we are getting the same snake oil with this bill.

I applaud a lot of people on both sides of the aisle who have committed themselves to dealing with the problem the American people have said is No. 1. But there is a time to pass tax cuts, and the time to do it is after we balance the budget, not before.

But having said that, Mr. President, let me add that I would not vote for this tax bill if we had a $300 billion surplus this year. I would not vote for this tax bill if you held a gun to my head, because it betrays every value I hold dear about this Nation. The budget resolution that we passed in June said CBO will certify, not project, certify a balanced budget by the year 2002. And that once they certify it, then the Finance Committee can report out a $245 billion tax cut. The problem with that is not only has CBO not certified, they have only projected, but once this tax bill passes—and it is going to pass, Mr. President, make no mistake about that—but once it passes, the money will be gone and unavailable to help meet unexpected obligations like recessions, wars, trade wars, earthquakes, hurricanes, or floods.

A flood 3 years ago cost somewhere between $10 and $20 billion. We are still paying for Hurricane Hugo, which also cost billions.

But here is the reason I would not vote for the tax bill. Look what it does. It has a capital gains provision: 76.3 percent—think of that, 76.3 percent of the capital gains tax cut which costs almost $50 billion goes to people who make over $100,000 or more. That is about 7 percent of the American people, including every single Member of the U.S. Congress.

You think I am going to vote for a bill that gives 6.4 percent to people who make less than $30,000 a year; 4.6 percent if you make $30,000 to $50,000; 6.1 percent if you make $75,000 to $100,000; and 76 percent to people who make over $100,000? I would not vote for that under any circumstances. Those people do not need a tax cut.

I might also say, my friends in the business community in my State say, ''Senator, we don't need a tax cut, we need to get the deficit under control. Balance the budget and then talk about taxes.''

What is even worse—talk about betraying our values—CBO said this bill represents a tax increase on 51 percent of the American people. That is how

many people in America make less than $30,000 a year—51 percent. They get a tax increase out of this when you consider the cuts in the EITC, student loans, and all the others. At the same time, the richest 1 percent of the people in the country get $20,000 in tax cuts. Think of that, 50 percent of the people on the lowest rung of the ladder get a tax increase, and people making $200,000 a year or more get $20,000.

What has happened to the country? Why do we do things like that? It betrays everything I believe in. During the Depression when I was growing up in a family poor as Job's turkey, we looked to the Government to help us, not hurt us. It was the Government we turned to for sewer systems and water systems and paved streets and rural electrification. Today, we are saying, let them eat cake.

Who wants the tax cut? Seventy percent of the people in this country, in a USA Today poll, said reduce the deficit. One-third as many, 24 percent, said give me a tax cut. There is no clamor for it.

On the earned income tax credit, President Reagan, Majority Leader DOLE, Senator DOMENICI, and many others on the Republican side of the aisle have said that is a wonderful program. So what are we going to do? We are going to cut it.

Mr. President, it is not just the tax bill that is so horrendous about this thing. There are all kinds of things in there. We continue to give away western lands to the biggest corporations in America, the mining corporations. And there is $18 million, over a 7-year period, in here against the mining companies. They get off scot-free—essentially scot-free.

And then there is ANWR. Open up ANWR up on the north slope. That is going to be a tough one, Mr. President. That is going to be debated heavily here, because that is the same thing as an asset sale. When you sell an asset—as any businessman will tell you—that is a one-time bonanza for you. If you put that one-time bonanza into your operating budget, you will be in big trouble the next year.

Mr. President, we are selling our petroleum reserve in Elk Hills, our naval petroleum reserves. We are selling 40 million barrels of oil out of our strategic petroleum reserve. We are selling everything in the world we can lay our hands on, with no thought of what you do for an encore, once you sell those assets. Until a few months ago, Congress could not count the sale of an asset as a revenue raiser. Why? Because counting the revenue from an asset sale fails to show the loss of value of the asset. It was only this year that Congress changed the budget law to allow asset scoring and count it toward balancing the budget. Now that we have changed the scoring process, we are selling everything we can get our hands on and counting that against the deficit.

Let me go back to the earned income tax credit for a moment. The EITC helps reduce the poverty rate. Look at this chart. In 1993, 15.1 percent of the people lived in poverty. By 1994, the poverty rate had dropped to 14.5 percent. And if you consider the actual number of persons living in poverty, it was down almost one million people. So what are we going to do? Cut the earned-income tax credit, even as the program is working. There is the proof.

The other day at this Million Man March, the point was made over and over again that fewer and fewer black people are enrolling in college. So what are we going to do? We are going to cut education funds by 30 percent—the most massive cut in the history of the country in education. It is going to make it much more difficult to get a loan, and then more difficult to pay it off.

We are torpedoing all the programs that are working. Mind you, there are some programs that we need to torpedo, but the EITC and educational loans are not among them. I stood on this floor and I fought the B–2 bomber, I fought the space station, and I fought the super collider. I fought so many fights trying to save money to get spending under control here, and I lost most of them. Do you know why? Because the companies who make those big-ticket items dominate. We are not going to solve our spending problems until we reform campaign financing. The space station is made in 36 States, and that guarantees that it will continue. It is the most horrendous, outrageous waste of money in the history of man, and you cannot stop it. But you can sure stop payments to old people, who depend on Medicare for their health care.

You think of it. A $270 billion cut in Medicare. A $182 billion cut in Medicaid, health care for the poorest of the poor. I ask for 1 additional minute.

Mr. THOMAS. Mr. President, I object. We were set up for 10 minutes.

The PRESIDING OFFICER. Objection has been heard. The Senator has spoken for 10 minutes.

Mr. BUMPERS. I yield the floor.

Mr. THOMAS addressed the Chair.

The PRESIDING OFFICER. The Senator from Wyoming is recognized.

BALANCING THE BUDGET

Mr. THOMAS. Mr. President, when we have an arrangement to speak for 10 minutes, it seems to me that is what we should do.

I want to talk a little bit about the opportunity and the time that we now have to come to a decision. We have been talking this whole year about budgets, about balanced budgets. We started out in the beginning of the year with a vote on balanced budgets, which lost by one vote. We have worked the whole year long, and now we are down to the place where it begins to count. We are down to where we are going to make a decision as to what we do.

Mr. President, I listened to my colleague on the other side, and I have heard that speech for 25 years. For 25 years, we have not balanced the budget in this place. Every year we have the same litany of reasons why we cannot do that. For the first time in that period of time, we have a dedication to doing it. For the first time, we have a pattern to do that. We can balance the budget.

The real question is, is it reasonable, is it morally and fiscally responsible to go for 25 years without balancing the amount of money you take in with the amount of money you take out? How long could you do that in your family or in your business? We are beginning to have the same repercussions that you would have there—the repercussion being that we have a $5 trillion debt, and we will have to vote on that this month, or early next month; that the interest on that debt will now amount to probably the largest single-line item in the budget. So we hear, year after year, the same litany of reasons why we cannot do this, basically, frankly, from the same people who have been here for 25 years. I do not mean to be critical. It is a tough decision. But people sent us here, this year particularly, to deal with that issue. It is time to do that. We hear the talk about the Reagan years, when we reduced taxes and the promise that it would increase the economy. It did in fact increase the economy markedly. The problem was, we did not reduce or hold down spending. The constitutional responsibility for doing that lies right here in this Congress. Right here. It is our responsibility to do that.

We hear about capital gains tax cuts. These are tax cuts that provide an opportunity for investment to create jobs, that give us a prosperous economy and give us a chance for people to work and take care of their families. That is what that is about. The earned income tax credit. That will continue to grow. It has been the fastest growing program in the entire budget. It started out, I believe, at about $1.5 billion. It has gone to $25 billion in less than 10 years and is scheduled to go to $32 billion. That is a cut? Give me a break. It is not a cut. It is also one of the programs that has been most filled with inconsistencies, and indeed fraud in many cases, payments going to people that did not qualify for them.

So, Mr. President, it is really time that we take a little look at what we are doing here. If we do not balance the budget, what happens? If we do not do something about Medicare, what happens? Medicare in the trust fund, in part A, goes broke in 2002. That is the way it is. So we have to do something about it. A child born today owes $187,000 in interest on the Federal debt. That is where we are. That is why we have to do something about it. By the year 2015, all of our spending will be on entitlements and the national debt interest. All of our tax revenues will be taken for that reason.

So what do we need to do? Obviously, we need to balance the budget. We need to preserve, protect and strengthen Medicare. We need to reform welfare. And we need to—to the extent that we can do it after the budget is balanced—reduce the taxes on American families so they can spend more of their own money.

In this proposition, the tax cutting comes after the balanced budget is certified. That is the system. That is the plan that we have here. The benefits include lower interest rates for businesses, for families, and less expensive homes, cars, and student loans. The Senator talked about education. Student loans will be at a lower interest rate. There will be a higher standard of living. Some estimate there will be as many as 6 million more jobs. So we have to do this.

The best opportunity that we have had will be before us in the next 2 weeks. That is what the voters said to us last November. That is their expectation. That is our expectation—those of us, particularly, who have just come this year. We came with the commitment to fundamentally change the direction in which we are going. We came with a commitment to change the things the Senator was talking about—deficits for 25 years. The administration does not have a budget that will give us a balanced budget. The first budget was defeated 99–0. The second was not voted on. By CBO's own estimates, at the end of 10 years, it will still have a $200 billion deficit.

So we can talk about the same things we have talked about forever. We can talk about all the reasons why this cannot be done. We can make excuses. But the real question is, is it fiscally and morally responsible to move toward a balanced budget in 7 years? If the answer is yes, then the opportunity arises before us in this next 2-week period.

Mr. President, I hope that my colleagues will take advantage of this opportunity and that, for the first time in a very long time, we will have changed the course of irresponsible spending and moved into a time of a responsible balanced budget.

I yield the floor.

Mr. GRAMS addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

WHY AMERICANS NEED TAX REFORM

Mr. GRAMS. Mr. President, I have been sitting here listening earlier tonight to some of my colleagues on the other side of the aisle talking about the numbers and problems associated with trying to balance this budget over the next 7 years, and while they have been laughing and telling jokes, not just tonight, but for the last 30 years, they have buried the American taxpayer $5 trillion in debt. It would be funny, maybe, if it were not so serious.

They talk about the Social Security trust fund and that Republicans are spending every dime to balance this budget over the next 7 years. But what they fail to tell you is that they have endorsed this same practice for years. In fact, this year alone, the budget that the President of the United States that they passed in 1993 spent every dime of the surplus out of the Social Security trust fund, which, by the way, under law, can only be invested in U.S. securities, backed by the Federal Government. So that money goes to the Treasury, and it has been spent by the Congress ahead of us, by the Democratic majority. It has been spent away. So when they talk about the Republicans using every dime from the Social Security trust fund, they should look at their votes in 1993, as their President tried to mask the deficit in the budget by using those trust fund dollars.

In fact, the deficit touted today by this President of $170 billion actually is using $68 billion of Social Security trust fund money from this year. Otherwise, he would have to report a deficit of about $240 billion. This Congress has inherited the troubles created over the last 30 years. It would have been a lot easier, especially politically, if we could have just continued this huge giveaway. But it would have been at the expense of the next generation. It was time to stand up and look this problem in the face and make some of those tough decisions.

The Democrats talked about the drastic cuts. Just a few moments ago, my good friend from Arkansas talked about fewer dollars for education. Well, these are the first signs of the problems we are facing today because of the last 30 years and the spending spree that this Congress has been on.

The Democrats have pre-spent those dollars that could be used today for education, and if we do not get this budget under control today, next year those problems are even going to be worse, and we are going to be talking about other programs that are not going to have the dollars because they are going to pay interest and other expenses.

So we do have to make some very serious decisions, Mr. President. Otherwise, our next generation, and the generation after, are going to have to pay for the mistakes we have made, and we should not leave them, financially or morally, that way. It is wrong to do that. This is the first good attempt to put a balanced budget in place that is going to make sure that we do not leave our children with our debts.

Mr. President, as we begin debating the tax policy, including a $245 billion tax cut, I believe that the time has come to also begin some serious discussions about how best to reform our badly outdated Tax Code itself.

Since 1913, when Congress first gained the power to impose taxes on income, the Tax Code has been manipulated and expanded so many times by Congress that it has become the greatest barrier between the American people and their Government.

Every segment of society has a reason to complain about the Tax Code. For individuals and families, the cost of complying with the Tax Code too often becomes the difference between making it in America, and just making do.

I have spoken several times on the Senate floor about a young Minnesota family, the Wolstads, who represent the very frustrations felt by millions of Americans when it comes to the topic of taxes.

Natalie Wolstad wrote to me about the enormous tax burden her family is forced to bear, a burden she and her husband did not fully appreciate until they met 1 day with their realtor, and learned they simply could not afford to purchase a new home on their own.

Countless other Minnesota families have sent me letters sharing similar stories of their own.

They were trying to decide, ''Where are we spending our money foolishly?'' When they finally looked at their pay stubs, they were seeing how much money was being taken from them in taxes.

Yes, the Tax Code is tough on families, and it is equally hard on America's job providers—small businesses and large.

When nearly 2,000 entrepreneurs gathered in Washington this summer for the third White House Conference on Small Business, they came with hundreds of ideas on how to make Government more responsive to the people who create the jobs on Main Street.

Although their suggestions covered an enormous range of concerns, one point generated near-universal agreement: something must be done about the complex and costly Federal tax system.

If Congress is truly serious about answering the calls of help from the American people and reforming the tax system, there are three distinct problems which must be addressed.

First, taxes are too high. That is something President Clinton acknowledged this week, when he admitted that the recordbreaking tax increase he pushed through Congress in 1993 was too much for the American people.

Under the headline in the paper ''Tax Rise,'' ''too much,'' President Clinton concedes. But he did take time to blame the Republicans for it. That is at a time when the Democrats controlled every branch of Government—the House, the Senate, and the White House. I welcome the President's realization, but I wish it had come before he signed the $255 billion tax hike into law.

The first step toward building a better Tax Code is to look at the role of the Federal Government and let the people start keeping more of their own money, which they work for.

After all, it does not belong to the Government in the first place. And who

is in a better position to make a family's spending decisions and set their financial priorities—Washington, or the family itself?

Clearly, that responsibility belongs with the family.

We have the opportunity to take that first step in the next few weeks, by passing a $245 billion tax cut which includes the $500 per child tax credit I authored and have fought for over the last 3 years.

I welcome President Clinton's support for tax relief, and urge him to join our efforts. By letting taxpayers keep what is rightfully theirs. we send a strong message that our efforts to balance the budget will always make taxpayers the first priority—not the last.

The second area we must address when discussing reform of the Tax Code is simplification—and simplification must be at the heart of any plan Congress considers.

There is nothing simple about our tax system anymore.

The IRS manages a library of 437 separate tax forms and mails out 8 billion pages of tax instructions every year.

The distinguished House majority leader, Representative ARMEY of Texas, points out that American workers and businesses spent 5.4 billion hours in 1990 just preparing their taxes—more time than it takes to build every car, truck and van manufactured in the United States each year.

This Congress has made shrinkage and simplification its primary goals, and there is nothing that needs it more than our current tax system.

Today's Tax Code may be good business for tax lawyers and accountants, but it is not good policy for the average American taxpayer.

Tax reform must include tax simplification.

The final consideration in building a better Tax Code is making it fairer and more equitable for the taxpayers. Far too often, the current system is not.

The Government continually manipulates the Tax Code—not just to fund Government objectives, but to micromanage the economy and the activities of the taxpayers.

If the Government wants to encourage a particular behavior, it offers a tax benefit.

If it wants to discourage a particular behavior, it sets a tax penalty.

The social engineers have had a field day with the Tax Code. Fairness seems to have been left by the wayside, and families are paying the price.

Look how they have been manipulated through the tax system.

Families, who in 1947 paid just 22 percent of their personal income in the form of taxes, today send nearly 50 cents of every dollar they earn to Federal, State, or local government.

As someone who ran for Congress because of high taxes and what they are doing to this Nation, I am incensed that middle-class American families are being asked to bear the brunt of our enormous tax burden, and then listen to some Senators say that we have to increase taxes more.

In fact, families with children are now the lowest income group in America—below elderly households, below single persons, below couples without children.

In 1950, the average American family sent $1 out of every $50 it earned to Washington—today, the average family sends $1 out of every $4 to feed the Federal Government.

The marriage penalty targets families by taxing them at a higher rate than it does single filers.

And if the dependent exemption had kept up with inflation, it would be more than $8,000 today instead of just over $2,000.

The message we're sending through our tax policy is that families are just not as important today as they were in 1950.

That message must change.

We have the opportunity and responsibility in this Congress to repair the fractured relationship between the Government and its owners—the taxpayers.

It is time we started to talk seriously about cutting taxes, simplifying the system, and making it more equitable.

A recent Forbes magazine cover story called tax reform a ''broad political movement, gaining in popularity the way a hurricane gathers force as it heads for land.''

The questions we should be asking ourselves are not will we ever break form the past and will we ever have a Tax Code that treats all Americans equitably, but rather when.

Mr. President, the answer to that question is now, and the Senate Finance Committee has taken an enormous step toward reaching that goal with its $245 billion tax cut package.

By cutting taxes for families and job-providers, simplifying the way those taxes are collected, and ensuring a process that's fair, reforming the tax system will go a long way toward making government more accountable to the people.

Washington needs to be reminded that the money it collects is not theirs by right—it is collected for use at the will of the taxpayers. And Congress needs to be reminded daily that it represents the taxpayers.

The success of our efforts to reform the tax system won't be measured solely by how much of their own dollars Congress allows families and job providers to keep. It will also be measured by how equitable the system is, and how the taxpayers fare under it.

If we can successfully accomplish all of that, then we will have heard the message of last November and delivered on the solemn promises we made to the American people.

Mr. President, it is time that we get behind this effort. It is time that we balance the budget and stop passing our deficits on to our children and grandchildren.

Thank you very much. I yield the floor.

Mr. KYL addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

BUDGET FANTASY VERSUS REALITY

Mr. KYL. Mr. President, I would like to continue discussing the same subject that the Senator from Wyoming and the Senator from Minnesota have been discussing, and to do so by, first of all, focusing on some of the myths that have been created by the President and by some of his supporters here in the Senate. I am talking about the difference between the budget fantasy and the reality that faces us here today. It is almost an ''Alice in Wonderland'' exercise where words take on meanings that are only in the eye of the beholder and have no relationship to actual reality.

Frankly, they are the last desperate attempts by proponents of big Government to cling to the status quo, which means more spending, higher taxes, and greater regulation. That is really what this exercise in opposition to a balanced budget and tax cuts is all about.

Many of the Democrats cannot believe, let alone accept, that the American people overwhelmingly rejected their approach to governing in that way in last fall's election. Rather than attempting to fulfill the mandate which the American people gave us, they are now cynically pandering to the mandates while doing everything they can to undermine it.

In this topsy-turvy ''Alice in Wonderland'' change, the meaning-of-words situation they have created, spending cuts are increases; spending increases are cuts. For example, claiming that a Medicare spending increase of $2,000 per person over the next 7 years is actually a cut when, in fact, it is a $2,000 increase.

Tax cuts, they say, are spending increases. Tax relief for families become tax cuts for the rich. A volunteer in AmeriCorps is actually paid by the taxpayers $20,000, $30,000, or $40,000 a year. Tax payments, the President says, are contributions. Preserving Medicare is slashing Medicare. And, of course, bankrupting Medicare is saving it.

President Clinton is even now so bold as to blame Republicans, not a single one of whom supported his budget in 1993, for forcing him to raise taxes. It is like ''the old devil made me do it'' skit that we used to see on TV. He says he wishes he had not increased the taxes. I, too, wish he had not increased taxes. But at least our attempt to reduce taxes by $245 billion is a beginning, a partial rollback of this tax increase which he now wishes he had not imposed upon the American people.

Here are some examples of increases that the Democrats claim are cuts.

The Republican Party has said all year that we would not balance the budget at the expense of Social Security. The budget reconciliation bill will

not touch Social Security retirement benefits or cost-of-living adjustments, COLA's. Social Security will increase 43 percent, from $336 billion this year to $482 billion 7 years from now.

Medicare—we are going to increase Medicare spending, not cut it. Medicare will grow from $178 billion in 1995 to $274 billion in 2002, a 54-percent increase. Spending per beneficiary will rise from an average of $4,800 today to more than $6,700 in the year 2002, almost a $2,000 increase, as I said before.

Student loans—we have heard a lot about that. Student loan volume will grow from $24 billion in 1995 to $36 billion in the year 2002, a 50-percent increase. The maximum Pell grant will be raised to $2,440 next year, the highest level it has ever been.

By the way, we could send a whole lot more needy kids to school with Pell grants, eight or nine for every single AmeriCorps volunteer that we pay a salary to.

Here are some examples of cuts that the Democrats claim are actually increases.

Defense spending declines from $270 billion in 1995 to $264 billion in 1996. That is $6 billion less. Defense spending is not going up. It is going down.

Here is an example of spending increases that many of the Democrats not only call cuts but claim are tax increases as well. Only in Washington can such distorted logic have any semblance of credibility.

Talking first about the earned income tax credit, we will spend more on the EITC program every year between now and the year 2002. Spending will rise from $19.8 billion in 1995 to $22.8 billion in the year 2002. The maximum credit for families with one child will rise from $2,094 in 1995 to $2,615 in the year 2002. For families with two children, it rises from $3,100 next year to $3,888 in the near 2002, and the examples go on.

The Democrats not only call that a cut, but a tax increase on low-income families. If you are eligible, you get a check from the Government to offset any income tax liability you might have under that program, plus any excess to which you are entitled. Eighty-four percent of the program costs are cash grants. The program is run through the Tax Code because it is more efficient. It requires less bureaucracy. But it is just not possible that you can be hit by a tax increase if you get back all of your tax payments plus more. It cannot be a tax increase.

Here are some examples of tax cuts that they claim are spending increases. They claim that allowing individuals and businesses to keep more of what they earn is a subsidy that is equivalent to direct spending. But as Llewellyn Rockwell, Jr., pointed out in a column in the Washington Times on September 18 of this year, I am quoting:

> A subsidy means the Government is giving money to you that originally belonged to somebody else. Dairy farmers, for example, are subsidized. That means they get money that the tax man extracted from the taxpayers.
>
> ''Next word: deduction. That's when you were allowed to count some of your income as off limits to the tax man. You can take a deduction for mortgage interest. A portion of your own money stays in the bank.''

Democrats claim the tax relief for families is a tax cut for the rich. The fact is over 70 percent of the tax cuts included in the Finance Committee bill go to families with incomes of less than $75,000 a year.

Let us talk about the AmeriCorps for a moment. The GAO estimated that the program cost nearly $27,000 for each ''volunteer,'' and I put quotation marks around that word ''volunteer'' since they are paid that salary. In fact, that salary is more than the average American earns in a year. Paying people makes them employees, in my view, not volunteers.

For the average of $20,000 to $30,000 cost per year for each student in AmeriCorps, as I said, eight needy students could get Pell grants at $2,400 apiece. The fact is Americans aged 18 and up volunteer 19.5 billion hours of their time, which is a 50-percent increase in the number of hours since 1981. We do not need to pay people to be volunteers under AmeriCorps.

Another one of these Alice in Wonderland meaning changes is calling taxes contributions. Referring to tax increases he would be proposing, President Clinton, in an address to the public from the Oval Office on February 15, 1993, said:

> We just have to face the fact that to make the changes our country needs more Americans must contribute today so that all Americans can do better tomorrow.

I have an idea, Mr. President. Let us just call these contributions voluntary and we will see how much in the way of contributions are received. There is nothing voluntary about the income tax.

On Medicare, President Clinton says, ''The Republican plan would dismantle Medicare as we know it''—the Washington Post, September 16, 1995—despite the fact that six Medicare Board of Trustees, five of whom are Clinton administration appointees, issued a report in April, with which we are all familiar, which stated that ''The Medicare Program is clearly unsustainable in its present form and will become insolvent within the next 6 to 11 years.''

Mr. President, the reality is clear. Medicare benefits will be cut off completely unless we act now. If Medicare goes bankrupt, which could happen as early as the year 2002, according to the trustees, by law no payments could be made to Medicare beneficiaries for hospital care, doctor services, or any other covered benefit.

Even the Washington Post has condemned the duplicity of those who would oppose solving this Medicare problem. In a lead editorial on September 25, 1995, the Post wrote:

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

The editorial, by the way, was entitled, ''Medagogues, Cont'd.''

It is no wonder, Mr. President, that the American people are frustrated and angry. We need to keep the promise we made to the American people to balance the budget by the year 2002.

The Congressional Budget Office has certified that our budget will do just that. We have abided by the Congressional Budget Office, the agency that the President praised for its accuracy in budget forecasting in 1993. But while we have abided by the CBO's scorekeeping, the same entity the President praised 2 years ago, the President himself has changed the numbers to make his alternative budget balance by the year 2005. He has used the numbers from his own office rather than the Congressional Budget Office. As former CBO Director Robert Reischauer put it, ''He lowered the bar and then gracefully jumped over it.''

Let me close by saying that it is unfortunate that the President would change the numbers in order to get his budget balanced rather than face the tough realities we have had to face in putting together a budget which we know will balance by the year 2002. I think we owe it to our children and grandchildren to do that, not to hand them the debt that we have accumulated over the years we have been here.

We have a historic opportunity this year. Not since 1969 has Congress had a chance to vote on a balanced budget. And I do not think we can miss this opportunity. It is not just because of the politics of it. It is because of the children and grandchildren who are going to follow us and who do not deserve to have to pay off the debts that we have accumulated.

So I am very hopeful that we can support the budget that will be presented, the reconciliation bill that will be before us next week. I think if we do that the American people will say thank you for keeping the commitment that you made to us in 1994.

Mr. COCHRAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi.

COMMENDATION OF SENATORS

Mr. COCHRAN. Mr. President, let me commend the distinguished Senator from Arizona for his excellent statement and the other Senators who have spoken on our side of the aisle tonight on the subject of the balanced budget process, the reconciliation bill which will be coming before the Senate next week, and the effort that has been made to put together a plan to achieve a balanced budget by the year 2002. This is a plan that is workable. It is defensible in every respect. It shows a new awareness and sense of responsibility for managing the fiscal policy of

this country in a more commonsense fashion, getting us to a point where on an annual basis we can operate the Federal Government within a budget that is in balance; that we do not overspend; that our projections are sound and based on reality and facts, not fiction.

So I think the statements that have been made this evening are very persuasive as we approach this point when we will be taking up the reconciliation bill. We have already considered a number of appropriations bills that have reduced spending from last year's levels in accordance with the directions of the budget resolution. So we are well on our way to achieving success in this very ambitious undertaking and very important undertaking.

I thank the Senators who have participated in this special order and am convinced that the American people are going to support our efforts, not just because of the speeches made here but because we are doing the right thing.

THE BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, more than 3 years ago I began these daily reports to the Senate to make a matter of record the exact Federal debt as of close of business the previous day.

As of the close of business yesterday, Wednesday, October 18, the Federal debt stood at exactly $4,970,326,555,499.77. On a per capita basis, every man, woman, and child in America owes $18,867.44 as his or her share of the Federal debt.

It is important to recall, Mr. President, that the Senate this year missed an opportunity to implement a balanced budget amendment to the U.S. Constitution. Regrettably, the Senate failed by one vote in that first attempt to bring the Federal debt under control.

There will be another opportunity in the months ahead to approve such a constitutional amendment.

THE ART OF MANAGEMENT IN A NONPROFIT WORLD

Mr. PRESSLER. Mr. President, the global marketplace changes constantly as the economy and consumer preferences fluctuate. To be competitive, businesses must keep pace with marketplace trends. As a result, prestigious business schools across the Nation continuously develop and update new curricula in response to our changing world.

Management practices, in particular, are beginning to depart from traditional business school teachings. After years of educating future business leaders about the art of managing businesses to maximize profits, professional schools are beginning to direct attention toward the management of not-for-profit organizations. Nonprofit groups are growing rapidly, becoming larger and more influential. Consequently, emphasis on the unique skills associated with nonprofit management is becoming increasingly important.

John Whitehead, former U.S. Deputy Secretary of State, renowned entrepreneur, philanthropist, and expert in the world of nonprofit management, is paving the way for scholars to study the art of managing nonprofit organizations. Mr. Whitehead is founder of the John C. Whitehead Fund for Not-for-Profit Management at Harvard Business School. He is dedicated to teaching students about the important role not-for-profit organizations play in a traditionally for-profit business world.

A recent article appeared in the New York Times describing Mr. Whitehead's achievements and his devotion to teaching nonprofit management. This article details Mr. Whitehead's recent contributions to the Harvard Business School and offers a fascinating account of his entrepreneurial ventures. I ask unanimous consent that the text of the article be printed in the RECORD at the conclusion of my remarks.

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

(See exhibit 1.)

Mr. PRESSLER. Mr. President, John Whitehead is a skilled businessman and a generous philanthropist. His contributions to the study of nonprofit management will help those currently running nonprofit organizations and future managers maximize efficiency and attain group goals. Not-for-profit management strategies deserve greater attention both in the academic and business world. I applaud Mr. Whitehead for his dedication to the mission of nonprofit groups and wish him well as he continues to promote better, more-effectively managed nonprofit organizations.

EXHIBIT 1

HOW TO SUCCEED IN NONPROFITS BY REALLY TRYING—HARVARD IS GIVEN $10 MILLION TO TEACH MANAGEMENT SKILLS

(By Karen W. Arenson)

When John Whitehead was co-chairman of Goldman Sachs from 1976 to 1984, it was held up as the epitome of the well-managed Wall Street firm. It made money and it ran smoothly.

Now Mr. Whitehead is trying to bring some of those same management skills to the nonprofit world. In what he calls the third stage of his life, after Goldman Sachs and service as Deputy Secretary of State, he has presided as chairman or president over several venerable institutions, from Harvard-University's Board of Overseers and the Brookings Institution, to the Trustees Council of the National Gallery of Art and the Greater New York Councils/Boy Scouts of America.

But he is not content simply to bring his own management counsel to the boardrooms of a Rolodex of nonprofit organizations. He has a broader aim: to improve the whole art of managing nonprofit organizations. To that end, he is giving $10 million to the Harvard Business School to endow the John C. Whitehead Fund for Not-for-Profit Management.

His goal is to encourage several developments: research in nonprofit management techniques, teaching of these techniques, and more emphasis on training business school students and managers of nonprofit groups.

''I became fascinated by nonprofits,'' Mr. Whitehead said. ''Their reach is much bigger than I realized. One out of every 10 workers in the United States works for a nonprofit. And if you add in the volunteer time, it's even greater.''

''But I came to realize that while people who run nonprofits are fully committed, they are not very good managers, and nonprofits are not very well run,'' Mr. Whitehead said.

Sometimes they are not on the up-and-up either, as Mr. Whitehead has learned the hard way. Earlier this year, after he had planned his gift to Harvard, he and other prominent businessmen were embarrassed to learn that they had foolishly lent their names to the New Era for Philanthropy, a charity based near Philadelphia that was essentially a giant Ponzi scheme. New Era for Philanthropy filed for bankruptcy protection in May, and it and its president, John G. Bennett Jr., have been charged with fraud.

But the more common problem, one he has seen much of since he became involved in the nonprofit world during his years at Goldman Sachs, is a lack of management expertise. That is something he can offer, although he is quick to add: ''Just to show that I don't know everything. I went on the board of a regional theater that went out of business.'' He declines to name the theater.

He describes himself as a sucker for getting involved in nonprofit groups, and said he has a particular affinity for the ones that need help, ''not just the big prestigious ones, but some of the little, weak ones.'' The list, he says in an embarrassed tone, is too long to enumerate, because someone might think he does not have time for so much.

But he is disciplined in his approach, spending the first hour of each day in his Park Avenue office working on business for AEA Investors Inc., a private investment company of which he is chairman. The rest of the day, sometimes starting with a 7:30 breakfast meeting and going through a late dinner, is devoted to his menagerie of nonprofit institutions.

''He does so many things, but the remarkable thing is that he does it all so effectively,'' said William Boardman Jr., director of university capital giving at Harvard. ''His very special capacity is to focus and not to waste time, and he's very insightful.''

Mr. Whitehead has given one other $10 million gift, to Haverford College, ''my other first love,'' where he was an undergraduate and other nonprofit groups say he has been generous.

He described his own philosophy that good citizens need to be generous in both time and money. Having had the ''good fortune to make all this money,'' he said, ''I say somewhat facetiously that by giving it back, it will come out even at the end.''

When he started discussions with John H. McArthur, dean of the Harvard Business School, a couple of years ago, he discovered that several faculty members there had been talking about doing more on nonprofit management. Mr. Whitehead held out the prospect of a large gift if they could develop a productive plan.

The group did more than plan. Research has begun to build. Courses have been added (elective courses on Social Entrepreneurship and on Field Studies in Social Enterprise). Case studies are being written. An eight-day advanced management program for executives who run nonproit programs attracted 50 participants last spring (at a subsidized price of $3,000), and another session will be held next year.

Satisfied that the commitment was there, Mr. Whitehead told the school he was ready

to make the gift. Even though Mr. McArthur is stepping down today, to be succeeded as dean by Kim Clark, Mr. McArthur has promised the nonprofit initiative would remain a priority, and that he will stay involved with it.

Despite the new attention, it is unlikely that nonprofit management will ever be a main theme for the school. The M.B.A. class of 1996, for example, has only 40 students out of 807 who came out of government, education or nonprofit jobs. Even though 10 percent of the class of 1995 cited working with a nonprofit group as their career goal after graduation, the school sent only 11 students into those fields. ''The financial pressures are very high,'' Mr. Whitehead said.

But Mr. Whitehead said he did not worry that nonprofit management would be a stepchild at the business school. He said the new course on social entrepreneurship was oversubscribed last spring, when more than 10 percent of the second year class signed up for it, instead of the 60 that had originally been set as the limit.

''Usually elective courses start small and build their reputations,'' Mr. Whitehead said, ''But this was very successful. I was just delighted.''

He spoke of the growing interest among business students, who know they are likely to serve as directors of nonprofit groups, as he and so many other business executives do now; and the growing recognition that they should know more when they do.

''I believe more of this kind of program, and more scholarship, will help,'' he said.

That is not to say that Mr. Whitehead sees such programs as curing all ills. He does not think that better education would have stopped the scandal involving the Foundation for New Era Philanthropy.

New Era persuaded sophisticated executives like Mr. Whitehead to funnel money they wanted to contribute to other charities through New Era, saying that it would be matched after six months. The participation of top business leaders like Mr. Whitehead helped attract other donors.

