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Senate

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. LAUTENBERG (for himself, Mr. ROBB, Mr. SARBANES, and Ms. MIKULSKI)

S. 1486. A bill to direct the Office of Personnel Management to establish placement programs for Federal employees affected by reduction in force actions, and for other purposes.

THE PUBLIC SERVANT PRIORITY PLACEMENT ACT OF 1995

Mr. LAUTENBERG. Mr. President, I rise today with Senators ROBB, SARBANES, and MIKULSKI to introduce the Public Servant Priority Placement Act, a bill to assist Federal workers who lose their jobs as a result of downsizing. This legislation would require Government agencies to give priority consideration to these employees when filling vacancies.

Mr. President, the Federal Government is in the process of significant downsizing, and that process is likely to intensify substantially in the coming years. Under current law, 272,000 civilian positions will be eliminated by fiscal year 1999. If an agreement is reached to balance the budget, that number probably will be much larger.

Mr. President, it is easy for some to ignore the plight of these workers by talking derisively of so-called faceless bureaucrats. But all of these workers are human beings with families, bills to pay, and obligations to meet. For most, getting laid off is a painful and traumatic event. And for many, the financial implications are severe.

Most dislocated employees are hard-working, talented, skilled, and dedicated individuals who have contributed much to our Nation. They did not lose their jobs because they were lazy, or because they did poor work. They were simply innocent victims of forces larger than themselves.

Mr. President, in an effort to assist these employees, and to ensure that their talents are not lost entirely to the Government, agencies have developed their own placement programs for former employees. The most successful such program is the Department of Defense's Priority Placement Program, or PPP. Under the program, involuntarily separated workers are granted a preference when vacancies are filled. Since PPP's inception in 1965, over 100,000 DOD employees have been placed successfully elsewhere in the Department. Unfortunately, the program's placement rate has been reduced in recent years because fewer job opportunities have been available.

In coming years, few Federal agencies are likely to excape the budget axe. Some agencies probably will be eliminated altogether. It is critically important, therefore, that Congress work to ensure that all displaced workers get the support they need.

Mr. President, the Office of Personnel Management operates two government-wide placement programs that supplement the efforts of individual agencies. Yet OPM's programs are not sufficient, in part because agencies all too often do not grant any preference to workers displaced from other agencies. According to a 1992 report by the General Accounting Office, in fiscal year 1991, OPM's programs had 4,433 registrants and made 110 placements. Although OPM has made improvements to its programs since 1992, there clearly remains a need for a coordinated, mandatory, Governmentwide placement program.

The Public Servant Priority Placement Act would direct OPM to establish such a program for RIF'd employees. It also would require agencies to institute their own intra-agency placement programs for these workers. Unlike the current placement programs, except for DOD's, agencies would be required to offer positions to dislocated workers if they are qualified.

Under this legislation, if an agency has a vacancy it cannot fill internally, such as through a promotion, it would be required to offer that position to a qualified RIF'd employee of that agency who meets certain criteria relating to classification and pay, and who is located within the same commuting area. If no such employee exists, then that agency shall offer the vacancy to a comparably-situated, well-qualified RIF'd employee from another Federal agency. Should no RIF'd employee meet these criteria, then the agency may hire a person who is outside of the Federal Government.

Mr. President, I introduced a very similar bill in the last Congress, and I am pleased that the concept has begun to attract support. A bipartisan bill was introduced a week and a half ago in the House, a component of which is almost identical to the bill we are introducing today. The Clinton administration also endorses the concept of a mandatory placement preference system.

Mr. President, I urge my colleagues to support the bill and ask unanimous consent that a copy of the legislation be included in the RECORD.

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

S. 1486

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

SECTION 1. PLACEMENT PROGRAMS FOR FEDERAL EMPLOYEES AFFECTED BY REDUCTION IN FORCE ACTIONS.

(a) SHORT TITLE.—This Act may be cited as the ''Public Servant Priority Placement Act of 1995''.

(b) IN GENERAL.—Subchapter I of chapter 33 of title 5, United States Code, is amended by adding at the end thereof the following new section:

''§ 3329b. Placement programs for Federal employees affected by reduction in force actions

''(a) For purposes of this section the term ''agency'' means an ''Executive agency'' as

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

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defined under section 105, except such term shall not include the General Accounting Office.

''(b) No later than 180 days after the date of the enactment of this section, the Director of the Office of Personnel Management shall establish a Government-wide program and each agency shall establish an agency program to facilitate employment placement for Federal employees who—

''(1) are scheduled to be separated from service under a reduction in force under—

''(A) regulations prescribed under section 3502; or

''(B) procedures established under section 3595; or

''(2) are separated from service under such a reduction in force.

''(c) Each agency placement program established under subsection (b) shall provide a system to require the offer of a vacant position in an agency to an employee of such agency affected by a reduction in force action, if—

''(1) the position cannot be filled within the agency;

''(2) the employee to whom the offer is made is qualified for the offered position;

''(3)(A) the classification of the offered position is equal to or no more than one grade below the classification of the employee's present or last held position; or

''(B)(i) the basic rate of pay of the offered position is equal to the basic rate of pay of the employee's present or last held position; or

''(ii) sections 5362 and 5363 apply to the basic rate of pay of the employee in the offered position; and

''(4) the geographic location of the offered position is within the commuting area of—

''(A) the residence of the employee; or

''(B) the location of the employee's present or last held position.

''(d) The Government-wide placement program established under subsection (b) shall—

''(1) coordinate with programs established by agencies for the placement of agency employees affected by a reduction in force action within such agency; and

''(2) provide a system to require the offer of a vacant position in an agency to an employee of another agency affected by a reduction in force action, if—

''(A) the vacant position cannot be filled through the placement program or otherwise be filled from within the agency in which the position is located;

''(B) the employee to whom the offer is made is well qualified for the offered position;

''(C)(i) the classification of the offered position is equal to the classification of the employee's present or last held position; or

''(ii) the basic rate of pay of the offered position is equal to the basic rate of pay of the employee's present or last held position; and

''(D) the geographic location of the offered position is within the commuting area of—

''(i) the residence of the employee; or

''(ii) the location of the employee's present or last held position.

''(e)(1) The agency placement program established under this section shall not affect any priority placement program of the Department of Defense that is in operation on the date of the enactment of this section.

''(2) The interagency placement program established under this section shall not affect the priority of placement of any employee under the agency placement program of such employee's employing agency.''.

(c) TECHNICAL AND CONFORMING AMENDMENTS.—(1) The section heading for the second section 3329 (relating to Government-wide list of vacant positions) is amended to read as follows:

''§ 3329a. Government-wide list of vacant positions''.

(2) The table of sections for chapter 33 of title 5, United States Code, is amended by striking out the item relating to the second section 3329 (relating to Government-wide list of vacant positions) and inserting in lieu thereof the following:

''3329a. Government-wide list of vacant positions.

''3329b. Placement programs for Federal employees affected by reduction in force actions.''.

By Mr. MCCAIN (for Mr. GRAMM (for himself, Mr. INOUYE, Mr. MCCAIN, Mrs. HUTCHISON, and Mr. INHOFE)):

S. 1487. A bill to establish a demonstration project to provide that the Department of Defense may receive Medicare reimbursement for health care services provided to certain Medicare-eligible covered military beneficiaries; to the Committee on Finance.

THE UNIFORMED SERVICES MEDICARE SUBVENTION DEMONSTRATION ACT OF 1995

● Mr. GRAMM. Mr. President, when we ask men and women to serve in our Nation's Armed Forces, we make them certain promises. One of the most important is the promise that, upon the retirement of those who serve 20 years or more, a graceful nation will make health care available to them for the rest of their lives. Unfortunately, for many 65-and-over military retirees, promises are being broken.

When the military's Civilian Health and Medical Program of the U.S. [CHAMPUS] was established in 1966, just 1 year after Medicare, 65-and-over military retires were excluded from CHAMPUS because it was felt they could receive care on a space-available basis from local military hospitals and they would not require health care services from the private medical community. For many years, there were few problems and plenty of available space, but as military bases and their hospitals have closed, more and more retirees are finding it increasingly difficult to receive the care they have been promised.

For many, being denied access to the local base hospital means they are completely reliant on Medicare. While Medicare is a valuable program that serves millions of Americans well, it was not designed as compensation for service to our country. Our military retirees, how-ever, have all served our Nation for a minimum of 20 years, and many for 30 years or more. With all the sacrifices they have made during their careers, I believe military retirees clearly have earned the benefits that they were promised.

While many health care options have been discussed that would appropriately reward the contributions of our military retirees, at a minimum they ought to be able to use their Medicare reimbursement eligibility wherever they choose, including the military health system. Our military treatment facilities also ought to be able to accept Medicare reimbursement and serve as Medicare providers for people who are eligible for both Medicare and for care in the military treatment system.

For this reason, today I am joined by Senators INOUYE, MCCAIN, HUTCHISON, and INHOFE in introducing a bill to establish a 2-year demonstration project that will allow Medicare to reimburse the Defense Department for health care services provided to Medicare-eligible beneficiaries who are also eligible to receive care in military treatment facilities. Called subvention. Medicare reimbursement to military treatment facilities has long been a priority of military retirees, and I believe passing this bill and getting this project under way should be a top priority for the Congress.

I am aware that some of my colleagues have also wrestled with this problem and have tried many different ways to establish a subvention program. As I introduce this bill, the Senate Armed Services Committee is working with the Pentagon and the Health Care Financing Administration [HCFA] to outline a demonstration project. In the House of Representatives, Congressman JOEL HEFLEY has introduced a bill to begin a subvention effort. While my subvention project is different than these, I believe it complements their efforts.

This program will not increase the cost to the taxpayer because it will ensure that DOD cannot shift costs to HCFA, and that the total Medicare cost to HCFA will not increase. In fact, I believe subvention could actually save money. The Retired Officers Association, in their letter to me of December 15, 1995, reports that:

> Using 1995 as a baseline, the eligible Medicare population will grow by 1.6 million beneficiaries by 2000. This will increase Medicare's cost by $7.7 billion if new beneficiaries rely on Medicare as their sole source of care. But, with subvention and DOD's 7 percent discount to the Health Care Financing Administration (HCFA), the aggregate cost increase can be reduced by $361 million over that same time frame. Because health care will be managed, further savings could be realized which could be passed on by DOD to Medicare through reduced discounts.

This legislation is strongly supported by many military and veterans organizations. I would ask unanimous consent to include in the RECORD 18 statements of support from the following groups: The Retired Officers Association, National Association for Uniformed Services, Air Force Association, National Military Families Association, Veterans of Foreign Wars of the United States, The American Legion, The Retired Enlisted Association, Reserve Officers Association of the United States, Military Service Coalition of Austin (Texas), Association of the United States Army, Air Force Sergeants Association, Non Commissioned Officers Association of the United States of America, United States Army Warrant Officers Association, Chief Warrant and Warrant Officers Association United States Coast Guard, Naval

Reserve Association, Naval Enlisted Reserve Association, Association of Military Surgeons of the United States, and Jewish War Veterans of the United States of America.

There being no objection, the materials were ordered to be printed in the RECORD, as follows:

ALEXANDRIA, VA,
December 15, 1995.

Hon. PHIL GRAMM,
U.S. Senate,
Washington, DC.

DEAR SENATOR GRAMM: The Retired Officers Association (TROA) with its 400,000 members (including 68,000 auxiliary members), strongly endorses your bill to authorize the Department of Defense (DoD) to test an innovative concept called Medicare subvention, which would allow Medicare to reimburse DoD for care provided to Medicare-eligible uniformed services beneficiaries through the Military Health Services System. Uniformed services retirees and their families are entitled to medical treatment in military treatment facilities (MTFs) on a ''space available'' basis. However, DoD can't afford to enroll authorized Medicare-eligible retirees in its new Tricare program and will not make available ''space available'' care for older retirees unless Congress changes the law to allow reimbursement from Medicare.

Using 1995 as a baseline, the eligible Medicare population will grow by 1.6 million beneficiaries by 2000. This will increase Medicare's cost by $7.7 billion if new beneficiaries rely on Medicare as their sole source of care. But, with subvention and DoD's 7 percent discount to the Health Care Financing Administration (HCFA), the aggregate cost increase can be reduced by $361 million over that same time frame. Because health care will be managed, further savings could be realized which could be passed on by DoD to Medicare through reduced discounts. In addition to saving money for Medicare, taxpayers and beneficiaries, subvention will:

Promote military medical readiness,

Give older retirees the freedom to choose where they would like to get their health care services, i.e., either from civilian or military sources,

Prevent retirees from being ''shoved out'' of Tricare Prime (DoD's HMO-like program) when they turn age 65,

Enable those 65 and older to choose the military managed care approach for their comprehensive, cost-effective health care, and

Allow Congress and the government to keep the life-time health care promises made to those who served.

In closing, we applaud your efforts to introduce legislation that will test the viability of subvention and its potential cost savings to the government. The potential benefits of subvention are detailed in the enclosed fact sheet.

Sincerely,

MICHAEL A. NELSON,
President.

NATIONAL ASSOCIATION
FOR UNIFORMED SERVICES
Springfield, VA, December 14, 1995.

Hon. PHIL GRAMM,
U.S. Senate,
Washington, DC.

DEAR SENATOR GRAMM: I am writing to express strong support for your legislation directing the conduct of a demonstration project to authorize Medicare reimbursement to the Department of Defense and its medical facilities for care provided in military treatment facilities (MTFs) and in DoD managed care networks.

Military retirees and their families are the only federal employees who lose their employer provided health care upon reaching age 65. Although eligible to use MTFs on a space available basis, deep cutbacks in health care personnel and funding as well as hospital closures resulting from Base Realignment and Closure Commission actions have shoved hundreds of thousands of retirees out of military medicine.

Medicare eligible retirees served in WWII, Korea, Vietnam and the long Cold War. They were recruited and reenlisted by promises of lifetime medical care. Now when they need it most they are being disenfranchised. Further, DoD's TRICARE program excludes them despite the fact that these retirees earned military sponsored health care through years of arduous service and paid for Medicare through payroll deductions.

Your Medicare reimbursement legislation will allow these patriots and their families to use their Medicare benefits in military treatment facilities which will save scarce Medicare trust funds while providing the necessary funds needed for their care. Your Medicare reimbursement bill is win-win legislation for everyone—Medicare, taxpayers, beneficiaries and military medicine.

I very much appreciate your leadership on this issue and you have our full support. We are confident that this demonstration will prove the need for a permanent reimbursement program.

Sincerely,

J.C. PENNINGTON,
Major General, USA (retired),
President.

AIR FORCE ASSOCIATION,
Arlington, VA, December 15, 1995.

Hon. PHIL GRAMM,
U.S. Senate,
Washington, DC.

DEAR SENATOR GRAMM: The members of the Air Force Association strongly support your legislative initiative to develop a demonstration project to authorize Medicare subvention. Medicare Subvention would provide military retirees with seamless health care coverage regardless of age.

Most military members believe they were promised, through tradition and practice, ''health care for life,'' when deciding to choose a career in the military. In the past, Medicare eligible retirees have received health care in the military treatment facilities (MTFs) on a ''space available'' basis. However, cutbacks in health care funding and medical personnel, and base hospital closures resulting from base realignment and closure, is likely to force many Medicare eligible retirees out of the military medical system.

Military retirees are the only group of retired government employees who lose their health benefit upon reaching age 65. At age 65, retirees must enroll in Medicare or continue to take the risk of receiving health care on a space available basis in the MTFs or if eligible Veterans Administration facilities. Under current law, Medicare eligible retirees cannot enroll in TRICARE unless changes are made to the Social Security Act allowing Medicare subvention.

You have the Air Force Association's full support for the Medicare subvention demonstration program.

Sincerely,

R.E. SMITH,
President.

VETERANS OF FOREIGN WARS
OF THE UNITED STATES,
Washington, DC, December 14, 1995.

Hon. PHIL GRAMM,
U.S. Senate,
Washington, DC.

DEAR SENATOR GRAMM: Thank you for taking the initiative to introduce legislation that is so important to the Veterans of Foreign Wars of the United States (VFW). Specifically, we have repeatedly sought legislation that would allow the Secretary of Health and Human Services to reimburse the Military Health Service System for care provided to Medicare-eligible military retirees and their spouses in the Military Health Service System. This inter-departmental reimbursement proposal is referred to as ''Medicare subvention''. It would improve present government health care services to taxpayers in a more cost-effective and service-efficient manner than is presently the case.

Today, more than half the 2.1 million members of the Veterans of Foreign Wars of the United States (VFW) who are eligible to receive Medicare are military retirees who fought in World War II, Korea, and/or Vietnam. Hence, they now must receive medical treatment in the civilian community or private sector at a higher cost than could be provided in a military treatment facility. To further compound this problem most VFW military retirees prefer to continue to receive their medical care in military facilities whenever and wherever possible. To make this point, at our last national convention held in August 1995 our voting delegates unanimously passed VFW Resolution No. 643 titled ''Health Care for Medicare Eligible Military Retirees.'' A copy is attached to this letter. Our position is to have Congress pass legislation that allows Medicare eligible retirees and their dependents to continue to receive the high quality of military medical service they are familiar with and are accustomed to receiving.

Thank you for your past and present efforts on behalf of all military retired veterans. They have earned military sponsored health care through past years of arduous service. Today, they are the only federal employees who lose their employer provided health care upon reaching age 65. Your proposed legislation will correct this inequity.

Sincerely,

PAUL A. SPERA,
Commander in Chief.

Attachment: as stated.

RESOLUTION NO. 643

HEALTH CARE FOR MEDICARE ELIGIBLE
MILITARY RETIREES

Whereas, military retirees find it difficult to be treated at military facilities once they become eligible for Medicare since the military is not allowed to take Medicare money and hospital Commanders are reluctant to provide care for which they receive no reimbursement; and

Whereas, there is presently a bill before the House of Representatives, H.R. 861, by Congressmen Randy (Duke) Cunningham and Duncan L. Hunter that would allow military retirees and veterans to use their Medicare benefits at military or VA hospitals; and

Whereas, this would reduce the government's cost of providing health care since the government hospitals can treat these patient less expensively than paying Medicare to civilian medical facilities; now, therefore, be it

Resolved, by the Veterans of Foreign Wars of the United States, that we urge Congress to support passage of legislation that would allow military retirees and veterans to use their Medicare entitlements in military or VA hospitals.

THE AMERICAN LEGION,
Washington, DC, December 19, 1995.

Sen. PHIL GRAMM,
Committee on Appropriations, U.S. Senate, Washington, DC.

DEAR SENATOR GRAMM: The American Legion commends you for introducing and fully supports the ''Medicare Subvention Demonstration Project Act.'' This bill, which proposes a two-year demonstration program at selected sites, serves to implement an adopted American Legion mandate, namely medicare subvention or reimbursement of Department of Defense (DOD) medical facilities by the Department of Health and Human Services (DHHS) for treatment of enrolled medicare-eligible military retirees and their dependents.

