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House of Representatives

The House met at 10:30 a.m. and was called to order by the Speaker pro tempore [Mr. HASTINGS of Washington].

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
July 16, 1996.

I hereby designate the Honorable RICHARD ''DOC'' HASTINGS to act as Speaker pro tempore on this day.

NEWT GINGRICH,
Speaker of the House of Representatives.

MORNING BUSINESS

The SPEAKER pro tempore. Pursuant to the order of the House of May 12, 1995, the Chair will now recognize Members from lists submitted by the majority and minority leaders for morning hour debates. The Chair will alternate recognition between the parties, with each party limited to not to exceed 30 minutes, and each Member except the majority and minority leader limited to not to exceed 5 minutes.

The Chair recognizes the gentleman from Wisconsin [Mr. ROTH] for 5 minutes.

TRAVEL AND TOURISM

Mr. ROTH. Mr. Speaker, here is what travel and tourism has done for the Atlanta Olympics.

When Atlanta was chosen to host the 1996 summer games, the tourism industry immediately began working with State and local governments.

Their goal was to take advantage of the Olympics to make Atlanta a top international travel destination.

To achieve their goal, they came up with a 5-year plan.

The Olympic games have not begun and Atlanta is already receiving benefits.

Since they started the plan, tourism has increased 10 percent annually. Atlanta hotels have the highest occupancy rate in their history. In the last 5 years, 7 million visitors have spent $3.5 billion. In other words, travel and tourism is creating jobs and economic growth for Atlanta and for Georgia.

Once the games begin, Atlanta expects another 2 million visitors.

They expect 3 billion people to watch the Olympics on TV. That is 60 percent of the world's population. It is 3 billion potential travelers. And Atlanta is making the most of it. Because of the 5-year plan, they expect tourism to increase 8 percent a year after the Olympics. They are succeeding because they are united. They know that the Olympics are not only an athletic competition. It is an opportunity to showcase Atlanta to the world.

But organizing such an enormous event is no easy task. It calls for a common purpose and shared resources. Atlanta answered the call. Now they are seeing the benefits. We can learn something from their effort in Atlanta. Drawing visitors to the United States requires hard work and cooperation.

But we obviously have not worked hard enough. Over the last 3 years, fewer and fewer tourists have been coming to the United States. Even though tourism is growing 23 percent faster than the world economy. By the year 2006, the United States could potentially create an additional 2.4 million tourism-related jobs. That is a new job every 2 minutes. But this is not a foregone conclusion. Those jobs could easily go somewhere else.

In 1995, 2 million fewer visitors came to the United States. Translated: That drop cost us 177,000 jobs.

We need to adopt the same work ethic as the organizers of the Olympics. They brought many different groups together to ensure success in Atlanta this summer. Travel and tourism can benefit from being united; 99 percent of the tourism businesses in the United States are small businesses.

They do not have the resources to tap into the international market by themselves. But, when they combine their resources, they are powerful. Overall, tourism is the second largest industry in America. It employs, directly and indirectly, over 14 million Americans. In 1995, tourism pumped $76 billion into the U.S. economy and $58 billion in tax revenue.

Tourism is our leading export with a $18 billion trade surplus. But we are rapidly losing ground. Our businesses lack the resources necessary to compete with their huge international rivals. We lack unity. Other nations pour billions of dollars into campaigns to attract tourists. Our small tourism businesses are left to their own devices.

The travel and tourism industry recognized the problem. So they came to Washington last year to find a solution. At the White House Conference on Travel and Tourism, they found their answer—H.R. 2579. This bill brings together representatives from many segments of the tourism industry. These groups will formulate a national strategy for travel and tourism.

The goal is to bring more international visitors to the United States and to steer them toward American businesses for every part of their trip. We should have 100 million visitors to the United States by the year 2000. Working independently, tourism could never hope to reach such a goal. But when these groups and businesses are united, they will be unstoppable. The travel and tourism industry will not be the only winners. Every American will benefit from its success.

Millions of new jobs will be created. Billions of dollars in revenue will be generated. H.R. 2579 is the economic shot in the arm we are looking for. The entire world will be watching America this year. Travel and tourism is determining how the world sees us. Atlanta

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will succeed because they are united. It is about time we gave travel and tourism the same advantage. Support travel and tourism by cosponsoring H.R. 2579.

Mr. Speaker, when we pass H.R. 2579 and it is signed into law by the President, then America is going to have a chance to be in this global competition for tourism and for business.

THE STEAL AMERICAN TECHNOLOGIES ACT

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from California [Mr ROHRABACHER] is recognized during morning business for 5 minutes.

Mr. ROHRABACHER. Mr. Speaker, the House will soon vote on a bill concerning patent law in the United States of America, and that is a ho-hum of an issue for most people. In fact, it is one of those issues that people want to turn their radios off if it even comes on a local talk show to discuss, but the fact is this piece of legislation will make the difference as to whether or not America remains the leading economic power on this planet or whether or not our economic adversaries destroy us and destroy us as business competitors in a few short years ahead. It will also determine whether or not those people who are yawning at the other end of their radios saying should I listen to this or forget it, whether or not their families will have the standard of living that is higher than the standard of living of working people around the world.