''New Era was a real tragedy,'' said Mr. Whitehead, who stands to lose up to $1 million in the bankruptcy. ''I doubt that a program like this would have lessened the problem. If you have a dishonest guy, there is not much you can do. I hope we will all be able to put it behind us.''

Although the management of nonprofit institutions is a relatively new academic specialty, Harvard is by no means the first university to turn its attention to the subject. There are now more than three dozen centers for the study of nonprofit enterprises at universities around the country, from Yale and Duke to the New School for Social Research and the University of San Francisco, and at least a dozen offer some focus on management.

In addition, there is already one other school at Harvard, the John F. Kennedy School of Government, that focuses on nonprofit enterprise, and sends about a third of its graduates into jobs in nonprofit institutions. It even offers the only course on nonprofit management at Harvard.

While the two schools talked about the possibility of a joint program, Mr. Whitehead's money was ultimately directed to the business school.

''They both have a role to play,'' he said, ''My interest is in teaching managers business skills. The Kennedy School teaches them about the policy issues. There is a different kind of emphasis, and there is room for both.''

Those connected with the business school program, the Initiative on Social Enterprise, which was established in 1993, concede that there is much to learn before there is a discipline that offers the depth and breadth of business management. They talk of the overlap between the two fields—and the differences. And they talk about building new intellectual capital.

V. Kasturi Rangan, a business school professor who is one of the leaders of the social enterprise initiative, talked about the crossover in his own field of marketing:

''Nonprofit management offers its own challenges, but the trick is to bring the core disciplines into these challenges,'' he said. ''We don't have Marketing 1 for toothpaste, and marketing 2 for computers. marketing is marketing.''

He added, however, that nonprofit groups face a dual customer problem that is unique to them, because they need to concern themselves both with the clients who receive their services, and with the donors who pay for the services with their charitable contributions. The usual marketing discipline, coming out of consumers' choices that weigh benefits against costs, doesn't apply when consumers and payers are separate, he said. So a nonprofit group needs to develop special internal measures to know whether its products are appropriate.

It is analysis like this that excites Mr. Whitehead and makes him feel that his money will be well spent.

''This is fun,'' Mr. Whitehead said. ''This is what keeps me going.''

JOHN C. WHITEHEAD

Born April 2, 1922, Evanston, Illinois.

Education:

Haverford College, 1943.

M.B.A. with distinction, Harvard Business School, 1947.

Professional life:

Goldman, Sachs & Co., 1947–1984. Securities Industry Association, chairman, 1972–1973. New York Stock Exchange, director, 1982–1984. Deputy Secretary of State, 1985–1989, Harvard University, President of the Board of Overseers, 1989–1991.

Current leadership in these organizations:

AEA Investors Inc. International Rescue Committee. United Nations Association of the U.S.A. Andrew W. Mellon Foundation. International House, Youth for Understanding, The Brookings Institution, and Asia Society. Greater New York Councils/Boy Scouts of America. J. Paul Getty Trust, Rockefeller University, Lincoln Center Theater, and Outward Bound.

TRIBUTE TO SUSAN HOFFMANN

Mr. DOLE. Mr. President, I would like to take a moment to recognize a staffer who has recently left my Topeka, KS office, Susan Hoffmann. Susie was a dedicated member of my staff for almost 8 years and has recently moved on to pursue her career with the Community Bankers Association in Topeka.

Susie is a graduate of my alma mater, Washburn University, and has worked for several years helping the Young Republicans in the State. She was committed to assisting constituents with their concerns about government and they knew Susie was always there to lend a helping hand to a Kansan in need. She made a difference in hundreds of people's lives, because she cared.

Mr. President, I know my staff joins me in wishing Susan Hoffmann the best of luck in her future endeavors.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were 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 a nomination which was referred to the Committee on Armed Services.

(The nominations received today are printed at the end of the Senate proceedings.)

REPORT OF DEFERRALS OF BUDGETARY RESOURCES—MESSAGE FROM THE PRESIDENT—PM 88

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 jointly, pursuant to the order of January 30, 1975, as modified by the order of April 11, 1986, to the Committee on Appropriations, to the Committee on the Budget, to the Committee on Foreign Relations, to the Committee on Labor and Human Resources, and to the Committee on Finance.

To the Congress of the United States:

In accordance with the Congressional Budget and Impoundment Control Act of 1974, I herewith report three deferrals of budgetary resources, totaling $122.8 million.

These deferrals affect the International Security Assistance program, and the Departments of Health and Human Services and State.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *October 19, 1995.*

MESSAGES FROM THE HOUSE

At 10:59 a.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House has agreed to the following the concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 108. Concurrent resolution to correct technical errors in the enrollment of the bill H.R. 1594.

The message also announced that the House disagrees to the amendment of the Senate to the bill (H.R. 2076) making appropriations for the Departments of Commerce, Justice, and the judiciary, and related agencies for the fiscal year ending September 30, 1996, and for other purposes, and agrees to the conference asked by the Senate on the disagreeing votes of the two Houses thereon; and appoints Mr. ROGERS, Mr. KOLBE, Mr. TAYLOR of North Carolina, Mr. REGULA, Mr. FORBES, Mr. LIVINGSTON, Mr. MOLLOHAN, Mr. SKAGGS, Mr. DIXON, and Mr. OBEY as managers of the conference on the part of the House.

The message further announced that the House disagrees to the amendment of the Senate to the bill (H.R. 2126) making appropriations for the Department of Defense for the fiscal year ending September 30, 1996, and for other purposes, and asks a further conference with the Senate on the disagreeing votes of the two Houses thereon; and appoints Mr. YOUNG of Florida, Mr. MCDADE, Mr. LIVINGSTON, Mr. LEWIS of California, Mr. SKEEN, Mr. HOBSON, Mr. BONILLA, Mr. NETHERCUTT, Mr. ISTOOK, Mr. MURTHA, Mr. DICKS, Mr. WILSON, Mr. HEFNER, Mr. SABO, and Mr. OBEY as managers of the conference on the part of the House.

At 4:13 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 bill, without amendment:

S. 1254. An act to disapprove of amendments to the Federal Sentencing Guidelines relating to lowering of crack sentences and sentences for money laundering and transactions in property derived from unlawful activity.

The message also announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 39. An act to amend the Magnuson Fishery Conservation and Management Act to improve fisheries management.

ENROLLED BILLS

At 6:46 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the Speaker has signed the following enrolled bills:

S. 227. An Act to amend title 17, United States Code, to provide an exclusive right to perform sound recordings publicly by means of digital transmissions and for other purposes.

S. 268. An Act to authorize the collection of fees for expenses for triploid grass carp certification inspections, and for other purposes.

MEASURES REFERRED

Pursuant to the order of October 19, 1995, the following bill was referred to the Committee on Finance:

S. 1318. A bill to reform the statutes relating to Amtrak, to authorize appropriations for Amtrak, and for other purposes.

The following bill was read the first and second times by unanimous consent and referred as indicated:

H.R. 39. An act to amend the Magnuson Fishery Conservation and Management Act to improve fisheries management; to the Committee on Commerce, Science, and Transportation.

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–1521. A communication from the Director of Communications and Legislative Affairs, U.S. Equal Employment Opportunity Commission, transmitting, pursuant to law, the annual report for fiscal year 1993; to the Committee on Labor and Human Resources.

EC–1522. A communication from the Director of Communications and Legislative Affairs, U.S. Equal Employment Opportunity Commission, transmitting, pursuant to law, the federal sector report on complaints and appeals, and the annual report on the employment of minorities, women, and people with disabilities for fiscal year 1993; to the Committee on Labor and Human Resources.

EC–1523. A communication from the Secretary of the Department of Health and Human Services, transmitting, pursuant to law, the report on out-of-wedlock childbearing; to the Committee on Labor and Human Resources.

EC–1524. A communication from the Secretary of Labor, transmitting, pursuant to law, the report on the Employment Retirement Income Security Act (ERISA) during calendar year 1993; to the Committee on Labor and Human Resources.

EC–1525. A communication from the Secretary of Labor, transmitting, pursuant to law, the annual report on the Office of Workers' Compensation Programs for fiscal year 1994; to the Committee on Labor and Human Resources.

EC–1526. A communication from the Director of the Office of Management and Budget, the Executive Office of the President, transmitting, pursuant to law, the report on appropriations legislation within five days of enactment; to the Committee on the Budget.

EC–1527. A communication from the Secretary of Transportation, transmitting, pursuant to law, the annual report entitled, ''Relative Cost of Shipbuilding'' for 1994; to the Committee on Commerce, Science, and Transportation.

EC–1528. A communication from the Secretary of Energy, transmitting, a draft of proposed legislation to amend the Energy Policy and Conservation Act to manage the Stretegic Petroleum Reserve more effectively and for other purposes; to the Committee on Energy and Natural Resources.

EC–1529. A communication from the Assistant Secretary of State for Legislative Affairs, transmitting, pursuant to law, notice of a Presidential determination relative to Military Financing Funds to the Economic Support Fund for El Salvador; to the Committee on Foreign Relations.

EC–1530. A communication from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, the report of the texts of international agreements, other than treaties, and background statements; to the Committee on Foreign Relations.

EC–1531. A communication from the Chairperson of the U.S. Commission on Civil Rights, transmitting, puruant to law, the report entitled, ''Racial and Ethnic Tensions in American Communities: Poverty, Inequality, and Discrimination''; to the Committee on the Judiciary.

EC–1532. A communication from the Chairman of the Federal Elections Commission, transmitting, pursuant to law, communications disclaimer requirements; to the Committee on Rules and Administration.

EC–1533. A communication from the Secretary of Veterans Affairs, transmitting, a draft of proposed legislation to amend title 38, sections 810(2) and 8109(h)(3)(B), United States Code, to delete the references therein to ''working drawings'' and substitute therefor the words ''construction documents,'' and to further delete the references therein to ''preliminary plans'' and to substitute therefor the words ''design development''; to the Committee on Veterans' Affairs.

EC–1534. A communication from the Secretary of Veterans Affairs, transmitting, a draft of proposed legislation to amend title 38, United States Code, to modify disbursement agreement authority to include residents and interns serving in any Department facility providing hospital care or medical services''; to the Committee on Veterans' Affairs.

EC–1535. A communication from the Secretary of Veterans Affairs, transmitting, a draft of proposed legislation to amend title 38, United States Code, to revise the procedures for providing claimants and their representatives with copies of Board of Veterans' Appeals (Board) decisions and to protect the right of claimants to appoint veterans service organizations as their representative in claims before the Department of Veterans Affairs; to the Committee on Veterans' Affairs.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. PRESSLER, from the Committee on Commerce, Science, and Transportation, without amendment:

S. 187. A bill to provide for the safety of journeymen boxers, and for other purposes (Rept. No. 104–159).

By Mr. PRESSLER, from the Committee on Commerce, Science, and Transportation, with an amendment in the nature of a substitute:

S. 1004. A bill to authorize appropriations for the United States Coast Guard, and for other purposes (Rept. No. 104–160).

By Mrs. KASSEBAUM, from the Committee on Labor and Human Resources, with an amendment in the nature of a substitute:

S. 673. A bill to establish a youth development grant program, and for other purposes (Rept. No. 104–161).

By Mr. MURKOWSKI, from the Committee on Energy and Natural Resources, without amendment:

S. 1012. A bill to extend the time for construction of certain FERC licensed hydro projects (Rept. No. 104–162).

H.R. 1266. A bill to provide for the exchange of lands within Admiralty Island National Monument, and for other purposes (Rept. No. 104–163).

By Mr. HATCH, from the Committee on the Judiciary, without amendment and with a preamble:

S. Res. 177. A resolution to designate October 19, 1995, as ''National Mammography Day.''

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. MCCONNELL (for himself, Mr. BENNETT, and Mr. DORGAN):

S. 1335. A bill to provide for the protection of the flag of the United States and free speech, and for other purposes; to the Committee on the Judiciary.

By Mr. LUGAR:

S. 1336. A bill to enable processors of popcorn to develop, finance, and carry out a nationally coordinated program for popcorn promotion, research, consumer information, and industry information, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. BROWN:

S. 1337. A bill to amend the Legal Services Corporation Act to limit frivolous lawsuits,

and for other purposes; to the Committee on Labor and Human Resources.

S. 1338. A bill to improve the United States Marshals Service, and for other purposes; to the Committee on the Judiciary.

By Mrs. FEINSTEIN:

S. 1339. A bill to amend title 18, United States Code, to restrict the mail-order sale of body armor; to the Committee on the Judiciary.

By Mr. DASCHLE (for himself, Mr. HARKIN, Mr. BAUCUS, Mr. WELLSTONE, Mr. KERREY, Mr. CONRAD, Mr. GRASSLEY, Mr. CRAIG, Mr. LEAHY, Mr. DORGAN, Mr. BOND, Mr. PRESSLER, Mrs. MURRAY, Mr. FEINGOLD, Mr. KOHL, Mr. BURNS, and Mr. EXON):

S. 1340. A bill to require the President to appoint a Commission on Concentration in the Livestock Industry; to the Committee on the Judiciary.

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

S. 1341. A bill to provide for the transfer of certain lands to the Salt River Pima-Maricopa Indian Community and the city of Scottsdale, Arizona, and for other purposes; to the Committee on Indian Affairs.

By Mr. AKAKA (for himself, Mr. ROCKEFELLER, Mr. INOUYE, Mr. WELLSTONE, and Mr. SIMON):

S. 1342. A bill to amend title 38, United States Code, to authorize the Secretary of Veterans Affairs to make loans to refinance loans made to veterans under the Native American Veterans Direct Loan Program; to the Committee on Veterans' Affairs.

By Mr. HELMS:

S. 1343. A bill to amend title XVIII of the Social Security Act to provide that eligible organizations assure out-of-network access; to the Committee on Finance.

By Mr. HEFLIN:

S. 1344. A bill to repeal the requirement relating to specific statutory authorization for increases in judicial salaries, to provide for automatic annual increases for judicial salaries, and for other purposes; to the Committee on the Judiciary.

By Mr. SIMPSON (by request):

S. 1345. A bill to amend title 38, United States Code, and various other statutes, to reform eligibility for Department of Veterans Affairs health-care benefits, improve the operation of the Department, and improve the processes and procedures the Department uses to administer various benefit programs for veterans; and for other purposes; to the Committee on Veterans' Affairs.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

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

By Mr. FAIRCLOTH:

S. Res. 185. A resolution to express the sense of the Senate regarding repayment of loans to Mexico; to the Committee on Foreign Relations.

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

S. Res. 186. A resolution to authorize testimony by Senate employees and representation by Senate Legal Counsel; considered and agreed to.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. MCCONNELL (for himself, Mr. BENNETT, and Mr. DORGAN):

S. 1335. A bill to provide for the protection of the flag of the United States and free speech, and for other purposes; to the Committee on the Judiciary.

THE FLAG PROTECTION AND FREE SPEECH ACT OF 1995

● Mr. MCCONNELL. Mr. President, on behalf of myself, Senator BENNETT and Senator DORGAN, I am introducing a bill to outlaw the desecration of the American flag.

Flag burning is a despicable act. And we should have zero tolerance for those who deface our flag. Make no mistake about it—I am disgusted by those who desecrate our symbol of freedom, under which so many men and women, including my father, have gone into battle in order to preserve our way of life.

Many patriotic Americans believe that we need a Constitutional amendment to ban flag burning. The Supreme Court has rejected laws which have attempted to ban flag burning, finding such laws to be in conflict with the first amendment's protection of free speech. So, the supporters of the Constitutional amendment argue that the only way to get it done right is to change the Constitution.

Flag burners must be punished for their vile behavior. But the precedent of amending the Bill of Rights is a dangerous one. I fear that if we amend the first amendment this year, soon the fifth amendment's protection of private property rights or the second amendment's protection of the right to bear arms, will be under assault.

So, I have been searching for an alternative which will result in the swift and certain punishment for those who commit the contemptible act of defacing the flag, but leave the first amendment untouched.

This bill achieves those purposes. The deviants who burn the flag do so to provoked or incite patriotic Americans. And, it is well established that fighting words or speech which incites lawlessness is not protected by the first amendment. My bill provides for imprisoning and fining those who damage a flag intending to incite a breach of the peace. It also punishes anyone who steals a flag belonging to the Federal Government or a flag displayed on Federal property.

This bill will get the job done without tampering with the first amendment. There have been well-respected conservative voices who have cautioned against amending the first amendment to ban flag burning, including George Will, Charles Krauthammer, Cal Thomas, Bruce Fein. But perhaps the most compelling words have come from Jim Warner, a patriot and hero who fought in Vietnam and survived more than 5 years of torture and brutality as a prisoner of war:

We don't need to amend the Constitution in order to punish those who burn our flag. They burn the flag because they hate America and they are afraid of freedom. What better way to hurt them than with the subversive idea of freedom? Spread freedom. [When a] flag in Dallas was burned to protest the nomination of Ronald Reagan, . . . he told us how to spread the idea of freedom when he said that we should turn America into a ''city shining on a hill, a light to all nations.'' Don't be afraid of freedom, it is the best weapon wee have.

I hope my colleagues will study this bill and consider it, as we approach the significant debate on a Constitutional amendment to ban flag desecration.

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. 1335

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 ''Flag Protection and Free Speech Act of 1995''.

SEC. 2. FINDINGS AND PURPOSE.

(a) FINDINGS.—The Congress finds that—

(1) the Flag of the United States is a unique symbol of national unity and represents the values of liberty, justice, and equality that make this Nation an example of freedom unmatched throughout the world;

(2) the Bill of Rights is a guarantee of those freedoms and should not be amended in a manner that could be interpreted to restrict freedom, a course that is regularly resorted to by authoritarian governments which fear freedom and not by free and democratic nations;

(3) abuse of the flag of the United States causes more than pain and distress to the overwhelming majority of the American people and may amount to fighting words or a direct threat to the physical and emotional well-being of individuals at whom the threat is targeted; and

(4) destruction of the flag of the United States can be intended to incite a violent response rather than make a political statement and such conduct is outside the protections afforded by the first amendment to the Unites States Constitution.

(b) PURPOSE.—It is the purpose of this Act to provide the maximum protection against the use of the flag of the United States to promote violence while respecting the liberties that it symbolizes.

SEC. 3. PROTECTION OF THE FLAG OF THE UNITED STATES AGAINST USE FOR PROMOTING VIOLENCE.

(a) IN GENERAL.—Section 700 of title 18, United States Code, is amended to read as follows:

''§ 700. Incitement; damage or destruction of property involving the flag of the United States

''(a) ACTIONS PROMOTING VIOLENCE.—Any person who destroys or damages a flag of the United States with the primary purpose and intent to incite or produce imminent violence or a breach of the peace, and in circumstances where the person knows it is reasonably likely to produce imminent violence or a breach of the peace, shall be fined not more than $100,000 or imprisoned not more than 1 year, or both.

''(b) DAMAGING A FLAG BELONGING TO THE UNITED STATES.—Any person who steals or knowingly converts to his or her use, or to the use of another, a flag of the United States belonging to the United States and intentionally destroys or damages that flag shall be fined not more than $250,000 or imprisoned not more than 2 years, or both.

''(c) DAMAGING A FLAG OF ANOTHER ON FEDERAL LAND.—Any person who, within any lands reserved for the use of the United States, or under the exclusive or concurrent jurisdiction of the United States, steals or

knowingly converts to his or her use, or to the use of another, a flag of the United States belonging to another person, and intentionally destroys or damages that flag shall be fined not more than $250,000 or imprisoned not more than 2 years, or both.

''(d) CONSTRUCTION.—Nothing in this section shall be construed to indicate an intent on the part of Congress to deprive any State, territory or possession of the United States, or the Commonwealth of Puerto Rico of jurisdiction over any offense over which it would have jurisdiction in the absence of this section.

''(e) DEFINITION.—As used in this section, the term 'flag of the United States' means any flag of the United States, or any part thereof, made of any substance, in any size, in a form that is commonly displayed as a flag and would be taken to be a flag by the reasonable observer.''.

(b) CLERICAL AMENDMENT.—The table of sections for chapter 33 of title 18, United States Code, is amended by striking the item relating to section 700 and inserting the following new item:

''700. Incitement; damage or destruction of property involving the flag of the United States.''.●

By Mr. LUGAR:

S. 1336. A bill to enable processors of popcorn to develop, finance, and carry out a nationally coordinated program for popcorn promotion, research, consumer information, and industry information, and for other purposes.

THE POPCORN PROMOTION, RESEARCH, AND CONSUMER INFORMATION ACT

● Mr. LUGAR. Mr. President, today I am introducing the Popcorn Research, Promotion and Consumer Information Act which will allow the U.S. Department of Agriculture to issue an order establishing a popcorn promotion program. This will be similar to other agricultural promotion programs for dairy, beef, pork, eggs, and potatoes, to name a few.

Americans consume 17.3 billion quarts of popped popcorn annually, or 68 quarts per person. It is one of the most wholesome and economical foods available to the consumer. My home State of Indiana leads all States in popcorn production, with more than 77,000 acres harvested last year. Following Indiana, major popcorn producing States are Illinois, Nebraska, Ohio, Kansas, Iowa, Missouri, Kentucky, and Michigan.

In the past, the popcorn industry has united to promote and market its product. Total popcorn sales, as a result of these efforts, have grown throughout the past several years, but great potential exists to accelerate this trend with a larger, industry-wide, cooperative effort.

Under a popcorn promotion program, popcorn processors would pay a small assessment on each pound of popcorn marketed. The Secretary of Agriculture would then select a Popcorn Board, made up of representatives from the industry to administer the program, with oversight by USDA. The funds collected would be used for research, promotion and consumer information projects with the goal of increasing consumption of popcorn.

The entire popcorn industry would benefit from a popcorn promotion program. These programs have been extremely successful for other commodities. Furthermore, they operate at no cost to the Federal Government, because all Government expenses are reimbursed from the programs funds. I urge my colleagues to support this self-help agricultural initiative.

Mr. President, I ask unanimous consent that a copy 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. 1336

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 ''Popcorn Promotion, Research, and Consumer Information Act''.

SEC. 2. FINDINGS AND DECLARATION OF POLICY.

(a) FINDINGS.—Congress finds that—

(1) popcorn is an important food that is a valuable part of the human diet;

(2) the production and processing of popcorn plays a significant role in the economy of the United States in that popcorn is processed by several popcorn processors, distributed through wholesale and retail outlets, and consumed by millions of people throughout the United States and foreign countries;

(3) popcorn must be of high quality, readily available, handled properly, and marketed efficiently to ensure that the benefits of popcorn are available to the people of the United States;

(4) the maintenance and expansion of existing markets and uses and the development of new markets and uses for popcorn are vital to the welfare of processors and persons concerned with marketing, using, and producing popcorn for the market, as well as to the agricultural economy of the United States;

(5) the cooperative development, financing, and implementation of a coordinated program of popcorn promotion, research, consumer information, and industry information is necessary to maintain and expand markets for popcorn; and

(6) popcorn moves in interstate and foreign commerce, and popcorn that does not move in those channels of commerce directly burdens or affects interstate commerce in popcorn.

(b) POLICY.—It is the policy of Congress that it is in the public interest to authorize the establishment, through the exercise of the powers provided in this Act, of an orderly procedure for developing, financing (through adequate assessments on unpopped popcorn processed domestically), and carrying out an effective, continuous, and coordinated program of promotion, research, consumer information, and industry information designed to—

(1) strengthen the position of the popcorn industry in the marketplace; and

(2) maintain and expand domestic and foreign markets and uses for popcorn.

(c) PURPOSES.—The purposes of this Act are to—

(1) maintain and expand the markets for all popcorn products in a manner that—

(A) is not designed to maintain or expand any individual share of a producer or processor of the market;

(B) does not compete with or replace individual advertising or promotion efforts designed to promote individual brand name or trade name popcorn products; and

(C) authorizes and funds programs that result in government speech promoting government objectives; and

(2) establish a nationally coordinated program for popcorn promotion, research, consumer information, and industry information.

(d) STATUTORY CONSTRUCTION.—This Act treats processors equitably. Nothing in this Act—

(1) provides for the imposition of a trade barrier to the entry into the United States of imported popcorn for the domestic market; or

(2) provides for the control of production or otherwise limits the right of any individual processor to produce popcorn.

SEC. 3. DEFINITIONS.

In this Act (except as otherwise specifically provided):

(1) BOARD.—The term ''Board'' means the Popcorn Board established under section 5(b).

(2) COMMERCE.—The term ''commerce'' means interstate, foreign, or intrastate commerce.

(3) CONSUMER INFORMATION.—The term ''consumer information'' means information and programs that will assist consumers and other persons in making evaluations and decisions regarding the purchase, preparation, and use of popcorn.

(4) DEPARTMENT.—The term ''Department'' means the Department of Agriculture.

(5) INDUSTRY INFORMATION.—The term ''industry information'' means information and programs that will lead to the development of—

(A) new markets, new marketing strategies, or increased efficiency for the popcorn industry; or

(B) activities to enhance the image of the popcorn industry.

(6) MARKETING.—The term ''marketing'' means the sale or other disposition of unpopped popcorn for human consumption in a channel of commerce, but does not include a sale or disposition to or between processors.

(7) ORDER.—The term ''order'' means an order issued under section 4.

(8) PERSON.—The term ''person'' means an individual, group of individuals, partnership, corporation, association, or cooperative, or any other legal entity.

(9) POPCORN.—The term ''popcorn'' means unpopped popcorn (Zea Mays L), commercially grown in the United States, processed by shelling, cleaning, or drying and introduced into a channel of commerce.

(10) PROCESS.—The term ''process'' means to shell, clean, dry, and prepare popcorn for the market, but does not include packaging popcorn for the market without also engaging in another activity described in this paragraph.

(11) PROCESSOR.—The term ''processor'' means a person engaged in the preparation of unpopped popcorn for the market who owns or shares the ownership and risk of loss of the popcorn and who processes and distributes over 4,000,000 pounds of popcorn in the market per year.

(12) PROMOTION.—The term ''promotion'' means an action, including paid advertising, to enhance the image or desirability of popcorn.

(13) RESEARCH.—The term ''research'' means any type of study to advance the image, desirability, marketability, production, product development, quality, or nutritional value of popcorn.

(14) SECRETARY.—The term ''Secretary'' means the Secretary of Agriculture.

(15) STATE.—The term ''State'' means each of the 50 States and the District of Columbia.

(16) UNITED STATES.—The term ''United States'' means all of the States.

SEC. 4. ISSUANCE OF ORDERS.

(a) IN GENERAL.—To effectuate the policy described in section 2(b), the Secretary, subject to subsection (b), shall issue 1 or more orders applicable to processors. An order shall be applicable to all popcorn production and marketing areas in the United States. Not more than 1 order shall be in effect under this Act at any 1 time.

(b) PROCEDURE.—

(1) PROPOSAL OR REQUEST FOR ISSUANCE.—The Secretary may propose the issuance of an order, or an association of processors or any other person that would be affected by an order may request the issuance of, and submit a proposal for, an order.

(2) NOTICE AND COMMENT CONCERNING PROPOSED ORDER.—Not later than 30 days after the receipt of a request and proposal for an order under paragraph (1), or at such time as the Secretary determines to propose an order, the Secretary shall publish a proposed order and give due notice and opportunity for public comment on the proposed order.

(3) ISSUANCE OF ORDER.—After notice and opportunity for public comment under paragraph (2), the Secretary shall issue an order, taking into consideration the comments received and including in the order such provisions as are necessary to ensure that the order conforms to this Act. The order shall be issued and become effective not later than 150 days after the date of publication of the proposed order.

(c) AMENDMENTS.—The Secretary, as appropriate, may amend an order. The provisions of this Act applicable to an order shall be applicable to any amendment to an order, except that an amendment to an order may not require a referendum to become effective.

SEC. 5. REQUIRED TERMS IN ORDERS.

(a) IN GENERAL.—An order shall contain the terms and conditions specified in this section.

(b) ESTABLISHMENT AND MEMBERSHIP OF POPCORN BOARD.—

(1) IN GENERAL.—The order shall provide for the establishment of, and appointment of members to, a Popcorn Board that shall consist of not fewer than 4 members and not more than 9 members.

(2) NOMINATIONS.—The members of the Board shall be processors appointed by the Secretary from nominations submitted by processors in a manner authorized by the Secretary, subject to paragraph (3). Not more than 1 member may be appointed to the Board from nominations submitted by any 1 processor.

(3) GEOGRAPHICAL DIVERSITY.—In making appointments, the Secretary shall take into account, to the extent practicable, the geographical distribution of popcorn production throughout the United States.

(4) TERMS.—The term of appointment of each member of the Board shall be 3 years, except that the members appointed to the initial Board shall serve, proportionately, for terms of 2, 3, and 4 years, as determined by the Secretary.

(5) COMPENSATION AND EXPENSES.—A member of the Board shall serve without compensation, but shall be reimbursed for the expenses of the member incurred in the performance of duties for the Board.

(c) POWERS AND DUTIES OF BOARD.—The order shall define the powers and duties of the Board, which shall include the power and duty—

(1) to administer the order in accordance with the terms and provisions of the order;

(2) to make regulations to effectuate the terms and provisions of the order;

(3) to appoint members of the Board to serve on an executive committee;

(4) to propose, receive, evaluate, and approve budgets, plans, and projects of promotion, research, consumer information, and industry information, and to contract with appropriate persons to implement the plans or projects;

(5) to accept and receive voluntary contributions, gifts, and market promotion or similar funds;

(6) to invest, pending disbursement under a plan or project, funds collected through assessments authorized under subsection (f), only in—

(A) obligations of the United States or an agency of the United States;

(B) general obligations of a State or a political subdivision of a State;

(C) an interest-bearing account or certificate of deposit of a bank that is a member of the Federal Reserve System; or

(D) obligations fully guaranteed as to principal and interest by the United States;

(7) to receive, investigate, and report to the Secretary complaints of violations of the order; and

(8) to recommend to the Secretary amendments to the order.

(d) PLANS AND BUDGETS.—

(1) IN GENERAL.—The order shall provide that the Board shall submit to the Secretary for approval any plan or project of promotion, research, consumer information, or industry information.

(2) BUDGETS.—The order shall require the Board to submit to the Secretary for approval budgets on a fiscal year basis of the anticipated expenses and disbursements of the Board in the implementation of the order, including projected costs of plans and projects of promotion, research, consumer information, and industry information.

(e) CONTRACTS AND AGREEMENTS.—

(1) IN GENERAL.—The order shall provide that the Board may enter into contracts or agreements for the implementation and carrying out of plans or projects of promotion, research, consumer information, or industry information, including contracts with a processor organization, and for the payment of the cost of the plans or projects with funds collected by the Board under the order.

(2) REQUIREMENTS.—A contract or agreement under paragraph (1) shall provide that—

(A) the contracting party shall develop and submit to the Board a plan or project, together with a budget that shows the estimated costs to be incurred for the plan or project;

(B) the plan or project shall become effective on the approval of the Secretary; and

(C) the contracting party shall keep accurate records of each transaction of the party, account for funds received and expended, make periodic reports to the Board of activities conducted, and make such other reports as the Board or the Secretary may require.

(3) PROCESSOR ORGANIZATIONS.—The order shall provide that the Board may contract with processor organizations for any other services. The contract shall include provisions comparable to the provisions required by paragraph (2).

(f) ASSESSMENTS.—

(1) PROCESSORS.—The order shall provide that each processor marketing popcorn in the United States or for export shall, in the manner prescribed in the order, pay assessments and remit the assessments to the Board.

(2) DIRECT MARKETERS.—A processor that markets popcorn produced by the processor directly to consumers shall pay and remit the assessments on the popcorn directly to the Board in the manner prescribed in the order.

(3) RATE.—

(A) IN GENERAL.—The rate of assessment prescribed in the order shall be a rate established by the Board but not more than $.08 per hundredweight of popcorn.

(B) ADJUSTMENT OF RATE.—The order shall provide that the Board, with the approval of the Secretary, may raise or lower the rate of assessment annually up to a maximum of $.08 per hundredweight of popcorn.

(4) USE OF ASSESSMENTS.—

(A) IN GENERAL.—Subject to subparagraph (B), the order shall provide that the assessments collected shall be used by the Board—

(i) to pay the expenses incurred in implementing and administering the order, with provision for a reasonable reserve; and

(ii) to cover such administrative costs as are incurred by the Secretary except that the costs incurred by the Secretary that may be reimbursed by the Board may not exceed 5 percent of the projected annual revenues of the Board.

(B) EXPENDITURES BASED ON SOURCE OF ASSESSMENTS.—In implementing plans and projects of promotion, research, consumer information, and industry information, the Board shall expend funds on—

(i) plans and projects for domestic popcorn (including Canadian popcorn) in proportion to the amount of assessments collected on popcorn marketed domestically (including Canada); and

(ii) plans and projects for exported popcorn in proportion to the amount of assessments collected on exported popcorn.

(g) PROHIBITION ON USE OF FUNDS.—The order shall prohibit any funds collected by the Board under the order from being used to influence government action or policy, other than the use of funds by the Board for the development and recommendation to the Secretary of amendments to the order.

(h) BOOKS AND RECORDS OF THE BOARD.—The order shall require the Board to—

(1) maintain such books and records (which shall be available to the Secretary for inspection and audit) as the Secretary may prescribe;

(2) prepare and submit to the Secretary, from time to time, such reports as the Secretary may prescribe; and

(3) account for the receipt and disbursement of all funds entrusted to the Board.

(i) BOOKS AND RECORDS OF PROCESSORS.—

(1) MAINTENANCE AND REPORTING OF INFORMATION.—The order shall require that each processor of popcorn for the market shall—

(A) maintain, and make available for inspection, such books and records as are required by the order; and

(B) file reports at such time, in such manner, and having such content as is prescribed in the order.

(2) USE OF INFORMATION.—The Secretary shall authorize the use of information regarding processors that may be accumulated under a law or regulation other than this Act or a regulation issued under this Act. The information shall be made available to the Secretary as appropriate for the administration or enforcement of this Act, the order, or any regulation issued under this Act.

(3) CONFIDENTIALITY.—

(A) IN GENERAL.—Subject to subparagraphs (B), (C), and (D), all information obtained by the Secretary under paragraphs (1) and (2) shall be kept confidential by all officers, employees, and agents of the Board and the Department.

(B) DISCLOSURE BY SECRETARY.—Information referred to in subparagraph (A) may be disclosed if—

(i) the Secretary considers the information relevant;

(ii) the information is revealed in a suit or administrative hearing brought at the request of the Secretary, or to which the Secretary or any officer of the United States is a party; and

(iii) the information relates to the order.