Recognizably, this demonstration project legislation represents a significant first step in the direction of full-fledged medicare subvention which has been long supported by The American Legion. The goal of this effort would improve access to needed health care services for this dual-eligible population while assuring the demonstration does not increase the total federal cost of both programs. It is our aspiration that this legislation become law, and that it eventually be implemented at all military medical facilities throughout the country.

Most importantly, this bill would ease the tremendous frustration expressed by medicare-eligible military retirees and their dependents that their government has reneged in its promises of free, lifetime, heath care in exchange for decades of service to this nation in time of war and peace. Military retirees and their dependents are the only group of Federal retirees who essentially lose their health care coverage when they become 65 and are no longer eligible for CHAMPUS/TRICARE coverage. Aside from the Department of Defense itself providing health care for this group—which it states it can no longer afford—medicare subjection appears to provide the only viable solution to resolve the health care crisis experienced by this growing group of deserving veterans who have served their country for so long. Enclosed is a copy of American Legion Resolution No. 107, ''Department of Defense Health Care Reform for Military Beneficiaries,'' which supports the proposed legislation.

Military retirees have seen the promise of lifetime health care, and other promises, being broken which is not only a demoralizing factor, but one which can and will impact on recruiting and retaining a quality force if it is left unresolved. The American Legion salutes your initiative.

Sincerely,

G. MICHAEL SCHLEE,
Director National Security-Foreign Relations Division.

THE RETIRED ENLISTED ASSOCIATION,
Alexandria, VA, December 19, 1995.

Hon. PHIL GRAMM,
U.S. Senate, Washington, DC.

DEAR SENATOR GRAMM, On behalf of The Retired Enlisted Association (TREA), and its Auxiliary, I want to express our collective appreciation to you for introducing legislation that will require a demonstration project authorizing Medicare reimbursement to the Department of Defense when treating Medicare eligible military retirees seeking care from the Military Health Services System (MHSS) within the demonstration area.

Medicare eligible military retirees began their service during World War II or the Korean War and continued their service through the Cold War and the many conflicts during that era, including the Vietnam War.

Without your Medicare reimbursement legislation, too many of these dedicated American patriots would find themselves disenfranchised from the Military Health Care System despite decades of promises of health care for life from the military.

If TREA can be of assistance to you on this most important issue, please don't hesitate to contact us.

Sincerely,

JOHN M. ADAMS,
MCPO, USN (Ret.), Director for Government Affairs.

MILITARY SERVICE COALITION OF AUSTIN,
Austin, TX, December 15, 1995.

Sen. PHIL GRAMM,
Washington, DC.

DEAR SENATOR GRAMM: Our Military Service Coalition in Austin, Texas is extremely pleased with your authorship of such a balanced and unique approach to the Military Medicare Subvention debate. It is our opinion that your proposed ''Medicare Subvention Demonstration Project Act'' provides for both fiscal soundness and an operationally feasible method to test the theory and concept of Military Medicare Subvention.

Clearly, this legislation is a pragmatic alternative to other proposals that were simply too progressive, too soon. We believe that although, theoretically attractive, they were simply too far reaching and were introduced without any clear method to gain a better understanding of any potential adverse impact on both providers and customers.

Again, you and your staff are to be commended on the introduction of such a well coordinated and reasoned approach to legislative change which we believe will begin to improve our existing military health care delivery systems. We appreciate the opportunity you gave us to work closely with your staff during the development of this fine effort.

May God continue to bless your efforts to make health care more accessible to our Nation's Veterans.

Respectfully,

BRUCE CONOVER, *President.*

ASSOCIATION OF THE UNITED STATES ARMY,
Arlington, VA, December 14, 1995.

Hon. PHIL GRAMM,
U.S. Senate, Washington, DC.

DEAR SENATOR GRAMM: Medicare Subvention, the reimbursement of the Department of Defense for the medical care it provides to Medicare-eligible beneficiaries, has long been a goal of the Association of the United States Army. Despite the bureaucratic resistance that often meets new ideas, Subvention continues to pass every test of fairness and logic to which it is subjected. In an age of constrained budgets and fiscal restraint, Medicare Subvention is an initiative that makes too much sense to ignore and actually holds the promise of saving money.

On behalf of the more than 100,000 members of the Association of the United States Army, thank you for your courage in confronting the bureaucratic resistance by introducing legislation to permit a demonstration of Medicare Subvention. While I believe a test is unnecessary to show that value of Subvention, the demonstration will remove any doubt that this is an initiative in which there are no losers. The Medicare-eligible military beneficiary wins. The military health care system wins. The Health Care Financing Administration wins and, in the final analysis, the American people win because a quality product will be delivered to a deserving segment of our population at a lower cost and in a more practical manner.

Medicare Subvention does not answer all the concerns we have with the military medical system, but it goes a long way to help one segment of the beneficiary population. It is an idea whose time has come. Thank you again for your willingness to sponsor a bill that will make Medicare Subvention a reality.

Sincerely,

JACK N. MERRITT,
General, USA Retired.

AIR FORCE SERGEANTS ASSOCIATION,
Temple Hills, MD, December 15, 1995.

Hon. PHIL GRAMM,
U.S. Senate, Washington, DC.

DEAR SENATOR GRAMM, On behalf of the 160,000 members of the Air force Sergeants Association, thank you for your introduction of Medicare subvention legislation before the United States Senate. Our shared concern for health care needs of our oldest military retirees will, hopefully, result in legislative action on your bill during this Congress, with the eventual goal of attaining subvention for all over-64 military retirees.

As you are aware, current law requires that over-65, Medicare-eligible military retirees be thrown out of formal participation in the Military Health Services System (MHSS) simply because they have attained that age and status. For many, this effectively ends their care possibilities within the MHSS, because ''space-available'' care in Military Treatment Facilities is increasingly difficult to obtain.

Most other federal employees keep their federal health insurance upon reaching age 65. Therefore, the current practice toward over-65 military retirees is discriminatory and must end. The full-scale enactment of Medicare subvention could result in the ability of many of our older military retirees to participate in DOD's new health care program, TRICARE. Your efforts to begin the process are needed and appreciated. As always, feel free to ask for AFSA's support of this or any other legislation of mutual concern.

Sincerely,

JAMES D. STATION,
Executive Director.

NON COMMISSIONED OFFICERS ASSOCIATION OF THE UNITED STATES OF AMERICA,
Alexandria, VA, December 15, 1995.

Hon. PHIL GRAMM,
U.S. Senate, Washington, DC.

DEAR SENATOR GRAMM: The Non Commissioned Officers Association of the USA (NCOA) wishes to express strong support for your efforts to introduce legislation directing that a demonstration project be conducted to authorize Medicare reimbursement to the Department of Defense (DoD) for medical care provided in Military Treatment Facilities (MTFs) and in the department's managed care networks. It is very important that your bill include TRICARE and the Uniformed Services Treatment Facilities in the demonstration.

NCOA and it's members are very concerned that the efforts of DoD to improve health care availability and accessibility through implementation of the TRICARE program for all military beneficiaries are being hampered simply because Medicare will not reimburse DoD for the medical treatment provided to the age-65 military retiree. NCOA cannot just standby and watch a group of military retirees who earned a free lifetime medical care benefit be disenfranchised from that benefit.

In this regard, NCOA applauds your efforts and supports your legislation.

Sincerely,

MICHAEL F. OUELLETTE,
Sgt Maj, US Army, (Ret), Director of Legislative Affairs.

NATIONAL MILITARY FAMILY ASSOCIATION,
Alexandria, VA, December 14, 1995.

Hon. PHIL GRAMM,
U.S. Senate, Washington, DC.

DEAR SENATOR GRAMM: The National Military Family Association supports your legislation providing for a demonstration project to authorize Medicare reimbursement to the Department of Defense and its medical facilities for care provided in military treatment facilities (MTFs) and in DoD managed care networks. The bill includes TRICARE and the Uniformed Services Treatment Facilities in the demonstration.

Military retirees and their families are the only federal employees who lose their employer provided health care upon reaching age 65. Although eligible to use MTFs on a space available basis, deep cutbacks in health care personnel and funding as well as hospital closures resulting from Base Realignment and Closure Commission actions have shoved hundreds of thousands of retirees out of military medicine.

Medicare eligible retirees served in WWII, Korea, Vietnam and the long Cold War. They were recruited and reenlisted by promises of lifetime medical care. Now when they need it most they are being disenfranchised. DoD's TRICARE program excludes them despite the fact that these retirees earned military sponsored health care through years of arduous service and paid for Medicare through payroll deductions.

NMFA is aware that Medicare reimbursement to DoD will only benefit those living in areas where MTFs exist and/or TRICARE Prime is available and continues to support offering all non-active duty military beneficiaries the option of enrolling in the Federal Employees Health Benefit Plan. Nonetheless, Medicare reimbursement to DoD will benefit many who would otherwise lose access to the military system.

Sincerely,

SYLVIA E.J. KIDD,
President.

RESERVE OFFICERS ASSOCIATION OF THE UNITED STATES,
Washington, DC, December 18, 1995.

Hon. PHIL GRAMM,
U.S. Senate Washington, DC.

DEAR SENATOR GRAMM: I write to you today on behalf of the more than 100,000 members of the Reserve Officers Association, an organization chartered by Congress to "support a military policy for the United States that will provide adequate national security. . . ." ROA strongly supports your legislation directing the conduct of a demonstration project to authorize Medicare reimbursement to the Department of Defense and its medical facilities for care provided in military treatment facilities (MTFs) and in DoD managed care networks. The bill includes TRICARE and the Uniformed Services Treatment Facilities in the demonstration.

Military retirees and their families are the only federal employees who lose their employer provided health care upon reaching age 65. Although military retirees are entitled to use MTFs on a space available basis, deep cutbacks in health care personnel and funding as well as hospital closures resulting from Base Realignment and Closure Commission actions will shove hundreds of thousands of them out of military medicine.

Medicare-eligible retirees served in WWII, Korea, Vietnam and the long Cold War. When they were recruited and reenlisted they were promised lifetime medical care. Now when they need it most they are being disenfranchised. Further, DoD TRICARE program excludes them despite the fact that these retirees earned military sponsored health care through years of arduous service and paid for Medicare through payroll deductions.

Your Medicare reimbursement legislation will allow these patriots and their families to use their Medicare benefits in military treatment facilities which will save scarce Medicare trust funds while providing the necessary funds needed for their care. Your Medicare reimbursement bill is win-win legislation for everyone—Medicare, taxpayers, beneficiaries and military medicine.

You have our association's full support for this important legislation. I am sure that this demonstration will prove the need for a permanent reimbursement program.

Sincerely,

ROGER E. SANDLER,
Major General, AUS (Ret.)
Executive Director.

JEWISH WAR VETERANS OF THE UNITED STATES OF AMERICA,
December 14, 1995.

Hon. PHIL GRAMM,
U.S. Senate, Washington, DC.

DEAR SENATOR GRAMM: I am writing to express strong support for your legislation directing the conduct of a demonstration project to authorize Medicare reimbursement to the Department of Defense and its medical facilities for care provided in military treatment facilities (MTFs) and in DOD managed care networks. The bill includes TRICARE and the Uniformed Services Treatment Facilities in the demonstration.

Military retirees and their families are the only federal employees who lose their employer provided health care upon reaching age 65. Although eligible to use MTFs on a space available basis, deep cutbacks in health care personnel and funding as well as hospital closures resulting from Base Realignment and Closure Commission actions have shoved hundreds of thousands of retirees out of military medicine.

Medicare eligible retirees served in WWII, Korea, Vietnam and the long Cold War. They were recruited and reenlisted by promises of lifetime medical care. Now when they need it most they are being disenfranchised. Further, DOD's TRICARE program excludes them despite the fact that these retirees earned military sponsored health care through years of arduous service and paid for Medicare through payroll deductions.

Your Medicare reimbursement legislation will allow these patriots and their families to use their Medicare benefits in military treatment facilities which will save scarce medicare trust funds while providing the necessary funds needed for their care. Your Medicare reimbursement bill is win-win legislation for everyone—Medicare, taxpayers, beneficiaries and military medicine.

You have our full support for this legislation. I am sure that this demonstration will prove the need for a permanent reimbursement program.

Sincerely,

NEIL GOLDMAN,
National Commander.

U.S. ARMY WARRANT OFFICERS ASSOCIATION,
December 15, 1995.

Hon. PHIL GRAMM,
U.S. Senate, Washington, DC.

DEAR SENATOR GRAMM: On behalf of the United States Army Warrant Officers Association (USAWOA) I am writing to express strong support for your legislation directing the conduct of a demonstration project to authorize Medicare reimbursement to the Department of Defense and its medical facilities for care provided in military treatment facilities (MTFs) and in DOD managed care networks.

Military retirees and their families are the only federal employees who lose their employer provided health care upon reaching age 65. Although eligible to use MTFs on a space available basis, deep cutbacks in health care personnel and funding as well as hospital closures resulting from Base Realignment and Closure Commission actions have excluded hundreds of thousands of retirees from military medicine.

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Your Medicare reimbursement legislation will allow these patriots and their families to use their Medicare benefits in military treatment facilities which will save scarce medicare benefits in military treatment facilities while providing the necessary funds needed for their care.

Your leadership in initiating this important legislation is appreciated. We are confident that this demonstration will prove the need for a permanent reimbursement program.

Sincerely,

DON HESS,
CW4, USA,
Executive Vice President.

USCG, CHIEF WARRANT AND WARRANT OFFICERS ASSOCIATION,
Washington, DC, December 15, 1995.

Hon. PHIL GRAMM,
U.S. Senate, Washington, DC.

DEAR SENATOR GRAMM: I am writing to express strong support for your legislation directing the conduct of a demonstration project to authorize Medicare reimbursement to the Department of Defense and its medical facilities for care provided in military treatment facilities (MTFs) and in DoD managed care networks. The bill includes, Tricare and the Uniformed Services Treatment Facilities in the demonstration.

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Your Medicare reimbursement legislation will allow these patriots and their families to use their Medicare benefits in military treatment facilities which will save scarce Medicare trust funds while providing the necessary funds needed for their care. Your Medicare reimbursement bill is win-win legislation for everyone—Medicare, taxpayers, beneficiaries and military medicine.

You have our full support for this legislation. I am sure that this demonstration will prove the need for a permanent reimbursement program.

Sincerely,

ROBERT L. LEWIS,
Executive Director.

NAVAL ENLISTED RESERVE ASSOCIATION,
Falls Church, VA, December 14, 1995.

Hon. PHIL GRAMM,
U.S. Senate, Washington, DC.

DEAR SENATOR GRAMM: I am writing to express NERA's strong support for your legislation directing the conduct of a demonstration project to authorize Medicare reimbursement to the Department of Defense and its medical facilities for care provided in military treatment facilities and in DoD managed care networks. The bill includes TRICARE and the Uniformed Services Treatment Facilities in the demonstration.

Military retirees and their families are the only federal employees who lose their employer provided health care upon reaching age 65. Although eligible to use MTFs on a space available basis, deep cutbacks in health care personnel and funding as well as hospital closures resulting from Base Realignment and Closure Commission actions have shoved hundreds of thousands of retirees out of military medicine.

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Your Medicare reimbursement legislation will allow these patriots and their families to use their Medicare benefits in military treatment facilities which will save scarce Medicare trust funds while providing the necessary funds needed for their care. Your Medicare reimbursement bill is win-win legislation for Medicare, taxpayer, beneficiaries and military medicine.

You have our full support for this legislation. I am sure that this demonstration will prove the need for a permanent reimbursement program.

Sincerely,

EDDIE OCA,
National President.

NAVAL RESERVE ASSOCIATION,
Alexandria, VA, 15 December 1995.

Hon. PHIL GRAMM,
U.S. Senate, Washington, DC.

DEAR SENATOR GRAMM: I am writing to express strong support for legislation directing the conduct of a demonstration project to authorize Medicare reimbursement to the Department of Defense and its medical facilities for care provided in military treatment facilities (MTFs) and in DoD managed care networks. The bill include TRICARE and the Uniformed Services Treatment Facilities in the demonstration.

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You have our full support for this legislation.

Sincerely,

JAMES E. FOREREST

ASSOCIATION OF MILITARY SURGEONS
OF THE UNITED STATES,
Bethesda, MD, December 15, 1995.

Hon. PHIL GRAMM,
U.S. Senate, Washington, DC.

DEAR SENATOR GRAMM: I am writing to express strong support for your legislation directing the conduct of a demonstration project to authorize Medicare reimbursement in the Department of Defense and its medical facilities for care provided in military treatment facilities (MTFs) and in DoD managed care networks. The bill includes TRICARE and the Uniformed Services Treatment Facilities in the demonstration.

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Your Medicare reimbursement legislation will allow these patriots and their families to use their Medicare benefits in military treatment facilities which will save scarce Medicare trust funds while providing the necessary funds needed for their care. Your Medicare reimbursement bill is win-win legislation for everyone—Medicare, taxpayers, beneficiaries and military medicine.

You have our full support for this legislation. I am sure that this demonstration will prove the need for a permanent reimbursement program.

Sincerely,

MAX B. BRALLIAR,
LT General, USAF, MC Ret.
Executive Director.●

●Mr. MCCAIN. Mr. President, today I am cosponsoring with Senator PHIL GRAMM the Uniformed Services Medicare Subvention Demonstration Act, this bill would allow Medicare reimbursement to the Department of Defense for care provided by the military system to Medicare-eligible uniformed services beneficiaries.

In the case of those Medicare-eligible uniform services beneficiaries who enroll in the Department's managed health care plan, Tricare, this legislation would authorize a demonstration project that allows Medicare to pay DOD based on a reduced rate per enrollee of 93 percent from what Medicare pays eligible health maintenance organizations. In the case of DOD beneficiaries who do not enroll in Tricare, Medicare would pay military treatment facilities [MTFs] for services provided based on the methodology it would use in paying a discounted rate of 93 percent of what Medicare pays a similar civilian provider.

Under current law, DOD retirees may receive care free of charge at a MTF on a space available basis. There are currently about 1.2 million uniformed services beneficiaries age 65 and older. By 1997, this number is expected to grow to 1.4 million. It is estimated that 97 percent of these retirees are eligible for Medicare. An estimated 324,000 of these individuals currently use military health care facilities on a regular basis when space is available, at a cost of $1.4 billion per year from DOD's annual appropriation. Due to budgetary considerations, DOD soon will no longer have the resources to treat Medicare-eligible beneficiaries unless it is able to obtain Medicare reimbursement.