What has given America the edge has been our technological edge on the competition. This has been true throughout our history, and we are about to pass a bill that will dramatically change American patent law and permit America's economic adversaries to steal every one of our new innovative and technological ideas.

H.R. 3460 has already passed out of subcommittee and committee. I have spoken to some of the members of that subcommittee who had no idea what was in the legislation that they passed.

First of all, let us note that Patent Commissioner Bruce Lehman, our patent commissioner, several years ago went and made a hushed agreement with his counterpart in Japan, to do what? And we have a copy of that agreement. That agreement superimposes, says we will superimpose the Japanese patent system on the United States of America.

So, my colleagues, we are about to change our patent law and make it exactly like the Japanese patent law, and of course we know the Japanese are so creative. What we do know about Japan is that they are not creative; they are improvers and perfecters, but they are not creators. All the new ideas that have come out of that country, and now they want to change our system to make it like Japan's. Also in Japan, of course, the huge special interests steal from the ordinary people any new idea that they have.

Well, this hushed agreement was first implemented when they tried to sneak something into the GATT implementation legislation, and succeeded, which ended the guaranteed patent term for Americans, and again it is a ho-hum issue. Who could pay attention to little details to whether the patent term is guaranteed or whether it is an uncertain patent term?

Well, step No. 2 in trying to make our patent system like Japan's is very easy to understand. It mandates that every American inventor who applies for a patent will be forced to see every detail of his invention published for the entire world, every Asian copycat, every economic adversary of the United States. Every enemy of the United States will have every one of our technological ideas before the patent is issued to the inventor. This does not make sense to anybody. Nobody says is that really happening?

Do not turn off that radio dial, Mr. and Mrs. America. Listen to the details of what is going on, or we are going to find our children's future being robbed because H.R. 3460 should be called the Steal American Technologies Act. It mandates every one of our technological secrets to be published for the world to steal, which will eliminate America's technological edge and our ability to compete, and ultimately the standard of living of our people will decline, and that will not be ultimately 20 years from now, that will be ultimately 5 years from now.

This bill also obliterates the Patent Office. The one thing that we have had, these civil servants at the Patent Office, these patent examiners who struggle to define what you own as a patent applicant as they issue your own patent, they are having basically their civil service protection ripped away. They are eliminating the Patent Office; literally they are obliterating. This is part of our Constitution, and they are going to resurrect it as what? Sort of an independent quasi, quasi-private corporation. This quasi-private corporation operation is going to have no board of directors. It is not a part of the legislation. Instead it creates a czar of patents who will be able to be appointed for 5 years but cannot be removed unless it is for cause, and that man, who is it going to be? The same guy who made the deal with the Japanese to eliminate our patent system.

No; we need to save America's technology by voting against H.R. 3460 and for the Rohrabacher substitute which would replace the bad parts of that bill. People need to talk to their Congress men and women, or the big corporations who are in favor of this change will have their way and the American people will lose our standard of living. People need to talk to their congressmen to support the Rohrabacher substitute to H.R. 3460, the Steal American Technologies Act.

RECESS

The SPEAKER pro tempore. There being no further requests for morning business, pursuant to clause 12, rule I, the House will stand in recess until 12 noon.

Accordingly (at 10 o'clock and 43 minutes a.m.), the House stood in recess until 12 noon.)

□ 1200

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. HEFLEY) at 12 noon.

PRAYER

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

Breathe into us, O God, the breath of life; place Your hand upon us and support us all the day long; may Your spirit be welcomed in our hearts and allow us a full measure of Your grace; accept us when we miss the mark; forgive us when we fail; enlighten us when we are wearisome and give us all a new vision of faith and hope and love so we will be the people You would have us be, this day and everyday. Amen.

THE JOURNAL

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

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

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentleman from Kentucky [Mr. LEWIS] come forward and lead the House in the Pledge of Allegiance.

Mr. LEWIS of Kentucky led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Lundregan, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 248. An act to amend the Public Health Service Act to provide for the conduct of expanded studies and the establishment of innovative programs with respect to traumatic brain injury, and for other purposes.

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

S. 1757. An act to amend the Developmental Disabilities Assistance and Bill of Rights Act to extend the Act, and for other purposes.

POSTPONING CALL OF PRIVATE CALENDAR

Mr. FUNDERBUNK. Mr. Speaker, I ask unanimous consent that the call of the Private Calendar be in order later today.

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

There was no objection.

REFORM WELFARE NOW

(Mr. BOEHNER asked and was given permission to address the House for 1 minute.)

Mr. BOEHNER. Mr. Speaker, welfare should not be a way of life. Republicans are committed to replacing welfare with real work. However, President Clinton just wants to play politics with this issue, and there is no excuse that is too vague or too convoluted for President Clinton. As a candidate in 1992, the President promised to reform welfare as we know it, but he has vetoed welfare reform, not just once but twice. He has yet to keep his promise to the people of Wisconsin to sign their waiver to allow the Wisconsin works program to go into effect. He promised that he would have these waivers signed by last week, and now it is a week later.

If welfare reform was so important to President Clinton, why can he not sign a welfare reform plan working with this new Congress and approve the Wisconsin reform waiver?