(C) DISCLOSURE TO OTHER AGENCY OF FEDERAL GOVERNMENT.—

(i) IN GENERAL.—No information obtained under the authority of this Act may be made available to another agency or officer of the Federal Government for any purpose other than the implementation of this Act and any investigatory or enforcement activity necessary for the implementation of this Act.

(ii) PENALTY.—A person who violates this subparagraph shall, on conviction, be subject to a fine of not more than $1,000 or to imprisonment for not more than 1 year, or both, and if an officer, employee, or agent of the Board or the Department, shall be removed from office or terminated from employment, as applicable.

(D) GENERAL STATEMENTS.—Nothing in this paragraph prohibits—

(i) the issuance of general statements, based on the reports, of the number of persons subject to the order or statistical data collected from the reports, if the statements do not identify the information provided by any person; or

(ii) the publication, by direction of the Secretary, of the name of a person violating the order, together with a statement of the particular provisions of the order violated by the person.

(j) OTHER TERMS AND CONDITIONS.—The order shall contain such terms and conditions, consistent with this Act, as are necessary to effectuate this Act, including regulations relating to the assessment of late payment charges.

SEC. 6. REFERENDA.

(a) INITIAL REFERENDUM.—

(1) IN GENERAL.—Within the 60-day period immediately preceding the effective date of an order, as provided in section 4(b)(3), the Secretary shall conduct a referendum among processors who, during a representative period as determined by the Secretary, have been engaged in processing, for the purpose of ascertaining whether the order shall go into effect.

(2) APPROVAL OF ORDER.—The order shall become effective, as provided in section 4(b), only if the Secretary determines that the order has been approved by not less than a majority of the processors voting in the referendum and if the majority processed more than 50 percent of the popcorn certified as having been processed, during the representative period, by the processors voting.

(b) ADDITIONAL REFERENDA.—

(1) IN GENERAL.—Not earlier than 3 years after the effective date of an order approved under subsection (a), on the request of the Board or a representative group of processors, as described in paragraph (2), the Secretary may conduct an additional referendum to determine whether processors favor the termination or suspension of the order.

(2) REPRESENTATIVE GROUP OF PROCESSORS.—An additional referendum on an order shall be conducted if the referendum is requested by 40 percent or more of the number of processors who, during a representative period as determined by the Secretary, have been engaged in processing.

(3) DISAPPROVAL OF ORDER.—If the Secretary determines, in a referendum conducted under paragraph (1), that suspension or termination of the order is favored by at least ⅔ of the processors voting in the referendum, the Secretary shall—

(A) suspend or terminate, as appropriate, collection of assessments under the order not later than 180 days after the date of determination; and

(B) suspend or terminate the order, as appropriate, in an orderly manner as soon as practicable after the date of determination.

(c) COSTS OF REFERENDUM.—The Secretary shall be reimbursed from assessments collected by the Board for any expenses incurred by the Secretary in connection with the conduct of any referendum under this section, except for the salaries of Government employees associated with conducting a referendum.

(d) METHOD OF CONDUCTING REFERENDUM.—Subject to this section, a referendum conducted under this section shall be conducted in such manner as is determined by the Secretary.

(e) CONFIDENTIALITY OF BALLOTS AND OTHER INFORMATION.—

(1) IN GENERAL.—The ballots and other information or reports that reveal or tend to reveal the vote of any processor, or any business operation of a processor, shall be considered to be strictly confidential and shall not be disclosed.

(2) PENALTY FOR VIOLATIONS.—An officer or employee of the Department who violates paragraph (1) shall be subject to the penalties described in section 5(i)(3)(C)(ii).

SEC. 7. PETITION AND REVIEW.

(a) PETITION.—

(1) IN GENERAL.—A person subject to an order may file with the Secretary a petition—

(A) stating that the order, a provision of the order, or an obligation imposed in connection with the order is not established in accordance with law; and

(B) requesting a modification of the order or obligation or an exemption from the order or obligation.

(2) HEARINGS.—The petitioner shall be given the opportunity for a hearing on a petition filed under paragraph (1), in accordance with regulations issued by the Secretary.

(3) RULING.—After a hearing under paragraph (2), the Secretary shall issue a ruling on the petition that is the subject of the hearing, which shall be final if the ruling is in accordance with applicable law.

(b) REVIEW.—

(1) COMMENCEMENT OF ACTION.—The district court of the United States for any district in which a person who is a petitioner under subsection (a) resides or carries on business shall have jurisdiction to review a ruling on the petition, if the person files a complaint not later than 20 days after the date of issuance of the ruling under subsection (a)(3).

(2) PROCESS.—Service of process in a proceeding under paragraph (1) may be made on the Secretary by delivering a copy of the complaint to the Secretary.

(3) REMANDS.—If the court determines, under paragraph (1), that a ruling issued under subsection (a)(3) is not in accordance with applicable law, the court shall remand the matter to the Secretary with directions—

(A) to make such ruling as the court shall determine to be in accordance with law; or

(B) to take such further proceedings as, in the opinion of the court, the law requires.

(c) ENFORCEMENT.—The pendency of proceedings instituted under subsection (a) may not impede, hinder, or delay the Secretary or the Attorney General from taking action under section 8.

SEC. 8. ENFORCEMENT.

(a) IN GENERAL.—The Secretary may issue an enforcement order to restrain or prevent any person from violating an order or regulation issued under this Act and may assess a civil penalty of not more than $1,000 for each violation of the enforcement order, after an opportunity for an administrative hearing, if the Secretary determines that the administration and enforcement of the order and this Act would be adequately served by such a procedure.

(b) JURISDICTION.—The district courts of the United States are vested with jurisdiction specifically to enforce, and to prevent and restrain any person from violating, an order or regulation issued under this Act.

(c) REFERRAL TO ATTORNEY GENERAL.—A civil action authorized to be brought under this section shall be referred to the Attorney General for appropriate action.

SEC. 9. INVESTIGATIONS AND POWER TO SUBPOENA.

(a) INVESTIGATIONS.—The Secretary may make such investigations as the Secretary considers necessary—

(1) for the effective administration of this Act; and

(2) to determine whether any person subject to this Act has engaged, or is about to engage, in an act that constitutes or will constitute a violation of this Act or of an order or regulation issued under this Act.

(b) OATHS, AFFIRMATIONS, AND SUBPOENAS.—For the purpose of an investigation under subsection (a), the Secretary may administer oaths and affirmations, subpoena witnesses, compel the attendance of witnesses, take evidence, and require the production of any records that are relevant to the inquiry. The attendance of witnesses and the production of records may be required from any place in the United States.

(c) AID OF COURTS.—

(1) REQUEST.—In the case of contumacy by, or refusal to obey a subpoena issued to, any person, the Secretary may request the aid of any court of the United States within the jurisdiction of which the investigation or proceeding is carried on, or where the person resides or carries on business, in requiring the attendance and testimony of the person and the production of records.

(2) ENFORCEMENT ORDER OF THE COURT.—The court may issue an enforcement order requiring the person to appear before the Secretary to produce records or to give testimony concerning the matter under investigation.

(3) CONTEMPT.—A failure to obey an enforcement order of the court under paragraph (2) may be punished by the court as a contempt of the court.

(4) PROCESS.—Process in a case under this subsection may be served in the judicial district in which the person resides or conducts business or wherever the person may be found.

SEC. 10. RELATION TO OTHER PROGRAMS.

Nothing in this Act preempts or supersedes any other program relating to popcorn promotion organized and operated under the laws of the United States or any State.

SEC. 11. REGULATIONS.

The Secretary may issue such regulations as are necessary to carry out this Act.

SEC. 12. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated such sums as are necessary to carry out this Act. Amounts made available under this section may not be used to pay any expense of the Board in administering any provision of an order.●

By Mr. BROWN:

S. 1337. A bill to amend the Legal Services Corporation Act to limit frivolous lawsuits, and for other purposes; to the Committee on Labor and Human Resources.

THE LEGAL SERVICES CORPORATION ACT AMENDMENT ACT OF 1995

● Mr. BROWN. Mr. President, I introduce a bill to bring the Legal Services Corporation in line with the obligations of every other attorney in America; that is, to allow the Legal Services Corporation to be sanctioned when its attorneys bring frivolous or meritless cases.

The Legal Services Corporation was created to provide for the everyday legal needs of the poor. Unfortunately, the LSC has digressed from its original function. Rather than taking care of the day to day needs of American families, the LSC has used its resources to challenge Federal programs, lobby government, and pursue costly class action lawsuits.

In 1974, President Nixon cited three major objectives when he signed legislation to create the Legal Services Corporation. One was ''that the lawyers in the program have full freedom to protect the best interests of their clients in keeping with the Canon of Ethics and the high standards of the legal professions.'' Achieving that goal is precisely what this bill intends to do.

The high standards of the legal professions include adhering to the Federal Rules of Civil Procedure. Rule 11, which applies to all attorneys, allows for sanctions against an attorney for any action designed to cause unnecessary delay or needlessly increase the cost of litigation, or when the plaintiff's action is frivolous or without legal foundation. If the LSC is providing legal services with Federal funds, one would assume it would be subject to these basic rules.

Under current law, however, the Legal Services Corporation is protected from the rule 11 standard. The LSC can only be sanctioned if it is proven that an action was brought solely to harass another party, or that it maliciously abused the legal system. This standard is virtually impossible to prove and therefore lacks any deterrent effect. Furthermore, only actions are sanctionable—the LSC is completely protected from sanctions for baseless motions, pleadings, or other documents.

If the Legal Services Corporation is going to provide federally funded legal services, it should live under the same laws as every other attorney in the United States. When an attorney enters any courtroom in the Nation, advocating a case without merit, he can be sanctioned by the court. It should not be any different for the Legal Services Corporation.

The language of this bill would alter the Legal Services Corporation Act so that it parallels the Federal Rules of Civil Procedure. Specifically, it would allow courts to sanction the LSC according to the standards set forth in rule 11. Under the bill, sanctions would be allowed for any action, motion, pleading or other document that: First, is brought for improper purpose, such as to harass, cause unnecessary delay, or needlessly increase the cost of litigation; or second, is frivolous or not warranted by existing law.

This new standard is not designed to preclude or replace rule 11 sanctions against attorneys. Rather, it would provide an additional source of funds to compensate those parties forced to defend against baseless legal actions.

in a society where litigation too often takes the place of negotiation, where the cost of a defense determines the outcome of a case, and where one lawsuit can bankrupt a law-abiding citizen, it is imperative that all parties play on the same legal field, including the Legal Services Corporation.●

By Mr. BROWN:

S. 1338. A bill to improve the U.S. Marshals Service, and for other purposes; to the Committee on the Judiciary.

UNITED STATES MARSHALS SERVICE LEGISLATION

● Mr. BROWN. Mr. President, I introduce a bill to improve the U.S. Marshals Service by eliminating the political appointment of U.S. Marshals.

Since 1789, U.S. Marshals have been appointed by the President and confirmed by the Senate. For nearly 150 years this political appointment process served as the only control Washington had over its primary law enforcers. The distance between the bureaucracy of Washington and the ever expanding Territories of the United States gave U.S. Marshals such as Wyatt Earp and Lloyd Garrison, nearly autonomous control in their jurisdictions.

But the days of the gun-slinging Federal Marshal are long past. Today the executive office of the Marshals Service in Washington calls the shots, trains, and promotes the deputies, and operates under the watchful eye of the Department of Justice and Congress. The one area in which the Service does not have control is over the appointment of U.S. Marshals.

Under the current system, U.S. Marshals are appointed to 4-year terms by the President. Appointees need not have served in the U.S. Marshals Service or even have had previous professional law enforcement experience. In fact, of the 94 U.S. Marshals, only 30 have previously served in the Marshals Service.

According to a 1994 U.S. Marshals Service Reinvention Proposal reported by the Department of Justice, the appointment process has become a burden upon the operations of the Marshals Service. The proposal states that:

> Disagreement between Marshals and headquarters often put career deputies and staff in conflicting situations. The Marshals controlled day-to-day assignments while headquarters controlled the deputies' career advancement and duty stations. The traditional independence of the Marshals clashed with the growing central control of headquarters. Headquarters began bypassing the Marshals by establishing program units in the field to oversee witness security, fugitive investigations, asset forfeiture programs, and high level judicial protection activities.

Mr. President, my bill would eliminate some of these problems by putting experienced law enforcement personnel into the office of U.S. Marshal. The bill would require the Attorney General to select U.S. Marshals from the ranks of the Marshals Service rather than from a political party. The U.S. Marshals Service already has an extensive and complex merit based promotion system to evaluate, select and promote the most qualified individuals for positions in every level of service. This bill would extend that type of merit based selection to the office of the U.S. Marshal, so that the most qualified and experienced personnel are in a position to contribute to the U.S. Marshals Service rather than hinder its operations.

Removing the political appointment process from the Marshals Service is not a new idea. The reform debate first began in 1955 when the Commission on Organization of the Executive Branch of the Government recommended an end to the political appointment of U.S. Marshals. During the 104th Congress, the idea took hold in the House of Representatives. Both the House Balanced Budget Task Force and the Budget Committee recommended ending the political appointments. Vice President GORE's National Performance Review also recommended selecting Marshals by merit and estimated a savings of over $36 million.

With such broad based support why are we waiting? The answer lies in the Senate. For the past 150 years the Executive branch has allowed the Senators affiliated with the President's party to select the U.S. Marshals for the judicial districts within their States. Each time the idea of appointing Marshals based on merit was raised, it was quashed in the Senate by those unwilling to relinquish the power of appointment.

Mr. President, if we really are for a leaner, less intrusive, and more effective government, we must begin by promoting the most qualified personnel to the most important positions. Let us take a real step to improve the way government works—let us end the political appointment process for the U.S. Marshals.●

By Mrs. FEINSTEIN:

S. 1339. A bill to amend title 18, United States Code, to restrict the mail-order sale of body armor; to the Committee on the Judiciary.

THE JAMES GUELFF BODY ARMOR ACT OF 1995

● Mrs. FEINSTEIN. Mr. President, I introduce the James Guelff Body Armor Act which would ban the mail order sale of bullet-proof vests to all individuals except law enforcement or public safety officers including paramedics. This legislation would require that the sale, transfer, and receipt of bullet-proof vests to anyone other than a law enforcement or public safety officers be conducted in person. This Act will make it more difficult for criminals to obtain this body armor which hinders law enforcement's ability to disarm and capture them.

For those who may not have heard the story of Officer James Guelff, I would like to provide just a few details about this tragic story.

On November 13, 1994, Officer James Guelff, a 10-year veteran of the San Francisco Police Department, was shot to death in a fire-fight by a heavily

armed gunman wearing a bullet-proof vest on a major street corner in the middle of San Francisco.

Captain Richard Cairns was the commanding officer on the scene. Earlier this year, Captain Cairns participated in a roundtable discussion with me about the violence of assault weapons.

This is how Captain Cairns described the scene:

(The assailant) was firing as fast as you could pull the trigger. He had semi-automatic assault weapons. He had an AK 223 rifle, with 30 round clips. He had a Steyr AUG which is a sophisticated weapon, that he didn't get to. The officers managed to keep him away from that. He had an uzi that jammed, and he had two other semi-automatic pistols, and he had thousands of rounds of ammunition that were in magazines. And they were all in 30-round magazines already. He didn't have to stop and load magazines. We ended up having 104 officers at the scene and he probably had more ammunition than all 104 officers put together. And our officers did run out of ammunition and they got more ammunition from other responding units to try and keep him down. He was finally killed by the SWAT teams that got there, who got above him . . .

Captain Cairns continued:

He had a bullet proof vest, he had a Kevlar Helmet on and he was hit by our officers twice in the helmet and six times in the vest. He was finally killed by a shot that came through his shoulder and into his chest and killed him. Officer Guelff was hit several times and then killed with a bullet through the left eye out of the assault rifle. Officer Guelff fired off six of his rounds and when he went to re-load—the suspect fired on him and killed him.

That story, simply put, is the reason this legislation is being put forward today.

California is not the only State to experience assailants—including heavily-armed gang members—who are wearing bullet proof vests and other body armor.

In Colorado, a man entered a grocery store where his wife worked, killed her, the store's manager, shot a bystander and then fatally shot a sheriff's sergeant before being physically tackled from behind and brought to the ground. Gunfire from law enforcement was to no avail because of his body armor.

In Long Island, NY, an armed high school student after being pushed out of his girlfriend's house by her father, shot 12 rounds into the house before a sheriff's investigator shot the young man in the shoulder, just avoiding his bullet-proof vest, killing him. The sheriff who shot the gunman commented after the incident that the bullet-proof vest the young man was wearing was '' * * * better than anything we've got now, other than what's in the SWAT locker.''

How are law enforcement officers to protect the public when the criminals have better body armor than do the police?

States and localities have already begun the effort to control the sale of body armor. The State of Michigan, for instance, has a law which increases the sentence of a criminal who wears body armor during the commission of a crime. And, in Baltimore, MD, the city council reacted quickly and severely to a billboard advertising the sale of bullet-proof vests as ''Life Insurance for the 90's'' with a 1–800 number printed at the bottom by introducing a city ordinance which bans the sale of bullet-proof vests to anyone unless they have the permission of the police commissioner.

Not only have States and localities begun to control the sale of body armor, at least three Nation-wide stores have already pulled bullet-proof vests from their shelves. Those stores that responded to the requests of law enforcement officials to cease the sale of body armor are The Sharper Image, Wall-mart and Sam's Club.

There were over 200 rounds of ammunition fired by the gunman that killed Officer James Guelff before other police officers were able to injure the assailant. I cannot say that Officer Guelff would still be alive if this criminal had not been wearing a bullet-proof vest. I imagine, however, that law enforcement would have more easily shot and disabled this gunman if he had not been protected by body armor. I attended Officer Guelff's funeral. Maybe, if these bullet-proof vests were not so accessible, Officer Guelff would be entering his 15th year of service.

At this time, I wish to acknowledge the leadership of Representatives STUPAK and PELOSI who have introduced similar legislation, H.R. 2192, in the House of Representatives. I also ask that following my remarks, my legislation be printed in the RECORD .

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

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 ''James Guelff Body Armor Act of 1995''.

SEC. 2. UNLAWFUL MAIL-ORDER SALE OF BODY ARMOR.

Title 18, United States Code, is amended by adding at the end the following new chapter:

''CHAPTER 44A—BODY ARMOR

''Sec.
''941. Unlawful act.

''S. 941. Unlawful acts

''(a) Except as provided in subsection (b) of this section, it shall be unlawful for a person to sell or deliver body armor unless the transferee meets in person with the transferor to accomplish the sale, delivery, and receipt of the matter.

''(b) Subsection (a) does not apply to body armor used by law enforcement officers.

''(c) As used in this section—

''(1) the term 'body armor' means any product sold or offered for sale as personal protective body covering whether the product is to be worn alone or is sold as a complement to other products or garments; and

''(2) the term 'law enforcement officer' means any officer, agent, or employee of the United States, a State, or a political subdivision of a State, authorized by law or by a government agency to engage in or supervise the prevention, detection, investigation, or prosecution of any violation of criminal law.

''(d) Whoever knowingly violates this section shall be fined under this title or imprisoned not more than two years, or both.''.●

By Mr. DASCHLE (for himself, Mr. HARKIN, Mr. BAUCUS, Mr. WELLSTONE, Mr. KERREY, Mr. CONRAD, Mr. GRASSLEY, Mr. CRAIG, Mr. LEAHY, Mr. DORGAN, Mr. BOND, Mr. PRESSLER, Mrs. MURRAY, Mr. FEINGOLD, Mr. KOHL, Mr. BURNS, and Mr. EXON):

S. 1340. A bill to require the President to appoint a Commission on Concentration in the Livestock Industry; to the Committee on the Judiciary.

THE LIVESTOCK MARKET REPORT ACT OF 1995

Mr. DASCHLE. Mr. President, today several colleagues and I will introduce the Livestock Concentration Report Act of 1995. This legislation addresses the deep concern of cattle, hog and sheep producers from across the nation that the livestock industry does not operate in a free and open market. The bipartisan support from colleagues from Vermont to Washington is indicative of the importance of this issue.

Livestock producers, especially cattle producers, are receiving the lowest prices in recent memory. Producers can barely make ends meet, let alone make a profit. The farmer's share of the retail beef dollar has also plunged from 63 percent in 1980 to only 40 percent today. Producers face economic ruin at a time when the four largest meat packers in the country control 87 percent of the cattle slaughtered and enjoy record profits.

Our legislation calls for a thorough examination of the livestock markets to ensure they operate in a free and competitive manner. We ask the President to establish a Commission on Concentration in the Livestock Industry. This body will consist of six producers, two antitrust experts, two economists, two corporate financial officers, and two corporate procurement experts. The members will be appointed by the President, and the Commission will be chaired by the Secretary of Agriculture.

The Commission will review the ongoing USDA Study on Concentration in the Red Meat Packing Industry to ensure the results are representative of current market conditions. Producers are concerned that the data in the study is out-of-date and will not provide insight into today's market. Additionally, the Commission will review the adequacy of price discovery in the livestock markets to ensure forward contracting and formula pricing practices do not unduly bias livestock markets. The causes of the wide farm-to-retail price spread will also be examined. The Commission will report its findings within 90 days of the release of the USDA study.

I am very appreciative of Secretary Glickman's support throughout this process. USDA is currently pursuing a case against IBP, Inc., the largest meat packer for alleged anti-competitive

procurement practices. The Secretary has made this issue a top priority, and I look forward to working with him on the implementation of this Commission.

This action is crucial for our Nation's livestock producers. Free and open markets are one of the foundations of our Nation and our economy. We as consumers all suffer if markets, especially food markets, do not operate freely. I hope this commission can get to the bottom of the problems that exist in the livestock market and provide answers for us in Congress about the steps we can take to ensure a fair shake for hard-working livestock producers and the Nation's consumers.

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. 1340

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 ''Livestock Concentration Report Act of 1995''.

SEC. 2. APPOINTMENT OF COMMISSION.

Not later than 30 days after the date of the enactment of this Act, the President shall appoint a Commission on Concentration in the Livestock Industry which shall be composed of the Secretary of Agriculture, who shall be the chairperson of the Commission, and 2 members appointed from among individuals in each of the following categories:

(1) Cattle producers.
(2) Hog producers.
(3) Lamb producers.
(4) Experts in antitrust laws.
(5) Economists.
(6) Corporate chief financial officers.
(7) Corporate procurement experts.

SEC. 3. DUTIES OF COMMISSION.

(a) DUTIES.—The Commission on Concentration in the Livestock Industry shall—

(1) determine whether the study of concentration in the red meat packing industry adequately—

(A) examined and identified regional procurement markets for slaughter cattle in the continental United States,

(B) analyzed the effects that slaughter cattle procurement practices, and concentration in the procurement of slaughter cattle, have on the purchasing and pricing of slaughter cattle by beef packers,

(C) examined the use of captive cattle supply arrangements by beef packers and the effects of such arrangements on slaughter cattle markets,

(D) examined the economics of vertical integration and of coordination arrangements in the hog slaughtering and processing industry,

(E) examined the pricing and procurement by hog slaughtering plants operating in the eastern corn belt,

(F) reviewed the pertinent research literature on issues relating to the structure and operation of the meat packing industry, and

(G) represents, for the matters described in subparagraphs (A) through (F), the current situation in the livestock industry compared to the situation of such industry reflected in the data on which such study is based,

(2) review the application of the antitrust laws, and the operation of other Federal laws applicable, with respect to concentration and vertical integration in the procurement and pricing of slaughter cattle and of slaughter hogs by meat packers,

(3) make recommendations regarding whether the laws relating to the operation of the meat packing industry should be modified regarding the concentration, vertical integration, and vertical coordination in such industry,

(4) review the farm-to-retail price spread for livestock during the period beginning on January 1, 1993, and ending on the date the report is submitted under section 4,

(5) review the adequacy of price data obtained by the Department of Agriculture under section 203 of the Agricultural Marketing Act of 1946 (7 U.S.C. 1622),

(6) make recommendations regarding the adequacy of price discovery in the livestock industry for animals held for market, and

(7) review the lamb industry study completed by the Department of Justice in 1993.

(b) SOLICITATION OF INFORMATION.—For purposes of complying with the requirements of paragraphs (2), (3), and (4) of subsection (a), the Commission on Concentration in the Livestock Industry shall solicit information from all parts of the livestock industry, including livestock producers, livestock marketers, meat packers, meat processors, and retailers.

SEC. 4. REPORT.

(a) SUBMISSION OF REPORT TO THE PRESIDENT.—Not later than 90 days after the study of concentration in the red meat packing industry is submitted to the Congress, the Commission on Concentration in the Livestock Industry shall submit to the President a report summarizing the results of the duties carried out under section 3. Not later than 30 days after the President receives such report, the President shall terminate the Commission.

(b) TRANSMISSION OF REPORT TO THE CONGRESS.—The President shall promptly transmit, to the Speaker of the House of Representatives and the President pro tempore of the Senate, a copy of the report the President receives under subsection (a).

SEC. 5. DEFINITIONS.

For purposes of this Act—

(1) the term ''antitrust laws'' has the meaning given it in subsection (a) of the first section of the Clayton Act (15 U.S.C. 12(a)), except that such term includes section 5 of the Federal Trade Commission Act (15 U.S.C. 45) to the extent such section applies to unfair methods of competition, and

(2) the term ''study of concentration in the red meat packing industry'' means the study of concentration in the red meat packing industry proposed by the Department of Agriculture in the Federal Register on January 9, 1992 (57 Fed. Reg. 875), and for which funds were appropriated by Public Law 102–142.

By Mr. AKAKA (for himself, Mr. ROCKEFELLER, Mr. INOUYE, Mr. WELLSTONE, and Mr. SIMON):

S. 1342. A bill to amend title 38, United States Code, to authorize the Secretary of Veterans Affairs to make loans to refinance loans made to veterans under the Native American Veterans Direct Loan Program; to the Committee on Veterans' Affairs.

THE NATIVE AMERICAN VETERANS DIRECT LOAN PROGRAM

• Mr. AKAKA. Mr. President, today I am introducing legislation to amend section 3762 of title 38, United States Code. Section 3762 was established under the Veterans Home Loan Program Amendments of 1992 and authorizes a 5-year pilot program to provide direct home loans to native American veterans who live on U.S. trust lands. I am pleased that Senators ROCKEFELLER, INOUYE, WELLSTONE, and SIMON are cosponsors of this measure.

My bill would allow the Department of Veterans Affairs [VA] to refinance direct loans made under this unique initiative, known as the Native American Direct Home Loan Program. Under my bill, credit standards for underwriting direct loans to Native American veterans would be the same as those for VA guaranteed loans. The underwriting would be performed by the VA and would allow qualified veterans to refinance existing loans.

The Native American Direct Loan Program was established to ensure that veterans who reside on reservations or other trust lands would have the same access to VA loan benefits enjoyed by other veterans. Under the 5-year pilot program, VA is authorized to provide direct loans of up to $80,000 for most areas of the United States, although higher limits were established for certain high-cost regions.

Until the program was adopted 3 years ago, Native American veterans who lived on trust lands were denied access to traditional VA guaranteed loans. The inability to take title to trust lands in the event of default, cultural misunderstandings, and the generally poor economic conditions that exist on reservations, dissuaded potential lenders from approving mortgages for housing on such lands.

During the guaranty program's half-century of existence, not a single Native American veteran was able to utilize his or her home loan entitlement for housing on trust lands. In contrast, over 13 million other veterans received more than $350 billion in VA guaranties during that period. It was to redress this inequity that Congress enacted Public Law 102–547.

Despite the complexities of creating a program that must address the needs of hundreds of different tribal entities, each with its own cultural, political, and legal systems, VA has successfully entered into agreements to provide direct VA loans to members of 30 tribes and Pacific Island groups, and negotiations are ongoing with approximately 20 more tribes. To date, approximately 45 loans have been closed, 3 of them with American Indians, the balance with Hawaiian Natives and Pacific Islanders. In addition, the VA has a commitment to close 36 more loans, including American Indians residing on allotted lands.

Although the VA has made significant progress in implementing the program, a serious, unanticipated shortcoming has come to light. According to the VA, the Department has no statutory authority to offer refinancing to veterans receiving loans under the program. Thus, native Americans who receive loans under the program cannot take advantage of interest rate reductions to ease their financial burden.

This is in stark contrast to other veterans who use the regular guaranty program. In the period between October 1993 and August 1995, for example, the VA refinanced over 25,000 interest reduction loans with a face value of more than $2 billion.

Mr. President, this situation runs contrary to the intent of Congress in enacting the Native American Direct Home Loan Program three years ago. In creating the program, Congress intended to ensure that, to the maximum extent possible, Native American veterans would have the same opportunity as other veterans to achieve the American dream of home ownership. Insofar as refinancing is an important element of other VA home loan programs, it is just and reasonable that veterans who receive benefits under the direct loan program be accorded an opportunity to refinance.

Mr. President, the legislation I am offering today would correct this oversight by providing VA with specific refinancing authority under the direct loan program. My bill also includes a provision for a special fee that would cover all refinancing costs thus making the bill revenue neutral.

Mr. President, I believe this legislation will significantly enhance VA's ability to provide native American veterans with equal access to services and benefits available to other veterans. It would reduce the costs of home ownership for those presently receiving benefits under the program, possibly reducing the risk of default and the costs associated with foreclosure. Perhaps most importantly, it would encourage eligible Native American to come forward to take advantage of the program's benefits.

Thank you, Mr. President. I hope that the measure I am offering today will be supported by colleagues from both sides of the aisle.●

By Mr. HELMS:

S. 1343. A bill to amend title XVIII of the Social Security Act to provide that eligible organizations assure out-of-network access; to the Committee on Finance.

OUT-OF-NETWORK ACCESS LEGISLATION

Mr. HELMS. Mr. President, three summers ago I had a close but fortunate encounter with some remarkable medical doctors in my home town of Raleigh. My heart surgery and the very effective subsequent rehabilitation made it clear that I had been cared for by some of the most capable people in the medical profession.

I was free to choose the surgeon who performed the operation. Senior citizens enrolled in Medicare should have the same choice, and the bill I'm introducing today will enable senior citizens who join HMO's to preserve their right to choose their doctor.

Mr. President most Americans, whether their health is insured by private firms or by Medicare, enjoy their freedom to decide which medical professional will provide their care and treatment. In reforming Medicare, Congress must make sure that senior citizens can choose their doctors and other medical providers.

One of the many reasons for my having opposed the Clinton health plan was the well founded fear that the American people would have been denied their right to chose their medical care. The enormous bureaucracy of the Clinton plan made that apprehension a certainty—which is why the American people rejected it.

Now, Mr. President, the Senate is considering major reforms to save Medicare, and prevent its being pushed over the cliff. Medicare must be reformed before it goes bankrupt—otherwise the Medicare trust fund will be flat broke when the 21st century rolls around a few years hence.

Americas's senior citizens depend on the health care coverage provided by the Medicare system, and those of us in Congress have a duty to make sure they will not be forced to give up their right to choose their doctors.

It is vital to their future security that our senior citizens retain this right to choose. The power to choose will place citizens firmly in control of their health care. Their right to choose will encourage efficiency and cut costs without sacrificing quality care and treatment.

Mr. President, all of us know full well that reform of the present Medicare System is imperative. The provisions of the legislation allowing senior citizens to join health maintenance organizations, and other types of managed care plans, will surely lower the costs of operating the vast Medicare System. And citizens who belong to a Medicare-supported HMO may gain coverage for prescription drugs, eyeglasses and hearing aids—coverages not presently provided by Medicare.

Without some moderating legislation, however, senior citizens could very well find themselves locked into coverage that limits them to services provided by HMO-affiliated doctors, other professionals and hospitals. No longer would senior citizens have the freedom to choose their own doctor.

So, Mr. President, these are the reasons why I am today introducing the Senior Citizens' Health Freedom Act to guarantee all Medicare-eligible Americans who choose to enroll in an HMO the same freedom to choose their doctors that every member of Congress enjoys.

As much as I support the Republican Medicare plan now under discussion, I cannot dismiss my reservations about the absence of doctor choice in the plan as it presently stands.

Mr. President, consider if you will the predicament of a patient who requires heart surgery, and whose HMO will not approve the cardiologist with whom the senior has built up a longstanding relationship. Should the patient be required to wait for a year's time to change to a plan that will cover the cardiologist that the patient knows and trusts? My bill will enable women being treated for breast cancer to rest assured that they can continue to see the specialists familiar with them and their conditions. For this reason, more than a hundred patient advocacy groups have voiced their support for this bill.

We must provide a safety valve to protect seniors who find themselves in that position. A point of service option would enable patients to see physicians and specialists inside and outside the managed care network. If senior citizens are satisfied with the care they receive within the network, they will feel no need to choose outside doctors and specialists. Without such options, however, these senior citizens will be locked into a rigid system which may or may not give them the health care they need from people they most trust to provide it.

Mr. President, we heard from the CBO last February that a built-in point of service feature would not increase the cost of Medicare. In testimony before the Senate Budget Committee, CBO stated that ''the point of service option would permit Medicare enrollees to go to providers outside the HMO's panel when they wanted to, and yet it need not increase the benefit cost to HMO's or to * * *''

The fastest growing health insurance product is a managed care plan that includes the point of service feature. The marketplace has responded to patient's demand. Requiring HMO's to include point of service is not intrusive, but rather advances a developing trend. In fact, in 1993, 61 percent of all HMO's offered a point of service option.

Building a point of service option into all health plans under Medicare will not interfere with the plan's ability to contain cost, nor will it limit their efforts to encourage providers and patients to use their health care resources wisely. It simply will ensure that health plans put the patient's interest first.

Moreover, the actuarial firm of Milliman and Robertson concluded that depending on the terms of the plan and a reasonable cost sharing schedule, there would be no increase in cost to the HMO. In fact, there could actually be a savings.

Mr. President, according to polls I have seen, patients are willing to pay a little more for the ability to go out of network to be assured of seeing the doctors of their choice. As many as 70 percent of Americans over 50 years old declared in one poll that they would be unwilling to join a Medicare managed plan that denied them the freedom to choose their own physicians.

So the best incentive to get senior citizens to join HMO's is to make sure they can choose their own doctors.

As we prepare to enact this historic revision of the Medicare Program, let us not overlook the steps that are necessary to protect the security of our senior citizens. Let us never deny them the right to take an active part in their health care and treatment.

We can save Medicare. We can extend its benefits while lowering the towering costs that beset us today. And with the legislation I introduce today, we can also preserve a basic American freedom to choose.

Mr. President, I ask unanimous consent that the list of patient advocacy groups supporting this bill be printed in the RECORD.