For military retirees, the cost of care provided through civilian providers in the Medicare Program is significantly higher than if the care is provided at a military hospital. One study by DOD found that the cost of care at a military hospital is 10–24 percent less. Such savings are further supported by a GAO study of six hospitals in which estimated savings to the CHAMPUS Program ranged from $18 to $21 million. With Medicare reimbursement, DOD will be able to treat more Medicare-eligible beneficiaries at lower cost to the Government.

There would be substantial benefits to our military readiness associated with this legislation. Under this demonstraion project, the readiness of the military health care system would be enhanced in two significant ways. First, military treatment facilities would be able to maintain their service capacity despite DOD budgetary restrictions due to the infusion of Medicare funds. Second, DOD physicians and other military health care personnel will be able to treat the broad range of medicare problems presented by retired beneficiaries, thereby assisting them to maintain and expand their knowledge and skills.

Even more important, this legislation is important to overall military personnel readiness. Particularly in times of conflict, our Armed Forces depend heavily on the high quality of career mid-level and senior management. We must therefore continue to attract such personnel to serve full military careers, often comprising 30 years of service and sacrifice. Offering an attractive retirement benefits package, including military health care during retirement, and keeping our Government's promises concerning such benefits, is essential to maintaining these key personnel.

I believe that this bill is at least budget neutral and will save the Government money. It will seek a reduced reimbursement from Medicare only for

new beneficiaries who otherwise obtain care through Medicare within the Civilian sector. DOD concludes that subvention will reduce Government costs. Allowing Medicare reimbursements for DOD health care has been a long standing proposal. This bill would allow us to demonstrate the initiative on a limited basis to ensure that it provides the promised benefits to Medicare recipients who are retired uniform service beneficiaries, to Department of Defense's health care system and to the Medicare trust fund. I hope it is a demonstration we can implement to increase success for broader application.

Mr. President, this bill is important to the military, its retires and the Nation. The military needs to maintain its readiness and its ability to provide the best care possible. Retirees who have served their careers in our uniformed services, and who have also paid into the Medicare trust fund like other Medicare beneficiaries, deserve the full range of choice that this legislation offers. They should be able to use their Medicare coverage wherever they are eligible to receive care, including a military treatment facility or the Tricare Program.

This legislation is supported in principal by the Department of Defense and fully by all the uniformed services organizations and the major veterans organizations, including the entire military coalition. Additionally, the Senate has already taken a positive position on Medicare subvention when it earlier this year passed a sense-of-the-Senate resolution in the Defense authorization bill. I am proud to be part of an effort with Senator PHIL GRAMM to continue to move forward on this important legislation for military service members and their families.

Again, this legislation should provide the catalyst to demonstrate that, in fact, those career uniformed service members continue to have options in terms of health care and allows them to continue to be able to choose their health care provider like most Americans. For the active service member and their families they will continue to enjoy the highest quality health care that is our duty to provide.●

By Mr. SARBANES:

S. 1488. A bill to convert certain excepted service positions in the U.S. Fire Administration to competitive service positions, and for other purposes; to the Committee on Governmental Affairs.

U.S. FIRE ADMINISTRATION LEGISLATION

● Mr. SARBANES. Mr. President, today I am introducing legislation to convert eight remaining excepted service positions at the U.S. Fire Administration to competitive service status.

During its first few years of operation, the Federal Emergency Management Agency used an excepted service authority provided under the Fire Prevention and Control Act of 1974 in order to quickly staff the National Fire Academy with personnel who were uniquely qualified in fire education.

In the early 1980's, after the Academy's original vacancies had been filled and the Academy was up and running, it became FEMA's policy to fill openings at the NFA through a competitive civil service hiring system. Today, 91 of the NFA's 99 employees are under the general schedule with only eight employees who were hired in the 1970's and early eighties remaining in excepted service status. As a result, these remaining eight are subject to significant limitations within the USFA. Although they each average over 17 years of Federal service and were hired solely because of their strong backgrounds and unique qualifications in fire education, they are legally barred from competing for management positions within the Fire Administration. The remaining eight excepted service employees are not even allowed to serve on details to competitive service jobs—even within their own organization—without an official waiver from the Office of Personnel Management.

Mr. President, I am proposing to remedy this situation. The legislation which I am introducing will enable the Director of the Federal Emergency Management Agency and the Director of the Office of Personnel Management to convert any employees appointed to the Fire Administration under the Federal Fire Protection and Control Act, to competitive service—without any break in service, diminution of service, reduction of cumulative years of service, or requirement to serve any additional probationary period with the Administration. Those converted under this legislation shall also remain in the Civil Service Retirement System and retain their seniority. This practice is consistent with other federally supported training academies. The Congressional Budget Office has indicated that there would be no cost for this conversion, and I urge my colleagues to join me in support of this legislation.●

By Mrs. MURRAY:

S. 1489. A bill to amend the Wild and Scenic Rivers Act to designate a portion of the Columbia River as a recreational river, and for other purposes; to the Committee on Energy and Natural Resources.

COLUMBIA RIVER BASIN LEGISLATION

● Mrs. MURRAY. Mr. President, I am introducing legislation today to designate the 50-miles of the mid-Columbia River known as the Hanford Reach—the last free-flowing stretch of the river—a wild and scenic river and to improve fish and wildlife habitat downstream of the reach.

Although I have been working for less than a year with the community and members of my Hanford Reach Advisory Panel to develop a broadly-supported means of protecting the river corridor, the effort to save the reach has been underway for 30 years.

The Hanford Reach is an issue whose time has come.

While most of the Columbia River Basin was being developed during the middle of this century, the Hanford Reach and other buffer areas within the Hanford Nuclear Reservation were kept pristine, ironically, by the same veil of secrecy and security that lead to the notorious nuclear and chemical contamination of the central Hanford site. Today, these relatively undisturbed Hanford buffer areas are wild remnants of a great river and vast shrub-steppe ecosystem that have been tamed by dams, farms, and other economically important development.

As the last free-flowing stretch of the Columbia between the Canadian border and Bonneville Dam, the significance of the Hanford Reach has only recently become fully appreciated. Mile for mile, it contains some of the most productive and important fish spawning habitat in the lower 48 States. The cool, clear waters of the Columbia River that sweep through the reach have the volume and velocity to produce ideal conditions for spawning and migrating salmon. The reach produces 80 percent of the Columbia Basin's fall chinook salmon, as well as thriving runs of steelhead trout and sturgeon. It is the only truly healthy segment of the mainstem of the Columbia River.

At a time when the Pacific Northwest is struggling to restore declining salmon runs—and spending hundreds of millions annually on restoration and enhancement efforts—protecting the Hanford Reach is the most cost-effective step we can take. That is why the Northwest Power Planning Council, Trout Unlimited, conservation groups, tribes, and many other regional interests involved in the salmon controversy support designation of the reach under the National Wild and Scenic Rivers Act.

The reach is also rich in other natural and cultural resources. Bald eagles, wintering and migrating waterfowl, deer elk, and a diversity of other wildlife depend on the reach. It is home to dozens of rare, threatened, and endangered plants and animals, some found only in the reach.

This part of the Columbia Basin is also of great cultural importance. Native American culture thrived on the shores and islands of the reach for millennia, and there are over 150 archaeological sites in the proposed designation, some dating back more than 10,000 years. The reach's naturally-spawning salmon and cultural sites remain a vital part of the culture and religion of Native American groups in the area.

The southern shore of the reach chronicles a different kind of history: the story of the Manhattan project and defense nuclear production during the cold war. Nowhere else in the world is there a higher concentration of nuclear facilities, some of which are on the National Register of Historic Places, than along this stretch of the Columbia River.

In stark contrast to the old defense reactors is the section of the reach

dominated by the White Bluffs, whose towering but fragile cliffs offer dramatic scenery and opportunities for solitude. Irrigation water flowing through unstable Ringold formation sediments has caused part of the White Bluffs to slide into the River, smothering spawning beds, reducing water quality, and even deflecting the course of the river. This constitutes one of the great threats to the reach.

The reach offers residents and visitors recreation of many types—from hunting, fishing, and hiking to kayaking, waterskiing, and bird-watching—and adds greatly to the quality of life and economy of the area.

My legislation builds on a foundation begun in the 100th Congress by Senators Dan Evans and Brock Adams, and Congressman Sid Morrison, who enacted legislation which called for a moratorium on development within the river corridor and a detailed study of policy options. Our bill implements the preferred alternative of the Hanford Reach EIS, which recommended Congress designate the reach a recreational river under the National Wild and Scenic Rivers Act.

With the guidance of my Hanford Reach Advisory Panel, the legislation also contains some refinements and protections. For example, the bill explicitly allows current activities, such as agriculture, power generation and transmission, and water withdrawals along the river corridor to continue. It excludes private property, which comprises only about three percent of the study area. The legislation also guarantees that local government and other local interests have a formal role in the management of the river corridor, which will come under the jurisdiction of the U.S. Fish and Wildlife Service.

The legislation also includes provisions which complement the Wild and Scenic River designation. The Secretary of Interior and relevant Federal agencies are directed to work with local and State sponsors in developing a program of education and interpretation related to the Hanford Reach. The city of Richland and area tribes, among others, have been working with the Department of Energy on a museum and regional visitor center proposal and are eager to make the natural and human history of the reach part of the project. Federal agencies should help coordinate with local sponsors on this initiative.

There is also great interest in the tri-cities, and among some government agencies, in improving the habitat value, access, and appearance of the Columbia River shoreline in the area, much of which is lined with high, steep levees that were put into place before the network of Columbia River dams controlled the flow of the River and reduced the need for such flood control structures. Migrating salmon and wildlife now face a sterile gauntlet, populated by predatory fish species, in this part of the River.

This bill directs the Army Corps of Engineers, which built, owns, and maintains the levees, to coordinate with local sponsors on demonstration projects to restore the rivershore. In the short-term, the bill directs the corps to undertake some small levee modification projects under their existing Section 1135 Project Restoration Program, assuming the local sponsors meet program requirements for planning and cost-sharing. The cities of Kennewick and Pasco, and the Port of Kennewick, have already indicated an interest and ability to pursue this course of action. In the long-term, the corps is directed to undertake a comprehensive study of the levees and determine if rivershore restoration in the area is feasible and an important Federal priority.

I am proud of the way this legislation was developed. It is the product of an open, consensus-building process that heard from virtually every interested group in the community and in the region. The bill was drafted with the assistance of a diverse panel of community leaders from local government, business, labor, and the conservation community.

I am deeply grateful to the members of my Hanford Reach Advisory Panel for their public spirited commitment of their valuable time, energy, and creativity. Sue Frost, manager of the Port of Kennewick; Chris Jensen, Pacso City Council; Joe King, Richland City Manager; Rick Leaumont with the Lower Columbia Basin Audubon Society; John Lindsay, president of TRIDEC; Kris Watkins with the Tri-Cities' Visitor and Convention Bureau; and Jim Watts with the Oil, Chemical and Atomic Workers did an outstanding job tackling the tough issues associated with this legislation and developing a consensus proposal.

I look forward to working with my colleagues in the Senate to enact this historic and balanced measure.●

By Mr. SIMON (for himself, Mr. JEFFORDS, Mr. LEAHY, and Mrs. BOXER):

S. 1490. A bill to amend title I of the Employee Retirement Income Security Act of 1974 to improve enforcement of such title and benefit security for participants by adding certain provisions with respect to the auditing of employee benefit plans, and for other purposes; to the Committee on Labor and Human Resources.

THE PENSION AUDIT IMPROVEMENT ACT OF 1995

Mr. SIMON. Mr. President, Senator JEFFORDS and I are introducing the Pension Audit Improvement Act of 1995 today in order to improve the quality of audits performed pursuant to the Employee Retirement Income Security Act of 1974 [ERISA]. The bill repeals the limited scope audit exemption, enhances ERISA auditor qualifications, and requires speedy reporting of serious ERISA violations discovered during plan audits.

Over the past few years, both the Inspector General of the Department of Labor and the GAO have issued reports documenting the need to strengthen the quality of pension audits. Recent investigations by Secretary Reich of 401(k) plans further demonstrate the need for Congress to Act promptly on this measure.

I want to commend Senator JEFFORDS for his interest and work in support of this bill. I also want to commend Secretary Reich for the Department's substantial work and effort in support of this bill. I am also pleased to report that this bill is supported by the American Institute of Certified Public Accountants, and I thank them for their efforts to move this bill forward. I ask unanimous consent to have a summary of the bill printed in the RECORD.

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

PENSION AUDIT IMPROVEMENT ACT OF 1995

CURRENT LAW

Title I of the Employee Retirement Income Security Act of 1974 (ERISA), requires that pension plan administrators obtain a financial audit of employee benefit pension plans. ERISA's audit requirement was designed to protect employee benefit plan assets and assist the Labor Department's enforcement activities by insuring the integrity of financial and compliance information disclosed on the annual report filed with the government.

Under current law, plan auditors are permitted to exclude plan assets invested in regulated institutions, such as banks or insurance companies, from the annual audit. This exclusion, referred to as a limited-scope audit, prohibits auditors from rendering an opinion on the plan's financial statements in accordance with professional auditing standards. Consequently, there is no assurance that plan assets are secure. About fifty percent of plan audit reports contain a limited scope audit disclaimer, resulting in approximately $950 billion dollars in pension plan assets that are not subject to a full financial audit.

Federal law enforcement agencies including, the Office of the Inspector General of the Department of Labor, the General Accounting Office (GAO) and the Pension and Welfare Benefits Administration of the Department of Labor have found that current ERISA audits do not consistently meet professional standards, therefore, hundreds of millions of dollars in pension funds are not being adequately audited.

MAJOR PROVISIONS OF THE PENSION AUDIT IMPROVEMENT ACT OF 1995

The Pension Audit Improvement Act is designed to improve the integrity of private audits of employee pension plan benefits to better protect retirees and active workers future retirement income. In order to insure that pension funds are adequately safeguarded, this bill repeals the limited scope audit exception, enhances ERISA auditor qualifications, and requires speedy reporting of serious ERISA violations discovered during plan audits.

1. Repeal of limited scope audits

The bill repeals the limited-scope audit. Limited scope audits were originally designed to exempt institutions that were already examined by federal or state agencies from duplicative detailed audits. The Inspector General of the Department of Labor, has found, however, that a significant number of these financial institutions are not audited annually increasing risks to plan participants of inadequate retirement security.

Eliminating the limited scope audit will not require that the plan's accountant duplicate the work of a bank or insurance company audit. It is expected that the ERISA plan auditors will rely on the reports of the financial institution, meeting certain certified public accounting standards, which speak to the reliability of that audit. This ''single audit'' approach would fulfill the purposes of the audit requirement without imposing the additional cost of independently reviewing the financial institution's records. At the same time, accountants will now be able to issue audit reports that provide employees the assurance that their retirement income is secure.

2. Reporting and enforcement requirements for pension plans

a. Prompt reporting of serious violations

ERISA's current reporting rules create a time lag between the detection of a reportable event and the filing of the annual report which increases the risk to plan participants and beneficiaries that full recoveries will not be made. This audit bill requires faster reporting duties on auditors who discover serious violations or whose services are terminated by the employer client. This provision should substantially enhance ERISA enforcement because the Department of Labor will receive notices of violations from plan auditors, up to eighteen months, before the Department currently receives this information.

The new reporting rules apply only to the most egregious violations like theft, embezzlement, bribery or kickbacks. The primary reporting obligation remains with the plan administrator. Auditors report serious violations directly to the Labor Department only if the administrator fails to notify within a specific time frame.

b. Auditor termination

The bill also requires a pension plan that terminates an accountant to promptly notify the Secretary of Labor. The plan's notice must specify the reasons for termination, and a copy of the notice must be sent to the accountant.

c. Penalty for failure to report

The bill provides a civil penalty of up to $100,000 against any accountant or pension plan that violates the reporting requirement. A violation could also result in criminal sanctions.

3. Enhanced qualifications for ERISA plan auditors

The Department of Labor reports that it ''continues to detect substantial auditing work'' by ERISA auditors. This bill creates a peer review and continuing professional education requirement for ERISA plan auditors. The bill also gives the Secretary of Labor regulatory authority to insure the quality of plan audits.

The bill requires that qualified public accountants participate in an external quality peer review relevant to employee benefit plans within a three year period prior to conducting an ERISA audit. This review must meet recognized auditing standards as determined by the Comptroller General of the United States. The bill also requires that qualified public accountants performing ERISA plan audits satisfy specific continuing education requirements.

4. Clarification of fiduciary penalties

The bill provides the Secretary of Labor the discretion to reduce the current civil penalties (the penalty is an amount equal to 20% of amount recovered pursuant to a settlement agreement for breach of fiduciary duty). The Secretary has determined that the automatic penalty disadvantages plan participants because it serves as a ''disincentive'' for parties to settle with the Department.

The bill also clarifies that ERISA's anti-alienation rule, which protects pensions from third party creditors, does not protect fiduciaries who breach ERISA and cause a loss to the plan. The bill clarifies that ERISA does not prohibit a plan from offsetting a fiduciary's, or criminal wrongdoer's pension benefits when such person causes a loss to the plan.

Mr. JEFFORDS. Mr. President, I rise today with my good friend and colleague, Senator SIMON, to introduce the Pension Audit Improvement Act of 1995. I'd also like to thank the Department of Labor and the American Institute of Certified Public Accountants who have worked very closely with us to produce this bill.

The primary purpose of this legislation is to repeal the limited scope audit exception currently in the Employee Retirement Income Security Act [ERISA]. Similar bills have been introduced by my colleagues Senators KASSEBAUM and HATCH in previous years. The current bill has the added feature of putting some teeth into private auditor enforcement efforts and responsibilities.

Limited scope audits are audits where independent accountants are not required to examine, test, or evaluate funds or assets held in trust by banks or other regulated financial institutions. This provision in ERISA has created a major loophole in the oversight of pension plans. While the assumption is that these institutions are adequately audited by federal agencies, these audits are generally done only once every two years. More significantly, when an independent auditor is restricted from examining significant information in an audit, she generally disclaims any opinion about whether that plan's financial statements are correct.

Workers and retirees have the right to except that somebody is making sure that their pensions are there when they retire. The sheer numbers of private pension plans over 900,000, make it virtually impossible for the government to possibly maintain a viable enforcement effort without the help of private plan auditors. Also, is it realistic to expect an accountant, who has continuing ties with an employer, to identify and report to the Department of Labor questionable transactions between the plan and plan sponsor?

The current enforcement system incorrectly assumes, to a large degree, that independent public accountants will detect serious violations in a timely manner. A 1987 report, by the Department of Labor's Office of Inspector General found that in 71% of their reviews, that the independent auditors had failed to discover existing ERISA violations. In a more recent 1989 report, the Inspector General found large numbers of audits didn't adequately examine or test plan assets and lacked timely reporting of ERISA violations.