Mr. Speaker, no more excuses, no more Washington political game. Let us reform welfare now.

REPORT ON H.R. 3814, DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS BILL, FISCAL YEAR 1997

Mr. Rogers, from the Committee on Appropriations, submitted a privileged report (Rept. No. 104–676) on the bill (H.R. 3814) making appropriations for the Departments of Commerce, Justice, and State, the Judiciary, and related agencies for the fiscal year ending September 30, 1997, and for other purposes, which was referred to the Union Calendar and ordered to be printed.

The SPEAKER pro tempore. All points of order are reserved on the bill.

SUPPORT ROMANIA MFN

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

Mr. RICHARDSON. Mr. Speaker, today we have a change in a bipartisan fashion to do something together on foreign policy. We should grant MFN to Romania. What we are doing is just extending parity. This is no special treatment. We did it under Ceausescu, the dictator. We should do it now under a burgeoning democracy. Romania is a burgeoning democracy. It has made progress since the revolution of 1989 on human rights, the rule of law and a free market. Romania has been a loyal ally in recent foreign policy initiatives including sending troops to Bosnia, peacekeeping in Angola, large contingent in the U.S. training under the IMET program and an impressive record of support in the United Nations. Two out of our last three Ambassadors on a bipartisan basis have supported MFN to Romania.

Mr. Speaker, Romanians are looking to the United States a the primary source of business opportunities to foster the development of their economy. They have met the legal criteria for MFN, free immigration of its citizens.

Mr. Speaker, let us do something in a responsible bipartisan fashion.

MEDIA BIAS ON FILEGATE

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

Mr. FUNDERBURK. Mr. Speaker, I could not disagree more with the previous speaker, but today I want to speak about the media bias on Filegate.

Mr. Speaker, where is the national media on filegate?

Where are the Woodwards and Bernsteins?

Is the liberal left not shocked and outraged about the invasion of privacy of American citizens?

Are the liberals only outraged when it happens under a Republican President?

During Watergate, Chuck Colson went to prison for looking at one personnel file.

During Watergate, the Washington Post daily pounded the Nixon administration and tirelessly worked to find where the trail led.

Is the national press not interested because they overwhelmingly voted for Bill Clinton in 1992?

There are many unanswered questions.

Who in the White House hired Clinton's dirty tricksters and to whom did they report?

And finally in Clinton's inaugural address he said he would have the most ethical administration in history.

Since that is clearly not the case, when is the national press going to call Bill Clinton on the carpet?

BORIS HAS FALLEN AND HE CANNOT GET UP

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

Mr. TRAFICANT. Mr. Speaker, in August 1994, after a champagne lunch, Boris Yeltsin fell off a platform in Germany. In September 1994 Boris was too drunk to get off a plane in Ireland. In February 1995, after an in-flight party, Boris had to be carried by aides off his plane. Just recently in July, Boris mysteriously disappeared for 7 days right before his election, and yesterday Boris Yeltsin missed a meeting with almost Santa Claus, Vice President AL GORE, but Vice President AL GORE came to his defense and said, ''Boris looks good to me.''

I ask, Mr. Speaker, compared to who? Jack Daniels? Foster Brooks?

The truth of the matter is while millions of Americans are worried sick about losing Medicare, Social Security, the White House is pouring billions of dollars into Russia, and Boris, who cannot walk a straight line while touching his nose.

Beam me up, Mr. Speaker, and while we are at it, we better beam up Boris. Evidently, he has fallen and he cannot get up and he is getting drunk on Napa Valley champagne. Unbelievable.

THE REPUBLICAN COMMONSENSE WELFARE REFORM PLAN

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

Mr. BALLENGER. Mr. Speaker, just as President Wilson once claimed that World War I was going to be ''the war to end all wars,'' President Clinton has promised to ''end welfare as we know it.''

Of course, unlike President Wilson, and despite two previous welfare vetoes, President Clinton still has a chance to renew his vow by supporting and signing the Republican commonsense welfare reform plan.

The Republican welfare reform plan is built upon five pillars which ensure that any assistance is temporary and not self-destructive.

It imposes a 5-year lifetime limit for collecting AFDC and vouchers. It requires able-bodied recipients to work for their benefits. It denies welfare benefits to noncitizens and felons. It restores power and flexibility to the States. And, it encourages personal responsibility to halt rising illegitimacy rates.

Mr. Speaker, redemption is at hand. President Clinton need not defend the status quo of a failed welfare system any longer. He needs only to support and sign the Republican commonsense welfare reform plan.

WELCOME TO REFORM ''WEAK''

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SCHROEDER. Mr. Speaker, the hard part is being to do this with a straight face because we are welcoming everyone to the Republicans' reform week. Yesterday in Roll Call, the majority leader said reform week was not meant to be ''floorcentric.'' Now what does that mean to people beyond the Beltway?

Well, ''floorcentric'' means to really do something on the floor. Apparently, all along, reform week was supposed to be about rhetoric, about fast-breeder, press-release reactors cranking out things on how much we care about reform, and everybody is allowed to go up to the third floor in the Committee on Rules where there may be a whole of 10 public seats talking about how much they care about reform.