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

ORGANIZATIONS SUPPORTING PATIENT ACCESS TO SPECIALIZED MEDICAL SERVICES UNDER HEALTH CARE REFORM

Allergy and Asthma Network Mothers of Asthmatics, Inc.
American Academy of Allergy and Immunology.
American Academy of Child and Adolescent Pyschiatry.
American Academy of Dermatology.
American Academy of Facial Plastic and Reconstructive Surgery.
American Academy of Neurology.
American Academy of Ophthalmology.
American Academy of Orthopaedic Surgeons.
American Academy of Otolaryngology-Head and Neck Surgery.
American Academy of Pain Medicine.
American Academy of Physical Medicine & Rehabilitation.
American Association for Hand Surgery
American Association for the Study of Headache
American Association of Clinical Endocrinologist.
American Association of Clinical Urologists.
American Association of Hip and Knee Surgeons.
American Association of Neurological Surgeons.
American College of Cardiology.
American College of Foot and Ankle Surgeons.
American College of Gastroenterology.
American College of Nuclear Physicians.
American College of Obstetricians & Gynecologists.
American College of Osteopathic Surgeons.
American College of Radiation Oncology.
American College of Radiology.
American College of Rheumatology.
American Diabetes Association.
American EEG Society.
American Gastroenterological Association.
American Lung Association.
American Orthopedic Society for Sports Medicine.
American Pain Society.
American Pediatric Medical Association.
American Psychiatric Association.
American Sleep Disorders Association.
American Society for Dermatologic Surgery.
American Society for Gastrointestinal Endoscopy.
American Society for Surgery of the Hand.
American Society for Anesthesiologists.
American Society for Cataract and Refractive Surgery.
American Society for Clinical Pathologists.
American Society for Dermatology.
American Society for Echocardiography.
American Society for General Surgeons.
American Society for Hematology.
American Society for Nephrology.
American Society for Pediatric Nephrology.
American Society for Plastic and Reconstructive Surgeons, Inc.
American Society for Transplant Physicians.
American Thoracic Society.
American Urological Association.
Amputee Coalition of America.
Arthritis Foundation.
Arthroscopy Association of North America.
Association of Subspecialty Professors.
Asthma & Allergy Foundation of America.
California Access to Specialty Care Coalition.
California Congress of Dermatological Societies.
Congress of Neurological Surgeons.
Cooley's Anemia Foundation.
Cystic Fibrosis Foundation.
Eye Bank Association of America.
Federated Ambulatory Surgery Association.
Joint Council of Allergy and Immunology.
Lupus Foundation of America, Inc.
National Association for the Advancement of Orthotics and Prosthetics.
National Association of Epilepsy Centers.
National Association of Medical Directors of Respiratory Care.
National Foundation for Ectodermal Dysplasias.
National Hemophilia Foundation.
National Kidney Foundation.
National Multiple Sclerosis Society.
National Osteoporosis Foundation.
National Psoriasis Foundation.
Orthopaedic Trauma Association.
Pediatric Orthopedic Society of North America.
Pediatrix Medical Group? Neonatology and Pediatric Intensive Care Specialists.
Renal Physicians Association.
Scoliosis Research Society.
Society for Vascular Surgery.
Society of Cardiovascular & Interventional Radiology.
Society of Gynecologic Oncologists.
Society of Nuclear Medicine.
Society of Thoracic Surgeons.
The Alexander Graham Bell Association for the Deaf, Inc.
The American Society of Dermatophathology.
The Endocrine Society.
The Paget Foundation For Paget's Disease of Bone and Related Disorders.
The TMJ Association, Ltd.
National Committee to Preserve Social Security and Medicare.

By Mr. HEFLIN:

S. 1344. A bill to repeal the requirement relating to specific statutory authorization for increases in judicial salaries, to provide for automatic annual increases for judicial salaries, and for other purposes; to the Committee on the Judiciary.

JUDICIAL COST-OF-LIVING INCREASES LEGISLATION

Mr. HEFLIN. Mr. President, I am today introducing legislation to address the need of providing annual, automatic cost-of-living increases for the Federal Judiciary. This legislation would achieve two goals. First, it would repeal Section 140 of Public Law 97–42 (28 U.S.C. Sec. 461 note) a provision which was enacted in a continuing appropriation resolution in 1981. Second, it would delink Federal judges from Members of Congress and executive schedule employees of the executive branch with respect to receiving cost of living adjustments and would guarantee that Federal judges would automatically receive such annual adjustments, assuming economic conditions so justified.

Let me share with my colleagues some of the history relating to Section 140, and the reasons why I think it should be repealed. The Federal Salary Act of 1967 established a commission on executive, legislative and judicial salaries, which was popularly referred to as the ''Quadrennial Commission.'' The purpose of this commission was to review executive schedule positions (federal judges, Members of congress, and high ranking officials in all branches) and to make recommendations on how salaries should be adjusted.

In 1975 Congress enacted the Executive Salary Cost-of-Living Adjustment Act, which provided, for the first time, for annual cost-of-living adjustments for executive schedule officials. This statute was designed to give Federal judges, Members of Congress, and other high ranking officials the same annual adjustment that was given to other Federal employees. In October 1975, these executive schedule officials received a cost-of-living adjustment; however, from 1977–1981, Congress withheld cost-of-living adjustments for these officials. In the case of *United States v. Will*, 449 US 200 (1980), the Supreme Court issued a ruling which resulted in an increase in the salaries for Federal judges.

Two years later, Congress adopted an appropriation for Fiscal Year 1982, which provided in Section 140 that judges would not automatically receive an increase under the Executive Salary Cost-of-Living Adjustment Act, ''except as specifically authorized by act of Congress.'' The Ethics Reform Act of 1989 restored cost-of-living adjustments and amended the Adjustment Act, to provide for a method of computing annual pay adjustments for Federal judges and other executive schedule employees.

Cost-of-living adjustments were provided for Federal judges in calendar years 1990, 1991, 1992, and 1993. There have been no cost-of-living adjustments for Federal judges in 1994, 1995, nor it would appear in 1996. With regard to 1996, it appears that the Treasury, Postal Service and General Government Appropriations bill will again deny a cost-of-living adjustment for Federal judges since we are proposing to deny ourselves such an adjustment and under current law, adjustments for Federal judges are linked to adjustments for Members of Congress.

Having reviewed this history, it is my belief that Congress should take action to not only repeal Section 140, which currently bars cost-of-living adjustments in pay for Federal judges, except as specifically authorized by Congress, but to also delink such adjustments from those of Members of Congress and other executive schedule employees of the executive branch.

Delinkage will remove Federal judges from the highly charged political atmosphere surrounding cost-of-living adjustments. This legislation does not seek to raise judicial pay, but is in an

attempt to avoid a diminution in judicial compensation by allowing salaries to keep pace with increases in the cost of living.

Remember, judges are not like Members of Congress or high ranking executive schedule employees of the executive branch of the Federal Government. Members of Congress come and go, and likewise, executive schedule employees are high ranking political employees such as Cabinet secretaries, deputy secretaries, assistant secretaries, and deputy assistant secretaries, etc. They, too, being short-term employees, come and go from the private sector to the public sector.

Federal judges are different in this regard. They make a lifetime commitment to public service as Federal judges. They should be able to plan their financial futures based on the reasonable expectation that their compensation will at least keep even with annual cost-of-living increases.

I think it is imperative to remove the judicial pay process from the political arena. In the middle of the 1980's, this issue was widely discussed on television talk shows and various news programs, and it was very damaging to attracting top quality individuals to serve as Federal judges. We also know that there were a number of resignations in the Federal judiciary in the 1980's, because it was becoming very difficult to attract top individuals to serve on the Federal bench.

I believe that we must continue to attract and retain judges from all walks of life who have demonstrated superior legal skills whether they have served as State judges, private practitioners, academicians, prosecutors, or public defenders. If we fail to deal with this matter, we will soon attract only those judges who are independently wealthy and do not have to worry about providing for their families on a Federal judiciary salary.

I think this is unwise, and I hope that Congress will have the courage to repeal section 140 of Public Law 97–92 and further delink their cost-of-living adjustments from Members of Congress and executive schedule employees, thereby removing this matter from the political process once and for all.

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. 1344

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

SECTION 1. JUDICIAL COST-OF-LIVING INCREASES.

(a) REPEAL OF STATUTORY REQUIREMENT RELATING TO JUDICIAL SALARIES.—Section 140 of the resolution entitled ''A Joint Resolution making further continuing appropriations for the fiscal year 1982, and for other purposes.'', approved December 15, 1981 (Public Law 97–92; 95 Stat. 1200; 28 U.S.C. 461 note) is repealed.

(b) AUTOMATIC ANNUAL INCREASES.—Section 461(a) of title 28, United States Code, is amended to read as follows:

''(a) Effective on the first day of the first applicable pay period beginning on or after January 1 of each calendar year, each salary rate which is subject to adjustment under this section shall be adjusted by an amount, rounded to the nearest multiple of $100 (or if midway between multiples of $100, to the next higher multiple of $100) equal to the percentage of such salary rate which corresponds to the most recent percentage change in the Employment Cost Index, as determined under section 704(a)(1) of the Ethics Reform Act of 1989.''.

By Mr. SIMPSON (by request):

S. 1345. A bill to amend title 38, United States Code, and various other statues, to reform eligibility for Department of Veterans Affairs health care benefits, improve the operation of the Department, and improve the processes and procedures the Department uses to administer various benefits programs for veterans; and for other purposes; to the Committee on Veterans' Affairs.

THE DEPARTMENT OF VETERANS AFFAIRS IMPROVEMENT AND REINVENTION ACT OF 1995

• Mr. SIMPSON. Mr. President, as chairman of the Veterans' Affairs Committee, I have today introduced, at the request of the Secretary of Veterans Affairs, S. 1345, a bill to reform eligibility for Department of Veterans Affairs health care benefits, improve the operation of the Department, and improve the processes and procedures the Department uses to administer various benefit programs for veterans; and for other purposes. The Secretary of Veterans Affairs submitted this legislation to the President of the Senate by letter dated September 12, 1995.

My introduction of this measure is in keeping with the policy which I have adopted of generally introducing—so that there will be specific bills to which my colleagues and others may direct their attention and comments—all administration-proposed draft legislation referred to the Veterans' Affairs Committee. Thus, I reserve the right to support or oppose the provisions of, as well as any amendment to, this legislation.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD at this point, together with the transmittal letter and the enclosed section-by-section analysis of the draft legislation.

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

S. 1345

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

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Department of Veterans Affairs Improvement and Reinvention 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. References to title 38, United States Code.

TITLE I—VETERANS HEALTH-CARE PROGRAMS

PART A—REFORM OF THE HEALTH-CARE ELIGIBILITY SYSTEM

Sec. 101. Definitions.
Sec. 102. Eligibility for health care.
Sec. 103. Exposure related treatment authorities.
Sec. 104. Mental health services and bereavement counseling for family members.
Sec. 105. Consolidation of special authorities pertaining to prosthetic devices, and aids for the blind and aids for the hearing impaired.
Sec. 106. Dental care.
Sec. 107. Home improvements and structural alterations.
Sec. 108. Furnishing medications prescribed by non-VA physicians.
Sec. 109. Furnishing care in community nursing homes.
Sec. 110. Furnishing residential care.
Sec. 111. Expansion of authority to share health-care resources.
Sec. 112. Authorization of Appropriations.
Sec. 113. Conforming amendments.

PART B—ADMINISTRATION OF HEALTH-CARE BENEFITS

Sec. 120. Means test reform.
Sec. 121. VA retention of funds collected from third parties.

TITLE II—BENEFIT PROGRAMS

PART A—LOAN GUARANTY PROGRAM

Sec. 201. Termination of the manufactured housing loan program.
Sec. 202. Loan fees.
Sec. 203. Contracting for portfolio loan services.

PART B—EDUCATION PROGRAMS

Sec. 210. Electronic signatures on documents concerning education benefits for veterans.
Sec. 211. Electronic funds transfer for education benefits payments.

SEC. 2. REFERENCES TO TITLE 38, UNITED STATES CODE.

Except as otherwise expressly provided, whenever in this Act an amendment is expressed in terms of an amendment to a section or other provision, the reference shall be considered to be made to a section or other provision of title 38, United States Code.

TITLE I—VETERANS HEALTH-CARE PROGRAMS

PART A—REFORM OF THE HEALTH CARE ELIGIBILITY SYSTEM

SEC. 101. DEFINITIONS.

Section 1701 is amended by striking out paragraphs numbered (5), (6), (7), (8), and (9) and inserting in lieu thereof the following:

''(5) Then term 'health care' means the most appropriate care and treatment for the patient furnished in the most appropriate setting, as determined by the Secretary, including the provision of such pharmaceuticals, supplies, equipment, devices, appliances and other materials as the Secretary determines to be necessary, and including hospital care, nursing home care, domiciliary care, outpatient care, rehabilitative care, home care, respite care, preventive care, and dental care.

''(6) The term 'hospital care' means care and treatment for a disability furnished to an individual who has been admitted to a hospital as a patient.

''(7) The term 'nursing home care' means care and treatment for a disability furnished to an individual who has been admitted to a nursing home as a resident.

''(8) The term 'domiciliary care' means the furnishing of shelter and food, and includes

necessary care and treatment for a disability furnished to a veteran with no adequate means of support, who has been admitted as a resident to a domiciliary facility under the direct jurisdiction of the Secretary.

''(9) The term 'outpatient care' means care and treatment for a disability, and preventive health services, furnished to an individual other than hospital, nursing home, or domiciliary care.

''(10) The term 'rehabilitative care' means such professional, counseling, and guidance services and treatment programs (other than those types of vocational rehabilitation services provides under chapter 31 of this title) as are necessary to restore, to the maximum extent possible, the physical, mental, and psychological functioning of an ill or disabled person.

''(11) The term 'home care' means outpatient care, rehabilitative care, and preventive health services furnished to an individual in the individual's home or other place of residence but may not include care or services that any other person or entity has a contractual or legal obligation to provide.

''(12) The term 'residential care' means the provision of room and board and such limited personal care for and supervision of residents as the Secretary determines, in accordance with regulations, are necessary for the health, safety, and welfare of residents, and the term 'community residential-care' means the provision of residential-care in a non-VA facility.

''(13) The term 'respite care' means care furnished on an intermittent basis in a department facility for a limited period to a veteran suffering from a chronic illness, who resides primarily in a private residence when such care will help the veteran to continue residing in such private residence.

''(14) The term 'preventive health services' remans care and treatment furnished to prevent disease or illness including periodic examinations, immunization, patient health education, and such other services as the Secretary determines are necessary to provide effective and economical preventive health care.''.

SEC. 102. ELIGIBILITY FOR HEALTH CARE.

Section 1710 is amended to read as follows:

''§1710. Eligibility for health care

''(a)(1) The Secretary shall, to the extent and in the amount provided in advance in appropriations acts for these purposes, furnish health care which the Secretary determines is needed to any veteran described in clauses (A), (C), and (D) of subsection (c)(1), subject to the priorities set forth in subsection (c) and to section 1715 and excluding care described in subsection (b).

''(2) The Secretary may furnish health care which the Secretary determines is needed to any veteran not described in clauses (A) through (D) of subsection (c)(1).

''(b) Subject to the priorities set forth in subsection (c), the Secretary may furnish nursing home care, respite care, home care, and domiciliary care which the Secretary determines is needed to any veteran.

''(c)(1) To the extent and in the amount provided in advance in appropriations acts for these purposes, the Secretary shall furnish health care under subsections (a) and (b) and sections 1712, 1712A, 1712B, 1714, 1717, 1718, 1719, 1720B, and 1751, in accordance with the following order of priority:

''(A) Veterans (i) who have compensable service-connected disabilities, (ii) who are former prisoners of war, (iii) whose discharge or release from the active military, naval or air service was for a disability incurred or aggravated in line of duty, and (iv) who are in receipt of, or who, but for a suspension pursuant to section 1151 (or both such a suspension and the receipt of retired pay), would be entitled to disability compensation, but only to the extent that the veterans' continuing eligibility for such care is provided for in the judgment or settlement described in section 1151.

''(B) Veterans receiving care under sections 1712, 1712A, 1719, and 1720B.

''(C) Veterans with noncompensable service-connected disabilities, veterans of the Mexican Border period or World War I, and veterans receiving increased pension or additional compensation or allowances based on the need of regular aid and attendance or by reason of being permanently housebound.

''(D) Veterans with attributable income less than the threshold amount specified in section 1722 which is applicable to those veterans, provided they sign a declaration that their net worth, together with that of their spouse and dependent children, if any, does not exceed $50,000, and veterans receiving care under section 1751.

''(E) Veterans with attributable income greater than the threshold amount specified in section 1722 which is applicable to those veterans and veterans who do not sign the declaration described in clause (D).

''(2) The Secretary may, by regulation, establish additional priorities within each priority group established in paragraph (1) of this subsection, as the Secretary determines necessary.

''(d) Nothing in this section requires the Secretary to furnish care to a veteran to whom another agency of Federal, State, or local government has a duty under law to provide care in an institution of such government.

''(e)(1) The Secretary may furnish health care under subsections (a) and (b) of this section to any veteran described in subsection (c)(1)(E) who has attributable income greater than the amount specified in section 1722(a) which is applicable to that veteran, only if the veteran agrees to pay the United States the applicable amount determined under paragraph (2) of this subsection.

''(2) A veteran who is required under paragraph (1) of this subsection to agree to pay an amount to the United States in order to be furnished such care shall be liable to the United States for an amount equal to—

''(A) for hospital care—

''(i) the lesser of the cost of furnishing such care, as determined by the Secretary, or the amount determined under paragraph (3) of this subsection; and

''(ii) $10 for every day the veteran receives hospital care.

''(B) for nursing home care—

''(i) the lesser of the cost of furnishing such care, as determined by the Secretary, or the amount determined under paragraph (3) of this subsection; and

''(ii) $5 for every day the veteran receives nursing home care; and

''(C) for outpatient care, an amount equal to 20 percent of the estimated cost of care, as determined by the Secretary.

''(3)(A) In the case of hospital care furnished during any 365-day period, the amount referred to in paragraph (2)(A)(i) of this subsection is—

''(i) the amount of the inpatient Medicare deductible, plus

''(ii) one-half of such amount for each 90 days of care (or fraction thereof) after the first 90 days of such care during such 365-day period.

''(B) In the case of nursing home care furnished during any 365-day period, the amount referred to in paragraph (2)(B)(i) of this subsection is the amount of the inpatient Medicare deductible for each 90 days of such care (or fraction thereof) during such 365-day period.

''(C)(i) Except as provided in clause (ii) of this subparagraph, in the case of a veteran who is admitted for nursing home care under this section after being furnished, during the preceding 365-day period, hospital care for which the veteran has paid the amount of the inpatient Medicare deductible under this subsection and who has not been furnished 90 days of hospital care in connection with such payment, the veteran shall not incur any liability under paragraph (2)(B)(i) of this subsection with respect to such nursing home care until—

''(I) the veteran has been furnished, beginning with the first day of such hospital care furnished in connection with such payment, a total of 90 days of hospital care and nursing home care; or

''(II) the end of the 365-day period applicable to the hospital care for which payment was made,

whichever occurs first.

''(ii) In the case of a veteran who is admitted for nursing home care under this section after being furnished, during any 365-day period, hospital care for which the veteran has paid an amount under subparagraph (A)(ii) of this paragraph and who has not been furnished 90 days of hospital care in connection with such payment, the amount of the liability of the veteran under paragraph (2)(B)(i) of this subsection with respect to the number of days of such nursing home care which, when added to the number of days of such hospital care, is 90 or less, is the difference between the inpatient Medicare deductible and the amount paid under such subparagraph until—

''(I) the veteran has been furnished, beginning with the first day of such hospital care furnished in connection with such payment, a total of 90 days of hospital care and nursing home care; or

''(II) the end of the 365-day period applicable to the hospital care for which payment was made,

whichever occurs first.

''(D) In the case of a veteran who is admitted for hospital care under this section after having been furnished, during the preceding 365-day period, nursing home care for which the veteran has paid the amount of the inpatient Medicare deductible under this subsection and who has not been furnished 90 days of nursing home care in connection with such payment, the veteran shall not incure any liability under paragraph (2) of this subsection with respect to such hospital care until—

''(i) the veteran has been furnished, beginning with the first day of such nursing home care furnished in connection with such payment, a total of 90 days of nursing home care and hospital care; or

''(ii) the end of the 365-day period applicable to the nursing home care for which payment was made.

whichever occurs first.

''(E) A veteran may not be required to make a payment under paragraph (2)(A)(i) or paragraph (2)(B)(i) of this subsection for any days of care in excess of 360 days of care during any 365-calendar-day period.

''(4) Amounts collected or received on behalf of the United States under this subsection shall be deposited in the Treasury as miscellaneous receipts.

''(5) For the purposes of this subsection, the term 'inpatient Medicare deductible' means the amount of the inpatient hospital deductible in effect under section 1813(b) of the Social Security Act (42 U.S.C. 1395(b)) on the first day of the 365-day period applicable under paragraph (3) of this subsection.''.

SEC. 103. EXPOSURE-RELATED TREATMENT AUTHORITIES.

Section 1712 is amended to read as follows:

"§ 1712. Treatment for veterans exposed to certain toxic substances or hazards

''(a) Subject to subsections (b) and (c), and to the extent and in the amount provided in advance in appropriations acts for these purposes, the Secretary shall furnish hospital care and may furnish other health care to—

''(1) a veteran—

''(A) who served on active duty in the Republic of Vietnam during the Vietnam era, and

''(B) who the Secretary finds may have been exposed during such service to dioxin or was exposed during such service to a toxic substance found in a herbicide or defoliant used in connection with military purposes during such era,

for any disability, notwithstanding that there is insufficient medical evidence to conclude that such disability may be associated with such exposure;

''(2) a veteran who the Secretary finds was exposed while serving on active duty to ionizing radiation from the detonation of a nuclear device in connection with such veteran's participation in the test of such a device or with the American occupation of Hiroshima and Nagasaki, Japan, during the period beginning on September 11, 1945, and ending on July 1, 1946, for any disability, notwithstanding that there is insufficient medical evidence to conclude that such disability may be associated with such exposure; and

''(3) a veteran who the Secretary finds may have been exposed while serving on active duty in the Southwest Asia theater of operations during the Persian Gulf War to a toxic substance or environmental hazard for any disability, notwithstanding that there is insufficient medical evidence to conclude that such disability may be associated with such exposure.

''(b) Hospital and health care may not be provided under subsection (a) with respect to a disability that is found, in accordance with guidelines issued by the Under Secretary for Health, to have resulted from a cause other than an exposure described in paragraph (1), (2), or (3) of subsection (a) in the case of a veteran described in the applicable paragraph.

''(c) Hospital and health care may not be provided—

''(1) after December 31, 1996, in the case of a veteran described in paragraph (1) of subsection (a); and

''(2) after September 30, 1997, in the case of a veteran described in paragraph (3) of subsection (a).''.

SEC. 104. MENTAL HEALTH SERVICES AND BEREAVEMENT COUNSELING FOR FAMILY MEMBERS.

Chapter 17 is amended by adding the following new section:

"§ 1712C. Mental health services and bereavement counseling for family members

''(a) If necessary for the effective treatment and rehabilitation of a patient who is either a veteran or a dependent or survivor receiving care under the last sentence of section 1713(b), the Secretary may furnish the services described in subsection (b) to members of the immediate family of the patient, the patient's legal guardian, or the individual in whose household such patient certifies an intention to live.

''(b) The services referred to in subsection (a) are—

''(1) consultation, professional counseling, and training as necessary in connection with the treatment of any disability of a patient receiving outpatient care for a physical condition;

''(2) mental health services, consultation, professional counseling, and training as necessary in connection with the treatment of a patient receiving hospital care for any disability, or receiving outpatient care for a service-connected mental health condition;

''(3) mental health services, consultation, professional counseling, and training as necessary in connection with the treatment of a patient receiving outpatient care for a nonservice-connected mental health condition, but only if the patient's treatment for the mental health condition was begun during a period of hospitalization and the services to the family member, guardian, or other person were commenced prior to the patient's discharge from such period of hospital care.

''(c) The Secretary may furnish counseling services for a limited period to any individual who was a recipient of services under subsection (a) of this section at the time of—

''(1) the unexpected death of the veteran; or

''(2) the death of the veteran while the veteran was participating in a hospice program (or a similar program) conducted by the Secretary,

if the Secretary determines that furnishing such services would be reasonable and necessary to assist such individual with the emotional and psychological stress accompanying the veteran's death.''.

SEC. 105. CONSOLIDATION OF SPECIAL AUTHORITIES PERTAINING TO PROSTHETIC DEVICES, AIDS FOR THE BLIND, AND AIDS FOR THE HEARING IMPAIRED.

Section 1714 is amended—

(1) by amending the heading to read as follows:

"§ 1714. Prosthetic devices and aids for the blind and hearing impaired";

(2) by designating subsection (b) as subsection (d) and inserting after subsection (a) the following new subsections (b) and (c):

''(b) The Secretary may procure medical equipment, prosthetic devices and similar appliances furnished under section 1710 or subsections (d) and (e) of this section by purchase or by manufacture, whichever the Secretary determines may be advantageous and reasonably necessary.

''(c) The Secretary may repair or replace any prosthetic or orthotic device or similar appliance (not including dental appliances) reasonably necessary to a veteran and belonging to such veteran which was damaged or destroyed by a fall or other accident caused by a service-connected disability for which such veteran is in receipt of, or but for the receipt of retirement pay would be entitled to, disability compensation.''; and

(3) by adding at the end the following new subsection (e):

''(e) The Secretary may furnish devices for assisting in overcoming the handicap of deafness (including telecaptioning television decoders) to any veteran who is profoundly deaf and is entitled to compensation on account of hearing impairment.''.

SEC. 106. DENTAL CARE.

Section 1715 is amended to read as follows:

"§ 1715. Dental care

''(a) The Secretary may, within the limits of Department facilities, furnish a veteran receiving hospital, nursing home, or domiciliary care in a Department facility with—

''(1) any dental services and treatment, and related dental appliances necessary for continued safe and effective treatment of other disabilities for which the veteran is receiving care in the VA facility; and

''(2) any dental services and treatment for which the veteran is eligible under subsection (b) of this section.

''(b)(1) The Secretary may furnish outpatient dental services and treatment, and related dental appliances under this chapter only for a dental condition or disability—

''(A) which is service-connected and compensable in degree;

''(B) which is service-connected, but not compensable in degree, but only if—

''(i) the dental condition or disability is shown to have been in existence at the time of the veteran's discharge or release from active military, naval, or air service;

''(ii) the veteran had served on active duty for a period of not less than 180 days or, in the case of a veteran who served on active duty during the Persian Gulf War, 90 days immediately before such discharge or release;

''(iii) application for treatment is made within 90 days after such discharge or release, except that (I) in the case of a veteran who reentered active military, naval, or air service within 90 days after the date of such veteran's prior discharge or release from such service, application may be made within 90 days from the date of such veteran's subsequent discharge or release from such service, and (II) if a disqualifying discharge or release has been corrected by competent authority, application may be made within 90 days after the date of correction; and

''(iv) the veteran's certificate of discharge or release from active duty does not bear a certification that the veteran was provided, within the 90-day period immediately before the date of such discharge or release, a complete dental examination (including dental X-rays) and all appropriate dental services and treatment indicated by the examination to be needed.

''(C) which is a service-connected dental condition or disability due to combat wounds or other service trauma, or of a former prisoner of war;

''(D) which is associated with and is aggravating a disability resulting from some other disease or injury which was incurred in or aggravated by active military, naval, or air service;

''(E) which is a nonservice-connected condition or disability of a veteran for which treatment was begun while such veteran was receiving hospital care under this chapter and such services and treatment are reasonably necessary to complete such treatment;

''(F) from which a veteran who is a former prisoner of war and who was detained or interned for a period of not less than 90 days is suffering;

''(G) from which a veteran who has a service-connected disability rated as total is suffering; or

''(H) the treatment of which is medically necessary (i) in preparation for hospital admission, or (ii) for a veteran otherwise receiving care or services under this chapter.

''(2) The Secretary concerned shall at the time a member of the Armed Forces is discharged or released from a period of active military, naval, or air service of not less than 180 days or, in the case of a veteran who served on active duty during the Persian Gulf War, 90 days provide to such member a written explanation of the provisions of clause (B) of paragraph (1) of this section and enter in the service records of the member a statement signed by the member acknowledging receipt of such explanation (or, if the member refuses to sign such statement, a certification from an officer designated for such purpose by the Secretary concerned that the member was provided such explanation).

''(3) The total amount which the Secretary may expend for furnishing, during any twelve-month period, outpatient dental services, treatment, or related dental appliances to a veteran under this section through private facilities for which the Secretary has contracted under clause (1), (2), or (5) of section 1703(a) of this title may not exceed $1,000 unless the Secretary determines, prior

to the furnishing of such services, treatment, or appliances and based on an examination of the veteran by a dentist employed by the Department (or, in an area where no such dentist is available, by a dentist conducting such examination under a contract or fee arrangement), that the furnishing of such services, treatment, or appliances at such cost is reasonably necessary.

''(4)(A) Except as provided in subparagraph (B) of this subsection, in any year in which the President's Budget for the fiscal year beginning October 1 of such year includes an amount for expenditures for contract dental care under the provisions of section 1710(a) of this title (other than care for a veteran of the Mexican border period or of World War I, and a veteran who is in receipt of increased pension or additional compensation or allowances based on the need of regular aid and attendance or by reason of being permanently housebound (or who, but for the receipt of retired pay, would be in receipt of such pension, compensation or allowance)) and section 1703 of this title during such fiscal year in excess of the level of expenditures made for such purpose during fiscal year 1978, the Secretary shall, not later than February 15 of such year, submit a report to the appropriate committees of the Congress justifying the requested level of expenditures for contract dental care and explaining why the application of the criteria prescribed in section 1703 of this title for contracting with private facilities and in section 1715(a) of this title for furnishing incidental dental care to hospitalized veterans will not preclude the need for expenditures for contract dental care in excess of the fiscal year 1978 level of expenditures for such purpose. In any case in which the amount included in the President's Budget for any fiscal year for expenditures for contract dental care under such provisions is not in excess of the level of expenditures made for such purpose during fiscal year 1978 and the Secretary determines after the date of submission of such budget and before the end of such fiscal year that the level of expenditures for such contract dental care during such fiscal year will exceed the fiscal year 1978 level of expenditures, the Secretary shall submit a report to the appropriate committees of the Congress containing both a justification (with respect to the projected level of expenditures for such fiscal year) and an explanation as required in the preceding sentence in the case of a report submitted pursuant to such sentence. Any report submitted pursuant to this paragraph shall include a comment by the Secretary on the effect of the application of the criteria prescribed in section 1715(a) of this title for furnishing incidental dental care to hospitalized veterans.

''(B) A report under subparagraph (A) of this paragraph with respect to a fiscal year is not required if, in the documents submitted by the Secretary to the Congress in justification for the amounts included for Department programs in the President's Budget, the Secretary specifies with respect to contract dental care described in such subparagraph—

''(i) the actual level of expenditures for such care in the fiscal year preceding the fiscal year in which such Budget is submitted;

''(ii) a current estimate of the level of expenditures for such care in the fiscal year in which such Budget is submitted; and

''(iii) the amount included in such Budget for such care.

''(c) Dental services and related appliances for a dental condition or disability described in paragraph (1)(B) of subsection (b) of this section shall be furnished on a one-time completion basis, unless the services rendered on a one-time completion basis are found unacceptable within the limitations of good professional standards, in which event such additional services may be afforded as are required to complete professionally acceptable treatment.

''(d) Dental appliances, to be furnished by the Secretary under this section may be procured by the Secretary either by purchase or by manufacture, whichever the Secretary determines may be advantageous and reasonably necessary.''.

SEC. 107. HOME IMPROVEMENTS AND STRUCTURAL ALTERATIONS.

Section 1717 is amended to read as follows:

''§ 1717. Home improvements and structural alterations

''(a) The Secretary may furnish improvements and structural alterations to the home of a veteran if necessary for the effective and economical treatment of a disability of the veteran, but only if the improvements or alterations are necessary to assure the continuation of treatment or to provide the veteran access to the home or to essential lavatory and sanitary facilities.

''(b) The cost of improvements and structural alterations (or the amount of reimbursement therefor) furnished under subsection (a) may not exceed—

''(1) $4,100 if needed—

''(A) for treatment of a service-connected disability (including a disability that was incurred or aggravated in line of duty and for which the veteran was discharged or released from the active military, naval, or air service);

''(B) for any disability of a veteran who has a service-connected disability rated at 50 percent or more; and

''(C) to any veteran for a disability for which the veteran is in receipt of compensation under section 1151 of this title or for which the veteran would be entitled to compensation under that section but for a suspension pursuant to that section (but in the case of such a suspension, such medical services may be furnished only to the extent that such person's continuing eligibility for medical services is provided for in the judgment or settlement described in that section); and

''(2) $1,200 in all other cases.''.

SEC. 108. FURNISHING MEDICATIONS PRESCRIBED BY NON-VA PHYSICIANS.

Section 1719 is amended to read as follows:

''§ 1719. Medications prescribed by non-VA physicians; immunization programs

''(a) The Secretary shall, to the extent and in the amount provided in advance in appropriation acts for these purposes, furnish to each veteran who is receiving additional compensation or allowance under chapter 11 of this title, or increased pension as a veteran of a period of war, by reason of being permanently housebound or in need of regular aid and attendance, such drugs and medicines as may be ordered on prescription of a duly licensed physician as specific therapy in the treatment of any illness or injury suffered by such veteran: provided, that the Secretary shall continue to furnish such drugs and medicines so ordered to any such veteran in need of regular aid and attendance whose pension payments have been discontinued solely because such veteran's annual income is greater than the applicable maximum annual income limitation, but only so long as such veteran's annual income does not exceed such maximum annual income limitation by more than $1,000.

''(b) In order to assist the Secretary of Health and Human Services in carrying out national immunization programs under other provisions of law, the Secretary may authorize the administration of immunizations to eligible veterans who voluntarily request such immunizations in connection with the provision of care for a disability under this chapter in any Department health care facility. Any such immunization shall be made using vaccine furnished by the Secretary of Health and Human Services at no cost to the Department. For such purpose, notwithstanding any other provision of law, the Secretary of Health and Human Services may provide such vaccine to the Department at no cost. Section 7316 of this title shall apply to claims alleging negligence or malpractice on the part of Department personnel granted immunity under such section.''.

SEC. 109. FURNISHING CARE IN COMMUNITY NURSING HOMES.