Furthermore, these studies indicate a number of problems with the detection of potential ERISA violations, including: incomplete or inadequate information being reported, the ability of the government to examine only about one percent of these plans per year, and that private plan audits do not consistently meet generally accepted professional accounting standards.

The intent of the Pension Audit Improvement Act is to increase the overall integrity of private pension plan auditing enforcement practices. To enhance the integrity of audits this bill will subject qualified public accountants to external peer review. In addition, public accountants performing ERISA audits will be required to satisfy continuing education requirements emphasizing employee benefits ERISA rules.

In addition, this bill will place new, expedited reporting duties on auditors whose services are terminated by the plan administrator before the audit is completed and, for those auditors who discover evidence of serious violations such as theft, embezzlement, bribery or kickbacks. Auditors will be required to report these violations directly to the Department of Labor only if the administrator fails to notify the Department within a specified time frame. The primary reporting, of any violation, still remains with the plan sponsor.

I look forward to working with all interested parties in turning this bill into a first step toward strengthening our current pension enforcement system. Although, these changes to ERISA's reporting rules may seem minor they have the potential to create lasting reform with respect to the enforcement of Title I of ERISA. Giving private sector auditors the tools and responsibility of early detection of violations will prevent workers from losing hard earned pension benefits.

We simply must do a better job of safeguarding the pension benefits of a growing number of workers and pensioners. The economic security of tens of millions of Americans depends on these benefits being adequately protected.

By Mr. GRAMS (for himself, Mr HEFLIN, Mr. PRYOR, Mr. MCCONNELL, Mr. CONRAD, Mr. COVERDELL, and Mr. SANTORUM):

S. 1491. A bill to reform antimicrobial pesticide registration, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

ANTI-MICROBIAL LEGISLATION

Mr. GRAMS. Mr. President, I rise today to introduce bipartisan legislation reforming the burdensome regulatory process for pesticide approvals under the Federal Insecticide, Fungicide, and Rodenticide Act.

I am pleased to say that my legislation achieves that goal while preserving and improving upon our Nation's public health.

This legislation is a product of compromise between the affected industry

and the Environmental Protection Agency.

The spirit of bipartisanship is best exemplified by the list of my colleagues joining me in this effort, including Senator HEFLIN, Senator PRYOR, Senator MCCONNELL, Senator CONRAD, Senator COVERDELL and Senator SANTORUM.

As members of the Agriculture Committee, their support for this commonsense legislation is essential and appreciated.

Mr. President, Congress has finally begun to recognize the severe burdens we place upon America's job creators when we impose regulatory legislation without respect to its cost or ultimate benefits.

So I am pleased that we have made significant progress this year in reforming and reducing some of that regulatory burden, and I believe this legislation takes us another step forward.

The pesticides covered by this legislation, called antimicrobial products, include common household disinfectant cleaners, bleaches, sanitizers, and disinfectants.

Antimicrobials play an important and beneficial role in controlling disease and in maintaining a high public-health standard in hospitals, nursing homes, clinics, schools, hotels, restaurants, and even in our own homes.

Because emergency workers rely on antimicrobial pesticides to disinfect contaminated water supplies, they are especially valuable during times of natural disasters, such as flooding in the Midwest, hurricanes in Florida, and earthquakes in California.

Yet despite the critical role antimicrobials play in maintaining public health, and the efforts of our colleagues to develop a responsible solution, there have been significant and unintended delays on the EPA's part in approving these products for use.

Unfortunately, those delays in the registration process have stifled the ability of the industry to market new products—products which could have an even more significant impact on the public health.

I would like to share an example.

A new product which provides extraordinary effectiveness against a powerful form of bacteria was developed by an international supplier of cleaning and sanitizing products.

Not only was this new product found to be extremely effective, but it was also developed to break down rapidly once it had achieved its sanitizing work. In short, it effectively helped destroy bacteria while it reduced the likelihood of environmental damage.

While this revolutionary product had proven merits, the company could not get the product approved by the EPA for over 2 years because of the cumbersome approval process.

At the end of that 2-year period, the EPA granted its approval and agreed that this product was of great importance to public health and the environment. It's unfortunate that it has taken so long for the Government to recognize what its manufacturer had long known.

Such examples have become commonplace. Because of this inappropriate backlog of anti-microbial applications pending within the EPA that have little or no chance of being resolved within a reasonable period of time, the need for legislative reform is clear.

Our legislation will establish process for expediting the review of anti-microbial products.

It incorporates predictability into the system without compromising public health and safety. it encourages industry and Government to work together to actually improve products which can better guarantee our public health.

In a legislative climate that is too often partisan and uncompromising, this bill is an example of how Congress, the administration and its Federal agencies, industry, and consumers can pool their efforts to achieve a common end.

Again, I thank my colleagues who have cosponsored this bill, the anti-microbial industry, user groups, and the EPA for coming together to work out the details of this bill. I urge the rest of my colleagues to join us in supporting this commonsense reform.

ADDITIONAL COSPONSORS

S. 607

At the request of Mr. WARNER, the name of the Senator from Michigan [Mr. ABRAHAM] was added as a cosponsor of S. 607, a bill to amend the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 to clarify the liability of certain recycling transactions, and for other purposes.

S. 984

At the request of Mr. GRASSLEY, the name of the Senator from Kansas [Mr. DOLE] 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. 1183

At the request of Mr. HATFIELD, the name of the Senator from Illinois [Mr. SIMON] was added as a cosponsor of S. 1183, a bill to amend the act of March 3, 1931 (known as the Davis-Bacon Act), to revise the standards for coverage under the act, and for other purposes.

S. 1379

At the request of Mr. THOMAS, his name was added as a cosponsor of S. 1379, a bill to make technical amendments to the Fair Debt Collection Practices Act, and for other purposes.

S. 1386

At the request of Mr. BURNS, the name of the Senator from Mississippi [Mr. COCHRAN] was added as a cosponsor of S. 1386, a bill to provide for soft-metric conversion, and for other purposes.

S. 1400

At the request of Mrs. KASSEBAUM, the name of the Senator from Iowa [Mr. GRASSLEY] was added as a cosponsor of S. 1400, a bill to require the Secretary of Labor to issue guidance as to the application of the Employee Retirement Income Security Act of 1974 to insurance company general accounts.

S. 1419

At the request of Mrs. KASSEBAUM, the name of the Senator from New York [Mr. D'AMATO] was added as a cosponsor of S. 1419, a bill to impose sanctions against Nigeria.

SENATE CONCURRENT RESOLUTION 25

At the request of Ms. SNOWE, the name of the Senator from Connecticut [Mr. DODD] was added as a cosponsor of Senate Concurrent Resolution 25, a concurrent resolution concerning the protection and continued viability of the Eastern Orthodox Ecumenical Patriarchate.

AMENDMENTS SUBMITTED

WHITEWATER SUBPOENA RESOLUTION

D'AMATO AMENDMENTS NOS. 3101–3103

Mr. D'AMATO proposed three amendments to the resolution (S. Res. 199) directing the Senate Legal Counsel to bring a civil action to enforce a subpoena of the Special Committee to Investigate Whitewater Development Corporation and Related Matters to William H. Kennedy, III; as follows:

AMENDMENT NO. 3101

The first section of the resolution is amended by striking ''subpoena and order'' and inserting ''subpoenas and orders''.

AMENDMENT NO. 3102

After the sixth Whereas clause in the preamble insert the following:

''Whereas on December 15, 1995, the Special Committee authorized the issuance of a second subpoena duces tecum to William H. Kennedy, III, directing him to produce the identical documents to the Special Committee by 12:00 p.m. on December 18, 1995;

''Whereas on December 18, 1995, counsel for Mr. Kennedy notified the Special Committee that, based upon the instructions of the White House Counsel's Office and personal counsel for President and Mrs. Clinton, Mr. Kennedy would not comply with the second subpoena;

''Whereas, on December 18, 1995, the chairman of the Special Committee announced that he was overruling the legal objections to the second subpoena for the same reasons as for the first subpoena, and ordered and directed that Mr. Kennedy comply with the second subpoena by 3:00 p.m. on December 18, 1995;

''Whereas Mr. Kennedy has refused to comply with the Special Committee's second subpoena as ordered and directed by the chairman;''.

Amend the title so as to read: ''Resolution directing the Senate Legal Counsel to bring a civil action to enforce subpoenas and orders of the Special Committee to Investigate Whitewater Development Corporation and Related Matters to William H. Kennedy, III.''

SARBANES AMENDMENT NO. 3104

Mr. SARBANES proposed an amendment to the resolution, Senate Resolution 199, supra; as follows:

Strike all after the resolving clause and insert the following: ''That the Special Committee should, in response to the offer of the White House, exhaust all available avenues of negotiation, cooperation, or other joint activity in order to obtain the notes of former White House Associate Counsel William H. Kennedy, III, taken at the meeting of November 5, 1993. The Special Committee shall make every possible effort to work cooperatively with the White House and other parties to secure the commitment of the Independent Counsel and the House of Representatives not to argue in any forum that the production of the Kennedy notes to the Special Committee constitutes a waiver of attorney-client privilege.''.

The preamble is amended to read as follows:

''Whereas the White House has offered to provide the Special Committee to Investigate Whitewater Development Corporation and Related Matters ('the Special Committee') the notes taken by former Associate White House Counsel William H. Kennedy, III, while attending a November 5, 1993 meeting at the law offices of Williams and Connolly, provided there is not a waiver of the attorney client privilege;

''Whereas the White House has made a well-founded assertion, supported by respected legal authorities, that the November 5, 1993 meeting is protected by the attorney-client privilege;

''Whereas the attorney-client privilege is a fundamental tenet of our legal system which the Congress has historically respected;

''Whereas whenever the Congress and the President fail to resolve a dispute between them and instead submit their disagreement to the courts for resolution, an enormous power is vested in the judicial branch to write rules that will govern the relationship between the elected branches;

''Whereas an adverse precedent could be established for the Congress that would make it more difficult for all congressional committees to conduct important oversight and other investigatory functions;

''Whereas when a dispute occurs between the Congress and the President, it is the obligation of each to make a principled effort to acknowledge, and if possible to meet, the legitimate needs of the other branch;

''Whereas the White House has made such an effort through forthcoming offers to the Special Committee to resolve this dispute; and

''Whereas the Special Committee will obtain the requested notes much more promptly through a negotiated resolution of this dispute than a court suit:''.

THE LIVESTOCK CONCENTRATION REPORT ACT OF 1995

HATCH AMENDMENT NO. 3105

Mr. DOLE (for Mr. HATCH) proposed an amendment to the bill (S. 1340) to require the President to appoint a Commission on Concentration in the Livestock Industry; as follows:

Sec. 4 Duties of Commission: delete lines 9 and 10 (page 9) and add:

(2) to request the Attorney General to report on the application of the antitrust laws and 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;

Sec. 4(b) Solicitation of Information.

Line 7 page 10 insert: 'industry employees'.

THE IRAN FOREIGN OIL SANCTIONS ACT OF 1995

KENNEDY (AND D'AMATO) AMENDMENT NO. 3106

Mr. SANTORUM (for Mr. KENNEDY, for himself and Mr. D'AMATO) proposed an amendment to the bill (S. 1228) to impose sanctions on foreign persons exporting petroleum products, natural gas, or related technology to Iran; as follows:

At the end of the bill, add the following new section:

SEC. . APPLICATION OF THE ACT TO LIBYA.

The sanctions of this Act, including the terms and conditions for the imposition, duration, and termination of sanctions, shall apply to persons making investments for the development of petroleum resources in Libya in the same manner as those sanctions apply under this Act to persons making investments for such development in Iran.

REIMBURSEMENTS TO STATES FOR FEDERALLY FUNDED EMPLOYEES DURING SHUT DOWN

DOMENICI (AND OTHERS) AMENDMENT NO. 3107

Mr. SANTORUM (for Mr. DOMENICI, Mr. LOTT, Mr. WARNER, Mr. STEVENS, Mr. COHEN, Mr. EXON, Mr. PRESSLER, Mrs. HUTCHISON, Mr. BINGAMAN, Mr. THOMAS, Mr. COHEN, Mr. COCHRAN, Mr. KERREY, Mr. GRASSLEY, and Mr. HARKIN) proposed an amendment to the bill (S. 1429) to provide clarification in the reimbursement to States for federally funded employees carrying out Federal programs during the lapse in appropriations between November 14, 1995, through November 19, 1995; as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

SECTION 1. CLARIFICATION OF REIMBURSEMENT TO STATES FOR FEDERALLY FUNDED EMPLOYEES.

Section 124 of the joint resolution entitled ''A joint resolution making further continuing appropriations for the fiscal year 1996, and for other purposes'', approved November 20, 1995 (Public Law 104–56) is amended by adding at the end thereof the following new subsection:

''(b)(1) If during the period beginning November 14, 1995, through November 19, 1995, a State used State funds to continue carrying out a Federal program or furloughed State employees whose compensation is advanced or reimbursed in whole or in part by the Federal Government—

''(A) such furloughed employees shall be compensated at their standard rate of compensation for such period;

''(B) the State shall be reimbursed for expenses that would have been paid by the Federal Government during such period had appropriations been available, including the cost of compensating such furloughed employees, together with interest thereon due under section 6503(d) of title 31, United States Code; and

''(C) the State may use funds available to the State under such Federal program to reimburse such State, together with interest thereon due under section 6503(d) of title 31, United States Code.

''(2) For purposes of this subsection, the term 'State' shall have the meaning as such term is defined under the applicable Federal program under paragraph (1).''.

AUTHORITY FOR COMMITTEE TO MEET

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. SANTORUM. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be granted permission to meet during the session of the Senate on Wednesday, December 20, 1995, for purposes of conducting a full committee hearing which is scheduled to begin at 9:30 a.m. The purpose of this hearing is to consider S.594, Presidio, to review a map associated with the San Francisco Presidio. Specifically, the purposes are to determine which properties within the Presidio of San Francisco should be transferred to the administrative jurisdiction of the Presidio Trust and to outline what authorities are required to ensure that the trust can meet the objective of generating revenues sufficient to operate the Presidio without a Federal appropriation.

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

COMMITTEE ON THE JUDICIARY

Mr. SANTORUM. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to hold a business meeting during the session of the Senate on Wednesday, December 20, 1995, at 10 a.m. in SD226.

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

ADDITIONAL STATEMENTS

BUDGET SCOREKEEPING REPORT

• Mr. DOMENICI. Mr. President, I hereby submit to the Senate the budget scorekeeping report prepared by the Congressional Budget Office under section 308(b) and in aid of section 311 of the Congressional Budget Act of 1974, as amended. This report meets the requirements for Senate scorekeeping of section 5 of Senate Concurrent Resolution 32, the first concurrent resolution on the budget for 1986.

This report shows the effects of congressional action on the budget through December 18, 1995. The estimates of budget authority, outlays, and revenues, which are consistent with the technical and economic assumptions of the 1996 concurrent resolution on the budget (H. Con. Res. 67), show that current level spending is under the budget resolution by $131.3 billion in budget authority and by $55.0 billion in outlays. Current level is $43 million below the revenue floor in 1996 and $0.7 billion below the revenue floor

over the 5 years 1996–2000. The current estimate of the deficit for purposes of calculating the maximum deficit amount is $190.7 billion, $54.9 billion above the maximum deficit amount for 1996 of $245.6 billion.

Since my last report, dated December 7, 1995, Congress cleared for the President's signature the Commerce, State, Justice, and the Judiciary Appropriations Act (H.R. 2076). These actions, and the expiration of continuing resolution authority on December 15, 1995, changed the current level of budget authority and outlays.

The report follows:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, December 19, 1995.

Hon. PETE V. DOMENICI,
Chairman, Committee on the Budget,
U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The attached report for fiscal year 1996 shows the effects of Congressional action on the 1996 budget and is current through December 18, 1995. The estimates of budget authority, outlays and revenues are consistent with the technical and economic assumptions of the 1996 Concurrent Resolution on the Budget (H. Con. Res. 67). This report is submitted under Section 308(b) and in aid of Section 311 of the Congressional Budget Act, as amended.

Since my last report, dated December 7, 1995, Congress cleared for the President's signature the Commerce, State, Justice and the Judiciary Appropriations Act (H.R. 2076). These actions, and the expiration of continuing resolution authority on December 15, 1995, changed the current level of budget authority and outlays.

Sincerely,

JUNE E. O'NEILL, *Director.*

THE CURRENT LEVEL REPORT FOR THE U.S. SENATE, FISCAL YEAR 1996, 104TH CONGRESS, 1ST SESSION, AS OF CLOSE OF BUSINESS DECEMBER 18, 1995

[In billions of dollars]

	Budget resolution (H. Con. Res. 67)	Current level [1]	Current level over/under resolution
ON-BUDGET			
Budget authority	1,285.5	1,154.2	−131.3
Outlays	1,288.1	1,233.1	−55.0
Revenues:			
1996	1,042.5	1,042.5	[2] −0.
1996–2000	5,691.5	5,690.8	−0.7
Deficit	245.6	190.7	−54.9
Debt subject to limit	5,210.7	4,900.0	−310.7
OFF-BUDGET			
Social Security outlays:			
1996	299.4	299.4	0.0
1996–2000	1,626.5	1,626.5	0.0
Social Security revenues:			
1996	374.7	374.7	0.0
1996–2000	2,061.0	2,061.0	0.0

[1] Current level represents the estimated revenue and direct spending effects of all legislation that Congress has enacted or sent to the President for his approval. In addition, full-year funding estimates under current law are included for entitlement and mandatory programs requiring annual appropriations even if the appropriations have not been made. The current level of debt subject to limit reflects the latest U.S. Treasury information on public debt transactions.

[2] Less than $50 million.

THE ON-BUDGET CURRENT LEVEL REPORT FOR THE U.S. SENATE, 104TH CONGRESS, 1ST SESSION, SENATE SUPPORTING DETAIL FOR FISCAL YEAR 1996, AS OF CLOSE OF BUSINESS DECEMBER 18, 1996

[In millions of dollars]

	Budget authority	Outlays	Revenues
ENACTED IN PREVIOUS SESSIONS			
Revenues			1,042,557
Permanents and other spending legislation	830,272	798,924	
Appropriation legislation		242,052	
Offsetting receipts	(200,017)	(200,017)	
Total previously enacted	630,254	840,958	1,042,557
ENACTED THIS SESSION			
Appropriation bills:			
1995 Rescissions and Department of Defense Emergency Supplementals Act (P.L. 104–6)	(100)	(885)	
1995 Rescissions and Emergency Supplementals for Disaster Assistance Act (P.L. 104–19)	22	(3,149)	
Agriculture (P.L. 104–37)	62,602	45,620	
Defense (P.L. 104–61)	243,301	163,223	
Energy and Water (P.L. 104–46)	19,336	11,502	
Legislative Branch (P.L. 105–53)	2,125	1,977	
Military Construction (P.L. 104–32)	11,177	3,110	
Transportation (P.L. 104–50)	12,682	11,899	
Treasury, Postal Service (P.L. 104–52)	15,080	12,584	
Authorization bills:			
Self-Employed Health Insurance Act (P.L. 104–7)	(18)	(18)	(101)
Alaska Native Claims Settlement Act (P.L. 104–42)	1	1	
Fishermen's Protective Act Amendments of 1995 (P.L. 104–43)		([1])	
Perishable Agricultural Commodities Act Amendments of 1995 (P.L. 104–48).			
Alaska Power Administration Sale Act (P.L. 104–58)	(20)	(20)	
Total enacted this session	366,191	245,845	(100)
PENDING SIGNATURE			
Commerce, Justice, State (H.R. 2076)	27,110	18,910	
ENTITLEMENTS AND MANDATORIES			
Budget resolution baseline estimates of appropriated entitlements and other mandatory programs not yet enacted	130,678	127,394	
Total Current Level [2]	1,154,233	1,233,108	1,042,457
Total Budget Resolution	1,285,500	1,288,100	1,042,500
Amount remaining:			
Under Budget Resolution	131,267	54,992	43
Over budget Resolution			

[1] Less than $500,000.