Mr. Speaker, I think the idea is, if they say the word ''reform'' long enough, people will forget that this Congress has set the record on being by the special interests, for the special interests and of the special interests. That is very sad. We are in desperate need of a reform week. Roll Call is right. They are spelling week W-E-A-K.

WE NEED WELFARE REFORM NOW

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

Mr. LEWIS of Kentucky. Mr. Speaker, in 1965, our country launched a war on poverty. The intentions were good, but 31 years and $5.4 trillion later, we have nothing to show but poverty, despair, hopelessness, broken families, and a damaged work ethic.

Mr. Speaker, 18 months ago, this Congress set out to truly reform welfare. Twice our efforts were stopped by two Presidential vetoes. This week we're trying again.

Bill Clinton wants to keep business as usual, with bureaucrats in Washington running welfare by blindly handing out checks. But, in order for us to reform the welfare system and bring it into the 21st century we have no choice but to fix it.

Mr. Speaker, our plan not only changes the ''business as usual'' attitudes of the White House but will bring sweeping reforms. The Republican plan will keep welfare from becoming a way of life; restore power and flexibility to the States; keep noncitizens and felons from receiving these benefits; and encourage personal responsibility.

Mr. Speaker, we need welfare reform, and we need it now.

IT IS TIME TO FREE THE MINIMUM WAGE

(Ms. DELAURO asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. DELAURO. Mr. Speaker, it is day 6, and Republicans in the Senate continue to hold the minimum wage hostage. Their unreasonable ransom demands include adding medical savings accounts to health care reform. While the Republicans in the Senate hold the minimum wage increase hostage, they also hold the wages of 12 million Americans hostage, all for the sake of special interests and big donor insurance companies.

The Consumers Union, the same group that publishes Consumers Report and tells us what to buy and what is a real lemon, has called MSA's a ''time bomb * * * that will make health insurance less accessible and less affordable for many Americans.''

Over 80 percent of the American people support a minimum wage increase. It is time to free the minimum wage.

Let us give the 12 million hard-working Americans who depend on the minimum wage what they deserve; that is a raise. Stop holding them and their hard-earned paychecks hostage.

WELFARE SHOULD NOT BE A WAY OF LIFE

(Mr. HEFLEY asked and was given permission to address the House for 1 minute.)

Mr. HEFLEY. Mr. Speaker, one of the most troubling legacies of the decades of liberal control of Congress is a failed welfare system that encourages complacency and punishes those who attempt to work.

Welfare was originally proposed as a temporary safety net for those who fell victim to unfortunate circumstances. It has evolved into a system that 5 million families depend upon for an average length of 13 years.

The Republican plan to reform welfare believes that this system has failed not just economically, but philosophically. A well-intentioned plan to help people get back onto their feet has turned into a system that penalizes people who try to work and traps them in a cycle of welfare dependancy.

The Republican bill will restore welfare to a system that reflects the original intentions of its authors and reflects the philosophies that an overwhelming majority of Americans support: that welfare should not be a way of life and that the system should encourage work and personal responsibility.

KIRBY PUCKETT: AN AMERICAN ROLE MODEL

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

Mr. RAMSTAD. Mr. Speaker, I rise today to praise a very special person from the Third District of Minnesota, who exemplifies the unconquerable spirit of America, a man who overcame tremendous obstacles to become one of the greatest baseball players in major league history.

All Minnesotans and baseball fans across the Nation were stunned last Friday when Kirby Puckett announced his retirement from baseball because of irreversible damage to his right eye. But Kirby Puckett's place in the hearts of Minnesotans and baseball fans everywhere will live everywhere.

What a remarkable career: 2,304 hits. In 1989, he became the first right-handed hitter to win a batting title in two decades, played in 10 consecutive All-Star games and won the Most Valuable Player Award in 1993.

Kirby collected more hits in his first 10 seasons than any other major league player in this century.

Kirby Puckett's hall of fame career closely parallels his hall of fame performance as a role model for young people, his hall of fame work ethic, and his hall of fame public service in our community. From visiting kids in the hospital to raising badly needed funds for Children's Heartlink and inner city youth programs, Kirby Puckett has done so much for our community and State.

On behalf of all of the people of Minnesota, I want to thank Kirby Puckett for the joy he has brought to our lives. Kirby Puckett's greatness and impact on the lives of people, Mr. Speaker, cannot be measured by mere statistics. His power will forever be felt in one place, where numbers do not matter, in the heart.

Good luck, Kirby; we will be cheering for you for the rest of our lives. And we wish Kirby and Tonya and their two beautiful children the very best that life has to offer.

PERSONAL EXPLANATION

Mr. YATES. Mr. Speaker, on rollcall No. 316 on H.R. 3396, the Defense of Marriage Act, which the House passed on July 12, 1996, I had intended to vote ''no'' and thought that I had voted ''no.'' I found out later that I am recorded as having voted ''aye.''

Mr. Speaker, I would like the RECORD to show that I had intended to vote ''no'' on the bill.

WE NEED COMMONSENSE REFORM OF THE FAILED WELFARE SYSTEM

(Mr. HOKE asked and was given permission to address the House for 1 minute.)