Section 1720 is amended—

(1) in the heading by striking out the semicolon and all that follows;

(2) in subsection (a)(1)(A)(i), by striking out ''hospital care, nursing home care, or domiciliary'' and inserting in lieu thereof ''health'';

(3) by striking out subsection (a) and redesignating subsection (e) as subsection (d); and

(4) by striking out subsection (f).

SEC. 110. FURNISHING RESIDENTIAL CARE.

Section 1730 is amended—

(1) by redesignating subsections (a), (b), (c), (d), and (e) as subsections (b), (c), (d), (e), and (f), respectively;

(2) by inserting the following new subsection (a):

''(a)(1) The Secretary may furnish residential care to a veteran in receipt of hospital care in a VA facility when such care would be an alternative to continued hospital care.

''(2) The Secretary may only furnish care under paragraph (1) of this subsection through contracts with community residential-care facilities—

''(A) when the veteran has no resources to pay for the care, as determined by the Secretary in regulations; and

''(B) for a period not to exceed 90 days during any 12-month period.''.

(3) by amending subsection (b), as so redesignated, to read as follows:

''(b) Subject to this section and regulations to be prescribed by the Secretary under this section, the Secretary may assist a veteran who does not meet the requirement set forth in subsection (a)(2)(A) of this section by referring the veteran for placement in, and aiding the veteran in obtaining placement in, a community residential-care facility if—

''(1) at the time of initiating the assistance, the Secretary—

''(A) is furnishing the veteran hospital, domiciliary, nursing home, or outpatient care; or

''(B) has furnished the veteran such care or services within the preceding 12 months; and

''(2) placement of the veteran in a community residential-care facility is appropriate.''.

(4) in subsection (c), as so redesignated, by striking out ''subsection (a) of'' in paragraph (1), and by inserting ''community residential-care'' before ''facility'' the first time it appears in paragraph (2);

(5) in subsection (d), as so redesignated, by striking out ''(b)'' and inserting in lieu thereof ''(c)'';

(6) in subsection (e), as so redesignated, by striking out ''(b)'' and inserting in lieu thereof ''(c)'';

(7) in subsection (f), as so redesignated, by striking out ''(b)(2) or (c)(1)'' and ''(d)'' and inserting in lieu thereof ''(c)(2) or (d)(1)'' and ''(e)'';

(8) by striking subsection (g)

SEC. 111. EXPANSION OF AUTHORITY TO SHARE HEALTH-CARE RESOURCES.

(a) The text of section 8151 is amended to read as follows:

''It is the purpose of this subchapter to improve the quality of health care provided veterans under this title, by authorizing the Secretary to enter into agreements with

health-care providers in order to share health-care resources with, and receive health-care resources from those health care providers, provided there is no diminution of services to veterans. Among other things, it is intended by these means to strengthen the medical programs at Department facilities located in small cities or rural areas that are remote from major medical centers.''

(b) Section 8152 is amended—

(1) by striking out paragraphs (1) and (2) and redesignating paragraphs (3) and (4) as paragraphs (1) and (2), respectively; and

(2) by amending paragraph (1), as so redesignated, to read as follows:

''(1) The term 'health-care resource' includes health care as that term is defined in paragraph (5) of section 1701, any other health-care service, and any health-care support or administrative resource.''.

(3) by adding at the end the following new paragraph (3):

''(3) The term 'health-care providers' includes health-care plans, insurers, organizations, institutions, or any other entity or individual who furnishes any health-care resource.''.

(c) Section 8153 is amended—

(1) by amending the heading to read as follows:

''§ 8153. Health-care resource sharing'';

(2) by amending paragraph (1) of subsection (a) to read as follows:

''(a)(1) The Secretary may, when the Secretary determines it to be necessary in order to secure health-care resources which otherwise might not be feasibly available, or to effectively utilize health-care resources, make arrangements, by contract or other form of agreement, without regard to any law or regulation pertaining to competitive procedures, for the mutual use, or exchange of use, of health-care resources between Department health-care facilities and non-Department health-care providers.'';

(3) in subsection (c), by striking out ''hospital care and medical services'' and ''hospital care or medical services'' and inserting in lieu thereof ''health care'' in both places; and

(4) in subsection (d), by striking out ''hospital care and health services'' and inserting in lieu thereof ''health care''.

(5) by striking out subsection (e).

(d) The table of sections at the beginning of chapter 81 is amended by striking out the item relating to section 8153 and inserting in lieu thereof the following:

''8153. Health care resource sharing''.

SEC. 112. AUTHORIZATION OF APPROPRIATIONS.

Subchapter II of chapter 17 is amended by adding at the end the following new section:

''§ 1720D. Authorization of appropriations

There are authorized to be appropriated such sums as are necessary to carry out this subchapter.

SEC. 113. CONFORMING AMENDMENTS.

(a) Section 1703 is amended—

(1) by amending the section heading to read as follows:

''§ 1703. Contracts for hospital and outpatient care'';

(2) by striking out the words ''medical services'' wherever they appear and inserting in lieu thereof ''outpatient care'';

(3) in the first sentence of subsection (a), by striking out ''or services'' and ''or 1712'';

(4) by amending paragraph (2) of subsection (a) to read as follows:

''(2) Outpatient care for the treatment of any disability of—

''(A) a veteran with a service-connected disability rated at 50 percent or more;

''(B) a veteran who has been furnished hospital care, nursing home care, or domiciliary care, when reasonably necessary to complete treatment incident to such care for a period up to 12 months after discharge from such care unless the Secretary authorizes a longer period of care after finding that a longer period is required by reason of the disability being treated; or

''(C) a veteran of the Mexican border period or World War I, or a veteran who is in receipt of increased pension or additional compensation or allowances based on the need of regular aid and attendance or by reason of being permanently housebound (or who, but for the receipt of retired pay, would be in receipt of such pension, compensation, or allowance) if the Secretary has determined, based on an examination by a physician employed by the Department (or, in areas where no such physician is available, by a physician carrying out such function under a contract or fee arrangement), that the medical condition of such veteran precludes appropriate treatment in Department facilities.''; and

(5) by amending paragraph (5) of subsection (a) to read as follows:

''(5) Hospital care, or outpatient care for veterans in a State (other than the Commonwealth of Puerto Rico) not contiguous to the contiguous States.''.

(6) in paragraph (6) of subsection (a), by striking out ''to obviate the need for hospital admission''; and

(7) in paragraph (7) of subsection (a), by striking out ''1712(b)(1)(F)'' and inserting in lieu thereof ''1715(b)(1)(F)''.

(b) Section 1704 is repealed.

(c) Section 1711 is amended by striking ''medical services'' wherever it appears and inserting in lieu thereof ''outpatient care''.

(d) Section 1712A is amended—

(1) in subsection (b)(1), by striking ''1712(a)(5)(B)'' and inserting in lieu thereof ''1710'';

(2) in subsection (b)(2), by striking ''1701(6)(B)'' and inserting in lieu thereof ''1712C''; and

(3) in subsection (e)(1), by striking ''sections 1712(a)(1)(B) and'' and inserting in lieu thereof ''section'';

(e) Section 1713 is amended by striking out ''medical care'' each place it appears and inserting in lieu thereof ''health care''.

(f) Section 1718 is amended in subsection (e), by striking out ''1712(i) of this title'' and inserting ''1710(c)'' in lieu thereof.

(g) Section 1720A is amended—

(1) by striking out ''hospital, nursing home, and domiciliary care and medical rehabilitative services'' and inserting in lieu thereof ''health care''; and

(2) by striking out ''1995'' and inserting in lieu thereof ''1997''.

(h) Section 1720B is repealed.

(i) Section 1720D is redesignated as section 1720B.

(j) Section 1724 is amended—

(1) by amending the heading to read as follows:

''§ 1724. Health care abroad'';

and

(2) by striking out ''medical services'' wherever it appears and inserting in lieu thereof ''outpatient care''.

(k) Section 1727 is amended by striking out ''medical services'' and inserting in lieu thereof ''outpatient care''.

(l) Section 1728 is amended by striking out ''medical services'' and inserting in lieu thereof ''outpatient care''.

(m) Section 1734 is amended—

(1) by amending the heading to read as follows:

''§ 1734. Health care in the United States'';

and

(2) by striking ''hospital and nursing home care and medical services'' and inserting in lieu thereof ''health care''.

(n) The table of sections for subchapters I, II, and III and IV at the beginning of chapter 17 is amended to read as follows:

''Subchapter I—General

''Sec.
''1701. Definitions.
''1702. Presumption relating to psychosis.
''1703. Contracts for hospital and outpatient care.

''Subchapter II—Hospital, Nursing Home, or Domiciliary Care and Medical Treatment

''1710. Eligibility for health care.
''1711. Care during examinations and in emergencies.
''1712. Treatment for veterans exposed to certain toxic substances or hazards.
''1712A. Eligibility for readjustment counseling and related mental health services.
''1712B. Counseling for former prisoners of war.
''1712C. Mental health services and bereavement counseling for family members.
''1713. Medical care for survivors and dependents of certain veterans.
''1714. Prosthetic devices and aids for the blind and hearing impaired.
''1715. Dental care.
''1716. Hospital care by other agencies of the United States.
''1717. Home improvements and structural alterations.
''1718. Therapeutic and rehabilitative activities.
''1719. Medications prescribed by non-VA physicians; immunization programs.
''1720. Transfers for nursing home care.
''1720A. Treatment and rehabilitation for alcohol or drug dependence or abuse disabilities.
''1720B. Counseling and treatment for sexual trauma.
''1720C. Noninstitutional alternatives to nursing home care: pilot program.
''1720D. Authorization of Appropriations.

''Subchapter III—Miscellaneous Provisions Relating to Hospital and Nursing Home Care and Medical Treatment of Veterans

''1721. Power to make rules and regulations.
''1722. Income thresholds.
''1722A. Copayment for medications.
''1723. Furnishing of clothing.
''1724. Hospital care, medical services, and nursing home care abroad.
''1726. Reimbursement for loss of personal effects by natural disaster.
''1727. Persons eligible under prior law.
''1728. Reimbursement of certain medical expenses.
''1729. Recovery by the United States of the cost of certain care and services.
''1730. Community residential care.

''Subchapter IV—Hospital Care and Medical Treatment for Veterans in the Republic of the Philippines

''1731. Assistance to the Republic of the Philippines.
''1732. Contracts and grants to provide for the care and treatment of United States veterans by the Veterans Memorial Medical Center.
''1733. Supervision of program by the President.
''1734. Health care in the United States.
''1735. Definitions.''.

PART B—GENERAL PROGRAM ADMINISTRATION IMPROVEMENTS

SEC. 120. MEANS TEST REFORM.

(a) Section 1722 is amended to read as follows:

''§ 1722. Income thresholds

''(a)(1) For purposes of section 1710(c)(1)(D), section 1710(c)(1)(E) and section 1710(e), the

income threshold for the calendar year beginning on January 1, 1995, is—

''(A) $20,469 in case of a veteran with no dependents; and

''(B) $24,585 in the case of a veteran with one dependent; plus $1,368 for each additional dependent.

''(2) Effective on January 1, of each year after 1995, the amounts specified in paragraph (1) shall be increased by the percentage by which the maximum rates of pension were increased under section 5312(a) during the preceding calendar year.

''(b) For purposes of this chapter, the term 'attributable income of a veteran' means the income of a veteran for the previous year determined in the same manner as the manner in which a determination is made of the total amount of income by which the rate of pension for such veteran under section 1521 of this title would be reduced if such veteran were eligible for pension under that section.

''(c) If a veteran has attributable income greater than the applicable amount specified in subsection (a), but projections of the veteran's income for the current year are that it will be substantially below that amount, then to avoid a hardship to the veteran, the Secretary may deem the veteran to have an attributable income less than the applicable amount specified in subsection (a).

''(d) For the purposes of section 1724(c) of this title, the fact that a veteran is—

''(1) eligible to receive medical assistance under a State plan approved under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.);

''(2) a veteran with a service-connected disability; or

''(3) in receipt of pension under any law administered by the Secretary,

''shall be accepted as sufficient evidence of such veteran's inability to defray necessary expenses.''.

(b) Section 1722A(a)(3)(B) is amended by inserting ''attributable'' before ''income''.

SEC. 121. VA RETENTION OF FUNDS COLLECTED FROM THIRD PARTIES.

(a) Section 1729(g) is amended—

(1) in paragraph (3)(A) by striking ''1710(f) of this title for hospital care or nursing home care, under section 1712(f) of this title for medical services'' and inserting in lieu thereof ''1710(e) of this title for health care''.

(2) by amending paragraph (4) to read as follows:

''(4) Not later than January 1 if each year, there shall be deposited into the Treasury as miscellaneous receipts an amount equal to the amount of the unobligated balance remaining in the Fund at the close of business on September 30, the preceding year—

''(A) minus any part of such balance that the Secretary determines is necessary in order to enable the Secretary to defray, during the fiscal year in which the deposit is made, the expenses, payments, and costs described in paragraph (3); and

''(B) minus twenty-five percent of that part of such balance that exceeds the baseline in the President's Budget for third party deposits in that fund for that fiscal year, which shall be retained by VA and distributed to VA health care facilities for use in improving the quality of health care provided by those facilities.''.

TITLE II—BENEFIT PROGRAMS

PART A—LOAN GUARANTY PROGRAM

SEC. 201. TERMINATION OF MANUFACTURED HOUSING LOAN PROGRAM.

Section 3712 is amended—

(1) by striking out subsection (l) in its entirety;

(2) by redesignating subsection (m) as subsection (l); and

(3) by inserting after subsection (l), as so redesignated, the following new subsection:

''(m)(1) Except as provided in paragraph (2) of this subsection, no loan closed after September 30, 1995, may be guaranteed under this section.

''(2) Paragraph (1) of this subsection shall not apply to a loan described in subsection (a)(1)(F) of this section.''.

SEC. 202. LOAN FEES.

(a) Section 3729(a)(2) is amended—

(1) by striking out in subparagraph (A) ''or for any purpose specified in section 3712 (other than section 3712(a)(1)(F)) of this title'';

(2) by striking out in subparagraphs (B) and (C) ''(except for a purchase referred to in section 3712(a) of this title)'' each place it appears;

(3) by inserting ''or'' at the end of clause (i) of subparagraph (D);

(4) by striking out clause (ii) of subparagraph (D);

(5) by striking out in clause (iii) of subparagraph (D) ''(other than a purchase referred to in section 3712 of this title)''; and

(6) by redesignating clause (iii) of subparagraph (D) as clause (ii).

(b) The amendments made by this section shall take effect October 1, 1995.

SEC. 203. CONTRACTING FOR PORTFOLIO LOAN SERVICES.

(a) Subchapter III of chapter 37 is amended by inserting after section 3735 the following new section:

''§ 3736. Portfolio loan servicing

''(a) Notwithstanding the provisions of any other law, the Secretary is authorized to contract with a private entity for the servicing of loans made or acquired by the Secretary under this chapter. The contract may provide for the contractor to retain, as compensation for the work performed under such contract, a portion of the interest collected on such loans. A contract under this subsection may be for a term not in excess of 15 years.

''(b) For purposes of the Federal Credit Reform Act of 1990, the deduction from interest retained by a contractor as authorized by subsection (a) of this section shall be deemed to be a cost of a direct loan or the cost of a loan guarantee, and not an administrative expense.''.

(b) The table of sections at the beginning of such chapter is amended by inserting below the item relating to section 3735 the following new item:

''3736. Portfolio loan servicing.''.

PART B—EDUCATION PROGRAMS

SEC. 210. ELECTRONIC SIGNATURES ON DOCUMENTS CONCERNING EDUCATION BENEFITS FOR VETERANS.

(a) Section 3674(a)(3) is amended by inserting ''(A)'' before ''Each'' and by adding at the end the following new subparagraph (B):

''(B) The Secretary may require that any report or certification required by this subsection be submitted to the Department electronically by such means and in such format as the Secretary may prescribe, including a requirement for the use of a digital signature or other individually identified electronic designation of the reporting or certifying party on the electronic reports and certifications submitted. Such a digital signature or other electronic designation will be deemed to be the original signature of the reporting or certifying party.''.

(b) Section 3680(g) amended—

(1) by inserting ''(1)'' after the ''(g)'' at the beginning; and

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

''(2) The Secretary may require that any report or certification required under this section be submitted to the Department electronically by such means and in such format as the Secretary may prescribe, including a requirement for the use of a digital signature or other individually identified electronic designation of the reporting or certifying party on the electronic reports and certifications submitted. Such a digital signature or other electronic designation will be deemed to be the original signature of the reporting or certifying party.''.

(c) Section 3684 is amended by adding at the end the following new subsection:

''(d) For purposes of this section, the Secretary may require that any report or certification required by this section is to be submitted to the Department electronically by such means and in such format as the Secretary may prescribe, including a requirement for the use of a digital signature or other individually identified electronic designation of the reporting or certifying party on the electronic reports and certifications submitted. Such a digital signature or other electronic designation will be deemed to be the original signature of the reporting or certifying party.''.

(d) Section 5101 (a) is amended—

(1) by inserting ''(1)'' after the ''(a)'' at the beginning; and

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

''(2) The secretary is authorized to provide that a claim for education benefits under laws administered by the Department may be submitted to the Department electronically through an electronic terminal, telephone, computer or other electronic means in such manner as the Secretary may prescribe, including a requirement for the use of a digital signature or other individually identified electronic designation of the claimant on the electronic claim submitted by the claimant. Such a digital signature or other electronic designation will be deemed to be the individual claimant's original signature.''.

(e) Chapter 53 is amended—

(1) by adding at the end the following new section:

''§ 5320. Verification of education benefits information

''(a) The Department may utilize data electronically provided to the Department by any individual in initially establishing or verifying eligibility or continued eligibility of an individual for education benefits under laws administered by the Department. The data will be in the form prescribed by the Secretary.

''(b) Notwithstanding section 552a(o) and (p) of title 5, the Secretary may suspend, terminate, or reduce payments based on the data described in subsection (a) once the Secretary (1) informs the individual of the data provided electronically, (2) gives the individual an explanation of the procedures to contest such data, and (3) gives notice of the individual's right to appeal the decision in the same manner as applies to other information and findings relating to eligibility for or entitlement to the payment of such benefits.''; and

''(2) by amending the table of sections for such chapter by adding at the end the following new item:

''§ 5320. Verification of education benefits information''.

SEC. 211. ELECTRONIC FUNDS TRANSFER FOR EDUCATION BENEFITS PAYMENTS.

Section 5120(d) is amended—

(a) by striking out ''Notwithstanding'' and inserting in lieu thereof ''(1) Except as provided in paragraph (2) of this subsection, and notwithstanding''; and

(b) by adding a the end thereof the following new paragraph:

''(2)(A) Notwithstanding the provisions of section 3680(d)(4) of this title and subsection

(a) of this section, the Secretary is authorized to require, pursuant to an agreement with the Secretary of the Treasury under which the Secretary certifies such benefits for payment, that education benefits provided under laws administered by the Department be paid through electronic funds transfer, to include a program combining use of vouchers and federally established electronic benefit transfer accounts or any other electronic funds transfer program designated by the Secretary.

''(B) For purpose of this paragraph, the term ''electronic funds transfer'' means any transfer of funds, other than a transaction originated by cash, check or similar paper instrument, that is initiated through an electronic terminal, telephone, computer, or magnetic tape, for the purpose of ordering, instructing, or authorizing a financial institution to debit or credit an account.''.

SECTION BY SECTION ANALYSIS

SECTION 101—DEFINITIONS

Section 101 of the draft bill would amend 38 U.S.C. §1701, which defines a number of terms that are important for administering VA health care eligibility laws. The definitions of several terms are revised to make them simpler. In addition to revising definitions, the bill would add definitions of the terms ''health care'' and ''residential care'' to section 1701, and transfer definitions of terms into section 1701. For example, the definition of the term respite care is moved from section 1720B.

Definition of health care

The term ''health care'' is at the heart of the reformed eligibility system established by other provisions of the draft bill. The definition of the term first states that it means the most appropriate care and treatment of the patient, furnished in the most appropriate setting. The definition further states that the term ''health care'' includes all of the generally accepted modes of health care that VA furnishes to veterans. Thus, the term is defined as including hospital care, nursing home care, domiciliary care, outpatient care, rehabilitative care, home care, respite care, preventive care, and dental care. The definition also states that health care includes pharmaceuticals, supplies, equipment, devices, appliances and other necessary materials. The intent of that language is to include all of the different types of medical equipment, prosthetic and orthotic devices, and other supplies the Department now furnishes to veterans, many of which are included in the current definition of the term ''medical services.''

Definition of hospital care, nursing home care and outpatient care

Section 1701 would also include specific definitions of the various terms used in the definition of health care. Included are definitions of hospital care, nursing home care, and outpatient care. Each of those three terms are defined simply and it is intended that they carry the same meanings that are commonly understood in the medical community.

Definition of domiciliary care

A new definition of the term ''domiciliary care'' is added to section 1701. It provides that such care is applicable only to veterans with no adequate means of support. That language is intended to continue in effect one of the eligibility requirements for domiciliary care that is now included in 38 U.S.C. §1710(b).

Definition of rehabilitative care

The definition of the term ''rehabilitative care'' remains unchanged from existing law.

Definition of home care

The bill would add a definition of the term ''home care'' to section 1701. The definition intentionally limits home care to health services and does not include health-related services such as homemaker or social support services. The definition also includes language stating that the term does not include care or services that any other person or entity has a contractual or legal obligation to furnish. The purpose of that language is to ensure that VA not be required to furnish home care to a veteran who resides in a board and care facility, a residential care facility, a nursing home, or other institution where the institution has a legal or contractual responsibility to provide the type of care included in home care.

Definition of residential care

The bill would add a definition of the term residential care to section 1701 referring to the new type of residential care which would be authorized in section 1730. The definition is patterned on the definition of the term ''community residential-care'' that is now included in 38 U.S.C.§1730(f). The term would be defined as the provision of room and board and such limited personal care and supervision of residents as the Secretary determines, in regulations, is needed for the health, safety and welfare of residents. The definition of ''community residential-care'' now in 1730 would be deleted. In lieu of that, the new definition would provide that community residential care is simply residential care furnished in a non-VA facility.

Definition of respite care and preventive health services

Section 101 would add a definition of the term ''respite care'' to section 1701 that is essentially the same as the definition of that term now included in 38 U.S.C. §1720B. Section 101 would also revise the definition of preventive health services to make it somewhat shorter and more concise then the existing definition.

SECTION 102—BASIC HEALTH CARE ELIGIBILITY

Section 102 of the draft bill would completely revise 38 U.S.C. §1710. The revised section 1710 would become the basic eligibility provision for most of the conventional health care benefits VA furnishes, including hospital, nursing home, domiciliary, and outpatient care.

Authority to furnish health care

Subsection (a) of the revised section 1710 would provide that the Secretary ''shall'' furnish certain veterans with needed health care, subject to specified conditions and limitations, and ''may'' furnish such care to other veterans. Those veterans to whom the Secretary ''shall'' furnish care, those with so-called mandatory eligibility, would generally be the same as those who currently have mandatory eligibility for VA hospital care under the current 38 U.S.C. §1710(a)(1). Those veterans are commonly referred to as category A veterans, and include veterans having service-connected disabilities, former prisoners of war, World War I veterans, and nonservice-connected veterans with incomes below the statutorily established income threshold commonly referred to as the means test threshold. Subsection (a)(1) of the revised section 1710 specifically provides that the requirement that the Secretary ''shall'' furnish health care would not apply to dental care, nursing home care, home care, respite care and domiciliary care. Those veterans to whom the Secretary ''may'' furnish health care under the bill would be the so-called category C veterans, generally those having no service-connected disabilities who have incomes above the means test income threshold.

Because ''health care'' is defined in section 1701 as including outpatient care, the revised section 1710 would have the effect of completely eliminating the currently existing requirements that VA furnish outpatient care to many veterans only if it is needed as pre-hospital care, post-hospital care, or to obviate the need for hospital care. Additionally, the changes would permit the Department to furnish needed prosthetic and orthotic devices to any veteran eligible for health care regardless of whether care is furnished on an inpatient or outpatient basis.

Subsection (a) of the revised section 1710 would also make the provision of all health care subject to the prioritization scheme described in subsection (d) of the revised section 1710. Finally, subsection (a) would include language explicitly providing that the Department shall furnish care only to the extent that Congress appropriates funds for that purpose in advance of delivering the care.

Authority to furnish nursing home, domiciliary, respite and home care

Subsection (b) of the revised section 1710 would provide that the Secretary ''may'' furnish needed nursing home care, home care, respite care, and domiciliary care to any veteran, subject to the limits of available resources, and subject to the same priority scheme described in subsection (d). Under current law, all veterans have so-called discretionary eligibility for nursing home care, and that is unchanged. However, the language making the provision of nursing home, domiciliary, respite and home care subject to available resources, and subject to a priority scheme is new.

Priorities for the purpose of furnishing health care

Subsection (c) of the revised section 1710 would require the Secretary to furnish health care benefits in accordance with specified priorities. The provision would apply to nearly all health-care benefits VA furnishes. Subsection (c) would set up five priority groups. It further provides that the Secretary could, by regulation, establish additional priorities within each statutory priority group.

Priority group one

The first priority group includes veterans with compensable service-connected disabilities and former prisoners of war. In addition, this group includes two smaller categories of veterans, those discharged from the military for a service-related disability, but who for various reasons have not sought service-connection, and those injured as a result of care rendered by VA who are receiving benefits under 38 U.S.C. §1151.

Priority group two

The second priority group includes veterans who receive certain specialty care under one of the following four special treatment authorities.

1. Veterans receiving care for disabilities which may possibly be associated with exposure to herbicides (such as Agent Orange) in Vietnam, to radiation during nuclear weapons testing, or as a result of the bombing of Hiroshima and Nagasaki, Japan, or to environmental hazards or other toxins in the Persian Gulf. A revised section 1712 would be the basic authority for this care.

2. Veterans receiving readjustment counseling. Section 1712A is the basic authority for this care.

3. Veterans receiving increased pension or compensation benefits because they are housebound or in need of aid and attendance, who obtain medication from VA based on prescriptions written by their private physicians. A revised section 1719 would be the authority for the Department to furnish the medication.

4. Veterans receiving sexual trauma counseling. A revised section 1720 would provide authority for this counseling.

Priority group three

The third priority group includes veterans with service-connected disabilities rated 0%, veterans of the Mexican Border period, veterans of World War I, and veterans receiving increased pension based on the need of regular aid and attendance or by reason of being permanently housebound.

Priority group four

The fourth priority group includes nonservice-connected veterans with incomes below the current means test income thresholds who also sign a declaration that their family net worth does not exceed $50,000. The income thresholds are the same as those now in effect, which are set forth in 38 U.S.C. §1722. For calendar year 1995, they are $20,469 for a single veteran, $24,585 for a veteran with one dependent, and $1,368 for each additional dependent. If the veteran's net worth exceeds $50,000, or the veteran refuses to sign a declaration that it is less than that amount, the veteran is included in priority group five described below. This fourth priority group also includes veterans receiving screening, counseling, and treatment for sickle cell anemia under 38 U.S.C. §1751.

Priority group five

The fifth priority group includes nonservice-connected veterans with incomes above the current means test income thresholds. It also includes nonservice-connected veterans with incomes below that level, but who have family net worth in excess of $50,000, or who refuse to sign a declaration that net worth is less than that amount.

Care furnished by other Government entities

Subsection (d) of the revised section 1710 is identical to subsection (g) in the current section 1710, which provides that VA is not obligated to provide care to veterans, such as those who are incarcerated, to whom another governmental entity is legally obligated to furnish care.

Copayments

Subsection (e) of the revised section 1710 retains the currently existing copayment structure with one substantive change. Generally, veterans with incomes above the means test income thresholds must agree to pay copayments amounting to the Medicare deductible for each 90 days of care, and must pay per diem amounts of $10 for each day of hospital care and $5 for each day of nursing home care. The first substantive change has to do with the outpatient care copayment. Currently, veterans required to pay a copayment must pay 20% of the average cost of an outpatient visit. Subsection (e) would change that to provide that veterans pay 20% of the estimated cost of the care. The change would be made to bring copayments more in line with the actual cost of furnishing care.

Furnishing inpatients with dental and outpatient care

Two provisions now included in section 1710(c) would be deleted from the revised section 1710. The first provision permits the Department to furnish dental care to inpatients when needed to continue safe and effective treatment of other disabilities for which the veteran is receiving care. That provision has been simplified and included as subsection (a) of the revised section 1715, which is the section concerned with dental care. The second provision pertains to furnishing outpatient care to inpatients. It has been deleted because it would be unnecessary with the other changes in law the bill would make it simplify eligibility for outpatient care.

SECTION 103—AGENT ORANGE, RADIATION, AND PERSIAN GULF TREATMENT AUTHORITIES

Section 103 would completely revise the current 38 U.S.C. §1712, which now provides the Department with authority to furnish outpatient care. Much of the language in the current section 1712 is unnecessary given the changes in basic eligibility for outpatient care and would be deleted. Language in the current section that must be retained is transferred to other sections in chapter 17. Finally, the so-called Agent Orange, Radiation, and Persian Gulf treatment authorities would be moved from the current section 1710(e) to the revised section 1712.

Deletion of current outpatient eligibility rules

Subsection (a) of the current section 1712 now includes all of the eligibility requirements that pertain to outpatient medical services. Under the proposed eligibility scheme, encompassed in the revised section 1710, which would authorize the Secretary to furnish all needed health care, including outpatient care, there is no need for any of those existing requirements. Accordingly, section 103 of the bill would delete them. The rules in question are those which provide that the Secretary shall furnish outpatient medical services to certain veterans, and may furnish such services to other veterans. They are also the requirements which limit outpatient care in certain cases to that needed as pre-hospital care, post-hospital care, or to obviate the need for hospital care. A priority scheme now set forth in subsection (i) of section 1712 would also be deleted as unnecessary because the proposed new section 1710 includes priority provisions. Finally, the copayment provisions applicable to VA's furnishing outpatient care, now set forth in subsection (f) of section 1712, have been moved to the proposed new subsection (e) of section 1710.

Outpatient dental care requirements

The current section 1712 also includes eligibility requirements which pertain to VA provision of outpatient dental services. The draft bill would make no changes in those requirements. However, the bill would move all of the dental provisions now included in section 1712(b), (c), (d), and (e) to a new section 1715, which would be entitled ''Dental care.''

Privately prescribed medications and immunizations

Two other provisions included in the current section 1712 would also be retained, but moved to another section. First, subsection (h) of the existing 1712 authorizes the Secretary to fill prescriptions written by non-VA physicians for veterans who are receiving increased pension or compensation benefits because they are housebound or in need of aid and attendance. Second, subsection (j) of the current section 1712 authorizes the Secretary to provide immunizations to veterans as part of national immunization programs administered by the Department of Health and Human Services. The provisions of subsections (h) and (j) would be moved to a new section 1719, which would be entitled ''Medications prescribed by non-VA physicians; immunization programs.''

Agent Orange, radiation, and Persian Gulf

In place of other provisions deleted or transferred from section 1712, the draft bill would insert in section 1712 provisions now set forth in subsection (e) of section 1710. The provisions provide authority for VA to treat disabilities which may possibly be associated with exposure to herbicides, such as Agent Orange, during service in Vietnam, exposure to ionizing radiation from nuclear testing or in post-War Japan, and exposure to environmental hazards and contaminants in the Persian Gulf area. The provisions would be transferred from the current section 1710, generally without substantive legal change.

The revised section 1712 would, however, extend the time period during which VA would have authority to provide the treatment under that section. Under current law, the Department's authority to provide care for those exposed to herbicides in Vietnam or to ionizing radiation expires on June 30, 1995. The draft bill would extend the herbicide treatment authority through December 31, 1996, and would make the ionizing radiation authority permanent. The Department currently may provide care for those exposed to toxic substances or environmental hazards in the Persian Gulf through December 31, 1995. The draft bill would extend that authority through September 30, 1997.

SECTION 104—MENTAL HEALTH SERVICES AND BEREAVEMENT COUNSELING FOR FAMILIES

Section 104 would add a new section 1712C entitled ''Mental health services and bereavement counseling for family members.'' Under current law, those services are authorized via the definition of medical services. All of the details and limits on the Department's furnishing the services are presently contained in the definitions of ''hospital care'' and ''medical services'' in the current section 1701. Those definitions would be revised under this bill, as discussed above, and written much more simply. The content of the old definitions related to mental health services and bereavement counseling for family members is being transferred to the new section. The counseling and other services would be furnished under the new section 1712B, not as a form of health care under the proposed new section 1710. However, there would be no substantive change in existing authority to furnish the services.

SECTION 105—SPECIAL AUTHORITIES RELATED TO FURNISHING PROSTHETIC DEVICES, AND AIDS FOR THE BLIND AND HEARING IMPAIRED

Section 105 would amend 38 U.S.C. §1714, which currently authorizes VA to furnish veterans who receive a prosthetic appliance from VA with proper fitting of the device, and training in it use. It further authorizes guide dogs and devices and appliances for the blind. Section 105 would retain those existing provisions in section 1714, and add other provisions, now located in other parts of chapter 17, to the section. The proposed new section 1714 would not include any authority that does not already exist in chapter 17 of title 38.

Devices for the hearing impaired

Section 1717(c) currently contains authority for VA to furnish devices to assist veterans in overcoming the handicap of deafness. Section 105 would transfer that language to section 1714, where it more logically belongs.

Repair of prosthetic devices

Section 1719 currently authorizes VA to repair or replace prosthetic appliances and other medical equipment and devices damaged by a fall or accident caused by a service-connected disability. Section 105 would transfer that language to section 1714.

Acquisition of prosthetic devices

Language now included in 38 U.S.C. §1712(d), which authorizes the Secretary to purchase or manufacture medical equipment, prosthetic devices, and similar appliances, would be transferred to section 1714.

SECTION 106—DENTAL CARE

Abolition of authority to furnish tobacco

Section 106 would completely revise 38 U.S.C. §1715. Currently, that section authorizes the Secretary to furnish tobacco to veterans receiving hospital or domiciliary care. Because it is Departmental policy that tobacco ordinarily not be used in health-care facilities, section 106 would repeal the authority to furnish tobacco. In its place, section 106 would place in section 1715 all of the

eligibility requirements governing VA's provision of dental care, which are now contained in subsection (c) of section 1710, and subsections (b), (c), and (d) of section 1712.

Inpatient dental care

Language currently in subsection (c) of section 1710 permits the Department to furnish dental care to inpatients when needed to continue safe and effective treatment of other disabilities for which the veteran is receiving care. That provision has been simplified and included as subsection (a) of the revised section 1715. Additionally, subsection (a) would authorize the Secretary to furnish inpatients with any other dental care for which they would be eligible to receive on an outpatient basis.