[2] In accordance with the Budget Enforcement Act, the total does not include $3,400 million in budget authority and $1,590 million in outlays for funding of emergencies that have been designated as such by the President and the Congress.

Notes.—Detail may not add due to rounding. Numbers in parentheses are negative.

DONALD L. BREIHAN: A COMMITTED PUBLIC SERVANT

● Mr. HOLLINGS. Mr. President, I rise today to pay tribute to the 38-year career of a dedicated public servant who makes the Internal Revenue Service look good. Donald L. Breihan, who is the district director of the Columbia District of the IRS and who runs the service's 11 offices across South Carolina, will retire January 5. To put it succinctly, he'll be missed.

For 16 years, Don's down-to-earth, hands-off style of managing nearly 400 IRS employees in South Carolina has transformed many local tax initiatives and programs into national models. On the job, he is known throughout the Nation for his fairness and professionalism. And in the community as an adjunct professor at the school of business at the University of South Carolina and as a past member of the board of directors of the Combined Federal Campaign, Don is known for his dedication and service.

Don has been head of the Columbia District since 1980. In his years there, he is credited with developing an award-winning Federal/State Tax Administration Sharing Program. As the IRS Southeast Region Federal/State Sharing Program executive, he coordinates Federal/State programs in the nine Southeastern States. Don also oversees the operation of Federal tax administration in South Carolina—a job in which he manages the collection of $11 billion in Federal tax every year from 1.5 million filers of Federal income tax returns.

Don was born 60 years ago in St. Louis, MO. He joined the IRS after he got a bachelor's degree in accounting from St. Louis University. In 1973, he started training in the agency's executive development program and became assistant district director of its Richmond, VA, office later that year. After a stint in Baltimore, he moved in 1980 to Columbia to take over IRS operations for the State of South Carolina.

Mr. President, Don Breihan is not a native of our Palmetto State, but he quickly earned the respect to be treated like one. His hard work, commitment and spirit of dedication make him a tried and true South Carolinian. His brand of public service won't be able to be replaced.

Mr. President, I appreciate the opportunity to recognize the years of energy and devotion that Donald L. Breihan has worked to make our State a better place. I am glad that he is making South Carolina his permanent home. And I wish him and his wife Nancy all the best during Don's retirement and many more happy years to come.●

THE FIRST ANNIVERSARY OF THE MEXICAN PESO CRISIS

● Mr. D'AMATO. Mr. President, today marks the 1-year anniversary of a sad chapter in Mexico's history and a sad chapter in American financial management by the Clinton administration. After the sudden devaluation of the Mexican peso on December 19, 1994, the Mexican economy continued to collapse. In response to the economic crisis, the Clinton administration circumvented Congress and unilaterally committed $20 billion of United States taxpayer funds to bail out Mexico.

The public relations campaign conducted by the Clinton administration and the Mexican Government have attempted to portray the Mexican bailout as a success and that, given enough time and enough money—United States taxpayers' money—conditions in Mexico will eventually improve. Public relations campaigns and publicity stunts

aside, the facts are that the Clinton administration's taxpayer funded bailout of Mexico is a colossal failure.

In early 1994, Mexico was hailed by the administration as a hallmark of success and was embraced as a partner in the North American Free-Trade Agreement. The subsequent 2 years have revealed that this image was a costly mirage forced upon the American and Mexican citizens. Mexico has become a dependent of the United States, looking north for more money to bail out its failed economic and social policies. But the answer to Mexico's problems is, and always has been, in Mexico City, not Washington, DC.

I have been saying for almost 1 year that the Clinton administration's bailout was an ill-conceived disaster. It is not just my opinion, it is the cold hard facts—evidenced by the Mexican economic figures. The last few months have demonstrated that the Mexican financial sector can no longer disguise what is happening in Mexico. Mexico's economic crisis is now 1 year old and there is no indication of any meaningful improvement in Mexico's real economy: Record numbers of Mexicans are out of work, interest rates are soaring, the people are starving, and the country is reeling under increasing social and political unrest.

Mr. President, we must look at the objective facts, and the performance of the Mexican peso is an excellent starting point. On December 20, 1994, the peso was trading at 3.97. Yesterday the peso closed at 7.54 against the dollar—that is a 50-percent drop in 1 year.

Mr. President, no one wants to hold pesos because they are considered worthless. As reported by the New York Times on November 11, 1995, ''In the land of the peso, the dollar is common coin.'' But the Mexican Government continues to spend United States taxpayer dollars in their frantic and futile attempt to support the peso. Money from our Exchange Stabilization Fund—the ESF—that was supposed to be used to support the dollar. The Clinton administration's use of the ESF was unprecedented, and legally tenuous. In August of this year, I sponsored the Senate passed an amendment to the ESF statute which will prevent this administration from using the ESF as the President's personal piggybank again.

The currency speculators will continue to reap huge profits from the fluctuating peso. On December 22, 1994, Mexico adopted a floating rate regime, which can only be successful if people have confidence in the Mexican Central Bank. The Central Bank's performance so far has failed to inspire such confidence. These problems are exacerbated by the continuing dismal condition of the Mexican banking system. I have been saying all year that the Mexican banking system is the weak link in any financial recovery. In May of this year, the Banking Committee held a hearing to review the condition of the banks and their apparent inaccurate reports. The end result in that the Mexican Government is bailing our Mexican banks. On December 15, 1995, the Mexican Government announced that it was buying $2 billion of bad loans from Banamex, Mexico's largest financial groups. Where is the Meixcan Government getting this money? From the U.S. taxpayers?

In the year since the peso's collapse, Mexico has received over $23 billion from the United States and the IMF and it has not solved anything.

American taxpayer dollars have been spent paying off private investors and not one dime of it is staying in Mexico or helping the Mexican people. Over 1 million jobs have been lost and annual inflation has exceeded 50 percent. It is clear the bailout is a failure, so I hope that this administration will not consider throwing more good money after bad.

Mr. President, I want to address a related matter concerning the IMF. On October 18, I sent a letter to the Managing Director of the IMF, Mr. Camdessus, requesting the public release of the so-called ''Whittome Report''. Two months later, the Congress and the American public still have not seen the Report. The Whittome Report is the result of an internal study by the IMF of its surveillance and response to the Mexican crisis. According to news articles, the Whittome Report concluded that the IMF distorted its own reporting on Mexico in response to political pressure from the Mexican Government. The Report apparently provides a comprehensive analysis of the IMF's monitoring and response to the Mexican Economic Crisis. The Congress and the American people need all the information we can get on this multi-billion dollar bailout.

The United States is the single largest financial contributor to the IMF, almost ¼ of their funds, and we deserve some answers. The IMF has sent $11.4 billion to Mexico this year and they will disburse $1.6 billion more every 3 months until August of next year. So when you add the indirect contributions the United States has made from the IMF to the $12.5 billion the United States has given directly to Mexico, it is obvious that we all have a very large stake in this game. When we have questions—we deserve answers.

It is unconscionable that full disclosure has not been given the Congress—or the American taxpayer—about what happened in this Mexican bailout. The Treasury Department has classified the Whittome Report so the American people cannot read it and make their own judgment about how this crisis was handled. That's wrong.

In October I introduced a resolution calling for the IMF to release the Whittome Report and requesting that the Treasury Department declassify it so that the American public can judge it for themselves. If this report is not declassified and made available to the public and the Congress by the start of the next session, I will ask my colleagues to vote for this resolution and take further steps to obtain the information we deserve.

Mr. President, the Mexican peso crisis is now 1 year old. It is time to reassess the situation and learn all we can from the mistakes that were made. At a time when we are struggling to balance our own budget, and make necessary cuts in social programs, we must think long and hard about spending United States tax dollars to bail out Mexico's financial problems.●

RETIREMENT OF DAVID COLE

● Mr. BUMPERS. Mr. President, David Cole, the officer in charge of the Memphis office of the Immigration and Naturalization Service is soon to retire. Today I wish to pay tribute to this dedicated civil servant.

For 34 years David Cole has labored in the vineyards at INS, and, along the way, he earned a law degree from Memphis State University. All who have come in contact with Dave have been impressed with his knowledge, his dedication, and his integrity.

David Aaron Cole joined the agency as an immigration patrol inspector on August 15, 1961, at Laredo, TX, following his graduation from Mississippi State University in Starkville. Dave answered the call during the Berlin crisis and entered the military, assuming active duty status on December 23, 1961, where he served until August 27, 1962. He then returned to the U.S. Border Patrol in Laredo.

On January 6, 1966, Dave was promoted and transferred from the Border Patrol to Boston as a records and information specialist. In August 1967, he was promoted and transferred to records and information specialist in New York City and became chief of records in 1970.

On November 19, 1970, Dave was selected as officer in charge, Memphis, TN, where he has faithfully served since then.

Mr. President, Federal employees are often the brunt of jokes, cartoons, and talk shows. There are thousands like David Cole who faithfully do their job without recognition or fanfare.

I salute David Cole for his commitment to public service and for his dedication to the people he served. I wish him the very best as he retires from public service and begins a new career in the private sector.●

GENERALIZED SYSTEM OF PREFERENCES

● Mr. PRYOR. Mr. President, renewal of the Generalized System of Preferences [''GSP''] duty-free import program is currently up for consideration as part of the budget reconciliation package. The GSP program allows duty-free imports of certain products into the U.S. from well over 100 GSP eligible nations as a way to help less developed nations export into the U.S. market. While I support this program,

it is essential to remember that from its inception in the Trade Act of 1974, the GSP program has provided for the exemption of ''articles which the President determines to be import-sensitive.'' This is a critical provision to many of our industries.

Mr. President, a clear example of an import sensitive article which should not be subject to GSP is ceramic tile. The U.S. ceramic tile market has been repeatedly recognized as extremely import-sensitive. During the past thirty-years, this U.S. industry has had to defend itself against a variety of unfair and illegal import practices carried out by some of our closest trade partners. Imports already dominate the U.S. ceramic tile market and have done so for the last decade. They currently provide nearly 60 percent of the largest and most important glazed tile sector according to the 1994 year-end government figures.

Moreover, a major guiding principle of the GSP program has been reciprocal market access. Currently, GSP eligible beneficiary countries supply almost one-fourth of the U.S. ceramic tile imports, and they are rapidly increasing their sales and market shares. U.S. ceramic tile manufacturers, however, are still denied access to many of these foreign markets.

Also, previous abuses of the GSP eligible status with regard to some ceramic tile product lines has been well documented. In 1979, the USTR rejected various petitions for duty-free treatment of ceramic tile from certain GSP beneficiary countries. With the acquiescence of the U.S. industry, however, the USTR at that time created a duty-free exception for the then minuscule category of irregular edged ''specialty'' mosaic tile. Immediately thereafter, foreign manufacturers from major GSP beneficiary countries either shifted their production to ''specialty'' mosaic tile or simply identified their existing products as ''specialty'' mosaic tile on customs invoices and stopped paying duties on these products. These actions flooded the U.S. market with superficially restyled or mislabeled duty-free ceramic tile.

Mr. President, in light of the increasing foreign dominance of the U.S. ceramic tile market, for whatever reason, the U.S. industry has been recognized by successive Congresses and Administrations as ''import-sensitive'' dating back to the Dillon and Kennedy Rounds of the General Agreement of Tariffs and Trade (GATT). Yet during this same period, the American ceramic tile industry has been forced to defend itself from over a dozen petitions filed by various designated GSP eligible countries seeking duty-free GSP treatment for their ceramic tile sent into this market.

The domestic ceramic tile industry has been fortunate, to date, in the fact that both the USTR and the International Trade Commission thus far have recognized the ''import-sensitivity'' of the U.S. market and have denied these repeated GSP petitions that would result in further import penetration. If, however, just one petitioning nation ever succeeds in gaining GSP benefits for ceramic tile, then all GSP beneficiary countries also are entitled to GSP duty-free benefits for ceramic tile. If any of these petitions were grated, it would eliminate American tile jobs and could devastate this domestic industry.

Mr. President, I believe an import sensitive and already import-dominated product such as ceramic tile should not have to continually defend itself against repeated duty-free petitions but should be exempted from this program in some manner. While I understand USTR has serious reservations about granting exemptions without periodic review, I am hopeful we can find some common ground so that the ceramic tile industry does not have to defend itself each and every year.

While I support reauthorization of the GSP program, I trust and expect that import-sensitive products such as ceramic tile will not be subject to GSP.●

HOWARD H. BAKER, JR., UNITED STATES COURTHOUSE

Mr. SANTORUM. Madam President, I ask unanimous consent that the Committee on Environment and Public Works be immediately discharged from further consideration of H.R. 2547, and that the Senate proceed to its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:.

A bill (H.R. 2547) to designate the United States courthouse located at 800 Market Street in Knoxville, Tennessee, as the ''Howard H. Baker, Jr., United States Courthouse.''

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. THOMPSON. Madam President, I am pleased to support this bill which will designate the new United States Federal Courthouse in Knoxville, TN as the Howard H. Baker, Jr. United States Courthouse. I think it is fitting that this newly purchased courthouse be named for one of the most distinguished members ever to grace this body, a true gentleman who served his Nation for nearly 20 years as Senator from Tennessee, Senate Majority Leader, and, finally, White House Chief of Staff.

Senator Howard Baker begin his career as an attorney in Huntsville and nearby Knoxville, TN, after his graduation from the University of Tennessee School of Law. In 1966, he was elected to the United States Senate. Here, he established a lasting reputation as an outstanding lawmaker. Because of his broad appeal in our home state, the people of Tennessee chose to reelect him in 1972 and again in 1978.

In 1973, I had the opportunity to work under Senator Baker as he served as Vice Chairman of the Senate Watergate Committee. His leadership on this investigatory committee proved to be an asset as he helped this investigation during one of the most difficult time in our Nation's history.

From 1977 to 1981, Senator Baker served as Republican Leader of the Senate. In 1981, he became first Republican in more than 25 years to be elected Senate Majority Leader, a post he held until his retirement in January of 1985. During all of his Senate service, Senator Baker was known for his fair and impartial treatment of members from both sides of the aisle. He was also known in the Senate as someone who could bring both sides of an issue together, especially when political partisanship was intense.

In 1987, Senator Baker again answered his country's call, returning to public service as Chief of Staff to President Reagan. His tenure came at a difficult time for the Reagan Administration, during the Iran-Contra controversy. Senator Baker helped to steer the Administration through this trying situation, uncovering the relevant details of the controversy and helping to convey them to the public.

My friend, Howard Baker, who recently celebrated his 70th birthday, has retired from public service but continues to work on the behalf of many worthwhile causes. Over the years, he has received a number of awards and honors including The Presidential Medal or Freedom and the Jefferson Award for Greatest Public Service Performed by an Elected or Appointed Official. In addition, he has been presented a number of honorary degrees from several institutions of higher education, including: Bradley, Centre College, Dartmouth, Georgetown, Pepperdine, and Yale.

As Senator Baker has served his country and Tennessee admirably and well for nearly two decades, and it is my hope that the U.S. Senate will see fit to observe this service by naming the U.S. Courthouse in Knoxville in his honor.

Mr. FRIST. Madam President, I rise today in support of the bill offered by Senator THOMPSON and myself, which would designate the U.S. Courthouse located at 800 Market Street in Knoxville, Tennessee, as the ''Howard H. Baker, Jr. United States Courthouse.''

In 1966, Senator Baker became the first Republican ever popularly elected to the U.S. Senate from Tennessee, and he won reelection by wide margins in 1972 and 1978. Senator Baker first won national recognition in 1973 as the Vice Chairman of the Senate Watergate Committee. He was the keynote speaker at the Republican National Convention in 1976, and a candidate for the Republican Presidential nomination in 1980.

He served in the Senate from 1967 until January 1985, and concluded his Senate career by serving two terms as

Minority Leader (1977–1981) and two terms as Majority Leader (1981–1985).

I came to know Howard Baker when I was making my decision to run for the U.S. Senate. He listened carefully, gave me excellent counsel, and helped steer me and my wife Karyn in the right direction as we made our decision. Like so many of my colleagues here in the Senate, I continue to rely on his advice, and am proud to call him my friend.

Madam President, the Howard Baker Courthouse will stand as a wonderful tribute to a dedicated and distinguished senator, Howard Baker. I urge my colleagues to support this piece of legislation.

Mr. SANTORUM. Madam President, I ask unanimous consent that the bill be deemed read a third time, passed, 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 (H.R. 2547) was deemed read a third time and passed.

ROMANO L. MAZZOLI FEDERAL BUILDING DESIGNATION ACT

Mr. SANTORUM. Madam President, I ask unanimous consent that the Senate proceed to the immediate consideration of calendar No. 289, H.R. 965.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 965) to designate the Federal building located at 600 Martin Luther King, Jr., Place in Louisville, Kentucky, as the ''Romano L. Mazzoli Federal Building.''

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. SANTORUM. Madam President, I ask unanimous consent that the bill be deemed read a third time, passed, the motion to reconsider be laid upon the table, and that any statement 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 (H.R. 965) was deemed read a third time, and passed.

DON EDWARDS SAN FRANCISCO BAY NATIONAL WILDLIFE REFUGE DESIGNATION ACT

Mr. SANTORUM. Madam President, I ask unanimous consent the Senate proceed to the immediate consideration of calendar No. 290, H.R. 1253.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 1253) to rename the San Francisco Bay National Wildlife Refuge as the Don Edwards San Francisco Bay National Wildlife Refuge.

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. SANTORUM. Madam President, I ask unanimous consent that the bill be deemed read a third time, passed, 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 (H.R. 1253) was deemed read a third time, and passed.