Mr. HOKE. Mr. Speaker, according to the Department of Commerce, about 50 percent of all unwed teenage mothers go on welfare within 1 year after giving birth to their first child. More than 75 percent go on welfare within 5 years.

Mr. Speaker, it is almost impossible to disentangle illegitimacy from welfare. They are interrelated to a degree that is undeniable. Welfare, instead of helping people, encourages a value system that distorts the work ethic, destroys family, enables and encourages illegitimacy, and entraps people in a cycle of dependency. In fact, the qualifications for welfare in many instances are just that: One, do not get a job; and two, do not get married.

Since liberals started the war on poverty in the 1960's, the number and the percentage of out-of-wedlock births has skyrocketed. The rise of the welfare state has coincided with widespread family breakdown. Is it really just a coincidence?

Mr. Speaker, we need to restore the work ethic. We need to strengthen families and we need to instill the positive values of personal responsibility and

work. simply put, we need serious commonsense reform of the failed welfare system.

THE COMMITTEE ON THE JUDICIARY, WORKING TO PROHIBIT AMERICANS FROM VOTING

(Ms. JACKSON-LEE of Texas asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

WHAT WELFARE REFORM MEANS

Ms. JACKSON-LEE of Texas. Mr. Speaker, I could not help but take issue with my colleague who has just spoken about what welfare means. I hope the Republicans understand that welfare reform means giving people an opportunity to bridge out of dependence with child care, with health care, with job training.

There is not one of any of the individuals who are Americans who have said that welfare is the claim of their life. They want to be independent. It is a shame, however, that the welfare reform that our Republicans have tried to put forward simply says that we will abandon those, the least of our brothers and sisters.

Mr. Speaker, let me offer, first of all, the tragedy of what is going on in the Committee on the Judiciary this morning. We in the Committee on the Judiciary, of high ideals and standards holding up the Constitution, are there now trying to deny those citizens who have come to this country and are citizens the lack of ability, if you will, to be able to express themselves by voting on the ballot.

We want now to eliminate bilingual ballots for the U.S. Government for those senior citizens who have lived and worked here, those Asians, Hispanics, and others who have come, who have given of themselves, can speak the language, but may not be able to read as well so they can vote in the U.S. election.

How tragic it is that we are turning the clock back, as well as denying minorities the opportunity to do business with the American Government. What a shame. What a tragedy.

HEROIN USE HAS BECOME EVEN MORE DEADLY

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

Mr. GILMAN. Mr. Speaker, in recent years, while cocaine abuse has leveled off, heroin use once again is rapidly on the rise.

Today's heroin from abroad is cheaper, purer, and much more deadly than ever before. In fact, estimates of heroin's street-level purity indicate it has gone from an average of 4 percent up to a staggering 70 percent or more on purity level.

A recent GAO study indicated that worldwide opium production has nearly doubled since the late 1980's, while U.S. emergency room episodes from heroin overdoses increased by some 50 percent.

Just recently, in New York City, we had the much-publicized Red Rum heroin overdose death of a member of the Smashing Pumpkins Band, along with the arrest of that band's drummer for possession of heroin, and cancellation of the band's sold-out performances.

Spelled backward, Red Rum is murder, and in the case of the Smashing Pumpkins member's overdose, it was indeed lethal, taking his life. It surely is murder. Let us hope that the Red Rum message is not one that Red Rum and other forms of heroin are trendy; rather than heroin use is serious and in this case can be deadly.

LINK BETWEEN ILLEGITIMACY AND WELFARE?

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

Mr. CONYERS. Mr. Speaker, to my astonishment, I just heard my good friend, the gentleman from Ohio, MARTIN HOKE, the distinguished member of the Committee on the Judiciary from Cleveland, OH, make an incredible link between illegitimacy and welfare. I think he knows what he is talking about, because he is a very brilliant Member of this body. Perhaps his 1-minute was so truncated that we were not able to get to the bottom of what it was that was bothering him.

But I would like to invite him privately to join with me to discuss this serious matter of welfare, because I do not want the kind of assumptions that were linked together in a 1-minute presentation to be taken as a serious point of view by my good friend, the gentleman from Cleveland, OH.

THE PRESIDENT'S LATEST FLIP-FLOP, APPEASING FIDEL CASTRO ON SANCTIONS

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

Mr. COX of California. Mr. Speaker, within the hour the President of the United States has waived sanctions on Fidel Castro that he himself, Bill Clinton, signed into law just 5 months ago. This latest flip-flop is an extraordinary appeasement of the Communist dictator that will not work.

Since Castro began his sadistic and pathologically anti-American rule in 1959, he has denied civil rights and political liberties at home and exported revolution throughout the hemisphere.

Indeed, beyond assisting dictators and dictatorships, in our own hemisphere he has fielded soldiers and troops in no less than 14 African countries in 1 moment. Cuba has not one independent newspaper, not one independent school, not one independent labor union. Castro continues to execute and imprison political prisoners, and has driven 1.3 million Cubans into exile in this country.

The fall of the Berlin Wall and the collapse of the Soviet Union should have choked off Castro's rule, but he still is alive, in large part because of sustenance from the Clinton administration. Having signed the Libertad Act 5 months ago and said that he was for sanctions on Castro, Bill Clinton is now using his Presidential authority to waive those very sanctions.