Outpatient dental care

Currently, VA has very detailed eligibility requirements governing the provision of dental care on an outpatient basis. Those requirements are set forth in subsections (b), (c), and (d) of section 1712. Section 106 of this bill would transfer the language now in section 1712 into section 1715, virtually unchanged. No substantive legal changes in the eligibility requirements for outpatient dental care are intended.

SECTION 107—HOME IMPROVEMENTS AND STRUCTURAL ALTERATIONS

Deletion of home care provisions

Section 107 would revise 38 U.S.C. §1717. Section 1717 currently authorizes the Department to furnish home health services as a form of outpatient medical services. The section further provides that the department may furnish certain veterans home improvements and structural alterations as a form of home health services. Section 107 would delete the references to home health services. The language is unnecessary because home health care is included in the new definition of ''health care'' in the revised section 1701, and such care would be furnished pursuant to section 1710. However, the language regarding the furnishing of home improvements and structural alterations would be retained in section 1717.

Home improvements and structural alterations

The current language in section 1717 pertaining to home improvements and structural alterations would be revised somewhat so that it provides stand alone authority for the improvements and alterations. The improvements and alterations would not be a form of outpatient care, as is now the case. Rather, section 1717 would be the authority for the benefit. All of the existing limits on furnishing home improvements and structural alteration would be retained without change.

Invalid lifts and therapeutic and rehabilitative devices

Section 1717 currently contains authority for furnishing certain veterans with invalid lifts and therapeutic and rehabilitative devices. That authority is now largely duplicative of other authority to furnish the items as a form of medical services. Section 107 would delete the authority as it is unnecessary. The definition of ''health care'' in the revised section 1701 would include the lifts and devices, and the Secretary's authority to furnish health care would provide authority to furnish such items.

Aids for the hearing impaired

Section 1717(c) currently contains authority to furnish devices to assist veterans in overcoming the handicap of deafness. Section 105 of the draft bill would transfer that authority without change to the proposed new section 1714.

SECTION 108—PRIVATELY PRESCRIBED MEDICATIONS AND IMMUNIZATIONS

Section 108 would completely revise 38 U.S.C. §1719. That section currently authorizes VA to repair or replace prosthetic appliances and other medical equipment and devices damaged by a fall or accident caused by a service-connected disability. Section 105 of the draft bill would transfer that authority to section 1714. In its place, section 108 would insert two authorities now included in section 1712. The first is authority for the Secretary to fill prescriptions written by non-VA physicians for veterans who are receiving increased pension or compensation benefits because they are housebound or in need of aid and attendance. The second is authority for the Secretary to provide immunizations to veterans as part of national immunization programs administered by the Department of Health and Human Services. Those two authorities are currently included in subsections (h) and (j) of section 1712.

SECTION 109—COMMUNITY NURSING HOME CARE

Section 109 would amend 38 U.S.C. §1720, VA's authority to contract for nursing home care. The changes would permit VA to directly admit a nonservice-connected veteran to a contract community nursing home. Under current law, only service-connected veterans may be admitted directly. Additionally, section 109 would delete obsolete language in section 1720 which authorizes VA to furnish veterans with adult day health care. That special authority to furnish adult day health care expired in 1991. More importantly, the definition of the term ''health care'' which would be added to section 1701 would include adult day health care.

SECTION 110—RESIDENTIAL CARE

Section 110 would revise 38 U.S.C. §1730, which now authorizes a community residential care program under which VA refers veterans to board and care homes that the veterans pay for with their own resources, often VA monetary benefits such as compensation or pension. The draft bill would add a new subsection (a) to section 1730 to authorize VA to furnish such care to certain veterans. The authority to provide the care would be completely discretionary, and quite limited. The Secretary could authorize transfer of a veteran into such care only if the veteran is actually receiving VA hospital care in a VA facility, and the residential care is an alternative to continued hospital care. Moreover, such a transfer could be authorized only when the veteran has no resources to pay for the services. During the period of time that a veteran is receiving residential care, VA officials would be undertaking efforts to assist the veteran in securing alternative funding, such as public assistance, for the care of the veteran. Care would be furnished on a contract basis, and could continue for no more than 90 days in any year.

The amendments made by section 110 would not alter the existing community residential care referral program. Veterans who qualify for that program could not qualify for the proposed new program under which VA pays for the care because they would have alternative arrangements for payment for the care. Thus, they could not meet the eligibility requirements of the new program.

SECTION 111—SHARING HEALTH CARE RESOURCES

Section 111 would amend three sections in chapter 81 of title 38 that authorize VA's program to share health-care resources. The provisions would expand VA's ability to obtain health-care resources to serve the needs of veterans in the changing health care environment. Changes to these sections would facilitate the successful implementation of the reformed eligibility system that other sections of the draft bill would establish. The amendments would allow VA to more easily acquire services for veterans, and would permit VA to provide health care services to other providers in the community when it would be beneficial to both parties, and when there would be no diminution of services to veterans.

Basic sharing authority

Subsection (b) of section 111 would amend 38 U.S.C. §8153, VA's basic sharing authority, to allow VA to share a wider array of resources with a wider array of other care providers than is now the case. It would delete language in that section which lists the different types of providers with whom the Department may share, and in lieu thereof, would authorize sharing with ''health care providers.'' It would also allow VA to share any ''health care resource.''

Definitions

Section 111(c) would add to 38 U.S.C. §8152, a definition of the term ''health-care providers'' which would include insurers, health care plans, and any organization, entity, or individual that furnishes health care resources. VA currently lacks authority to share with insurers and with individuals such as physicians or other solo providers. It would also add a definition of ''health-care resources.'' The term would be defined to include health care as defined in section 1701, as well as any other health-care service, and any other health-care support or administrative resource. Under existing law VA is limited to sharing ''specialized medical resources.''

Finally, section 111(a) would amend 38 U.S.C. §8151, which states the purpose of VA's sharing program, so that it conforms with the changes which would be made by subsections (b) and (c).

SECTION 112—AUTHORIZATION OF APPROPRIATIONS

Section 112 would add a new section 1720D to subchapter II of chapter 17 of title 38, United States Code, authorizing appropriations of such sums as are necessary to carry out the subchapter.

SECTION 113—CONFORMING AMENDMENTS

Section 113 would amend fourteen different sections in chapter 17 to make conforming changes needed as a result of other amendments made by the bill. The section would repeal two currently existing sections. Section 1720B, which authorizes respite care, would be repealed. Respite care would be provided as a form of health care. The bill would also repeal section 1704, which requires VA to submit an annual report on the provision of preventive health services. Finally, the current section 1720D, which authorizes a sexual trauma counseling program, would be redesignated as section 1720B.

SECTION 120—MEANS TEST REFORM

Section 120 would amend 38 U.S.C. §1722 to simplify administration of VA's health care benefits ''means test.'' VA uses the means test to determine both a veteran's priority for receiving VA health care and whether a veteran must agree to pay certain copayments in exchange for care.

Income thresholds

The draft bill would first amend subsection (a) of section 1722. It would abolish use of the term ''unable to defray the expenses of necessary care.'' The subsection would simply state that for purposes of the eligibility provisions and priority provisions of section 1710, certain income thresholds shall apply. The thresholds would be unchanged from those currently in effect for distinguishing between category A (higher priority veterans) and category C (lower priority veterans) veterans. As under existing law, the thresholds would be increased each year by the

same percentage that rates of pension are increased.

Net worth

Section 120 of the bill would strike language in the currently existing section 1722(d) which provides for consideration of net worth in making the determination of whether a veteran is unable to defray the cost of care. That language is unnecessary due to language included in the proposed new section 1710(c)(1)(D), and its elimination will make administration of the means test much easier and less costly. The language in section 1710(c)(1)(D) would provide that a nonservice-connected veteran eligible for health care on the basis of low income must sign a declaration that family net worth does not exceed $50,000. If the veteran does not sign such a declaration, that veteran would have lower priority, and would be required to make copayments. The $50,000 figure is used because that is the figure VA now uses under the existing net worth test to trigger a review of a veterans net worth to determine whether a part of net worth should be used to help defray the costs of care.

SECTION 121—VA RETENTION OF THIRD PARTY COLLECTIONS

Third party collections

Section 121 would amend 38 U.S.C. §1729, the section which allows VA to recover the cost of care it provides to veterans from third parties, particularly insurance companies. Under current law, VA returns to the Treasury all amounts that it collects from third parties, less the costs of collection. Each year, the President's Budget anticipates that VA will collect a certain amount, referred to as the baseline. As an incentive to collect even more, section 121 would amend subsection (g) of section 1729 to permit VA to retain 25 percent of the amounts it collects over and above the baseline amount. The provision further provides that VA must use the additional amounts it would retain for improving the quality of health care furnished by VA facilities.

SECTION 201—MANUFACTURED HOUSING LOAN PROGRAM

Section 201 would terminate VA's authority to guarantee a loan for the purchase of a manufactured home. Any such loan closed after September 30, 1995, would not be eligible for guaranty. An exception would be made for a loan to refinance an existing VA guaranteed manufactured loan with a new loan at a lower interest rate. Under existing law, which remains unchanged a veteran may not receive cash under an interest rate reduction refinancing loan.

Section 201 would also repeal the requirement that the Secretary's annual report to the Congress contain information about VA manufactured home loans, and make other technical and conforming amendments.

SECTION 202—LOAN FEES

Section 202 would make technical and conforming amendments, consistent with the termination of the manufactured housing loan program as proposed by section 201 of this bill, to Section 3729 of title 38, United States Code, relating to the fee veterans and other borrowers and assumers pay to VA for housing loans. No change would be made in the amount of existing fees.

These amendments would take effect October 1, 1995.

SECTION 203—CONTRACTING FOR PORTFOLIO LOAN SERVICES

Section 203(a) would add a new section 3736 to title 38, United States Code, which would authorize VA to contract with a private firm to service VA portfolio loans. The term ''portfolio loans'' includes loans made by VA *e.g.*, in connection with the sale of VA acquired properties, known as ''vendee loans,'' and direct loans to Native American veterans. It also includes guaranteed loans of which VA took an assignment, a procedure commonly referred to as ''refunding.'' VA would permit the contractor to retain a portion of the interest collected on the loans as payment for services rendered. This would permit VA to have the contract bid for ''basis points'' in a manner similar to servicing contracts used in the private sector.

VA would be permitted to let a servicing contract for up to 15 years. Current Federal contract law generally limits contracts to a 5-year term.

This section would also provide that, for budgeting purposes under the Federal Credit Reform Act of 1990, the cost of a servicing contract authorized by this section would be treated as a cost of the loan or loan guaranty, and not as an administrative expense.

Section 203(b) would make a conforming amendment to the table of sections for chapter 37 of title 38.

SECTION 210—ELECTRONIC SIGNATURES FOR EDUCATION BENEFITS

Section 210 would amend several provisions of title 38, United States Code, to clarify that claimants for VA education benefits, State approving agencies, and schools may transmit documents with their signature electronically to permit VA to award benefits. These electronic documents, submitted in the regular course of business, would be accepted as the legal equivalent of a signed, written, paper document. As such, they could be used to make benefits determinations in an expedited manner with reduced errors.

SECTION 211—ELECTRONIC FUNDS TRANSFER FOR EDUCATION BENEFITS PAYMENTS

Section 211 would amend section 5120(d) of title 38, United States Code, to authorize VA to implement, under an agreement with the Treasury, a system requiring that payment of educational assistance allowances under all education benefits programs administered by VA would be made by electronic funds transfer. The amendment defines ''electronic funds transfer'' (EFT) to include the various electronic systems and devices prevalent today for such purposes, as distinguished from transactions originated by cash, check, or other paper instrument.

VA would be required to develop a plan for phasing in the conversion from a paper instrument to an EFT system for education benefits payments, and would be given discretionary authority to prescribe regulations needed to implement the EFT system. Such regulations may include authority to modify any provision of the EFT system designated by the Secretary, as well as to waive or modify the system's application in circumstances where it would be impractical.

SECRETARY OF VETERANS AFFAIRS,
Washington, DC, September 12, 1995.

Hon. AL GORE,
President of the Senate,
Washington, DC.

DEAR MR. PRESIDENT: We are transmitting a draft bill, ''To amend title 38, United States Code, and various other statutes, to reform eligibility for Department of Veterans Affairs health-care benefits, improve the operation of the Department, and improve the processes and procedures the Department uses to administer various benefit programs for veterans; and for other purposes.''

In 1993, the Administration, led by Vice President Gore, launched its effort to improve Federal Government operations through the ''reinventing government'' program. This year, in phase II of that effort, VA examined its basic missions, reviewed its major programs, and developed several exciting initiatives to enable the Department to better serve veterans, and serve them in a cost-effective manner. Several of those initiatives can be implemented only through enactment of legislation. This draft bill would provide the needed changes in law.

HEALTH-CARE ELIGIBILITY REFORM

Perhaps the single most important need in the VA health-care system at this time is the need for reform of the eligibility system. Currently, the process required for a veteran to receive care from VA can be confusing and frustrating. Complicated and irrational statutory eligibility rules sometimes cause absurd outcomes. Existing law discourages VA from effectively managing care, and often promotes the use of expensive and unnecessary inpatient care.

VA designed the eligibility reform proposal in the draft bill to achieve several important objectives.

First, the eligibility system should be one that both the persons seeking care and those providing the care are able to understand.

Second, the eligibility system should ensure that VA is able to furnish patients the most appropriate care and treatment that is medically needed, cost effectively and in the most appropriate setting.

Third, veterans should retain eligibility for those benefits they are now eligible to receive.

Fourth, VA management should gain the flexibility needed to manage the system effectively.

Fifth, the proposal should be budget neutral.

Sixth, the proposal should not create any new and unnecessary bureaucracy.

The draft bill would provide that the Department ''shall'' furnish a specified core group of veterans with needed ''health care.'' This would include hospital care, outpatient care, disease prevention services, pharmaceuticals, medical equipment, and prosthetic equipment and devices. Persons in the core group would generally be those veterans now commonly referred to as category A veterans: those with service-connected disabilities, former prisoners of war, World War I veterans, and nonservice-connected veterans with incomes below the current means test income threshold. The Department would retain authority to furnish the core group veterans with other types of health care, including nursing home care. VA would also retain authority to furnish all health care to veterans not included in the core group. The Department would furnish all care in accordance with five priority groups set forth in the bill. Finally, the bill would continue in place the current copayment structure, and would retain, essentially unchanged, the so-called Agent Orange, Radiation, and Persian Gulf treatment authorities.

The most significant change in the proposal would be the complete elimination of the complicated and archaic eligibility rules governing the provision of outpatient care. The bill would also permit wider use of cost-effective preventive health measures, and use of residential care when that would alleviate the need for hospital care. These key features will allow VA to provide the right care at the right place and the right time for the right price.

HEALTH-CARE SHARING

Today's competitive health-care environment demands that all types of service providers cooperate and work together for each to survive. The VA health-care system is an integral part of the larger health-care industry and must be able to work with partners in both the private and public sectors. However, current law imposes undue limitations on VA's ability to obtain needed health-care

resources to serve veterans. Similarly, VA is unable to fully share, even when it is mutually advantageous to do so, its resources with others in the community who could benefit from the Department's expertise. To remedy that situation, the draft bill includes provisions to expand VA's ability to share resources with other community health-care providers.

The draft bill would amend existing law to permit the Department to share all types of health-care resources with all types of health-care providers in the community. It would define ''health care resource'' to include conventional health-care services such as hospital care, nursing home care, outpatient care, rehabilitative care, and preventive care. Additionally, it would include other health-care support or administrative services essential to the operation of a health-care system. The draft bill would also more broadly define the term ''health care provider'' to include insurers, health-care plans, and health-care management organizations, as well as individuals such as physicians or other solo providers. The expanded sharing authority is essential for the reform of the entire VA health-care system.

VA RETENTION OF INCREASED MEDICAL COLLECTIONS

Current law permits the VA to recover the cost of care it provides to veterans from third parties, particularly insurance companies. Funds collected are turned over to the Treasury. The Department currently does an excellent job of collecting these funds. However, as an additional incentive to VA medical centers to increase collections, the draft bill would authorize the Department to retain a portion of amounts it collects over the amounts anticipated in the budget each year. Providing an incentive such as this is a classic example of how to ''reinvent'' Government.

TERMINATION OF MANUFACTURED HOME LOAN PROGRAM

The draft bill would repeal the authority for VA to guarantee loans to purchase manufactured homes. The number of veterans obtaining manufactured home loans has declined significantly over the years, from a high of 13,502 in fiscal Year 1983 to only 24 in Fiscal Year 1994. Manufactured home loan foreclosure rates are significantly higher than those for site-built homes. The cumulative foreclosure rate for manufactured home loans is 38.7 percent compared to 5.58 percent for site-built homes. The high foreclosure rates in the manufactured home loan program have adversely affected the financial solvency of the loan guaranty program, and resulted in substantial debts being established against veterans whose loans were liquidated and homes repossessed. Due to this low volume, there is virtually no lender interest in using the VA manufactured home loan program. However, VA is required to maintain expertise in consumer installment finance, which differs in many respect from real estate finance.

This provision will not affect the ability of veterans to obtain VA guaranteed loans to purchase, construct, or improve conventionally-built homes, or refinance existing liens on such homes.

CONTRACTING FOR PORTFOLIO LOAN SERVICING

The draft bill would permit VA to contract for servicing of its loan portfolio in a manner which is consistent with private sector loan servicing. VA believes it is in the best interests of the Government to contract out this function. Several provisions of existing law, however, preclude VA from privatizing this function in the most effective manner.

Current law limits Federal contracts to a term of 5 years. This is too short a term for the servicing of loans that bear a 30-year maturity. The draft bill would permit the servicing contract to have a 15-year term. Second, current law requires a contract servicer to remit immediately to the Government all money collected. The bill would allow the contractor to retain a portion of the loan payments collected as its fee as is customary in the private sector. Finally, the draft bill would clarify the budget treatment of the cost of this contract under the Federal Credit Reform Act of 1990 as a cost of the loan rather than as administrative overhead, which more accurately reflects private sector accounting practices.

ELECTRONIC SIGNATURES AND ELECTRONIC FUNDS TRANSFERS—EDUCATION BENEFITS

In the modern world, information is commonly transmitted electronically. Yet statutes are often slow to catch up with technology. This draft bill would amend various laws to modernize administration of VA's education benefit programs. The bill would clarify that claimants for VA education benefits, State approving agencies, and schools may transmit documents with their signature electronically to permit VA to award benefits. The bill would also authorize VA to implement, under an agreement with the Treasury, a system requiring that payment of educational assistance allowances under all education benefits programs administered by VA would be made by electronic funds transfer.

The Omnibus Budget Reconciliation Act (OBRA) requires that all revenue and direct spending legislation meet a pay-as-you-go requirement. That is, no such bill should result in an increase in the deficit; and if it does, it will trigger a sequester if it is not fully offset. Outlay savings in this bill would equal its increase in direct spending, resulting in a net zero PAYGO effect. Thus, considered alone, this bill meets the pay-as-you-go requirement of OBRA.

We are advised by the Office of Management and Budget that there is no objection to the transmittal of this draft bill to the Congress and its enactment would be in accord with the program of the President.

Sincerely,

JESSE BROWN.●

ADDITIONAL COSPONSORS

S. 704

At the request of Mr. SIMON, the name of the Senator from Connecticut [Mr. LIEBERMAN] was added as a cosponsor of S. 704, a bill to establish the Gambling Impact Study Commission.

S. 743

At the request of Mrs. HUTCHISON, the name of the Senator from Virginia [Mr. WARNER] 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. 837

At the request of Mr. WARNER, the name of the Senator from Mississippi [Mr. COCHRAN] was added as a cosponsor of S. 837, a bill to require the Secretary of the Treasury to mint coins in commemoration of the 250th anniversary of the birth of James Madison.

S. 881

At the request of Mr. THURMOND, his name was added as a cosponsor of S. 881, a bill to amend the Internal Revenue Code of 1986 to clarify provisions relating to church pension benefit plans, to modify certain provisions relating to participants in such plans, to reduce the complexity of and to bring workable consistency to the applicable rules, to promote retirement savings and benefits, and for other purposes.

S. 969

At the request of Mr. BRADLEY, the name of the Senator from Hawaii [Mr. INOUYE] was added as a cosponsor 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. 984

At the request of Mr. GRASSLEY, the name of the Senator from North Carolina [Mr. FAIRCLOTH] was added as a cosponsor of S. 984, a bill to protect the fundamental right of a parent to direct the upbringing of a child, and for other purposes.

S. 1043

At the request of Mr. STEVENS, the names of the Senator from Rhode Island [Mr. CHAFEE] and the Senator from North Dakota [Mr. DORGAN] 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. 1150

At the request of Mr. SANTORUM, the names of the Senator from North Dakota [Mr. CONRAD] and the Senator from Pennsylvania [Mr. SPECTER] were added as cosponsors of S. 1150, a bill to require the Secretary of the Treasury to mint coins in commemoration of the 50th anniversary of the Marshall Plan and George Catlett Marshall.

S. 1163

At the request of Mr. LEAHY, the names of the Senator from New York [Mr. MOYNIHAN], the Senator from New Hampshire [Mr. SMITH], the Senator from Massachusetts [Mr. KENNEDY], and the Senator from Massachusetts [Mr. KERRY] were added as cosponsors of S. 1163, a bill to implement the recommendations of the Northern Stewardship Lands Council.

S. 1228

At the request of Mr. SMITH, his name was added as a cosponsor of S. 1228, a bill to impose sanctions on foreign persons exporting petroleum products, natural gas, or related technology to Iran.

At the request of Mr. D'AMATO, the names of the Senator from Florida [Mr. MACK], the Senator from Utah [Mr. HATCH], the Senator from Iowa [Mr. GRASSLEY], the Senator from Mississippi [Mr. COCHRAN], the Senator from Alaska [Mr. STEVENS], the Senator from Ohio [Mr. DEWINE], the Senator from Virginia [Mr. WARNER], the Senator from Colorado [Mr. BROWN],

the Senator from Alabama [Mr. SHELBY], the Senator from Kansas [Mr. DOLE], the Senator from Colorado [Mr. CAMPBELL], the Senator from Oklahoma [Mr. INHOFE], the Senator from Pennsylvania [Mr. SANTORUM], the Senator from Texas [Mr. GRAMM], the Senator from Utah [Mr. BENNETT], the Senator from Georgia [Mr. COVERDELL], the Senator from Wyoming [Mr. THOMAS], the Senator from Idaho [Mr. KEMPTHORNE], and the Senator from Kentucky [Mr. MCCONNELL] were added as cosponsors of S. 1228, supra.

S. 1280

At the request of Mr. MACK, the name of the Senator from Indiana [Mr. LUGAR] 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. 1322

At the request of Mr. DOLE, the names of the Senator from Massachusetts [Mr. KERRY], the Senator from Arizona [Mr. MCCAIN], and the Senator from Maryland [Ms. MIKULSKI] were added as cosponsors of S. 1322, a bill to provide for the relocation of the U.S. Embassy in Israel to Jerusalem, and for other purposes.

S. 1323

At the request of Mr. DOLE, the names of the Senator from Massachusetts [Mr. KERRY], the Senator from Arizona [Mr. MCCAIN], and the Senator from Maryland [Ms. MIKULSKI] were added as cosponsors of S. 1323, a bill to provide for the relocation of the U.S. Embassy in Israel to Jerusalem, and for other purposes.

SENATE RESOLUTION 146

At the request of Mr. JOHNSTON, the name of the Senator from New Mexico [Mr. BINGAMAN] was added as a cosponsor of Senate Resolution 146, A resolution designating the week beginning November 19, 1995, and the week beginning on November 24, 1996, as ''National Family Week,'' and for other purposes.

SENATE RESOLUTION 185—TO EXPRESS THE SENSE OF THE SENATE REGARDING REPAYMENT OF LOANS TO MEXICO

Mr. FAIRCLOTH submitted the following resolution; which was referred to the Committee on Foreign Relations:

S. RES. 185

Whereas the United States has provided Mexico with approximately $12,500,000,000 in loans to Mexico;

Whereas these loans were not authorized by the United States Congress;

Whereas the taxpayers of the United States should not be responsible for any losses incurred from these loans; and

Whereas certain loans to Mexico will become due and payable on October 30, 1995: Now, therefore, be it

Resolved, That, it is the sense of the Senate that no further loans should be made to Mexico without specific authorization from the United States Congress, and that, all loans made to Mexico should be repaid in full and on time, and that such debts should not be extended, rescheduled, or reduced in any manner.

Mr. FAIRCLOTH. Mr. President, today I am submitting a sense of the Senate regarding Mexico.

From day 1, I have been opposed to the Mexican bailout. It was never the sole responsibility of the United States to help Mexico pay its debtors.

These economic problems were of Mexico's own making, driven by politics, corruption, and poor economic policy.

Nevertheless, the President, without the approval of the Congress, went ahead and loaned $12.5 billion to Mexico.

This was a terrible mistake. We cannot continue to be the world's banker. We cannot continue to loan money to countries that have no intention of repaying it.

I might add that the Clinton administration has proposed the creation of an international bailout fund to deal with future problems like Mexico. I cannot think of a worse idea. Once the Congress establishes a fund—any fund—it will be used. Has money ever been appropriated by the Congress and not used? The answer is no. That is why I have introduced a bill, S. 1222, to stop the creation of this new international bailout fund.

Mr. President, returning to the Mexico issue, I would suggest that the first priority of this Congress and administration should be getting our own economic house in order before we can afford to engage in international bailouts, like Mexico.

This means getting Federal spending under control. I have to wonder if we keep putting ourselves deeper and deeper in debt—who will bail us out.

Mr. President, I firmly believe that the loans to Mexico will never be repaid. The American taxpayer will bear the burden of the Mexico bailout.

I think this is very wrong—and I intended to do everything I can to stop it—starting today.

Mr. President, last week, Mexico repaid $700 million of the nearly $12.5 billion in loans that they owe to the United States. This was a great public relations move for Mexico—but for those that read between the headlines there was something very troubling.

Mexico owes the United States $2 billion on October 30, 1995. Mexico was making payment of $700 million towards that loan.

Instead of paying that loan off in full, however, Mexico apparently intends to have the balance of what is owed by October 30—$1.3 billion—rolled over past that deadline.

This short term swap of $2 billion was extended to Mexico on February 2, 1995. It came due in May, but was rolled over in May for 90 days. It was rolled over in August for another 90 days. Now, its falling due again for a third time.

I think it is time that Mexico pays up—and on time.

Mr. President, for this reason, I am introducing a sense of the Senate that loans to Mexico be paid on time and in full.

The principle needs to be established early on in this relationship that these loans should be repaid in full and repaid on time.

If not, these so called loans will quickly become foreign aid. The Congress did not vote for foreign aid. The American taxpayer cannot afford more foreign aid. And the loans to Mexico shouldn't become foreign aid.

Further, if Mexico can't make this small repayment in full and on time—only $2 billion of the $12.5 billion—how will it ever repay the remaining balance.

The bulk of the United States loans to Mexico don't come due until 1997. They won't be fully repaid until the year 2000. But if Mexico can't repay its short term loans on time—then I do not have any hope that the loans coming due in 1997 through 2000 will ever be repaid.

Mr. President, in conclusion, Mexico made a great public relations move by repaying some of its loans last week. But the real story may be that they will never pay anymore. The real test will come shortly, by October 30 when Mexico should pay the United States $1.3 billion.

We need to be firm. We need to stand our ground now. Mexico must pay the United States back. This is what this sense of the Senate calls for.

SENATE RESOLUTION 186—RELATIVE TO THE SENATE LEGAL COUNSEL

Mr. DOLE (for himself and Mr. DASCHLE) submitted the following resolution; which was considered and agreed to:

S. RES. 186

Whereas, the defendant in Triangle MLP United Partnership v. United States, No. 95–430C, a civil action pending in the United States Court of Federal Claims, is seeking testimony at a deposition from Charles Stek and Rebecca Wagner, employees of the Senate who are on the staff of Senator Paul S. Sarbanes;

Whereas, by the privileges of the Senate of the United States and Rule XI of the Standing Rules of the Senate, no evidence under the control or in the possession of the Senate can, by administrative or judicial process, be taken from such control or possession but by permission of the Senate;

Whereas, when it appears that evidence under the control or in the possession of the Senate is needed for the promotion of justice, the Senate will take such action as will promote the ends of justice consistent with the privileges of the Senate;

Whereas, pursuant to sections 703(a) and 704(a)(2) of the Ethics in Government Act of 1978, 2 U.S.C. §§288b(a) and 288c(a)(2), the Senate may direct its counsel to represent employees of the Senate with respect to subpoenas or requests for testimony issued or made to them in their official capacities: Now, therefore, be it

Resolved, That Charles Stek, Rebecca Wagner, and any other employee of the Senate

from whom testimony may be required are authorized to testify and to produce documents in the case of Triangle MLP United Partnership v. United States, except concerning matters for which a privilege should be asserted.

Sec. 2. That the Senate Legal Counsel is authorized to represent Charles Stek, Rebecca Wagner, and any other employee of the Senate in connection with the testimony authorized by this resolution.

AMENDMENTS SUBMITTED

THE NATIONAL AERONAUTICS AND SPACE ADMINISTRATION ACT FOR FISCAL YEAR 1996

PRESSLER AMENDMENT NO. 2939

Mrs. KASSEBAUM (for Mr. PRESSLER) proposed an amendment to the bill (S. 1048) 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 other purposes.

On page 46, line 2, after ''Center'' insert a comma and the following: ''and of which $2,000,000 shall be allocated in fiscal year 1996, and such sums as are necessary thereafter, for the operation of the Upper Midwest Aerospace Consortium (UMAC) of institutions in the Upper Great Plains Region for the purpose of making information derived from Mission to Planet Earth data available to the general public''.

On page 57, line 18, strike ''shall'' and insert ''is authorized to''.

On page 57, line 25, strike ''The'' and insert ''If initiated, the''.

On page 58, line 15, strike ''Within'' and insert ''If this project is initiated, then within''.

NOTICE OF HEARINGS

COMMITTEE ON SMALL BUSINESS

Mr. BOND. Mr. President, I wish to announce that the Senate Committee on Small Business will held a joint hearing with the House Committee on Small Business on ''the report of SBA's Chief Counsel of Advocacy on the Cost of Regulations on Small Business'' on Tuesday, October 24, 1995, at 10 a.m., in room G50 of the Dirksen Senate Office Building.

For further information, please contact Keith Cole at 224–5175.

SPECIAL COMMITTEE ON AGING

Mr. COHEN. Mr. President, I wish to announce that the Special Committee on Aging will hold a hearing on Thursday, October 26, 1995, at 9:30 a.m., in room 628 of the Dirksen Senate Office Building. The hearing will discuss quality of care in nursing homes.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. HELMS. Mr. President, I ask unanimous consent that the Committee on Agriculture, Nutrition, and Forestry be allowed to meet during the session of the Senate on Thursday, October 19, 15 9:00 a.m., in SR–332, to consider the nomination of Mr. Michael V. Dunn to be assistant secretary for marketing and regulatory programs and to be a member of the board of directors for the Commodity Credit Corporation, and Mr. John David Carlin to be assistant secretary for congressional relations.

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

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Mr. HELMS. Mr. President, I ask unanimous consent that the full Committee on Environment and Public Works be granted permission to conduct a hearing Thursday, October 19, 1995, at 9:00 a.m. on S. 1316, the Safe Drinking Water Act Amendment of 1995.

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

COMMITTEE ON SMALL BUSINESS

Mr. HELMS. Mr. President, I ask unanimous consent that the Committee on Small Business be authorized to meet during the session of the Senate on Thursday, October 19, 1995, at 9:30 a.m., in room 428A Russell Senate Office Building, to conduct a hearing focusing on revitalizing America's rural and urban communities.

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

SUBCOMMITTEE ON OVERSIGHT AND INVESTIGATIONS

Mr. HELMS. Mr. President, I ask unanimous consent that the Subcommittee on Oversight and Investigations of the Committee on Energy and Natural Resources be granted permission to meet during the session of the Senate on Thursday, October 19, 1995, for purpose of conducting a subcommittee hearing which is scheduled to begin at 9:30 a.m. The purpose of this hearing is to examine the role of the council on environmental quality in the decision-making and management processes of agencies under the committee's jurisdiction—Department of the Interior, Department of Energy, and U.S. Forest Service.

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

SUBCOMMITTEE ON TERRORISM, TECHNOLOGY, AND GOVERNMENT INFORMATION

Mr. HELMS. Mr. President, I ask unanimous consent that the Subcommittee on Terrorism, Technology and Government Information of the Senate Committee on the Judiciary, be authorized to meet during a session of the Senate on Thursday, October 19, 1995, at 10:00 a.m., in Senate Hart room 216, on Ruby Ridge incident.

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

ADDITIONAL STATEMENTS

HEALTH CARE ANTIFRAUD AND ABUSE EFFORTS

● Mr. COHEN. Mr. President, over the last week there has been substantial criticism levied against the health care fraud and abuse provisions contained in the House Medicare and Medicaid reform proposals. Unfortunately, some of the headlines and attacks imply that all Republican Budget Reconciliation legislation is soft on fraud and abuse.

Headlines such as ''GOP Medicare Bill Seen to Favor Fraud,'' and ''GOP Plan to Ease Medicare Fraud Rules 'Terrible,' May Go,'' and ''Beneath Surface, Health Care Plan Is Offering Boons'' are leading the public to believe that all Republican Medicare proposals are going light on those who are ripping off Medicare while honest Medicare providers and some beneficiaries are being asked to make sacrifices to save Medicare.

As the author of fraud and abuse provisions in the Senate reconciliation bill that was recently marked up by the Finance Committee, I feel that I must set the record straight, at least as it concerns the Senate version.

I commend the Senate Finance Committee and the Senate leadership for its strong commitment to tough antifraud measures. Many law enforcement officials have indicated to me that the Senate bill contains the toughest and most comprehensive—but fair—health care antifraud bills to come out in decades. It pains me to see headlines stating that Republican efforts on health care fraud fall short.