IRAN OIL SANCTIONS ACT OF 1995

Mr. SANTORUM. I ask unanimous consent that the Senate proceed to the immediate consideration of calendar No. 280, S. 1228.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 1228) to impose sanctions on foreign persons exporting petroleum products, natural gas, or related technology to Iran.

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 Banking, Housing, and Urban Affairs, 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 ''Iran Oil Sanctions Act of 1995''.

SEC. 2. FINDINGS.

The Congress makes the following findings:

(1) The efforts of the Government of Iran to acquire weapons of mass destruction and the means to deliver them and its support of international terrorism endanger the national security and foreign policy interests of the United States and those countries with which it shares common strategic and foreign policy objectives.

(2) The objective of preventing the proliferation of weapons of mass destruction and international terrorism through existing multilateral and bilateral initiatives requires additional efforts to deny Iran the financial means to sustain its nuclear, chemical, biological, and missile weapons programs.

SEC. 3. DECLARATION OF POLICY.

The Congress declares that it is the policy of the United States to deny Iran the ability to support international terrorism and to fund the development and acquisition of weapons of mass destruction and the means to deliver them by limiting the development of petroleum resources in Iran.

SEC. 4. IMPOSITION OF SANCTIONS.

(a) IN GENERAL.—Except as provided in subsection (d), the President shall impose one or more of the sanctions described in section 5 on a person subject to this section (in this Act referred to as a ''sanctioned person''), if the President determines that the person has, with actual knowledge, on or after the date of enactment of this Act, made an investment of more than $40,000,000 (or any combination of investments of at least $10,000,000 each, which in the aggregate exceeds $40,000,000 in any 12-month period), that significantly and materially contributed to the development of petroleum resources in Iran.

(b) PERSONS AGAINST WHICH THE SANCTIONS ARE TO BE IMPOSED.—The sanctions described in subsection (a) shall be imposed on any person the President determines—

(1) has carried out the activities described in subsection (a);

(2) is a successor entity to that person;

(3) is a person that is a parent or subsidiary of that person if that parent or subsidiary with actual knowledge engaged in the activities which were the basis of that determination; and

(4) is a person that is an affiliate of that person if that affiliate with actual knowledge engaged in the activities which were the basis of that determination and if that affiliate is controlled in fact by that person.

(c) PUBLICATION IN FEDERAL REGISTER.—The President shall cause to be published in the Federal Register a current list of persons that are subject to sanctions under subsection (a). The President shall remove or add the names of persons to the list published under this subsection as may be necessary.

(d) EXCEPTIONS.—The President shall not be required to apply or maintain the sanctions under subsection (a)—

(1) to products or services provided under contracts entered into before the date on which the President publishes his intention to impose the sanction; or

(2) to medicines, medical supplies, or other humanitarian items.

SEC. 5. DESCRIPTION OF SANCTIONS.

The sanctions to be imposed on a person under section 4(a) are as follows:

(1) EXPORT-IMPORT BANK ASSISTANCE FOR EXPORTS TO SANCTIONED PERSONS.—The President may direct the Export-Import Bank of the United States not to guarantee, insure, extend credit, or participate in the extension of credit in connection with the export of any goods or services to any sanctioned person.

(2) EXPORT SANCTION.—The President may order the United States Government not to issue any specific license and not to grant any other specific permission or authority to export any goods or technology to a sanctioned person under—

(A) the Export Administration Act of 1979;

(B) the Arms Export Control Act;

(C) the Atomic Energy Act of 1954; or

(D) any other statute that requires the prior review and approval of the United States Government as a condition for the exportation of goods and services, or their re-export, to any person designated by the President under section 4(a).

(3) LOANS FROM UNITED STATES FINANCIAL INSTITUTIONS.—The United States Government may prohibit any United States financial institution from making any loan or providing any credit to any sanctioned person in an amount exceeding $10,000,000 in any 12-month period (or two or more loans of more than $5,000,000 each in such period) unless such person is engaged in activities to relieve human suffering within the meaning of section 203(b)(2) of the International Emergency Economic Powers Act.

(4) PROHIBITIONS ON FINANCIAL INSTITUTIONS.—The following prohibitions may be imposed against financial institutions sanctioned under section 4(a):

(A) DESIGNATION AS PRIMARY DEALER.—Neither the Board of Governors of the Federal Reserve System nor the Federal Reserve Bank of New York may designate, or permit the continuation of any prior designation of, such financial institution as a primary dealer in United States Government debt instruments.

(B) GOVERNMENT FUNDS.—Such financial institution shall not serve as agent of the United States Government or serve as repository for United States Government funds.

SEC. 6. ADVISORY OPINIONS.

The Secretary of State may, upon the request of any person, issue an advisory opinion, to that person as to whether a proposed activity by

that person would subject that person to sanctions under this Act. Any person who relies in good faith on such an advisory opinion which states that the proposed activity would not subject a person to such sanctions, and any person who thereafter engages in such activity, may not be made subject to such sanctions on account of such activity.

SEC. 7. DURATION OF SANCTIONS; PRESIDENTIAL WAIVER.

(a) DELAY OF SANCTIONS.—

(1) CONSULTATIONS.—If the President makes a determination described in section 4(a) with respect to a foreign person, the Congress urges the President to initiate consultations immediately with the government with primary jurisdiction over that foreign person with respect to the imposition of sanctions pursuant to this Act.

(2) ACTIONS BY GOVERNMENT OF JURISDICTION.—In order to pursue such consultations with that government, the President may delay imposition of sanctions pursuant to this Act for up to 90 days. Following such consultations, the President shall immediately impose a sanction or sanctions unless the President determines and certifies to the Congress that the government has taken specific and effective actions, including, as appropriate, the imposition of appropriate penalties, to terminate the involvement of the foreign person in the activities that resulted in the determination by the President pursuant to section 4(a) concerning such person.

(3) ADDITIONAL DELAY IN IMPOSITION OF SANCTIONS.—The President may delay the imposition of sanctions for up to an additional 90 days if the President determines and certifies to the Congress that the government with primary jurisdiction over the foreign person is in the process of taking the actions described in paragraph (2).

(4) REPORT TO CONGRESS.—Not later than 90 days after making a determination under section 4(a), the President shall submit to the Committee on Banking, Housing and Urban Affairs of the Senate and the Committee on International Relations of the House of Representatives a report which shall include information on the status of consultations with the appropriate foreign government under this subsection, and the basis for any determination under paragraph (3).

(b) DURATION OF SANCTIONS..—The requirement to impose sanctions pursuant to section 4(a) shall remain in effect until the President determines that the sanctioned person is no longer engaging in the activity that led to the imposition of sanctions.

(c) PRESIDENTIAL WAIVER.—(1) The President may waive the requirement in section 4(a) to impose a sanction or sanctions on a person in section 4(b), and may waive the continued imposition of a sanction or sanctions under subsection (b) of this section, 15 days after the President determines and so reports to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on International Relations of the House of Representatives that it is important to the national interest of the United States to exercise such waiver authority.

(2) Any such report shall provide a specific and detailed rationale for such determination, including—

(A) a description of the conduct that resulted in the determination;

(B) in the case of a foreign person, an explanation of the efforts to secure the cooperation of the government with primary jurisdiction of the sanctioned person to terminate or, as appropriate, penalize the activities that resulted in the determination;

(C) an estimate as to the significance of the investment to Iran's ability to develop its petroleum resources; and

(D) a statement as to the response of the United States in the event that such person engages in other activities that would be subject to section 4(a).

SEC. 8. TERMINATION OF SANCTIONS.

The sanctions requirement of section 4 shall no longer have force or effect if the President determines and certifies to the appropriate congressional committees that Iran—

(1) has ceased its efforts to design, develop, manufacture, or acquire—

(A) a nuclear explosive device or related materials and technology;

(B) chemical and biological weapons; or

(C) ballistic missiles and ballistic missile launch technology; and

(2) has been removed from the list of state sponsors of international terrorism under section 6(j) of the Export Administration Act of 1979.

SEC. 9. REPORT REQUIRED.

The President shall ensure the continued transmittal to Congress of reports describing—

(1) the nuclear and other military capabilities of Iran, as required by section 601(a) of the Nuclear Non-Proliferation Act of 1978 and section 1607 of the National Defense Authorization Act, Fiscal Year 1993; and

(2) the support provided by Iran for acts of international terrorism, as part of the Department of State's annual report on international terrorism.

SEC. 10. DEFINITIONS.

As used in this Act:

(1) APPROPRIATE CONGRESSIONAL COMMITTEES.—The term ''appropriate congressional committees'' means the Committees on Banking, Housing, and Urban Affairs and Foreign Relations of the Senate and the Committees on Banking and Financial Services and International Relations of the House of Representatives.

(2) FINANCIAL INSTITUTION.—The term ''financial institution'' includes—

(A) a depository institution (as defined in section 3(c)(1) of the Federal Deposit Insurance Act), including a branch or agency of a foreign bank (as defined in section 1(b)(7) of the International Banking Act of 1978);

(B) a credit union;

(C) a securities firm, including a broker or dealer;

(D) an insurance company, including an agency or underwriter;

(E) any other company that provides financial services; or

(F) any subsidiary of such financial institution.

(3) INVESTMENT.—The term ''investment'' means—

(A) the entry into a contract that includes responsibility for the development of petroleum resources located in Iran, or the entry into a contract providing for the general supervision and guarantee of another person's performance of such a contract;

(B) the purchase of a share of ownership in that development; or

(C) the entry into a contract providing for participation in royalties, earnings, or profits in that development, without regard to the form of the participation.

(4) PERSON.—The term ''person'' means a natural person as well as a corporation, business association, partnership, society, trust, any other nongovernmental entity, organization, or group, and any governmental entity operating as a business enterprise, and any successor of any such entity.

(5) PETROLEUM RESOURCES.—The term ''petroleum resources'' includes petroleum and natural gas resources.

AMENDMENT NO. 3106

(Purpose: To deter investment in the development of Libya's petroleum resources)

Mr. SANTORUM. Madam President, I send an amendment to the desk in behalf of Senators KENNEDY and D'AMATO, and I ask for its consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Pennsylvania (Mr. SANTORUM), for Mr. KENNEDY, for himself and Mr. D'AMATO, proposes an amendment numbered 3106.

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

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

The amendment is as follows:

At the end of the bill, add the following new section:

SEC. . APPLICATION OF THE ACT TO LIBYA.

The sanctions of this Act, including the terms and conditions for the imposition, duration, and termination of sanctions, shall apply to persons making investments for the development of petroleum resources in Libya in the same manner as those sanctions apply under this Act to persons making investments for such development in Iran.

Mr. D'AMATO. Madam President, I rise in support of the Kennedy-D'Amato amendment to S. 1228, the Iran Oil Sanctions Act of 1995.

What can one say about Libya. It has now been over 4 years since the United States indicted two Libyan agents, Lamen Khalifa Fhimah and Abdel Basset Ali Megrahi, for responsibility in the bombing of Pan Am Flight 103 in December 1988. So far there has been no action, no surrender of these men. We must answer the cry for justice by the families of the 270 victims of this terrorist attack, 189 of them Americans, with 35 from New York State.

For us to add Libya to a bill placing sanctions on those countries which seek to develop Iran's petroleum resources is, I feel, a justified action. We must send the message that terrorism, sponsorship of terrorism, and those who subsidize terrorism will not be ignored.

Mu'ammar Qadhafi brazenly dismisses the indictment while at the same time pounding his chest, bragging to the world that he has again withstood American aggression. His offer to try the two agents in a Libyan court is a mockery of justice and an insult to the families of the victims.

Just yesterday, a Scottish businessman was charged in a Boston court with violating the U.S. embargo on Libya by attempting to export over 250,000 dollars' worth of computers and related equipment. This is only further proof that Qadhafi is still up to his old games and is trying to flaunt our sanctions against him.

I want to discuss, very briefly, the amount of oil that the Organization for Economic Cooperation and Development [OECD] countries buy from Libya. According to the Energy Department, OECD countries bought over $7 billion in oil from Libya in 1994. The worst offenders were Italy, with over $3 billion and Germany with over $1 billion.

As far as how this legislation would effect Libya, one need only look at the

contracts signed by European firms in the last few years. Just in August, a Spanish company Repsol, awarded a Cypriot company a $155 million contract to build a crude oil pipeline in Libya. Furthermore, European companies such as Agip—Italy, Total—France, Petrofina—Belgium, OMV—Austria, and Veba—Germany, have all signed contracts for upstream activities in Libya and would be affected by this bill.

While the focus of the underlying bill has been Iran and an attempt to stop the subsidizing of Iranian terrorism, I cannot see why we should not seek to prevent the subsidizing of Libyan terrorism at the same time? More importantly, who is to say that the attack on Pan Am 103 was not directed by Iran and conducted by the Libyans. If this were the case, than we will get two terrorist states with one bill.

There can be no rest until the individuals who ordered, directed, and paid for the commission of the terrible crime of the bombing of Pan Am Fight 103 are brought to justice, no matter where they may be located. The investigation of the bombing must continue to be vigorously and intensively pursued. Libya, with a long and documented history of obscene violations of human rights and international law, must pay the price for its part in this slaughter and its past support for other international terrorist acts.

It is for this reason, that I enthusiastically agree with the Senator from Massachusetts and am glad to have worked with him on this issue.

Mr. KENNEDY. Madam President, I offer an amendment to apply the sanctions in this legislation to Libya.

I support the pending bill which is intended to provide a stronger deterrent to the development of nuclear weapons by Iran by applying economic sanctions to those in other countries who substantially assist Iran in Oil production.

My amendment extends the same sanctions to those who help Libya in oil production. Its purpose is to use stronger economic sanctions to encourage the Government of Libya to turn over the two suspects indicted for the terrorist bombing of Pan Am Flight 103.

On December 21, 1988, 7 years ago tomorrow, in one of the worst terrorist atrocities in recent years, Pan Am Flight 103 was blown up over Lockerbie, Scotland, killing 270 citizens of 21 nations, including 189 Americans.

In November 1991, two Libyan national were indicted for carrying out that bombing. Despite U.N. economic sanctions which have been in force since 1992, the Government of Libya has refused to turn over the suspects, and the two suspects remain in Libya under the protection of Colonial Qadhafi.

Many of us on both sides of the aisle have called for stronger international sanctions against Libya, including an international oil embargo, and our proposals have had the strong support of both Senator D'AMATO and Senator HELMS.

Because of Libya's earlier well-known support for terrorism, the United States imposed our own oil embargo against Libya during the Reagan administration in 1986, 2 years before the Pan Am bombing. Our efforts since the Pan Am bombing to persuade other nations to join the oil embargo have not succeeded, primarily because several European countries purchase oil from Libya and refuse to support such a measure.

Additional sanctions on Libya are essential if we are to have any chance of bringing the terrorists to trial. This bill offers an effective opportunity to enact such sanctions.

According to experts familiar with oil production investment in Libya, this action may very well affect the investment plans of numerous foreign oil companies.

as in the case of Iran, this amendment will not prevent any foreign companies from doing business in Libya. But they will not be able to do so with the benefit of U.S. assistance.

This Christmas season is a very difficult time for the families of the victims of Pan Am flight 103. We cannot bring back their loved ones. What we can do is take every available step to see that the terrorists charged with committing this atrocity are finally at long last brought to justice. This is one such step, and I urge the Senate to support it.

Mr. SARBANES. Madam President, I rise in support of S. 1228, the Iran Oil Sanctions Act of 1995. This bill would put sanctions on foreign companies that invest in Iran and thereby help that country develop its oil and gas resources. The increased revenue from such enhanced oil production augments Iran's ability to fund its development of nuclear weapons and its support for international terrorism.

Since the Iranian Revolution in 1979, American administrations with bipartisan congressional support have used economic sanctions to hinder Iran's support for international terrorism and to make it harder for that country to get materials and revenues to strengthen its nuclear and conventional weapons programs.

Earlier this year, just prior to the Banking Committee's March 16 hearing on our country's economic relations with Iran, the committee learned that then existing restrictions on such relations did not prohibit the Conoco Co. from signing a contract with Iran to develop a huge offshore oil field in the Persian Gulf. The Clinton administration immediately announced that while Conoco's actions were not illegal, they were inconsistent with our policy of bringing pressure on Iran, both politically and economically to change its unacceptable behavior. The President then on March 15 issued an Executive order prohibiting U.S. persons from entering into contracts for the financing or the overall supervision and management of the petroleum resources of Iran.

On May 8, President Clinton issued another Executive order that imposed significant new economic sanctions on Iran, including a prohibition on trading in goods or services of Iranian origin, a ban on exports to Iran, and a ban on new investment or bank loans to Iran. The new prohibitions applied to U.S. persons, wherever they may be, including the foreign branches of U.S. entities.

The Clinton administration also urged other countries to support United States efforts to pressure Iran economically and persuaded our G7 allies to avoid any collaboration with Iran that might help that country develop a nuclear weapons capability. A number of foreign corporations, however, are supporting Iran's efforts to increase its oil and gas production. S. 1228 seeks to persuade such companies from assisting Iran as the latter uses its oil and gas revenues to fund behavior harmful to the international community.

At the Banking Committee's October 11 hearing on S. 1228, Under Secretary of State Tarnoff told the committee that a straight line links Iran's oil income and its ability to sponsor terrorism, build weapons of mass destruction, and acquire sophisticated armaments. He also told us that the administration was making great efforts to persuade other nations to cooperate with our embargo of Iran. He expressed concerns, however, that we not enact legislation that would make it more difficult to get that cooperation. Chairman D'AMATO assured Under Secretary Tarnoff that he wanted to work with the administration in crafting legislation that would persuade foreign companies to cooperate with our embargo of Iran.

Prior to the December 12 committee markup of S. 1228, Chairman D'AMATO, Senator BOXER, myself, and other members of the committee worked with the administration to develop a bill the administration could endorse. Agreement was reached and on December 12, the committee adopted a substitute version of S. 1228 that President Clinton supports.

It does not target trade but rather new investment contracts that enhance Iran's ability to produce oil and gas. The bill also provides the President the necessary flexibility to determine the best mix of sanctions in a particular case, and to waive the imposition, or continued imposition, of sanctions when he determines it is important to the national interest to do so. In using these authorities, the President is directed to consider factors such as the significance of an investment, the prospects of cooperation with other governments, U.S. international commitments, and the effect of sanctions on U.S. economic interests and regional policies. Finally, S. 1228 authorizes the Secretary of State to provide advisory

opinions on whether a proposed activity would be covered to avoid unnecessary uncertainty on the part of companies and friction with allies.

This bill was reported out of committee by a vote of 15 to 0. It is a bill I support because it will make it more difficult for Iran to fund its efforts to develop weapons of mass destruction and its support for international terrorism. I urge its enactment.

Mr. SANTORUM. Madam President, I ask unanimous consent that the amendment be considered read and agreed to, the committee amendment be agreed to, the bill be deemed a third time, passed, the motion to reconsider be laid upon the table, and 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 amendment (No. 3106) was agreed to.