Appeasing Castro is the wrong way for America to proceed. This latest flipflop of Bill Clinton's is more than a broken promise to the American people and the world. It is, in fact, capitulation that will endanger the world's security. Bill Clinton should be ashamed of himself.

THE FEDERAL GOVERNMENT IS GOING THE WRONG WAY ON BILINGUAL BALLOTING, AFFIRMATIVE ACTION, AND THE RIGHTS OF INDIVIDUALS

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

Ms. JACKSON-LEE of Texas. Mr. Speaker, will the gentleman yield?

Mr. EVANS. I yield to the gentlewoman from Texas.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I thank the gentleman from Illinois for his kindness in yielding to me. It was difficult for me to be able to complete a statement that I wanted to make regarding the Committee on the Judiciary on this very historic day of July 16.

I mentioned bilingual balloting, which just simply allows those adults who may speak English, but may not read it very clearly, to cast their vote as American citizens. But likewise, we are reviewing this whole issue of affirmative action, and clearly, it has taken the wrong direction.

I rise for the purpose of citing the Wall Street Journal, where there is an article on an angry CEO from California who happens to be blasting a Catholic nun. The Catholic nun simply wrote to say ''As a stockholder, I would encourage you to have minorities and women on your board.'' This CEO took it upon himself to write an ugly spirited letter, castigating the nun, suggesting she should mind her own business.

That is what happens when the Federal Government begins to take away rights. The private sector then thinks it must rally around ugliness and divisiveness.

I would commend to this CEO to think that this country is full of talented, diverse individuals who understand cyperspace, understand the superhighway, and I commend to him that it is reasonable that he could find minorities and women to serve on his board. What a tragedy. The reason we have that is because the Federal Government is going the wrong way.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

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

Such rollcall votes, if postponed, will be taken after debate is concluded on all motions to suspend the rules, but not before 5 p.m. today.

GOVERNMENT ACCOUNTABILITY ACT OF 1996

Mr. MCCOLLUM. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3166) to amend title 18, United States Code, with respect to the crime of false statement in a Government matter, as amended.

The Clerk read as follows:

H.R. 3166

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 ''Government Accountability Act of 1996''.

SEC. 2. RESTORATION OF FALSE STATEMENT PENALTIES.

Section 1001 of title 18, United States Code, is amended to read as follows:

''§ 1001. Statements or entries generally

''(a) Except as otherwise provided in this section, whoever, in any matter within the jurisdiction of the executive, legislative, or judicial branch of Government of the United States, knowingly and willfully—

''(1) falsifies, conceals, or covers up by any trick, scheme, or device a material fact;

''(2) makes any materially false, fictitious, or fraudulent statement or representation; or

''(3) makes or uses any false writing or document knowing the same to contain any materially false, fictitious, or fraudulent statement or entry;

shall be fined under this title or imprisoned not more than 5 years or both.

''(b) Subsection (a) does not apply—

''(1) to a party to a judicial proceeding, or that party's counsel, for statements, representations, writings or documents submitted by such party or counsel to a judge in that proceeding; or

''(2) to—

''(A) any non-administrative matter; or

''(B) any investigative matter, other than with respect to a person furnishing information pursuant to a duly authorized investigation;

within the jurisdiction of an entity within the legislative branch.''.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Florida [Mr. MCCOLLUM] and the gentleman from Michigan [Mr. CONYERS] will each be recognized for 20 minutes.

The Chair recognizes the gentleman from Florida [Mr. MCCOLLUM].

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

Mr. Speaker, for decades, section 1001 of title 18 of the United States Code has been a powerful tool in the hands of prosecutors seeking to address the willful misleading of the executive, judicial, and legislative branches. Over the years, section 1001 has been used to prosecute a wide variety of misconduct. Notable prosecutions under section 1001 include those of Colonel North and Admiral Poindexter, and more recently, the case against former Congressman Rostenkowski.

On May 15, 1995, the U.S. Supreme Court dramatically changed Federal criminal law dealing with the offense of willfully misleading a branch of Government. In the case Hubbard versus United States, the Supreme Court limited the application of section 1001 to only the executive branch, leaving the offenses of misleading Congress and the courts outside its scope.

On June 30, 1995, the crime subcommittee held a hearing to examine how section 1001 could be amended to ensure that those who willfully mislead any branch of the Government are held accountable. At that hearing, all of the witnesses agreed that law enforcement must have the ability to punish those who willfully mislead the Government. But they further agreed that such an ability must be weighed against our commitment to free speech, a balanced adversarial system of justice, and a genuine separation of power between the three branches of Government. The witnesses also counseled that we proceed with care. Certain legislative fixes may be unintentionally problematic over the long run.

H.R. 3166 is responsive to the concerns raised at our June hearing. The bill provides us with the means of punishing those who willfully mislead the executive, legislative and judicial branches, while at the same time avoiding unintended consequences.