Let me tell you about what my Senate colleagues and I have incorporated in the Senate budget reconciliation bill. My legislation:

Creates an antifraud program to coordinate Federal, State, and local law enforcement efforts to combat fraud and abuse;

Appropriates a mandatory $200 million in fiscal year 1996 for antifraud investigators and auditors with a 15-percent increase every year thereafter for 7 years;

Makes it mandatory for the Secretary of Health and Human Services to exclude individuals from receiving payment from Medicare and Medicaid when convicted of felonies relating to health care fraud and allows the Secretary to exclude individuals convicted of a criminal misdemeanor related to a health care offense;

Sets minimum periods of exclusion from Medicare and Medicaid payments;

Allows the Secretary to exclude individuals who have direct or indirect ownership or control interest of 5 percent or more in an entity—or is an officer or managing employee—if the entity is already excluded from Medicare or Medicaid;

Allows the HHS Secretary to impose intermediate sanctions on a Medicare HMO if the HMO fails to carry out the contract such as in quality of care

areas. These penalties range from $10,000 to $100,000 depending on the violation. Suspension of continued enrollment or payments can also be used as sanctions;

Establishes a national health care fraud and abuse data collection program for reporting final adverse actions against health care providers, suppliers, or practitioners. The information in the data base is required to be available to Federal and State government agencies and health plans according to procedures that the Secretary will set by regulation;

Increases civil monetary penalties from $2,000 to $10,000 for a number of current fraud and abuse violations;

Adds new prohibited practices to the current law for which civil monetary penalties can be assessed such as: incorrect coding; medically unnecessary services; and persons offering remuneration—including waiving coinsurance and deductible amounts—to induce the individual to order from a particular provider or supplier receiving Medicare or Medicaid;

Allows the HHS Secretary to impose civil monetary penalties of up to $10,000 per violation for criminal anti-kickback violations;

Establishes enhanced fraud and abuse guidelines to enable the provider community to better comprehend anti-kickback requirements;

Amends the criminal code to include:

A new health care fraud statute;

Forfeiture of property that is obtained from the proceeds traceable to health care fraud;

Injunctive relief on activities related to health care fraud;

Grand jury disclosure for health care fraud proceedings;

Criminal penalties for false statements;

Criminal penalties for obstruction of a criminal investigation;

Criminal penalties for theft or embezzlement;

Criminal penalties for laundering of money used in health care fraud offenses; and

Subpoena authority to the Attorney General for health care fraud cases.

Extends the authority of the State Medicaid fraud units by allowing the units to investigate other Federal fraud abuses at the approval of the relevant Federal agency; and allowing investigation and prosecution in the case of patient abuse in non-Medicaid board and care facilities.

This legislation has received the enthusiastic endorsement of law enforcement and prosecution agencies. At a hearing of the Senate Special Committee on Aging that I chaired this past March, FBI Director Louis Freeh testified:

> The legislation . . . addresses for the first time in a comprehensive way not only the problem, but some of the important solutions which we in law enforcement look to . . . Aspects of the bill—the establishment of a fraud and abuse database, the coordination that would be required in antifraud efforts between the Department of Justice and HHS, the establishment of an antifraud account—are tremendously innovative and helpful tools . . . A straightforward health care fraud statute would simplify prosecution of these cases and greatly enhance the ability of law enforcement to attack this problem.

At that same hearing that I convened on health care fraud and abuse, the HHS Inspector General June Gibbs Brown testified:

> We strongly support the bill . . . which proposes a number of innovative ways to address health care fraud and abuse . . . strengthening existing legal remedies for addressing fraud and abuse, amending current criminal laws, as well as enhancing administrative sanction authorities available to the Department such as civil monetary penalties and program exclusions which would aid in the fight against health care fraud and abuse.

The health care fraud provisions contained in the Senate bill have received endorsements and support from the National Association of Attorneys General and the Medicaid fraud control units. In addition, we worked very closely with the Department of Justice to create a fair, workable proposal that cracks down on fraud while not penalizing honest health care providers.

Once more, the Senate provisions save billions of taxpayers dollars without cutting services or raising taxes. Specifically the antifraud provisions yield over $4 billion in savings.

In addition, many of my colleagues both Republican and Democratic have supported and encouraged this bill for a long time including the majority leader, the chairmen of the Budget Committee, the Banking Committee, the Veterans' Committee, and the Appropriations Committee. I am also pleased to point out that several of my colleagues from the other side of the aisle have cosponsored this antifraud legislation, including Senators PRYOR, NUNN, BRADLEY, GRAHAM, and MOSELEY-BRAUN.

Mr. President, that is why I stand before the Senate today to respond to this onslaught directed at the House provisions. We in the Senate have worked too hard and too long to come up with a strong health care antifraud and abuse bill, that not even the most partisan among us could attack. We must not, Mr. President, let ourselves get wrapped up in the criticism that is being directed at the House provisions.

It is my understanding that the House has made some changes to its earlier proposals in order to toughen its response to health care fraud. Specifically, provisions have been added to toughen criminal sanctions against fraudulent health care providers. While I am very pleased that the House leadership took this step, I still have strong concerns regarding some remaining provisions in the House bill that could severely weaken our efforts to combat health care fraud.

I thank my colleagues for all their longstanding support on this issue and for letting me have the opportunity to set the record straight. ●

LUNCH OF STONES

● Mr. LEAHY. Mr. President, today on Capitol Hill a number of religious organizations concerned with hunger in the United States are gathering to highlight what I believe is one of the great injustices being perpetrated in the name of welfare reform in this Congress.

Most of my colleagues, I believe, had the best of intentions when they voted for H.R. 4, the welfare reform package. But I am very concerned with the impact of the final welfare reform package on the nutritional safety net for children, families, and senior citizens. Quite simply, under either the House or Senate versions of this bill, more children will go hungry.

The majority of the savings in the Senate version of welfare reform have come out of nutrition programs, whose main beneficiaries are children. H.R. 4 contains a little bit of reform. But even the Senate version contains a whole lot of cuts—more than $30 billion in total cuts, including more than $20 billion in reduced nutrition benefits to children alone. Less than one-half of 1 percent of the bill's savings come from antifraud provisions, according to CBO estimates. Over half of the savings come from across-the-board cuts, and another 12 percent of the savings come from households with high utility costs.

Under the Senate bill, by 2002, a working-poor family of four supported by a full-time minimum wage worker would lose $324 a year in food stamp benefits from the across-the-board benefit reductions, according to the Center on Budget and Policy Priorities. An elderly SSI recipient, typically a poor woman living alone, would lose $228 a year—that's a 32-percent reduction.

The Senate bill also contains an optional block grant that will allow States to cancel the national nutritional safety net, divert funds away from food, and slash benefits during a recession.

Wrongheaded as it is, however, the Senate version is actually preferable in many ways to the House version of H.R. 4. The House bill repeals school lunches, school breakfasts, WIC, the Child and Adult Care Food Program, and other programs for children. These are among the great success stories of public policy in the 20th century. Conservative House Republicans seem to say, ''If it works—but it does not fit our ideology—break it.'' I am pleased that many moderates of both parties are rebelling against this position.

The House bill would replace real food with junk food in school cafeterias. It would reduce food stamp benefits so they no longer pay for a decent diet. It would end scientifically based nutritional supplements for pregnant women. It would cancel the guarantee of free meals for poor schoolchildren.

This is bad public policy, and it is immoral. If we are going to turn school lunches into junk-food bonanzas and

shrivel food stamps down to a meaningless few pennies per meal, we might as well feed our children stones.

Today, the Christian citizens' group Bread for the World and other religious and antihunger groups are gathering on Capitol Hill to ponder Jesus' question in the New Testament (Matthew 7:9): ''Is there anyone among you who, if your child asks for bread, will give a stone?'' To symbolize this concern, they are holding a ''lunch of stones.'' Members of these groups, which include the Salvation Army, the Second Harvest National Network of Food Banks, Lutheran Social Services, the NETWORK Catholic social justice lobby, and other national religious and charitable leaders, will be visiting offices on Capitol Hill. These groups represent tens of thousands of concerned citizens who donate their time and effort to improving the diet and health of children, families, and senior citizens.

These dedicated citizens and I urge Members of this Congress to protect the national nutritional safety net that Republicans and Democrats together have constructed over the last 25 years. The safety net ensures that, even during recessions and natural disasters, children in need receive food assistance so they do not go hungry. I urge my colleagues to listen carefully to the concerns voiced in the ''lunch of stones.''

I also want to caution my colleagues against some of the phony arguments being bandied about on this topic. None of these gigantic cuts will reform welfare. And these cuts are not necessary to balance the budget—the President has put forward a plan to balance the budget without such gigantic cuts in nutrition programs. I believe these cuts are, quite simply, mistakes and errors in judgment. Right now there is still time to correct these errors, before more children must go hungry.●

TRIBUTE TO THE HOCKING BROTHERS

● Mr. CRAIG. Mr. President, I rise today to pay tribute to the Hocking brothers from Idaho who served together courageously during World War II.

They were a family of 10 children, 4 girls and 6 boys, and lived in Moore, ID in 1929. In 1935 they moved to Mackay, ID. Mackay was considered home for all of them. Presently, one brother lives in each of the following Idaho cities or towns: Mackay, Arco, Blackfoot, Lewiston, and Deary. All of the brothers who are able are active fishermen and hunters. Two sisters and the oldest are now deceased. The oldest brother Pat Hocking, was not in the service as he had five children and worked at the Naval Gun Rellning Plant in Arco, ID. The remaining five brothers served in one branch or another of the military service.

Jean Hocking was drafted before the war and was stationed for 38 months of continuous service in Kodiak, AK in the U.S. Army Coast Guard Artillery and the U.S. Army Ski Troopers from 1941 to 1945. He was one of the very first men drafted from Custer County. Jean's camp was located on a mountain and everything had to be hauled up the mountain by hand. Jean's commanding officer was so disciplined that Jean did not have even 1 day off while he was there. He was always on alert or patrol. One day they were on patrol skiing down the mountain when Jean's ski tip got stuck in the snow toward the bottom of the mountain that he suffered a broken leg. He was so afraid of his commanding officer that he did not seek treatment and hobbled around on his broken leg. Jean was given a military disability and was in Walter Reed Hospital for 6 months after his discharge.

Clayton Hocking served in the U.S. Army Air Corps 9th Engineering Squadron S.A.C. from 1942 to 1967. He served all over the Pacific and retired as a well-decorated staff sergeant. Clayton received a Phillipine Liberation Medal with one Bronze Service Star, a Good Conduct Medal, a World War II Victory Medal, and an Asiatic Pacific Medal. He is currently in a rest home in Arco, ID.

Frank Hocking served in the U.S. Navy and the U.S. Marines from 1942 to 1945. Frank served both the Navy and the Marines as the Marines had no medical corps. So the Navy furnished the Marines with a Medical Corps. The first place Frank was shipped to overseas was to New Caledonia. While there Frank went to town one day. As he was walking down the street, he literally ran into his brother Clayton. Frank had not seen Clayton since joining, and had no idea where Clayton was stationed. Frank and Clayton were able to visit each others camps while there. After leaving New Caledonia, Frank went to New Zealand where he joined the Second Marine Division and trained before the battle of Tarawa. He was on the first wave who landed on Tarawa in the Gilbert Islands of the South Pacific. The Marines were told they had to take the well-fortified Japanese defenses of the island in 6 hours or they wouldn't be able to take it. It took them 4 days to take the island. The battle cost 1,000 Marines lives and 2,300 men were wounded. Japanese losses totaled about 8,500. The taking of the island of Saipan of the Marianas Islands was another major battle. Frank was one of the original two Marine divisions that tried to take the island from the 30,000 Japanese defenders. Frank was on the island from June 15 to July 7 when the remaining Japanese resistance tried the largest suicidal counterattack in the war. The loss of Saipan was so devastating to the Japanese that Prime Minister Tojo Hideki and his entire cabinet resigned after word of the defeat reached them.

Bill Hocking served in the 20th Air Force Division on Guam of the South Pacific from 1944 to 1946. He was the first aerial gunner on a B–17. Later, he became a belly gunner on the B–29's. The most memorable event in Bill's military career happened when three B–29 planes were flying in formation when Bill's B–29 caught on fire. He and the whole crew were forced to bail out into the ocean between Guam and Tokyo. When he bailed out, he just about drowned when he got so tangled in his parachute shroud that he couldn't even upright his one-man life raft. He had to lay there holding on to his upside down raft. When he finally got into the raft, he couldn't see any of the rest of the crew as they were all scattered. One guy in the crew happened to have a whistle and he kept blowing it. They all paddled toward the sound and that is how they all got back together. They were always concerned about sharks so they used shark repellent. The crew was adrift for 3 days before being picked up by the ship. That episode made Bill a member of the Caterpillar Club. A patch was given as special recognition for surviving a bail out.

Glen Hocking served in the 90th Naval Construction Battalion Combat Fleet Action from 1945 to 1946. Glen was 17 years old when he enlisted to follow in his older brothers' footsteps. He was told that his outfit was training to invade Japan. They were on their way to Japan when the bomb dropped on Hiroshima. He saw all the devastation over there. He was there for 9 months occupation duty. Glen came away from service with the Asiatic Pacific Area Campaign Medal and World War II Victory Medal.

These five brothers all came home alive, but still felt the sacrifices of war. Two of their cousins did not make it home. There were killed in the line of duty. This is one of the many family stories that make up the heroism and valor that led the United States and our allies to victory in World War II. The five Hocking brothers fell very blessed and lucky to have all come home. We are very blessed that they and many others were there to serve their country and to fight for democracy and the freedom all Americans hold dearly.●

PUBLIC FORUM IN GREENLEAF, WI, WITH SECRETARY OF AGRICULTURE, DAN GLICKMAN

● Mr. FEINGOLD. Mr. President, on July 31 of this year, in an extraordinary gathering on a 200-acre dairy farm in Greenleaf, WI, 300 farmers, rural business people, and others in the agricultural sector came together to convey to Secretary of Agriculture Dan Glickman the importance of reforming an archaic agricultural program, known as the Federal Milk Marketing Order System. This program, created in the late 1930's has discriminated against the Wisconsin dairy industry for years

Those who attended this forum represent different segments of our dairy industry which have divergent political views and affiliations, but they all

agreed on one fundamental issue—Federal orders must be reformed. For an industry that is made up of individuals whose only shared characteristic is their independence and staunchly self-reliant nature, this type of unanimity is rare. They wanted their message to be heard by one of the few people with the power to make Federal milk marketing orders both consistent with milk markets of the 1990's as well as equitable to all those affected by them.

The current program for regulating the pricing and sale of milk provides higher prices for fluid milk to producers distant from the Upper Midwest. While that scheme might have made sense when Wisconsin was the primary dairy producing State in the United States, but in 1995, it defies logic. This system not only creates an artificial incentive for greater milk production, but has led to increased production of manufactured dairy products driving down prices throughout the Nation and increasing Government surpluses. Federal milk marketing orders are a perfect example of excessive Government regulation creating a system which is completely out of sync with current marketing conditions and which discriminates against Wisconsin and Upper Midwest dairy producers.

Mr. President, Secretary Dan Glickman listened for over an hour to farmers frustrated not only by the existence of this system, but also by its institutional resilience. I commend him for that. It is the first time in a long time that Wisconsin dairy farmers have felt that a Secretary of Agriculture actually cared about what they had to say. Dan Glickman came not to talk to lobbyists, not to talk to politicians and not to talk to Government officials, but to listen to those whose livelihood depends, in part, on the decisions he makes.

This was a unique forum in that average farmers spoke directly to the Secretary. It linked 54 of Wisconsin's 72 counties to the meeting via satellite. While the time did not allow all those who attended to speak, those producers who did represented the diversity of my home State's agricultural sector—dairy, soybeans, corn, wheat, alfalfa, and specialty products such as mink. Each, in turn, talked about what is good and what is bad about our current Federal policies. Primarily, though, they talked about dairy policy.

At the outset of our meeting, the Secretary conceded that discrimination exists within the Federal order program benefiting some regions more than others. In response, he pledged his support to try to change the existing number and administration of current milk marketing orders. He further pledged his support to try to consolidate those orders, make periodic adjustments in price differentials, and to potentially create multiple price-setting base points. While I am not entirely pleased with the Secretary's choice to attempt these changes through the administrative process, I am pleased with his admission that the system is broken.

Mr. President, as the Congress moves toward final action on the budget reconciliation and moves toward the 1995 farm bill, I think it is important that the Secretary heard the message of Wisconsin farmers. I hope that my colleagues will hear that message as well.

Action on these items, the Secretary conceded, will be a challenge in that other regions will fight to maintain their current artificial advantages. Despite the deregulatory rhetoric of many in the 104th Congress, the Secretary's prediction is proving to be true based on recent action by the Senate Committee on Agriculture, Nutrition, and Forestry.

The legislation reported by the Agriculture Committee fails to address needed reform of this system, despite the tremendous budget savings and consumer benefits that could result from such action. That is a disappointment, Mr. President. Instead, Mr. President, the committee chose to take the easy road by cutting support prices, instead of making the difficult choices associated with milk marketing order reform.

And indeed, as the Secretary pointed out at Greenleaf, these are very difficult decisions. They are so difficult that the House of Representatives, unable to reach agreement on reform, is moving on a path toward total deregulation of the dairy industry, including the elimination of Federal milk marketing orders.

Mr. President, total deregulation of the dairy industry, is not my first choice. I would rather work with my colleagues to achieve reasonable and responsible reform of Federal orders. However, for the last 3 years, many dairy farmers in Wisconsin have been telling me that if they cannot get reform, if other regions of the country will not compromise, deregulation would be a farsight better than the raw deal they are getting now.

Mr. President, I want to work with my colleagues during the budget reconciliation process and the farm bill deliberations to reach agreement on Federal orders. However, if others are unwilling to move toward a level playing field, dairy farmers in their States may end up with nothing at all.

Mr. President, in Greenleaf, WI, the Secretary of Agriculture heard loud and clear that Upper Midwest dairy farmers are fed up with the current program that regulates milk markets. I urge my deregulation-minded colleagues to listen to what the Upper Midwest is saying on this issue as well. It is time to do the right thing—reform Federal milk marketing orders or end them.

I want to publicly thank the many people who took part of the day to travel to this small community to make their voices heard to Secretary Glickman. I ask to include the names of the participants at the conclusion of my remarks. I hope the seriousness of the situation experienced by these farmers and their families will be taken into account as these issues are debated in the days and weeks ahead.

PARTICIPANTS IN THE FORUM WITH SECRETARY GLICKMAN AT GREENLEAF, WI, JULY 31, 1995

Mark Mayer, Frank Dillon, Rodney R. Littlefield, Randy Knapp, Kathi Millard, Stephen I. Rishette, Marc A. Schultz, Tim Rehbein, Tom Kruezer, Mary Behm, Sue Beitlich, Betty Plummer, Kevin Larson, Rod Webb, Randy Anderson, Judy Derricks, Kelly Olson, Julie Dokkestul, Bob Oropp, Dwight Swenson, Nolan Anderson, Lee Gross, Roger Johnson.

Kevin Connors, Bob Bjorklund, Gordon Rankin, Dave Williams, Tom Syverod, John Markus, Ralph Rounsville, Alvin Erickson, M. Kopecky, Laura Wind-Norton, Dan Butterbrodt, Russ Dufek, Ken Horton, Randy Cochart, Clifford Duffeck, Mahlon Peterson, Bob Bosold, Sandy Webb, William Dacholm, Joel McNair, Paul Rodriguez.

Dolores Rodriguez, Craig W. VerKuilun, Tom Cochren, Deborah Van Dyk, Linda Leger, Marty Mackers, Shawn W. Pfaff, Arnold Grudey, Duane Tetzloff, Paul Gruber, Tom Badth, Leonard and Betty Wajciehowski, Myron McKinley, Dennis Donohue, Elmer R. Kitzeron, Gerald Van Asten, Orvell A. Debruin, John J. Peters, Connie Seefeldt, Dick Vaitihauer.

Ken Jenks, James Kalkofin, Jim Harris, Rep. Bill VanderLoop, Robert Fryda, Katy Duwe-Fryda, Ray Diederich, Gerlinda Dueholm, Jeremy Herrscher, Len Maurer, Roger Wyse, Stewart Huber, Dick Hauser, Renea Heinrich, Pete Kappelman, Don Norton, Bill Pamperin, Dave Mennig, Jerry Lehman, Brad Brunner, Grant E. Staszak, Reuel Robertson, Jerome Blaska.

Gregory Blaska, Norma Norton, John T. Vinhoefer, Allen Schuh, Steve Pamperin, Jerome Pamperin, Nelda J. Harris, Duane Patz, Tes VanDyke, Fred Huger, Dan Krebsbach, Steve Kellerman, Rudy and Margaret Klug, Ron Hillman, Jim Jolly, John Rouch, Kevin Erb, Jim and Lorraine Shellcox, Paul Krause, Greg Hines, Robert Zimban, Michael Mengar.

Gerald H. Vander Heiden, Gary Anderson, Jon Bechle, Bill Penterman, Tom Davies, Robert Karls, Gary Terlinden, Vicki Wiese, Jim Hunt, James E. Burns, Audrey Sukinger, Tom Walsh, Earl Walsh, Pat Leavenworth, Rama Stoviak, Ron Jones, Dan Natzke, Melvin Blarke, Irv Possin, Mike Rankin, Jay Rudolph, and Harold Epp.●

WORLD POPULATION AWARENESS WEEK

● Ms. SNOWE. Mr. President, I would like to speak briefly this morning on a matter of great importance; namely, world population. World Population Awareness Week will be held this year from October 22–29, and is designed to foster awareness of the environmental, economic, political, and social consequences of rapid worldwide population.

Let us reflect a moment on the implications of the current population growth rate. In 1830, the world's population reached 1 billion. Today, the world's population is nearly 6 billion. Unless something is done, world population in 2020 will reach 8 billion and by 2035 it will reach 12 billion.

Current levels of population growth are unprecedented. This year alone, the world's population will grow by almost

100 million people. This is like adding a new country the size of Nigeria to the world every year, or a city the size of New York City every month. Virtually all this growth takes place in the poorest countries and regions across the world—those who can least afford to accommodate such rapid population growth.

Rapid population growth is one of the world's most serious problems, posing a long-term threat to U.S. national interests in the areas of security, trade, and the environment. There are many developing countries in the world which are finally taking steps to institute the kind of free market reforms that offer them their best hope for long-term sustainable development. But high population growth rates threaten their economic development accomplishments.

Moreover, the environmental implications of such population growth is startling. A child born today can expect by the year 2000 a world where almost one-half of the world's forests will be gone and one-fifth of the world's plant and animal species will be extinct. Ground water supplies are dwindling; rivers and lakes are fouled with pollutants from industries, municipalities, and agriculture. Currently, at least 1.7 billion people, nearly one-third of the planet's population, lack an adequate supply of drinking water. The developing world already produces 45 percent of all gases contributing to global warming.

Rapid population growth, especially when overlaid with sharp social or economic divisions, places great strains on political institutions. To the extent population pressures contribute to weakening economic and political structures, they adversely affect international stability and peace. And this directly affects our own national security interests around the world.

I am very pleased that the theme of World Population Awareness Week this year is gender equality and the implementation of the Cairo Program of Action, which was approved by more than 180 countries, including the United States, at the International Conference on Population and Development last year. This is especially significant because the goals and objectives of the Cairo Program of Action include providing universal access to family planning information, education, and services; as well as eliminating poverty and illiteracy among girls and women who are disproportionately denied access to education, increasing women's employment opportunities, reducing infant mortality, and eliminating all forms of gender discrimination.

Several Governors throughout the United States, from the State of Washington to my home State of Maine, have issued proclamations recognizing World Population Awareness Week. I submit for the RECORD the proclamation of this important event issued by Gov. Angus S. King, Jr., Governor of the State of Maine.

The proclamation follows:

PROCLAMATION

Whereas, world population is currently 5.7 billion and increasing by nearly 100 million each year, with virtually all growth added in the poorest countries and regions—those who can least afford to accommodate current populations let alone massive infusions of humanity; and

Whereas, the annual increment to world population is projected to exceed 86 million through the year 2015, will three billion people—the equivalent of the entire world population as recently as 1960—reaching their reproductive years within the next generation; and

Whereas, the environmental and economic impacts of this level of growth will almost certainly prevent inhabitants of poorer countries from improving their quality of life, and, at the same time, have deleterious repercussions for the standard of living in more affluent areas; and

Whereas, the 1994 International Conference on Population and Development in Cairo, Egypt crafted a 20-year Program of Action for achieving a more equitable balance between the world's population, environment and resources, that was duly approved by 180 nations, including the United States.

Now, therefore, I, Angus S. King, Jr., Governor of the State of Maine, do hereby proclaim October 22–29, 1995 as ''World Population Awareness Week'' throughout the State of Maine, and urge all citizens to support the purpose and spirit of the Cairo Program of Action, and call upon all governments and private organizations to do their utmost to implement that document, particularly the goals and objectives therein aimed at providing universal access to family planning information, education and services, as well as the elimination of poverty, illiteracy, unemployment, social disintegration and gender discrimination that have been reinforced by the 1995 United Nations International Conference on Social Development and endorsed by 118 world leaders.●

DEDICATION OF THOMAS J. DODD RESEARCH CENTER

● Mr. LIEBERMAN. Mr. President, yesterday I addressed my colleagues about the dedication of the Thomas J. Dodd Research Center at the University of Connecticut this past Sunday, October 15. I asked that remarks made by President Clinton at the dedication be included in the RECORD but, unfortunately, part of that speech was not reprinted.

I ask to have printed in the RECORD the full text of the President's remarks. I also ask that the remarks of my colleague, Senator CHRIS DODD, at the dedication ceremonies also be printed in the RECORD.

The remarks follow:

TRANSCRIPT OF PRESIDENT CLINTON'S REMARKS AT DEDICATION OF THOMAS J. DODD RESEARCH CENTER, OCTOBER 15, 1995

Thank you very much, President Hartley. Governor Rowland, Senator Lieberman, members of Congress, and distinguished United States senators and former senators who have come today; Chairman Rome, members of the Diplomatic Corps; to all of you who have done anything to make this great day come to pass; to my friend and former colleague, Governor O'Neill, and most of all, to Senator Dodd, Ambassador Dodd, and the Dodd family: I am delighted to be here.

I have so many thoughts now. I can't help mentioning one—since President Hartley mentioned the day we had your magnificent women's basketball team there, we also had the UCLA men's team there. You may not remember who UCLA defeated for the national championship—(laughter)—but I do remember that UCONN defeated the University of Tennessee. And that made my life with Al Gore much more bearable. (Laughter.) So I was doubly pleased when UCONN won the national championship. (Applause.)

I also did not know until it was stated here at the outset of this ceremony that no sitting President had the privilege of coming to the University of Connecticut before, but they don't know what they missed. I'm glad to be the first, and I know I won't be the last. (Applause.)

I also want to pay a special public tribute to the Dodd family for their work on this enterprise, and for their devotion to each other and the memory of Senator Thomas Dodd. If, as so many of us believe, this country rests in the end upon its devotion to freedom and liberty and democracy, and upon the strength of its families, you could hardly find a better example than the Dodd family, not only for their devotion to liberty and democracy, but also for their devotion to family and to the memory of Senator Tom Dodd. It has deeply moved all of us, and we thank you for your example. (Applause.)

Tom Dodd spent his life serving America. He demonstrated an extraordinary commitment to the rule of law, beginning with his early days as an FBI agent then federal attorney. He was equally passionate in his opposition to tyranny in all its forms. He fought the tyranny of racism, prosecuting civil rights cases in the South in the 1930s, long before it was popular anywhere in the United States, and helping to shepherd the landmark Civil Rights of 1964 into law. He fought the tyranny of communism throughout his years in elected office. And while he bowed to none in his devotion to freedom, he also stood bravely against those who wrapped themselves in the flag and turned anti-communism into demagoguery.

Tom Dodd was in so many ways a man ahead of his time. He was passionate about civil rights, three decades before the civil rights movement changed the face of our nation. In the Senate, he pioneered programs to fight delinquency and to give the young people of our country a chance at a good education and a good job. And that is a task, my fellow Americans, we have not yet finished doing. He saw the dangers of guns and drugs on our streets, and he acted to do something about that. Had we done it in his time, we would not have so much work to do in this time.

Tom Dodd's passion for justice and his hatred of oppression came together, as all of you know, most powerfully when he served as America's executive trial counsel at the Nuremburg War Crimes Tribunal. It was the pivotal event of his life. He helped to bring justice to bear against those responsible for the Holocaust, for the acts that redefined our understanding of man's capacity for evil. Through that path-breaking work, he and his fellow jurists pushed one step forward the historic effort to bring the crimes of war under the sanction of law.

Senator Dodd left many good works and reminders of his achievement. Some bear his name—the children who have followed in his steps and served the public, who carried forward his ardent support for an American foreign policy that stands for democracy and freedom, who maintain his commitment to social justice, to strong communities and strong families. They have also upheld their father's tradition of loyalty. And as one of the chief beneficiaries of that lesson, let me

say that I am grateful for it, and again, grateful for its expression in this remarkable project which will help the people of Connecticut and the United States to understand their history.

I am delighted that this center will bear the Dodd name because it is fitting that a library, a place that keeps and honors books and records, will honor Tom Dodd's service, his passion for justice and his hatred of tyranny. Where books are preserved, studied and revered, human beings will also be treated with respect and dignity, and liberty will be strengthened.

Dedicating this research center today, we remember that when the Nazis came to power, one of the very first things they did was burn books they deemed subversive. The road to tyranny, we must never forget, begins with the destruction of the truth.

In the darkest days of the war, President Roosevelt, with those awful bonfires fresh in his memory, reflected upon how the free pursuit of knowledge protects our liberty. And he put it well when he called books ''the weapons for man's freedom.'' I am glad that Tom Dodd will be remembered here, in this place, in this building, with this center, in the state he loved, with the very best arsenal for the freedom he fought to defend his entire life.

Thank you very much. (Applause.)

REMARKS OF SENATOR CHRISTOPHER J. DODD

Mr. President, Governor Rowland, President Hartley, colleagues distinguished guests, members of my family, friends: On behalf of my family—allow me to express my thanks to you, Mr. President, for your presence here today. You honor my father, my family, my State and our University. You are the first sitting American President to ever visit this University in the 114 year history of this institution, we are grateful.

We are grateful as well to those of you with whom my father worked over the years—his colleagues—his staff—his constituency and friends for being here to join with us in the celebration of his life of public service.

For nearly 40 years my father served his State and Nation. It was a full life—a life of engagement with the great issues of his time.

We are here to dedicate a new home for his papers and artifacts of the past. In so doing, we preserve delicate fragments of history which this and future generations should find instructive.

We are also here today to remember the achievements of those who came before us—who made and recorded the history on which our present world is built. My father is one such person. Today we commemorate—and celebrate—his faith, his love of country, and his life of service.

Today we recall not only my father's accomplishments, but the achievements of his generation. It is now 50 years since the end of World War II, a war which tore apart a western civilization. It is 50 years since thousands of young Americans fought and died to defend tyranny. It is 50 years since the effort to rebuild that civilization began with the Nuremberg Trials—truly the trial of the century.

Many recall the stern justice rendered at Nuremberg against those who committed the atrocities of Nazism. But we should also remember that 3 of the accused at Nuremberg were acquitted. In those verdicts of acquittal, as well as in the verdicts of guilt, the United States and her allies helped to reassure the world that justice could, indeed, would prevail over evil and chaos.

After Nuremberg, my father's generation rebuilt Europe and Asia. The Marshall Plan, NATO, the United Nations—these were extraordinary acts of collective sacrifice, vision, and political courage in the fact of significant opposition here at home.

In remembering the achievements of that generation, it is fitting that we here today are joined by President Bill Clinton. In 1995, President Clinton has not forgotten the lessons of 1945.

Like my father's generation, Mr. President, you understand that no nation which proclaims the virtue of freedom can ignore the deprivation of others.

Mr. President, you understand that though the Soviet Empire no longer threatens our world, the job of securing the peace is still far from complete.

Over the past 2½ years you have demonstrated over and over and over again the role we must play in the cause of freedom and justice.

Ireland, Haiti, the Middle East, Asia, Latin America, and most recently, in Bosnia, have profitted from our principled, patient insistence that all men and women have a right to shape their own destiny.

At the same time, there remain many parts of the world that still desperately need our engagement and example.

Abroad and at home, you Mr. President, carry within your heart the same wise and generous spirit that guided the generation of my father. You have proven yourself to be a worthy inheritor of their unbending faith in a future where people can live not in fear but with hope. For that, Mr. President, you have earned our everlasting gratitude.

On behalf of the Dodd family, the University of Connecticut, and our Constitution State, we thank you for honoring us with your presence.●

TRIBUTE TO JOHNETTA MARSHALL

● Mr. MCCONNELL. Mr. President, I rise today to pay tribute to a Kentuckian who for many years has displayed a great deal of courage in standing up for what she believes. Louisville native Ms. Johnetta Marshall has traveled the world to fight for the rights of others, and now she's being recognized here at home as the new president of the National Older Women's League, a not-for-profit organization that promotes health, housing, and Social Security issues for women over the age of 50.

Recently, Ms. Marshall traveled to China to march for equality of the sexes at the United Nation's Fourth World Conference of Women. While that trip ended peacefully, some of her journeys have taken a violent turn. One such incident occurred in the Deep South in the late 1950's when Ms. Marshall was pelted with rocks while marching for civil rights. She recently recounted in a story for Louisville's Courier-Journal, that while in Meridian, Mississippi, ''we had to go in the back way at hotels and ride the freight elevator. They made us a dining room in the bedroom rather than have us eat with the rest of the guests.'' While this kind of treatment may have disparaged some, it gave Ms. Marshall a reason to continue her fight for civil rights.

One of the highlights of Ms. Marshall's career came in March of this year, when she was named president of the Older Women's League. Marshall, who served as a member of the board of directors for 6 years, is truly dedicated to the cause and she hopes to put the organization in the public spotlight during her tenure as president. The executive director of the Older Women's League, Deborah Briceland-Betts, says members of the group are delighted that Marshall is now leading them. And they hope she will continue her extraordinary commitment to find creative and effective ways to improve the lives of midlife and older women and their families.

Not only is Ms. Marshall a national leader in the fights for the rights of others, she also worked on behalf of interests in the Bluegrass State. For nearly 20 years, Ms. Marshall was executive director of Louisville's Opportunities Industrialization Centers, Inc., which was responsible for training welfare recipients for jobs. She also served as regional coordinator of the Prichard Committee for Academic Excellence in Lexington, and during that time she worked hard to promote education reform. She was also the director of Senior Services, Inc., executive director of Kentucky's Opportunities Industrialization Center, past president of the Louisville Section of the National Council of Negro Women, and was the first African American woman chair of the March of Dimes' Kentuckiana chapter. And in the 1960's and 1970's, she investigated racism in Ohio, Tennessee, and Kentucky as a member of the Presbyterian Church task force.