So the committee amendment was agreed to.

So the bill (S. 1228), as amended, was deemed read for a third time, and passed, as follows:

S. 1228

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 ''Iran Oil Sanctions Act of 1995''.

SEC. 2. FINDINGS.

The Congress makes the following findings:

(1) The efforts of the Government of Iran to acquire weapons of mass destruction and the means to deliver them and its support of international terrorism endanger the national security and foreign policy interests of the United States and those countries with which it shares common strategic and foreign policy objectives.

(2) The objective of preventing the proliferation of weapons of mass destruction and international terrorism through existing multilateral and bilateral initiatives requires additional efforts to deny Iran the financial means to sustain its nuclear, chemical, biological, and missile weapons programs.

SEC. 3. DECLARATION OF POLICY.

The Congress declares that it is the policy of the United States to deny Iran the ability to support international terrorism and to fund the development and acquisition of weapons of mass destruction and the means to deliver them by limiting the development of petroleum resources in Iran.

SEC. 4. IMPOSITION OF SANCTIONS.

(a) IN GENERAL.—Except as provided in subsection (d), the President shall impose one or more of the sanctions described in section 5 on a person subject to this section (in this Act referred to as a ''sanctioned person''), if the President determines that the person has, with actual knowledge, on or after the date of enactment of this Act, made an investment of more than $40,000,000 (or any combination of investments of at least $10,000,000 each, which in the aggregate exceeds $40,000,000 in any 12-month period), that significantly and materially contributed to the development of petroleum resources in Iran.

(b) PERSONS AGAINST WHICH THE SANCTIONS ARE TO BE IMPOSED.—The sanctions described in subsection (a) shall be imposed on any person the President determines—

(1) has carried out the activities described in subsection (a);

(2) is a successor entity to that person;

(3) is a person that is a parent or subsidiary of that person if that parent or subsidiary with actual knowledge engaged in the activities which were the basis of that determination; and

(4) is a person that is an affiliate of that person if that affiliate with actual knowledge engaged in the activities which were the basis of that determination and if that affiliate is controlled in fact by that person.

(c) PUBLICATION IN FEDERAL REGISTER.—The President shall cause to be published in the Federal Register a current list of persons that are subject to sanctions under subsection (a). The President shall remove or add the names of persons to the list published under this subsection as may be necessary.

(d) EXCEPTIONS.—The President shall not be required to apply or maintain the sanctions under subsection (a)—

(1) to products or services provided under contracts entered into before the date on which the President publishes his intention to impose the sanction; or

(2) to medicines, medical supplies, or other humanitarian items.

SEC. 5. DESCRIPTION OF SANCTIONS.

The sanctions to be imposed on a person under section 4(a) are as follows:

(1) EXPORT-IMPORT BANK ASSISTANCE FOR EXPORTS TO SANCTIONED PERSONS.—The President may direct the Export-Import Bank of the United States not to guarantee, insure, extend credit, or participate in the extension of credit in connection with the export of any goods or services to any sanctioned person.

(2) EXPORT SANCTION.—The President may order the United States Government not to issue any specific license and not to grant any other specific permission or authority to export any goods or technology to a sanctioned person under—

(A) the Export Administration Act of 1979;

(B) the Arms Export Control Act;

(C) the Atomic Energy Act of 1954; or

(D) any other statute that requires the prior review and approval of the United States Government as a condition for the exportation of goods and services, or their reexport, to any person designated by the President under section 4(a).

(3) LOANS FROM UNITED STATES FINANCIAL INSTITUTIONS.—The United States Government may prohibit any United States financial institution from making any loan or providing any credit to any sanctioned person in an amount exceeding $10,000,000 in any 12-month period (or two or more loans of more than $5,000,000 each in such period) unless such person is engaged in activities to relieve human suffering within the meaning of section 203(b)(2) of the International Emergency Economic Powers Act.

(4) PROHIBITIONS ON FINANCIAL INSTITUTIONS.—The following prohibitions may be imposed against financial institutions sanctioned under section 4(a):

(A) DESIGNATION AS PRIMARY DEALER.—Neither the Board of Governors of the Federal Reserve System nor the Federal Reserve Bank of New York may designate, or permit the continuation of any prior designation of, such financial institution as a primary dealer in United States Government debt instruments.

(B) GOVERNMENT FUNDS.—Such financial institution shall not serve as agent of the United States Government or serve as repository for United States Government funds.

SEC. 6. ADVISORY OPINIONS.

The Secretary of State may, upon the request of any person, issue an advisory opinion, to that person as to whether a proposed activity by that person would subject that person to sanctions under this Act. Any person who relies in good faith on such an advisory opinion which states that the proposed activity would not subject a person to such sanctions, and any person who thereafter engages in such activity, may not be made subject to such sanctions on account of such activity.

SEC. 7. DURATION OF SANCTIONS; PRESIDENTIAL WAIVER.

(a) DELAY OF SANCTIONS.—

(1) CONSULTATIONS.—If the President makes a determination described in section 4(a) with respect to a foreign person, the Congress urges the President to initiate consultations immediately with the government with primary jurisdiction over that foreign person with respect to the imposition of sanctions pursuant to this Act.

(2) ACTIONS BY GOVERNMENT OF JURISDICTION.—In order to pursue such consultations with that government, the President may delay imposition of sanctions pursuant to this Act for up to 90 days. Following such consultations, the President shall immediately impose a sanction or sanctions unless the President determines and certifies to the Congress that the government has taken specific and effective actions, including, as appropriate, the imposition of appropriate penalties, to terminate the involvement of the foreign person in the activities that resulted in the determination by the President pursuant to section 4(a) concerning such person.

(3) ADDITIONAL DELAY IN IMPOSITION OF SANCTIONS.—The President may delay the imposition of sanctions for up to an additional 90 days if the President determines and certifies to the Congress that the government with primary jurisdiction over the foreign person is in the process of taking the actions described in paragraph (2).

(4) REPORT TO CONGRESS.—Not later than 90 days after making a determination under section 4(a), the President shall submit to the Committee on Banking, Housing and Urban Affairs of the Senate and the Committee on International Relations of the House of Representatives a report which shall include information on the status of consultations with the appropriate foreign government under this subsection, and the basis for any determination under paragraph (3).

(b) DURATION OF SANCTIONS..—The requirement to impose sanctions pursuant to section 4(a) shall remain in effect until the President determines that the sanctioned person is no longer engaging in the activity that led to the imposition of sanctions.

(c) PRESIDENTIAL WAIVER.—(1) The President may waive the requirement in section 4(a) to impose a sanction or sanctions on a person in section 4(b), and may waive the continued imposition of a sanction or sanctions under subsection (b) of this section, 15 days after the President determines and so reports to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on International Relations of the House of Representatives that it is important to the national interest of the United States to exercise such waiver authority.

(2) Any such report shall provide a specific and detailed rationale for such determination, including—

(A) a description of the conduct that resulted in the determination;

(B) in the case of a foreign person, an explanation of the efforts to secure the cooperation of the government with primary jurisdiction of the sanctioned person to terminate or, as appropriate, penalize the activities that resulted in the determination;

(C) an estimate as to the significance of the investment to Iran's ability to develop its petroleum resources; and

(D) a statement as to the response of the United States in the event that such person

engages in other activities that would be subject to section 4(a).

SEC. 8. TERMINATION OF SANCTIONS.

The sanctions requirement of section 4 shall no longer have force or effect if the President determines and certifies to the appropriate congressional committees that Iran—

(1) has ceased its efforts to design, develop, manufacture, or acquire—

(A) a nuclear explosive device or related materials and technology;

(B) chemical and biological weapons; or

(C) ballistic missiles and ballistic missile launch technology; and

(2) has been removed from the list of state sponsors of international terrorism under section 6(j) of the Export Administration Act of 1979.

SEC. 9. REPORT REQUIRED.

The President shall ensure the continued transmittal to Congress of reports describing—

(1) the nuclear and other military capabilities of Iran, as required by section 601(a) of the Nuclear Non-Proliferation Act of 1978 and section 1607 of the National Defense Authorization Act, Fiscal Year 1993; and

(2) the support provided by Iran for acts of international terrorism, as part of the Department of State's annual report on international terrorism.

SEC. 10. DEFINITIONS.

As used in this Act:

(1) APPROPRIATE CONGRESSIONAL COMMITTEES.—The term ''appropriate congressional committees'' means the Committees on Banking, Housing and Urban Affairs and Foreign Relations of the Senate and the Committees on Banking and Financial Services and International Relations of the House of Representatives.

(2) FINANCIAL INSTITUTION.—The term ''financial institution'' includes—

(A) a depository institution (as defined in section 3(c)(1) of the Federal Deposit Insurance Act), including a branch or agency of a foreign bank (as defined in section 1(b)(7) of the International Banking Act of 1978);

(B) a credit union;

(C) a securities firm, including a broker or dealer;

(D) an insurance company, including an agency or underwriter;

(E) any other company that provides financial services; or

(F) any subsidiary of such financial institution.

(3) INVESTMENT.—The term ''investment'' means—

(A) the entry into a contract that includes responsibility for the development of petroleum resources located in Iran, or the entry into a contract providing for the general supervision and guarantee of another person's performance of such a contract;

(B) the purchase of a share of ownership in that development; or

(C) the entry into a contract providing for participation in royalties, earnings, or profits in that development, without regard to the form of the participation.

(4) PERSON.—The term ''person'' means a natural person as well as a corporation, business association, partnership, society, trust, any other nongovernmental entity, organization, or group, and any governmental entity operating as a business enterprise, and any successor of any such entity.

(5) PETROLEUM RESOURCES.—The term ''petroleum resources'' includes petroleum and natural gas resources.

SEC. 11. APPLICATION OF THE ACT TO LIBYA.

The sanctions of this Act, including the terms and conditions for the imposition, duration, and termination of sanctions, shall apply to persons making investments for the development of petroleum resources in Libya in the same manner as those sanctions apply under this Act to persons making investments for such development in Iran.

So the title was amended so as to read:

A bill to deter investment in the development of Iran's petroleum resources.

UNANIMOUS-CONSENT AGREEMENT—H.R. 665

Mr. SANTORUM. I ask unanimous consent that the majority leader, after consultation with the minority leader, may turn to the consideration of calendar No. 257, H.R. 665, the victim restitution bill, and it be considered under the following limitation: 1 hour of debate on the bill equally divided between the two managers; that the only amendment in order to the bill be a substitute amendment offered by the managers; that no second-degree amendments be in order to the amendment; that, at conclusion or yielding back of any debate time, the managers' amendment be agreed to; the bill then be read a third time, and the Senate then proceed to a vote on passage of the bill, H.R. 665, without any intervening action or debate.

I further ask unanimous consent that if the bill is agreed to, the Senate insist on its amendment, request a conference with the House, and that the Chair to be authorized to appoint conferees on part of the Senate.

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

MEASURE PLACED ON THE CALENDAR—H.R. 394

Mr. SANTORUM. Madam President, I ask unanimous consent that the Finance Committee be discharged from further consideration of H.R. 394, and that the bill be placed on the calendar.

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

CLARIFICATION OF REIMBURSEMENT TO STATES FOR FEDERALLY FUNDED EMPLOYEES

Mr. SANTORUM. Madam President, I ask unanimous consent that the Governmental Affairs Committee be discharged from further consideration of S. 1429 and, further, that the Senate proceed to its immediate consideration.

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

The clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 1429) a bill to provide clarification in the reimbursement to States for federally funded employees carrying out Federal programs during the lapse in appropriations between November 14, 1995, through November 19, 1995.

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

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

AMENDMENT NO. 3107

(Purpose: To provide clarification in the reimbursement to States for federally funded employees carrying out Federal programs during the lapse in appropriations between November 14, 1995, through November 19, 1995)

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

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Pennsylvania (Mr. SANTORUM), for Mr. DOMENICI, (for himself Mr. LOTT, Mr. WARNER, Mr. STEVENS, Mr. COHEN, Mr. EXON, Mr. PRESSLER, Mrs. HUTCHISON, Mr. BINGAMAN, Mr. THOMAS, Mr. COCHRAN, Mr. KERREY, Mr. GRASSLEY, and Mr. HARKIN), proposes an amendment numbered 3107.

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

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

The amendment is as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

SECTION 1. CLARIFICATION OF REIMBURSEMENT TO STATES FOR FEDERALLY FUNDED EMPLOYEES.

Section 124 of the joint resolution entitled ''A joint resolution making further continuing appropriations for the fiscal year 1996, and for other purposes'', approved November 20, 1995 (Public Law 104—56) is amended by adding at the end thereof the following new subsection:

''(b)(1) If during the period beginning November 14, 1995, through November 19, 1995, a State used State funds to continue carrying out a Federal program or furloughed State employees whose compensation is advanced or reimbursed in whole or in part by the Federal Government—

''(A) such furloughed employees shall be compensated at their standard rate of compensation for such period;

''(B) the State shall be reimbursed for expenses that would have been paid by the Federal Government during such period had appropriations been available, including the cost of compensating such furloughed employees, together with interest thereon due under section 6503(d) of title 31, United States Code; and

''(C) the State may use funds available to the State under such Federal program to reimburse such State, together with interest thereon due under section 6503(d) of title 31, United States Code.

''(2) For purposes of this subsection, the term 'State' shall have the meaning as such term is defined under the applicable Federal program under paragraph (1).''.

Mr. DOMENICI. Mr. President, on November 28, I introduced legislation to fix an inadvertent effect of the 6-day Government shutdown between November 14 through November 19, 1995. That bill, S. 1429, with the amendment that I currently am introducing, will allow hundreds of State employees who administer the disability determination program of the Social Security Administration and who administer vocational rehabilitation programs for the Department of Education to receive the pay that they lost during the Government shutdown. The fact that they

were not paid was not intended, but it has occurred, and I and those who have cosponsored this legislation are anxious to fix this problem. My distinguished cosponsors include Senators LOTT, WARNER, STEVENS, COHEN, EXON, PRESSLER, HUTCHISON, COCHRAN, BINGAMAN, THOMAS, KERREY, GRASSLEY, and HARKIN.

Mr. President, the furlough pay language that the Congress adopted as part of House Joint Resolution 122, the Further Continuing Resolution for Fiscal Year 1996, was the language that previous Congresses have adopted to provide compensation to Federal employees during periods of Government closure.

This language was enacted to provide compensation to Federal employees affected by Government closure in 1984, 1986, 1987, and 1990. This language was provided to Congress to the Administration to meet our stated intent that Federal workers should not suffer a loss of pay as a result of the 6-day closure of the Federal Government.

I introduced S. 1429 when it was brought to my attention that the language included in the Continuing Resolution regarding the payment of compensation might not cover all employees who were subject to the furlough, mostly State employees paid with Federal funds to administer Federal programs.

The affected agencies and the General Accounting Office have reviewed the language that I am offering as a substitute to S. 1429 and indicate that it will fix this inadvertent consequence. It will ensure that these State employees receive their pay, or in cases where States used their own funding to pay these workers, the State can be reimbursed for those costs.

Mr. President, it was and is clearly the intent of the Congress to pay Federal workers and State workers who administer Federal programs for the 6-day period of the Government shutdown. The language I am offering will carry out this intent, and I urge my colleagues to adopt the bill, S. 1429, as amended.

Mr. COCHRAN. Madam President, I support this legislation which makes clear that it is the intent of Congress that all furloughed Federal workers, including federally funded State workers, affected by the shutdown of the Federal Government receive their pay.

The Congress adopted furlough pay language as part of the continuing resolution, House Joint Resolution 122, to provide compensation to Federal Employees affected by the recent 6-day Government closure.

The continuing resolution has been interpreted by some to not cover all employees who were affected by the Government closure. For instance, there are State employees paid with 100 percent Federal funds who make disability determinations and administer unemployment insurance benefits who may not be covered by the language in the continuing resolution regarding the payment of employees who were subject to furlough.

This legislation ensures that 100 percent federally funded State employees affected by the furlough receive their pay as Congress intended, and that States using their own funds to make up for the lack of Federal funds for these employees are reimbursed to carry out 100 percent federally supported functions.

I urge my colleagues to support this measure.

Mr. SANTORUM. Madam President, I ask unanimous consent that the amendment be agreed to, the bill be deemed read a third time, passed, as amended, 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 amendment (No. 3107) was agreed to.

So the bill (S. 1429), as amended, was deemed read a third time, and passed, as follows:

S. 1429

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

SECTION 1. CLARIFICATION OF REIMBURSEMENT TO STATES FOR FEDERALLY FUNDED EMPLOYEES.

Section 124 of the joint resolution entitled ''A joint resolution making further continuing appropriations for the fiscal year 1996, and for other purposes'', approved November 20, 1995 (Public Law 104–56) is amended by adding at the end thereof the following new subsection:

''(b)(1) If during the period beginning November 14, 1995, through November 19, 1995, a State used State funds to continue carrying out a Federal program or furloughed State employees whose compensation is advanced or reimbursed in whole or in part by the Federal Government—

''(A) such furloughed employees shall be compensated at their standard rate of compensation for such period;

''(B) the State shall be reimbursed for expenses that would have been paid by the Federal Government during such period had appropriations been available, including the cost of compensating such furloughed employees, together with interest thereon due under section 6503(d) of title 31, United States Code; and

''(C) the State may use funds available to the State under such Federal program to reimburse such State, together with interest thereon due under section 6503(d) of title 31, United States Code.

''(2) For purposes of this subsection, the term 'State' shall have the meaning as such term is defined under the applicable Federal program under paragraph (1).''.

THE PRINTING OF ''VICE PRESIDENTS OF THE UNITED STATES, 1789–1993''

Mr. SANTORUM. I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 273, Senate Concurrent Resolution 34.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 34) to authorize the printing of ''Vice Presidents of the United States 1789–1993.''

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

There being no objection, the Senate proceeded to consider the concurrent resolution, which had been reported from the Committee on Rules and Administration with an amendment, as follows:

[The part intended to be stricken is shown in brackets, the part to be inserted in italic.]

S. CON. RES. 34

Whereas the United States Constitution provides that the Vice President of the United States shall serve as President of the Senate; and

Whereas the careers of the 44 Americans who held that post during the years 1789 through 1993 richly illustrate the development of the nation and its government; and

Whereas the vice presidency, traditionally the least understood and most often ignored constitutional office in the Federal Government, deserves wider attention: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring),

SECTION 1. PRINTING OF THE ''VICE PRESIDENTS OF THE UNITED STATES, 1789–1993''.

(a) IN GENERAL.—There shall be printed as a Senate document the book entitled ''Vice Presidents of the United States, 1789–1993'', prepared by the Senate Historical Office under the supervision of the Secretary of the Senate.