The bill applies section 1001 to all three branches of the U.S. Government, with two exceptions. First, the bill has a judicial function exception, which provides that section 1001 does not apply to a party to a judicial proceeding or that party's counsel, for statements, representations, writings, or documents submitted by such party or counsel to a judge in that proceeding. This exception applies the criminal penalties of section 1001 to those representations made to a court when it is acting in its administrative function, and exempts those representations that are part of a judicial proceeding from the scope of section 1001. I believe that the failure to establish such a judicial function exception would chill vigorous advocacy, and, as such, would have a substantial detrimental effect on the adversarial process. I am pleased to note that the Department of Justice supports the bill's judicial advocacy exception.

The second exception is the legislative advocacy exception. This exception, which I introduced at the Judiciary Committee markup, and which was agreed to without opposition, is the result of much work by Members on both sides of the aisle.

Without such an exception section 1001 would be a blanket application to all communications made to Congress, including unsworn testimony and constituent mail. Such an unlimited application would create an intimidating atmosphere in which all communications would be made with the threat of section 1001's criminal penalties constantly at hand. Such an atmosphere would undermine the free flow of information that is so vital to the legislative process.

This bill's legislative function exception limits section 1001's application in a legislative context to administrative and duly authorized investigative matters, thereby avoiding the creation of such a counterproductive atmosphere.

At the same time, section 1001 continues to apply to the many administrative filings that have been covered in the past. As such, it covers Members of Congress who knowingly and willfully lie on their financial disclosure forms, initiate ghost employee schemes, knowingly submit false vouchers, and purchase goods and services with taxpayer dollars. That is the result accomplished by this amendment.

Importantly, statutes such as perjury and contempt of Congress continue to provide a means of holding accountable those who willfully mislead Congress when they knowingly and willfully mislead Congress.

I believe that the institutional interests of the Congress, and the interests of the American people, are advanced when unsworn congressional testimony and legislative advocacy occur without the fear of possible criminal prosecution for misstatements. The functioning of this body would be seriously undermined, and the people poorly served, if all statements and correspondence from constituents were subject to criminal prosecution. H.R. 3166 avoids creating such an atmosphere.

I would like to thank my friend from New Jersey, Congressman MARTINI, for his leadership and hard work on this bill. He has been out front on this issue since the Supreme Court handed down Hubbard, and has worked with parties on both sides of the aisle to make sure that we moved a good bill through this House. I want to congratulate Mr. MARTINI on a job well done.

□ 1230

Mr. Speaker, when I yield again I am going to yield to the gentleman from New Jersey [Mr. MARTINI] to let him describe this legislative work he has done.

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

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

Mr. Speaker, I support the provisions in the bill. Could I inquire of my good friend, the chairman of the Subcommittee on Crime, why this bill has no report?

Mr. MCCOLLUM. Mr. Speaker, will the gentleman yield?

Mr. CONYERS. I yield to the gentleman from Florida.

Mr. MCCOLLUM. Mr. Speaker, it has no report because we were trying to get it out here on time. It should be. There is a report that is coming with it, but it has none at the present time.

Mr. CONYERS. Could I ask my good friend if he would withdraw this bill until such time there is a report for all of the Members?

Mr. MCCOLLUM. If the gentleman will yield further, there will be a report filed before the vote on this bill.

Mr. CONYERS. I said will he withdraw this bill now? We are asking everyone to get a report sometime in the future, sir. That is not according to the rules of the House?

Mr. MCCOLLUM. If the gentleman will yield further to me, it is according to the rules that we have a report out here before the bill is voted on and it will be out here before it is voted on, before we actually have a vote.

Mr. CONYERS. Is someone supposed to trust the gentleman in the meantime?

Mr. MCCOLLUM. If the gentleman will yield further, no one has to vote on it until they get a report to read.

Mr. CONYERS. Mr. Speaker, I am not going to yield to the gentleman any more. I think his answer should have been ''no'' about 2 minutes ago.

Mr. Speaker, I object to the procedure that is going on now. I object to this bill being brought up until, according to the rules, Mr. Parliamentarian, there is a report accompanying it. Therefore, I ask that this measure be withdrawn from the floor of the House of Representatives.

The SPEAKER pro tempore (Mr. GUTKNECHT). The Chair is advised that that is up to the gentleman from Florida [Mr. MCCOLLUM].

Mr. CONYERS. It is up to the gentleman from Florida [Mr. MCCOLLUM]. That is what I thought.

I would like to appeal to the gentleman from Florida again, a distinguished and able member of Judiciary with whom I have worked ever since his first day in the House of Representatives. Would the gentleman please take the bill off of the floor until such time as he gets a report?

Mr. Speaker, I yield to the gentleman to say yes or no.

Mr. MCCOLLUM. No, I will not do that.

Mr. CONYERS. I did not ask for the rest. I just wanted a yes or no.

Mr. Speaker, I object to the procedure on the floor, and I would like to press my objection to the Speaker.

The SPEAKER pro tempore. The gentleman has 20 minutes. He may debate the question. This is a motion to suspend the rules, which will require a two-thirds vote. Does the gentleman raise a specific point of order?