As you can tell from her list of accomplishments, Ms. Marshall has had a long and distinguished career, and it does not look like it will slow down anytime soon. Even with the demanding pace of her public advocacy, she still always found time for her real love, her six children whom she successfully raised as a single mother.

Mr. President, I ask my colleagues to join me in paying tribute to this outstanding Kentuckian. I also ask that an article from the October 10 Courier-Journal be printed in the RECORD.

The article follows:

[From the Courier-Journal, Louisville, KY, Oct. 10, 1995]

A PIONEERING SPIRIT—LOUISVILLE NATIVE HAS MARCHED IN THE SOUTH AND IN CHINA FOR RIGHTS OF OTHERS

(By Lawrence Muhammad)

Johnetta Marshall won't tell her age but ''pioneer'' is definitely a title that fits her.

The Louisville native was pelted with rocks while marching for civil rights in the Deep South in the late 1950s and early '60s. More recently, she marched for sex equality under the watchful eyes of government police at the United Nation's Fourth World Conference of Women in China.

In the '60s, in Meridian, Miss., she recalled, ''we had to go in the back way at hotels and ride the freight elevator. They made us a dining room in the bedroom rather than have us eat with the rest of the guests.''

Decades later, Marshall attended the China conference as the new president of the Washington, D.C.-based Older Women's League. Carrying a banner and chanting, she and other conferees marched onto the conference grounds and into workshops.

Although no one in her group had trouble with Chinese authorities, she said, ''there were people with video cameras. . . . We wanted them to see the banner. But there was no harassment.''

Marshall, who lives in Jeffersontown, was named president of the Older Women's League in March. It's a nationwide, not-for-profit organization that promotes health, housing and Social Security issues for women over the age of 50.

The appointment caps a career of distinguished service.

For nearly 20 years until it closed in 1988, Marshall was executive director of Louisville's Opportunities Industrialization Centers Inc., once a nationwide non-profit group with headquarters in Philadelphia that trained welfare recipients for jobs.

She was also the first chairman of the Kentucky Minority AIDS Council.

Sam Robinson, president of the Lincoln Foundation and also a founding member of the AIDS council, recalled suggesting Marshall to the group because of her work with the National Council of Negro Women and the National Association for the Advancement of Colored People. ''And when we were ready to elect officers, everybody looked to her for leadership,'' Robinson said.

Lead she has, also serving stints as a Presbyterian Church organizer, propagating racial fairness among Southern members during the 1960s and '70s; as director of Senior Services Inc. in Louisville; as past president of the National Council of Negro Women's Louisville section; and as the first African-American woman to chair the March of Dimes' Kentuckiana chapter, among other posts.

Last month in China, Marshall led a 32-member delegation to the Non-governmental Organizations Forum on Women in Huairou. It was an unofficial gathering held in conjunction with the U.N. conference in Beijing.

Marshall and her group, co-sponsored by the American Society on Aging, met officials of the China National Committee on Aging and China Research Center on Aging and toured hospitals and welfare homes for the elderly. It was an effort to promote concerns of older women that past world forums had inadequately addressed, Marshall said.

For example, women over 65 are disproportionately poor, spend more on home repairs, more frequently develop breast cancer and suffer more chronic ailments than older men, according to an Older Women's League study done in 1993.

The study also showed 60 percent of married women are widowed and living alone by 75, and 30 percent require home care, double the percentage for men.

''Back in the civil-rights days, women were suffering, and there have been some improvements, but not enough,'' Marshall said. ''Women can work side by side with men, and maybe have better skills, but men get more pay. And if you happen to be an older women, you are counted out completely.''

Marshall clearly would not be counted out. Leading the local Opportunities Industrialization Center, she smashed the gender barrier in the early 1980s to head the group's executive directors association, a male-dominated network of about 85 OIC insiders.

''For Johnetta to run for that position, and win it, was akin to Shannon Faulkner entering The Citadel,'' said Gene Blue, president of the Phoenix, Ariz., OIC. ''She became a spokes-person who accompanied the founder, Dr. Leon Sullivan, at congressional hearings. She had to overcome significant male egos to preside over all these dudes at meetings and workshops, which usually got loud and emotional.''

Blue recalled one particular meeting, where ''one of the most vociferous, a senior executive from a major city, had the floor and was waxing eloquent. Finally Johnetta, without even raising her voice, said firmly, 'OK, that's enough. Sit down.' Now, it took most of us by surprise that she would tell this guy to shut up. But she did, and he sat down.''

Marshall is widely know as a nurturer too. She grew up in Louisville's Limerick neighborhood, daughter of concrete finisher John Marshall who died when she was 10, and Emma Marshall, who supported the family with domestic work. Marshall had wanted to be a surgeon, but being black and female in the segregated 1930s and '40s, it was difficult to aspire to so lofty a vocation.

A divorcee, she raised six children on her own, has four grandchildren and two great-grandchildren. The fruits of her labors are plentiful among her children: Samuel is a San Francisco stockbroker; Charles, a geriatric doctor in Los Angeles; and John, a supervisor of correctional officers in Los Angeles County, Glenna is a Louisville graphic artist; Marilyn, a bookkeeper in Atlanta; and Jo, a computer systems engineer in Louisville.

Marshall also served as a role model for scores of other people's children at the Presbyterian Community Center at 760 S. Hancock St.

''She'd ask questions like, 'How are you doing at home? How are you doing at school?'' said Ernest ''Camp'' Edwards, 63, an associate executive presbyter for the Presbytery of Louisville. ''I was sort of mischievous, throwing stuff on the floor and blaming somebody else, so she always preached that I should be accountable for my own behavior and not blame others.

''That really stuck with me over the years,'' Edwards said. ''She has a kind of presence and talks to you so that it makes a difference. I'm a social worker by profession, and, because of her, I decided to work with people. She was a 'significant other.' and I decided I could be a significant other.''

Charles Hammond, the 52-year-old mayor of Fairfield, Calif., first met Marshall at the community center when he was 14. It was ''where we virtually lived after we got out of school, and she was one of our youth directors. They basically kicked our behinds and kept us in line. We'd have our dances and she'd give us rules—no cursing, no smoking, treat the ladies like ladies * * * But she always had time for us. There was never a question that went unanswered. And that's what we admired about her. Seven days a week, any time you looked around, there she was, just like our mothers.''

JOHNETTA MARSHALL'S ADVICE FOR SINGLE MOMS

Johnetta Marshall successfully raised six children along. Some now have families of their own, and all pursue rewarding careers.

''It wasn't easy then,'' said Marshall, ''and even though women have more advantages now, it is lots more difficult.''

She offered this advice for today's single mothers: ''Recognize that you are only one person, that you can never by a mother and a father. Just be the best role model you can.

''As the mother, you instill in your children some ideals by the way you live. Always be honest and frank with the children. Don't let them think you can give them the moon when you can only give them a piece of the earth.

''And don't give up. You can do it.''

ABOUT THE OLDER WOMEN'S LEAGUE

Founded in 1980, the Washington, D.C.-based Older Women's League promotes issues of health care, Social Security and housing for women over 50.

There are 20,000 members nationwide and chapters in every state.

Annual dues start at $15; sterling, silver and platinum memberships also are available.●

NATIONAL SCHOOL LUNCH WEEK

●Mr. LEAHY. Mr. President, in honor of National School Lunch Week I want to talk about one of the great public policy success stories of this century—the National School Lunch Program. Passed by Congress and established by President Truman in 1946, this program by law has the mission ''to safeguard the health and well-being of the Nation's children.'' By fighting hunger and promoting good nutrition among children, we can help them grow and mature into healthy, productive adults.

The program has been a resounding success in meeting this mission. Any parent or teacher can tell you that a hungry child cannot learn. More and more scientific evidence has made it clear that hunger and malnutrition can undermine a child's progress in school. Hunger remains a serious problem in this country, and school meals are an important part of the effort to fight it.

Today, the National School Lunch Program serves over 25 million students in 92,000 schools across the country. More than 90 percent of all public schools participate in the program. For almost 50 years, it has provided complete and nourishing meals to children, nearly half of them from low-income families. The school lunch program has reduced malnutrition and improved the health and well-being of children.

Since 1946, we have learned a great deal about the relationship between diet and health. We have learned that it is not enough to provide children with calories. They need the right kinds of food to keep them healthy. Too much fat, saturated fat, cholesterol, and sodium can increase the risk of heart disease and some forms of cancer. Low-income and minority groups are at greatest risk for those problems. Those risks begin in childhood. Good eating habits established in childhood are critical to staying healthy throughout one's life. I am very proud of the bipartisan legislation we passed last year to improve the nutritional content of school meals.

Mr. President, let me sum up by reiterating how important these programs have been, and how important they are today. Just as they were 50 years ago, school meals remain a critical part of this country's effort to promote our most precious resource—the health and well-being of our children. We have worked hard to build a program that is ready to meet its statutory health mission well into the 21st century. As we consider proposals to block-grant or cut these programs, let us not forget how successful they have been in the past and how important it is to maintain them at the Federal level to fulfill our national responsibility to fight hunger and promote good nutrition.●

MEREDITH MILLER

● Mr. GRAHAM. Mr. President, I would like to articulate my deep sorrow as this week marks the anniversary of the senseless murder of Meredith Miller.

Meredith, a native of Tampa, FL, graduated with honors from Princeton University where she majored in political science. After her graduation she came to Washington to further her studies at George Washington University and to work on the issues pertaining to women. On October 17, 1994, after returning from a study group, Meredith became the victim of a carjacking.

The dream that Meredith held so dearly was to make a difference in the lives of others. Her fellow students at George Washington University would like Meredith's parents in Tampa to know that Meredith did make a difference in the lives of those fortunate enough to have known her and that their thoughts and prayers are with them today and always. Her friends miss her and learned much from her special outlook on life. She will always remain a vital part of their lives, in spirit.

Mr. President, today let us not forget the contributions Meredith Miller made in her short time here with us, and let us be diligent in our efforts to find a solution to the ever-growing number of senseless violent crimes.●

ROGER WILLIAMS NATIONAL MEMORIAL CELEBRATES 30TH ANNIVERSARY

● Mr. PELL. Mr. President, I rise to share with my colleagues the happy news that the Roger Williams National Memorial is celebrating the 30th anniversary of its authorization.

I want to take this chance to tell you about Roger Williams, a Founding Father that you will not encounter here, except in the rotunda of the Capitol. He was the founder of Rhode Island and a champion of Democracy and religious liberty.

There is no national memorial to Roger Williams here, unlike the monuments to other national heroes like Washington, Jefferson, and Lincoln. Our national memorial is in Rhode Island, where he lived and left us a philosophical legacy of incomparable worth.

Roger Williams was banished for his beliefs from the Massachusetts Bay Colony in 1635, but survived both banishment and subsequent efforts to take over the settlement he named Providence.

''The air of the country is sharp,'' Roger Williams said of Providence, ''the rocks many, the trees innumerable, the grass little, the winter cold, the summer hot, the gnats in summer biting, the wolves at night howling.''

Thirteen householders in the population of 32 in the first year formed the first genuine democracy—also the first church-divorced and conscience-free community—in modern history.

I cannot emphasize enough how unique and utopian the vision of Roger Williams was in the midst of the 17th century. He was almost alone in believing that all citizens should be free to worship as their conscience dictated.

Roger Williams was a determined and dedicated man. In 1672, when he was nearly 70, he rowed all day to reach Newport for a 4-day debate with three Quaker orators. Both his settlement and his ideas have survived and prospered.

For most of his life, Roger Williams was a deeply religious man. Even without a church to call his own, his ideas flourished in Providence and remain alive today.

Documents, such as our Bill of Rights and Declaration of Independence can be traced directly back to the hardfought freedoms earned by Roger Williams and his followers.

I encourage my colleagues to visit the statue of Roger Williams in the Rotunda of the Capitol. When you do, remember that even the principles of democracy and religious liberty did not come easily. Roger Williams gave them form and substance more than 350 years ago.

These principles also founded the basis of our belief that all people are created with equal rights and should not be denied opportunities to succeed because of their race, gender, or religion.

I sponsored the Senate legislation that authorized the creation of the Roger Williams National Memorial and I have watched it take shape on the site of his original settlement in Providence, RI.

This anniversary comes at an important time. One purpose of the memorial is to emphasize the linked principles of tolerance and freedom. As recent events have demonstrated, we need to focus on these principles.

I am delighted to share with my colleagues today the news that the National Park Service is planning new initiatives to strengthen the impact of the Roger Williams National Memorial and its vital message.

If you have any doubts about the significance of Roger Williams in our history, consider how his philosophy has resonated through our other Founding Fathers and found its way into our most sacred documents.

Just a few examples, culled from his writings, should help to sound his call for freedom:

''The sovereign, original, and foundation of civil power lies in the People.''—The Bloody Tenent of Persecution for Conscience Discussed (1644).

''The civil state is humbly to be implored to provide in their high wisdom for security of all the respective consciences.''—The Hireling Ministry None of Christs

''No person in this colony shall be molested or questioned for the matters of his conscience to God, so he be loyal and keep the civil peace.''—Letter to Major John Mason (1670)

''And having in a sence of God's merciful providence unto me in my distresse called the place Providence, I desired it might be a shelter for persons distressed for conscience.''—Early Records of Providence

We owe a tremendous debt to Roger Williams as the first champion of true religious freedom and for translating principles of democracy and tolerance from concepts into substance.●

SPECIAL INTERESTS HIT STUDENT LOANS

● Mr. SIMON. Mr. President, Roger Flaherty, now an editor at the Chicago Sun-Times, has followed the Federal student loan program for a number of years. I would urge my colleagues to consider what he has to say about the role of special interests in the current budget debate.

I ask that an article that appeared in the Chicago Sun-Times on September 27, 1995, be printed in the RECORD.

The article follows:

[From the Chicago Sun-Times, Sept. 27, 1995]

SPECIAL INTERESTS HIT DIRECT LOAN PROGRAM HEAD-ON

(By Roger Flaherty)

When I was younger, I walked side by side one day with Wilbur Mills, the Arkansas Democrat then always described as ''chairman of the powerful House Ways and Means Committee,'' asking about tax reform. In a moment of candor, he said, ''If you want to reform the tax system, you've got to end all deductions.''

Why not do it? I asked. Mills responded with a dismissive look—sort of sneer and condescension—and turned to another reporter. So I learned that Washington people don't do as they think or say. We should keep that in mind as the Congress plows into a fall agenda that promises more moves to ''get government off our backs.''

Like tax deductions, government-run programs are bad until they are good for you or your friends. You usually hear this truism about defense contracts and farm subsidies.

But there's one I've observed closely in recent years—the student loan program. Several years ago, along with Sun-Times reporter Leon Pitt, I uncovered enormous abuses by for-profit trade schools that were using student loans like government vouchers they could squander any way they chose. They enrolled students into programs they were unable to complete or that were so poor in quality as to be useless. When students dropped out, within hours sometimes, the schools kept the loan money in violation of the law. The United States was being defrauded of billions of dollars.

But when reformers tried to tighten loan rules, school industry lobbyists fought them, arguing the reforms were an assault on free enterprise. It was a strange argument, considering that these schools generally received more than 90 percent of their income from government loans and grants.

Well, that odd assertion is again being made in Congress, where conservative Republicans under the guise of getting government off our backs are attacking the direct student loan program. The program, which is scheduled to be phased in over several years, operates successfully at several Illinois institutions, including the University of Illinois. The program allows loans to be made directly from the federal treasury through college financial aid offices.

This is bad, congressional opponents say, because it furthers big government and hurts

business. How ingenuous can you get? Under the old loan system still being used by most schools, a student applies to a bank for a loan. Checking his or her qualifications is a loan guarantee agency, commonly run by state governments, but also by private enterprise. The agencies then issue a guarantee of repayment to the banks. The federal government pays banks subsidies to forgive part of the interest payments and pays fees to the guarantee agencies for their services.

If a student defaults on a loan, the bank is reimbursed—making student loans the safest loans a bank can make. Loan guarantee agencies are paid fees to hound defaulters. Is this not big government? Can this be free enterprise?

There's more. The old system created a secondary loan business, including the huge public-private Sallie Mae association based in Washington, and smaller ones, like one operated by the Illinois Student Assistance Commission. These groups make money by buying loans from banks and packaging them in large blocks for resale. They were created by Congress and the states to free money for more student loans, but as was said of some missionaries to Hawaii, Sallie Mae and its emulators came to do good and ended up doing well. They are big businesses with highly paid executives.

The direct loan program, a plan advanced by Sen. Paul Simon (D–Makanda), eliminated this entire pyramid. No government subsidy or risk-free lending for banks, no government payments to loan-guarantee agencies, no Sallie Maes with executives paid from profits extracted from government loan subsidies.

But odds are increasing that Congress this fall will stop the direct loan program in its tracks, led by the same people who claim they are trying to get government off our backs. And so far, it seems to be going down like a cold, sweet Coke on a hot summer's day.●

NATIONAL RIGHT TO WORK ACT

● Mr. BURNS. Mr. President, I am pleased to add my name as a cosponsor to S. 581, the National Right to Work Act. As a strong supporter of the right to work, I feel this legislation is vital.

We have spent the first part of this Congress fighting for freedom—the freedom from Government intervention, the freedom of speech, the freedom to choose your health care and even the freedom to succeed. This bill, though it does not add a single letter to Federal law, guarantees the freedom to work free of union imposition.

Why is this important? Americans have always been independent. No matter where they came from, they came to America to see their hard work pay off. And they are not afraid of hard work. This is especially true of Montanans.

But when a worker is forced to pay union dues in order to get a job or keep a job, they have lost part of their freedom. They may get some benefits from joining a union—I am not saying there is no role for unions here—but they lose the freedom to choose.

Mr. President, Congress created the law which allows union officials to force dues in any State back in 1935. Now we need to correct that. All we need to do is to repeal that portion of the National Labor Relations Act [NLRA] which authorizes the imposition of forced union dues contracts on employees.

Nearly every poll taken on this issue over the last few decades has shown that about 8 out of 10 Americans are opposed to forcing workers to pay union dues. It is tough to get 8 out of 10 Americans to agree on anything. I think this is a call for action.

And if you look at job creation in States that have implemented right to work laws, it is hard to ignore the results. Hundreds of thousands of manufacturing jobs have been created in right-to-work States. And in forced-unionism States, hundreds of thousands of jobs have been lost.

I have supported this bill in the past and I truly believe that this is the year to finally make this change. Working men and women in Montana want the freedom to work and they are not alone. I urge my colleagues to listen to what their constituents are saying as well. If you do, you will feel compelled to join me and the other cosponsors in supporting the National Right to Work Act.●

THE IMPORTANCE OF CONTINUED FEDERAL SUPPORT FOR AMERICORP

● Mr. PELL. Mr. President, this month marks the start of a new class of AmeriCorps members who are dedicated to serving this Nation. As AmeriCorps celebrates its first successful year and the new class begins its service, I would like to take this opportunity to reiterate my support for continued Federal funding of this important national service initiative.

Over the past year, 20,000 AmeriCorps members worked in schools, hospitals, national parks, and law enforcement organizations to meet the most crucial needs of individual communities. AmeriCorps clearly helps to provide a more promising future for Americans by expanding educational opportunities for the young whole simultaneously improving the public services in hundreds of communities.

In my own State of Rhode Island, AmeriCorps has been particularly successful due to the efforts of Lawrence K. Fish, chairman of the Rhode Island Commission for National and Community Service. Mr. Fish challenged higher education institutions in Rhode Island to grant scholarships to AmeriCorps members. Many of our colleges and universities answered Mr. Fish's challenge and have begun lending their support in the form of college scholarships. His endeavor to expand AmeriCorps has offered more students access to an otherwise unaffordable education. Mr. Fish's exemplary work in Rhode Island serves as the quintessential example of building the natural bridge between public service and educational opportunities. In this regard, I ask that an opinion editorial by Lawrence Fish from the Providence Journal of October 11 be printed in the RECORD.

The editorial follows:

[From the Providence (RI) Journal, Oct. 11, 1995]

THE CHALLENGE OF AMERICORPS

(By Lawrence K. Fish)

Not surprisingly, the debate in Washington over continued funding of the Corporation for National Service has become laser-focused on the politics of embarrassing President Clinton, and not on the people for whom AmeriCorps has been a ringing success.

And the reason is not surprising. It is that Washington, to the frustration of just about everyone outside the District of Columbia, just can't resist playing an inside-the-Beltway version of Gotcha! From the politicians to the pundits to the press, the emphasis remains on the politics of issues, not on the substance of issues or their impact on real people.

For whom has AmeriCorps been successful? It's been a success here in Rhode Island to the 250 AmeriCorps members who have signed up for this domestic Peace Corps and whose efforts, mostly in education, have made better, dramatically better, the lives of thousands of our neighbors. Giver and receiver have been enriched by the effort, and for that, Rhode Island is a better place.

Let me try to explain why AmeriCorps' success here in Rhode Island ought to serve as a model for programs in the 49 other states, and why that success and our promise for the future stand as far more compelling points in the debate than political one-upmanship.

AmeriCorps members have served in cities and towns from Woonsocket to Newport, bringing with them a wealth of desire, experience and cultural diversity. They have gotten results—good results that are measurable. You can see the results on paper and you can see them on the faces of children getting their first ''A's'' and in adults reading for the first time.

Rhode Island's AmeriCorps program has been very successful—and has been recognized as such. For the second straight year, after a very competitive process that pitted us against 49 other states, we received more AmeriCorps funding on a per capita basis than any other state. In this our second year Rhode Island will field 250 AmeriCorps members in eight programs that will touch the lives of thousands of our neighbors. Once again, they will work predominantly in education, because that's where many believe the greatest need is.

Linking public service and education, we approached the leaders of the state's colleges, universities and technical schools to see if they would accept our AmeriCorps challenge to inaugurate a public-private partnership from which they will get the lessons of service and commitment from AmeriCorps veterans and to which they will provide a quality education.

The Rev. Philip Smith of Providence College was the first to meet the challenge, and Vartan Gregorian of Brown was close behind. They were followed almost immediately by our other higher-education leaders—Bob Carothers of URI, Sister Therese Antone of Salve Regina, Bill Trueheart of Bryant, Roger Mandle of RISD, Jack Yena of Johnson and Wales and Ed Liston of CCRI. I mention them to dramatize that AmeriCorps runs cost-effective, successful, nonpartisan programs.

I accompanied the presidents of seven of the state's public and private colleges and universities to Washington for meetings on Capitol Hill and in the White House. There we outlined the Rhode Island Challenge to

Higher Education, a challenge to provide scholarships to AmeriCorps members that complement the stipends they receive for their year of service. The result is a win/win for both sides: Higher education gets the kind of committed students who are potential campus leaders; and AmeriCorps members pass through another gateway to opportunity.

The foundation for the Rhode Island Challenge to Higher Education was laid a year ago. Rhode Island's bipartisan congressional delegation, each member of which played a role in the passage of the legislation that brought about AmeriCorps, joined other dignitaries at Slater Junior High School in Pawtucket in AmeriCorps's debut. The setting, a junior high school in the heart of one of our older, struggling cities, provided a fitting backdrop for the Rhode Island AmeriCorps members and the educational programs they would serve.

In the year since, AmeriCorps members have farmed out across the state, serving as teachers' assistants in public schools, tutors in after-school mentoring programs, and teaching English as a Second Language and GED classes to adults. And they've had an impact, all because they are 100 percent behind keeping their end of a bargain to make AmeriCorps work the way in which Congress and the President intended.

Rhode Islanders would have been proud to have joined me and some of the presidents in the White House Cabinet Room recently when we introduced the Rhode Island Challenge to Higher Education to President Clinton. From the smallest state to the other 49 came the challenge for their colleges and universities to match our commitment of scholarships to AmeriCorps members.

Our hope, and that of AmeriCorps members around the country and others committed to public service, is that our Challenge to Higher Education can help overcome the cynicism that has come to mark the debate in Washington.●

ORDER OF PROCEDURE

Mr. DOLE. Mr. President, first, I indicate there will be no further votes this evening.

AUTHORIZING TESTIMONY AND LEGAL REPRESENTATION

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of S. Res. 186, submitted earlier by Senator DOLE and Senator DASCHLE.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A resolution (S. Res. 186) to authorize testimony by Senate employees and representation by Senate legal counsel.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. DOLE. Mr. President, the U.S. Government is the defendant in a pending case in the U.S. Court of Federal Claims arising out of a dispute with a private real estate developer over the Government's procurement to lease a new headquarters building for the Securities and Exchange Commission. The plaintiff developer responded to the Government's request for proposals by offering to build the SEC a new headquarters building in Silver Spring, MD. The plaintiff alleges in this lawsuit that the Government violated procurement law in connection with the SEC headquarters procurement.

The Government has determined that the group of individuals who may have relevant information about this case includes two employees on Senator SARBANES' staff. In addition to his interest in this matter arising out of the SEC's potential selection of a site in Maryland for its headquarters building, Senator SARBANES is the ranking minority member of the Committee on Banking, Housing, and Urban Affairs, which has oversight jurisdiction over the SEC.

Senator SARBANES would like the Senate to authorize the employees in his office to testify in response to the Government's request. This resolution would authorize them to testify with representation by the Senate legal counsel.

Mr. President, I ask unanimous consent that the resolution be agreed to; that the motion to reconsider be laid upon the table; and that any statements relating to the resolution appear at the appropriate place in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered. Without objection, the preamble is agreed to.

So the resolution (S. Res. 186) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, is as follows:

S. RES. 186

Whereas, the defendant in *Triangle MLP United Partnership* v. *United States,* No. 95–430C, a civil action pending in the United States Court of Federal Claims, is seeking testimony at a deposition from Charles Stek and Rebecca Wagner, employees of the Senate who are on the staff of Senator Paul S. Sarbanes;

Whereas, by the privileges of the Senate of the United States and Rule XI of the Standing Rules of the Senate, no evidence under the control or in the possession of the Senate can, by administrative or judicial process, be taken from such control or possession but by permission of the Senate;

Whereas, when it appears that evidence under the control or in the possession of the Senate is needed for the promotion of justice, the Senate will take such action as will promote the ends of justice consistent with the privileges of the Senate;

Whereas, pursuant to sections 703(a) and 704(a)(2) of the Ethics in Government Act of 1978, 2 U.S.C. §§288B(a) and 288c(a)(2), the Senate may direct its counsel to represent employees of the Senate with respect to subpoenas or requests for testimony issued or made to them in their official capacities: Now, therefore, be it

Resolved, That Charles Stek, Rebecca Wagner, and any other employee of the Senate from whom testimony may be required are authorized to testify and to produce documents in the case of *Triangle MLP United Partnership* v. *United States,* except concerning matters for which a privilege should be asserted.

SEC. 2. That the Senate Legal Counsel is authorized to represent Charles Stek, Rebecca Wagner, and any other employee of the Senate in connection with the testimony authorized by this resolution.

FEDERAL EMPLOYEES EMERGENCY LEAVE TRANSFER ACT OF 1995

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 197, S. 868

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A bill (S. 868) to provide authority for leave transfer for Federal employees who are adversely affected by disasters or emergencies, and for other purposes.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. DOLE. Mr. President, I ask unanimous consent that the bill be deemed read a third time and passed; that the motion to reconsider be laid upon the table; and that any statements relating to the bill be placed at the appropriate place in the RECORD.

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

So the bill (S. 868) was deemed read the third time and passed, as follows:

S. 868

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the ''Federal Employees Emergency Leave Transfer Act of 1995''.

SEC. 2. (a) Chapter 63 of title 5, United States Code, is amended by adding after subchapter V the following new subchapter:

''SUBCHAPTER VI—LEAVE TRANSFER IN DISASTERS AND EMERGENCIES

''§ 6391. Authority for leave transfer program in disasters and emergencies.

''(a) For the purpose of this section—

''(1) 'employee' means an employee as defined in section 6331(1); and

''(2) 'agency' means an Executive agency.

''(b) In the event of a major disaster or emergency, as declared by the President, that results in severe adverse effects for a substantial number of employees, the President may direct the Office of Personnel Management to establish an emergency leave transfer program under which any employee in any agency may donate unused annual leave for transfer to employees of the same or other agencies who are adversely affected by such disaster or emergency.

''(c) The Office of Personnel Management shall establish appropriate requirements for the operation of the emergency leave transfer program under subsection (b), including appropriate limitations on the donation and use of annual leave under the program. An employee may receive and use leave under the program without regard to any requirement that any annual leave and sick leave to a leave recipient's credit must be exhausted before any transferred annual leave may be used.

''(d) A leave bank established under subchapter IV may, to the extent provided in regulations prescribed by the Office of Personnel Management, donate annual leave to the emergency leave transfer program established under subsection (b).

''(e) Except to the extent that the Office of Personnel Management may prescribe by regulation, nothing in section 7351 shall apply to nay solicitation, donation, or acceptance of leave under this section.

''(f) The Office of Personnel Management shall prescribe regulations necessary for the administration of this section.''.

(b) The analysis for chapter 63 of title 5, United States Code, is amended by adding at the end thereof the following:

''SUBCHAPTER VI—LEAVE TRANSFER IN DISASTERS AND EMERGENCIES

''6391. Authority for leave transfer program in disasters and emergencies''.

SEC. 3. The amendments made by section 2 of this Act shall take effect on the date of enactment of this Act.

TIED AID CREDIT PROGRAM REAUTHORIZATION

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of calendar No. 203, S. 1309.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A bill (S. 1309) 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.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. DOLE. Mr. President, I ask unanimous consent that the bill be deemed read a third time and passed; that the motion to reconsider be laid upon the table; and that any statements relating to the bill be placed at the appropriate place in the RECORD.

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

So the bill (S. 1309) was deemed read the third time and passed, as follows:

S. 1309

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

SECTION 1. EXTENSION OF TIED AID CREDIT PROGRAM.

(a) TIED AID CREDIT FUND.—Section 10(c)(2) of the Export-Import Bank Act of 1945 (12 U.S.C. 635i–3(c)(2)) is amended by striking ''the September 30, 1995'' and inserting ''September 30, 1997''.

(b) AUTHORIZATION.—Section 10(e) of the Export-Import Bank Act of 1945 (12 U.S.C. 635i–3(e)) is amended by striking ''1993, 1994, and 1995'' and inserting ''1996 and 1997''.

SEC. 2. AUTHORITY TO CONDUCT A DEMONSTRATION PROJECT.

Notwithstanding section 4701(a)(1)(A) of title 5, United States Code, the Export-Import Bank of the United States may conduct a demonstration project in accordance with section 4703 of such title.

DEPARTMENT OF DEFENSE APPROPRIATIONS ACT, 1996

Mr. DOLE. Mr. President, I ask unanimous consent that the Chair lay before the Senate a message from the House on H.R. 2126, an act making appropriations for the Department of Defense for the fiscal year ending September 30, 1996.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the House disagree to the amendment of the Senate to the bill (H.R. 2126) entitled ''An Act making appropriations for the Department of Defense for the fiscal year ending September 30, 1996, and for other purposes'', and ask a further conference with the Senate on the disagreeing votes of the two Houses thereon.

Ordered, That Mr. Young of Florida, Mr. McDade, Mr. Livingston, Mr. Lewis of California, Mr. Skeen, Mr. Hobson, Mr. Bonilla, Mr. Nethercutt, Mr. Istook, Mr. Murtha, Mr. Dicks, Mr. Wilson, Mr. Hefner, Mr. Sabo, and Mr. Obey be the managers of the conference on the part of the House.

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate agree to a request for a further conference with the House and that the Chair be authorized to appoint conferees on the part of the Senate.

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

The PRESIDING OFFICER (Mr. BENNETT) appointed Mr. STEVENS, Mr. COCHRAN, Mr. SPECTER, Mr. DOMENICI, Mr. BOND, Mr. MCCONNELL, Mr. MACK, Mr. SHELBY, Mr. GREGG, Mr. HATFIELD, Mr. INOUYE, Mr. HOLLINGS, Mr. JOHNSTON, Mr. BYRD, Mr. LEAHY, Mr. BUMPERS, Mr. LAUTENBERG, and Mr. HARKIN conferees on the part of the Senate.

APPOINTMENT OF CONFEREES—H.R. 1617

The PRESIDING OFFICER. Pursuant to the order of October 11, 1995, the Chair appoints the following Senators to serve as conferees on the part of the Senate on H.R. 1617, a bill to consolidate and reform workforce development and literary programs.

The PRESIDING OFFICER (Mr. BENNETT) appointed Mrs. KASSEBAUM, Mr. JEFFORDS, Mr. COATS, Mr. GREGG, Mr. FRIST, Mr. DEWINE, Mr. ASHCROFT, Mr. ABRAHAM, Mr. GORTON, Mr. KENNEDY, Mr. PELL, Mr. DODD, Mr. SIMON, Mr. HARKIN, Ms. MIKULSKI, and Mr. WELLSTONE conferees on the part of the Senate.

ORDER FOR FRIDAY, OCTOBER 20, 1995

Mr. DOLE. 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. on Friday, October 20, 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 then be a period for the transaction of morning business until the hour of 10:30 a.m., with Senators permitted to speak for up to 5 minutes each, with the exception of the following: Senator WARNER, 10 minutes; Senator BAUCUS, 10 minutes; Senator KERREY, 20 minutes. So there will be an additional 40 minutes for those who would like to participate in morning business.

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

PROGRAM

Mr. DOLE. For the information of all Senators, at 10:30 it will be the majority leader's intention to turn to Calendar No. 207, S. 1322, regarding the relocation of the Embassy in Israel to Jerusalem. Votes could occur in connection with that bill and the Senate could be asked to turn to the State Department reorganization if the managers' amendment could be agreed to. Therefore votes can be expected to occur.

NEGOTIATIONS WITH THE PRESIDENT

Mr. DOLE. Mr. President, I will just make one brief statement before we recess. I will just say this.

I think, for the first time, the President of the United States, President Clinton, indicated today that he was prepared to negotiate with the leaders of the Congress concerning a balanced budget in 7 years. It is the first time he suggested 7 years. He also mentioned capital gains, taxes, and other matters. That may be the beginning, at least a glimmer of hope that we might be able to come together in some negotiation with the President of the United States, myself, and the Speaker of the House, Speaker GINGRICH. And I hope that is a sincere offer by the President of the United States, that we can properly pursue it at the appropriate time.

RECESS UNTIL 9:30 A.M. TOMORROW

Mr. DOLE. 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 7:11 p.m., recessed until Friday, October 20, 1995, at 9:30 a.m.

NOMINATIONS

Executive nomination received by the Senate October 19, 1995:

DEPARTMENT OF DEFENSE

AUTHUR L. MONEY, OF CALIFORNIA, TO BE AN ASSISTANT SECRETARY OF THE AIR FORCE, VICE CLARK G. FIESTER.