(b) SPECIFICATIONS.—The Senate document described in subsection (a) shall include illustrations and shall be in the style, form, manner, and binding as directed by the Joint Committee on Printing after consultation with the Secretary of the Senate.

(c) NUMBER OF COPIES.—In addition to the usual number of copies, there shall be printed with suitable binding the lesser of—

(1) 1,000 copies (750 paper bound and 250 case bound) for the use of the Senate, to be allocated as determined by the Secretary of the Senate; [and] *or*

(2) a number of copies that does not have a total production and printing cost of more than $11,100.

Mr. SANTORUM. I ask unanimous consent that the committee amendment be agreed to, the resolution be agreed to, the preamble be agreed to, the motion to reconsider be laid on the table, and any statements relating to the resolution be placed at the appropriate place in the RECORD.

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

The concurrent resolution (S. Con. Res. 34), as amended, was agreed to.

The preamble was agreed to.

AMENDING THE FEDERAL ELECTION CAMPAIGN ACT OF 1971

Mr. SANTORUM. I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 274, H.R. 2527.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 2527) to amend the Federal Election Campaign Act of 1971 to improve the electoral process by permitting electronic filing and preservation of Federal Election Commission reports, 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. SANTORUM. I ask unanimous consent that the bill be deemed read a third time, passed, 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.

The bill (H.R. 2527) was deemed to have been read a third time and passed.

BOARD OF REGENTS OF THE SMITHSONIAN INSTITUTION CITIZEN REGENT APPOINTMENT ACT OF 1995

Mr. SANTORUM. I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 275, House Joint Resolution 69.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A joint resolution (H.J. Res. 69) providing for the reappointment of Homer Alfred Neal as citizen regent of the Board of Regents of the Smithsonian Institution.

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

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

Mr. SANTORUM. I ask unanimous consent that the joint resolution be deemed read a third time, passed, the motion to reconsider be laid upon the table, and that any statements relating to the resolution be placed at the appropriate place in the RECORD.

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

The joint resolution (H.J. Res. 69) was deemed to have been read three times and passed.

BOARD OF REGENTS OF THE SMITHSONIAN INSTITUTION CITIZEN REGENT APPOINTMENT ACT OF 1995

Mr. SANTORUM. I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 276, House Joint Resolution 110.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows.

A joint resolution (H.J. Res. 110) providing for the appointment of Howard H. Baker, Jr., as a citizen regent of the Board of Regents of the Smithsonian Institution.

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

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

Mr. SANTORUM. I ask unanimous consent that the joint resolution be deemed read a third time, passed, the motion to reconsider be laid upon the table, and that any statements relating to the resolution be placed at the appropriate place in the RECORD.

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

The joint resolution (H.J. Res. 110) was deemed to have been read three times and passed.

BOARD OF REGENTS OF THE SMITHSONIAN INSTITUTION CITIZEN REGENT APPOINTMENT ACT OF 1995

Mr. SANTORUM. I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 277, House Joint Resolution 111.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A joint resolution (H.J. Res. 111) providing for the appointment of Anne D'Harnoncourt as a citizen regent of the Board of Regents of the Smithsonian Institution.

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

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

Mr. SANTORUM. I ask unanimous consent that the joint resolution be deemed read a third time, passed, the motion to reconsider be laid upon the table, and that any statements relating to the joint resolution be placed at the appropriate place in the RECORD.

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

The joint resolution (H.J. Res. 111) was deemed to have been read three times and passed.

BOARD OF REGENTS OF THE SMITHSONIAN INSTITUTION CITIZEN REGENT APPOINTMENT ACT OF 1995

Mr. SANTORUM. I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 278, House Joint Resolution 112.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A joint resolution (H.J. Res. 112) providing for the appointment of Louis Gerstner as a citizen regent of the Board of Regents of the Smithsonian Institution.

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

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

Mr. SANTORUM. I ask unanimous consent that the joint resolution be deemed read a third time, passed, the motion to reconsider be laid upon the table, and that any statements relating to the joint resolution be placed at the appropriate place in the RECORD.

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

The joint resolution (H. J. Resolution 112) was deemed to have been read a third time and passed.

ORDERS FOR THURSDAY, DECEMBER 21, 1995

Mr. SANTORUM. I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until the hour of 9:30 a.m. on Thursday, December 21; that following the prayer, the Journal of proceedings be deemed approved to date, no resolutions come over under the rule, the call of the calendar be dispensed with, the morning hour be deemed to have expired, and the time for the two leaders be reserved for their use later in the day.

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

Mr. SANTORUM. I ask unanimous consent that at 9:30 a.m. the Senate turn to the consideration of House Joint Resolution 132, relative to the budget and the use of CBO assumptions, with a 1 hour time limit. Therefore, a vote will occur at approximately 10:30 a.m.

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

PROGRAM

Mr. SANTORUM. For the information of all Senators, the Senate will begin consideration of House Joint Resolution 132 at 9:30. A vote will occur at 10:30 a.m.

Also, the Senate is expected to consider the veto message with respect to the securities litigation, a possible continuing resolution, available appropriations bills and other items cleared for action. Rollcall votes are therefore expected throughout the day Thursday.

ORDER FOR POSTPONEMENT OF CLOTURE VOTE

Mr. SANTORUM. I further ask unanimous consent that the cloture vote scheduled for today be postponed to occur at a time to be determined by the two leaders on Thursday.

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

Mr. EXON. Reserving the right to object, I would simply say to my colleague from Pennsylvania and to the Chair we have one matter that may be cleared tonight. It had been agreed to on both sides pending one telephone call.

Mr. EXON. Madam President, could I ask that the Senate stand in a quorum call for at least 10 minutes to give me a chance to get this straightened out?

Mrs. BOXER. Madam President, if the Senator would yield, I have about

10, 15 minutes of morning business I would love to do at this point. If the Senator from Pennsylvania would agree, then we can do that.

Mr. EXON. That would be fine with me, if that can be agreed to.

Mrs. BOXER. I am sure the Senator from Pennsylvania would accommodate the Senator from Nebraska.

Mr. SANTORUM. I have been informed by the staff it does not look like we will be able to clear the matter the Senator suggested tonight, and we could do that possibly tomorrow. That is what I have been informed.

Mr. EXON. The matter has not been cleared on the Senator's side?

I withdraw my objection.

ORDER FOR ADJOURNMENT

Mr. SANTORUM. If there is no further business to come before the Senate, I now ask unanimous consent that the Senate stand in adjournment under the previous order, following the remarks of Senator BOXER for up to 20 minutes.

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

The Senator from California is recognized for up to 20 minutes.

Mrs. BOXER. Thank you very much, Madam President.

THE GOVERNMENT SHUTDOWN

Mrs. BOXER. Madam President, I have waited around the floor of the Senate tonight because I wanted to make a few remarks about where we stand in this battle for some sanity around here in the Congress.

We are now in the 5th day of our second Government shutdown this year. It seems to me if we have any obligation, it is to keep the people's business moving forward. It is totally unnecessary to have this shutdown, but for the fact that there are some who want to essentially hold a legislative gun to the head of President Clinton and use the threat of a shutdown, indeed, the fact of a shutdown, to force him to sign a 7-year budget that in his opinion will harm the American people because there are terribly deep cuts in Medicare, Medicaid, education and the environment, and tax increases on those people earning under $30,000 a year.

So the President is not going to agree to that. So there are those on the Republican side, particularly on the House side, who believe that shutting down this Government is a perfectly legitimate way for them to express their dissatisfaction with President Clinton for not signing this very extreme and very radical budget.

The President is not going to sign it. The American people do not want a President who will fold under that kind of tactic. And here we stand. No reason at all. I was here on the weekend, Sunday, when the Democratic side offered an opportunity to resolve this, pass the resolution, the continuing resolution, keep the Government going, and continue the hard and fast negotiations that have begun. But no. I have never seen anything quite like it.

I saw a freshman Republican Member of the House on national television tonight, all smiles. He thinks this is really fun and games. He said he did not care if the Government ever opened up again as far as he was concerned. He would not vote to keep the Government going until the President signed a budget he agreed with.

I think that representative ought to read the Constitution. He may not understand that we have a separation of powers and a balance of powers. The fact of the matter is, as much as this representative does not like it, President Clinton is a Democrat and so are many Members of the House and Senate. The Republicans do not run the White House or, frankly, have a working control over the Senate or the House. There are very close margins here, and so they have to compromise. But this young fellow does not seem to have the word ''compromise'' in his vocabulary.

But I will tell you one thing he has in his pocket, he has his paycheck. He has his paycheck in his pocket. He can demagog this issue and never feel the pain. But the American people, who deserve to have the parks open, who deserve to have the veterans checks sent out, who deserve to have a functioning Government, deserve to be able to get a passport, if they need it.

They are getting hurt, inconvenienced. For what? For what? NEWT GINGRICH has said several times he is going to vote to pay all these people who are not going to work. What is going on here? What is going on?

So there are Federal employees, despite NEWT GINGRICH's comments, who are not getting paid right now. Oh, but Members of Congress, we are getting our pay. It is just fine and dandy. What a legislative runaround my ''No Budget, No Pay'' bill has been given. And if I ever go into the classroom to teach a course in Government, I am going to bring this chart with me. It says ''No Budget, No Pay. How a Bill Does Not Become a Law.'' I have never seen a runaround like it.

Three times—three times—Senators have passed this legislation. Senator DOLE supports it, Senator DASCHLE supports it; Republicans and Democrats alike—approved, approved, approved. Passed as an amendment to the D.C. appropriations bill. Unfortunately, the D.C. bill is stuck and we do not know the fate of ''No Budget, No Pay.'' But it does not look promising.

Amendment to the reconciliation bill—knocked out.

Amendment to the ICC sunset bill, which may come up tomorrow—knocked out.

Who knocked it out? The Republican Congress.

Blocked in the House by the leadership-controlled Rules Committee which refuses to allow a vote on it.

Five times Congressman Dick Durbin tried to get a vote. It is real simple. If Federal employees do not get their pay, neither should we. Blocked, stalled. And the President waits with his pen to sign it. He supports this. His pay would be docked as well. So ''How a Bill Does Not Become a Law,'' a new chapter in the textbook of our children—a sad new chapter.

Newt Gingrich has consistently blocked a House vote on this bill. I have to, again, say to my friends on the other side, they ought to read the Constitution, Article I, Section 7, which says:

> Every bill which shall have passed the House of Representatives and the Senate, shall, before it becomes a Law, be presented to the President of the United States.* * *

Imagine, we have a President and he has to sign the bill. If he does not like it and if he thinks it is harmful, if he thinks it cuts too deeply into Medicare and Medicaid and education and the environment, he will not sign it, he will veto it. Then what happens? It does not say shut down the Government. It does not say that. It says that if two-thirds of those voting override him, the bill shall become law. Everyone should read the Constitution every once in a while—especially the new freshmen over there. They do not control the President of the United States of America. Thank goodness. Thank goodness, or we would have a mean-spirited country.

Now, this Government shutdown, while more limited than the first one, has caused great hardship. National parks have closed; veterans benefits checks, due next week, will not be sent; passport offices virtually have closed, and the program for tracking deadbeat dads is not operating.

Swell. Where are our family values? Family values. But shut down the program that tracks the deadbeat dads, and you, Members of Congress, keep getting your pay.

Lovely. Great values. Great values for our kids.

Safety inspections of new toys have stopped. Great timing.

New FHA homeowner loans are not being processed for people who want to buy their first home.

I have talked, on this floor, about the individuals who work for the Federal Government, who went to work for their country because they are proud to work for their country, and they cannot even buy their kids Christmas gifts. But Members of Congress, oh, we can get our kids gifts—Hanukkah gifts, Christmas gifts. It is OK because we are so important that we set ourselves above the other working men and women of the Federal Government.

A lot of our Federal employees are not independently wealthy. They live from paycheck to paycheck. Some families have two workers in them that both work for the Federal Government, like Larry Drake and his wife Joan. Larry works for the Bureau of Labor Statistics, and Joan works at the Public Health Service. Both have been furloughed. Their family has lost 100 percent of its income. They do not know if

they will get it back or when they will get it back. They hope they will get it back. They want to go to work. If this shutdown lasts long, they may not be able to make their mortgage payment.

Ray Montgomery works for the Census Bureau in Los Angeles. He is classified as an intermittent employee even though he works 40 hours a week, but he will not ever recover his back pay. Ray told my office he is so worried about the second shutdown he has not bought any Christmas presents for his family. Ray wrote to me,

> For heavens sakes, I am one paycheck away from being homeless. I work hard to be a credit for my country. I try to be a good representative of Government employees for the American people.

It is absolutely embarrassing that the greatest country in the world cannot keep services going. If we want to argue about whether these services are important, that is a legitimate argument. Some of us might think it is very important to have people tracking deadbeat dads. Others might say, ''No, leave that to someone else, we should not do it.'' That is fair. That is the long-term discussion of what our priorities are. It should not mean that in the short run these hard-working people are in limbo.

By the way, there are about 280,000 of them. That is 280,000 families. My home county has about 215,000 people living in it. So there is more unemployed tonight in this interim period than my entire home county. It is unbelievable. You figure 280,000 workers, and many them are married with children. You are talking half a million people who are probably directly impacted by this.

Now, the Senator from Maine and I, Senator SNOWE, have an excellent bill. It says Members of Congress should be treated the same way as the most adversely impacted Federal employee. We had our efforts blocked here also. This is a bipartisan effort here in the U.S. Senate. The Senator from West Virginia, Senator BYRD, said put partisanship aside. I think that is very good advice. That is why I reached out to the Senator from Maine, Senator SNOWE, and to Senator DOLE, and brought Senator DOLE and Senator DASCHLE both solidly behind this bill.

Over on the House, a Republican Congress has blocked it, blocked it, blocked it, blocked it, blocked it, blocked it, five times—stalled it. Members of Congress who go on national television practically giggling with joy at what they are doing, continue to bring home a pretty hefty paycheck. It is embarrassing.

Now, I have to say there is a show on CNN entitled ''Talk Back Live.'' A Member of the House leadership said that he opposed my bill, saying—and this is directly from the transcript—''I am not a Federal employee.'' Imagine—who pays his check? Some private corporation? No, the Federal Government. But he does not consider himself a Federal employee. He is more important. He said, ''I am not a Federal employee. I am a constitutional officer.''

Madam President, it is this kind of attitude that has led us to these unnecessary Government shutdowns. We are setting ourselves above others, and that is dangerous. People who do that come down real hard. Ever see people like that in life who set themselves apart, they think they are so special? Well, some day, they will learn to be humble. God has a way of doing that and so do the voters.

I continue to believe if we fail to do the most basic part of our job, then we do not deserve to be paid.

I want to read from this transcript from the show. Just so I put it on the Record, this is Representative THOMAS DELAY, who is the majority whip over in the House of Representatives. Susan Rook, the MC, says, ''I think PATTY brings up a really good point * * * I want it go back to Representative BOXER in the Senate who cosponsored a bill, and it was saying, 'OK, we, the legislators, will not get paid' * * * Her office said the bill passed unanimously in the Senate three times, but it was held up in the House because of NEWT GINGRICH. Your response?''

To which Representative TOM DELAY says, ''Look, Ms. BOXER''—he did not say ''Senator,'' but that is OK—''Ms. BOXER is demagoguing this issue and trying to change the subject. Ask Ms. BOXER if she voted for a balanced budget. She did not. She does not want a balanced budget, and she's trying to change the subject.''

Now, No. 1, he had no idea what I voted for. I voted for two balanced budgets. It is in the RECORD. One was written by BILL BRADLEY and one written by KENT CONRAD, and I support another effort by the Senate Democrats, CBO scored, 7 years, balance the budget.

But, of course, he knows what I voted for, I guess. So he says I was just trying to change the subject. But the moderator does not buy it and says, ''Yeah, but if Federal employees are not getting their pay, or Marty—actually Cathy, right behind you. Marty you were telling us a story. Now, you are a Federal employee but considered essential. What about some of your supplies?''

Answer, ''Supplies aren't available. We work a 24-hour shift, so the fire department is our home for 24 hours. And you've got to basically ration because the money is not in our budget, because there is no budget * * *''

This is someone in a fire department.

And then an audience member says—oh, and then she says, ''Marty, would you feel better if they said, 'OK, if you're not getting your supplies, if they're not getting their paychecks, we won't get paid either'? Would that make you feel at least better toward all of them?'' Meaning us Members of Congress.

And the audience member says, ''Either that or else have them, you know, cut back what they were making. They're making $100,000, I'm making, you know, 32.''

He is wrong, we are making $133,000. We are making $133,000 a year and we are getting our pay. And people making $32,000 and $24,000 are trying to support their families.

Then another person said, ''Good ol' NEWT. Pay him, but not the government workers, by golly.''

So, people do not like this. And then it went on and on, people asking Mr. DELAY continually.

This is TOM DELAY, one of the leaders in the House. He says, ''Well, Susan, you can play all these games you want to change the subject. The point here is that if the President was concerned about Federal employees and their pay, he wouldn't have vetoed [all these bills].''

And she says, ''OK, but Marty's question * * * why don't you go ahead and take a pay cut? So would you support the Boxer bill or no?''

And he says, ''No, I would not. I am not a Federal employee. I am a constitutional officer. My job is in the Constitution.* * *''

And then an audience member says, ''But why are you not a government employee?''

And he says, the leader, the majority whip over there, ''I am not a government employee. I am in the Constitution.''

''You are, sir,'' says another audience member.

And then the audience member says, ''Where is your ethics at? You're a government employee. All of you are government. All of you fall into the Federal Government * * * everybody gets paid by the Government.''

And then he says, Susan, why is it all you want to do is talk about salaries, et cetera.

So, here you have a situation where the leadership of the Republican House of Representatives is thrilled and delighted to shut this Government down. They object to a very clean CR, that is a continuing resolution, to in fact keep this Government running. They want to put a gun to the President's head and hold this Government hostage. And he is not going to do it. And that is where we stand tonight.

Madam President, I am going to complete my remarks, could I have just an additional 1 minute?

The PRESIDING OFFICER. Absolutely.

Mrs. BOXER. Thank you very much. I just hope that Members who might have heard me talk tonight will begin to feel a little bit embarrassed themselves about the situation, a little bit ashamed about the situation, and that they will not continue, over there on the House side, to block the bipartisan ''No Budget, No Pay'' bill. But more important, that we get this Government rolling and we sit down like grown-ups, men and women, Republicans and Democrats, to debate the long-term issues.

I know we can resolve the long-term issues. I know that we can. There is a lot of room for compromise. The Constitution wants us to compromise. Our

founders envisioned something like this. That is why they have something called a veto, and a two-thirds override. If you cannot get that, my friends, you compromise to make it happen.

So I am prayerful and I am hopeful that we will all grow up around here, start working together, and solve this crisis.

Madam President, thank you for your generosity. I yield the floor.