Mr. CONYERS. Mr. Speaker, my point of order is that we are acting out of order even on a suspension of the rules here. This is not a club meeting, Mr. Speaker. The least that the subcommittee chairman could have done was advise us that he did not have a report, which would have led me to some form of my usual generosity, but just to say we don't have a report, we'll get one later this is under suspension of the rules, nobody needs to read the report. What would 400 other Members want to know about the report for? Just listen to the debate and vote for it when it passes. What is the difference? Why do we need reports here, anyway, by the way?

Has the gentleman not learned anything in the course of all the years we have been trying to be legislators, responsible? What is this? I think it is extremely inappropriate for the Committee on the Judiciary, of all committees, that we would be proceeding this way. Are we going to just continue to have informed debate around here without reports? Because it will be here shortly, it's on the way, it's at the printer? The truck is pulling it up to the Capitol any minute. I don't know what you need a report for.

Then to have the unmitigated gall to say, ''Well, so what? I'm not going to withdraw it, I'm not going to apologize, I'm not going to do anything because we're in control here. We don't need reports, the majority. If you don't like it without the report, vote against it, I guess.''

Mr. Speaker, there is nothing we can do here but be subject to the gentleman from Florida's arbitrary, uncooperative decision that we will not have a report accompanying his bill.

How come? Well, I do not know. He just felt like it today.

Well, I say to the gentleman from Florida [Mr. MCCOLLUM], the House of Representatives does not work like this, and the gentleman as a committee chairman, I know he has not been a subcommittee chairman long, but it seems to me that he should check the procedure, maybe with the Parliamentarian, maybe with the counsel for the committee, maybe with even our people if he would like. We would be delighted to do that. But just to say ''We're bringing a measure on the floor, a very important measure, by the way. But we don't need reports around here, gang. Check with us this evening, tomorrow, whenever. But let's have some informed debate that nobody but the Members of the Committee on the Judiciary know anything about, and then let's hold it over for a vote and then we'll decide whether you want to pass a law into the United States Code Annotated.''

Oh, is it unimportant? Is it a technical amendment? No; it is very serious. It modifies a U.S. Supreme Court decision. It would seem that lawyers, of all people, would have some kind of civil consideration for the way we pass things in the House of Representatives.

If the Committee on the Judiciary does not care about the rules and procedure of the House, should anybody else? We are the ones that try to set the rules and procedure for the Committee on the Judiciary, for the Congress. We are the ones that are able to modify the Supreme Court's decisions, as we are doing.

And so we come in here, dragging in on Tuesday afternoon, the first measure up, and the first thing we say is, ''Well, there's no report, Ranking Member of Judiciary. What do you need a report for?''

''Well, would you please consider getting one?'' ''No; I will not. Anybody that wants to read the report can read it when we get it.''

''Well, when will you get it?''

''We'll get it this afternoon. I guess we will get it this afternoon. Read it after the debate if you really want to find out what happened, because we don't have to do that around here. Don't you understand? Republicans run the House. So it's OK. You don't like it? Vote no. You don't like it? Appeal to the Speaker. You don't like the Speaker's ruling? He says see the subcommittee chairman.''

And so this is what it is like in 1996 in the people's body, in the House of Representatives, where we have a bunch of my wonderful friends over here looking at each other saying, ''I wonder why we don't just go ahead and pass this bill and forget the report.''

But what about the next bill, I would ask the gentleman from Florida [Mr. MCCOLLUM]? Does that one need a report? Or does the subcommittee chairman of that measure have the same option that you do to tell everybody, ''You don't need a report. It's on the way. Get it later. We'll debate this some other time. Or if you don't understand the debate, get a copy when it's printed.''

But the rules of the House require this elemental courtesy to every single Member of the House of Representatives, and the gentleman is refusing to go along with the rules. I think that is very unseemly, I think it is very inappropriate, particularly coming from the committee that we both serve on.

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

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

Mr. Speaker, the gentleman from Michigan, of course, is a very distinguished Member of this body and I know that he intends to characterize the situation as it accurately should be characterized, but the truth be that the rules of the House of Representatives in this Congress are no different than they were in the last on this point, and, that is, that when we have a bill under suspension, there is no requirement that any report be filed whatsoever by any committee on a bill under suspension, which is what we have today with this bill that is before us. It is customary for Judiciary bills to get a report because that is something we would like to do, that is something that Judiciary members like you and I like to produce. We like to have those filed with bills. And if a report is going to be filed, because we

want to do that, we like to do that, to explain the bill in the record, then that has to be done technically before the bill is formally voted on. We are going to request a recorded vote, I am, and I suspect we will get one based on the number of people here today, and there will be a delay of a vote, so that a report can be filed and will be. But there is absolutely no requirement that a report be filed.

I might also remind the gentleman from Michigan, my good colleague, that this bill is not controversial in its nature, it passed without a single vote in opposition in both the subcommittee and the full committee, it was worked out in a fully bipartisan sense, as the gentleman knows, and there is no intent whatsoever on our part to pass a bill with any kind of pulling the wool over somebody's eyes with not having some technical whatever. We are abiding by those rules on a very noncontroversial, though a very important bill.

Last but not least I might add why we do not actually have the report we would like to file out here today and fully intend to do so is because the leadership had initially scheduled this bill for next week and did not give us sufficient notice that it would be out here this week. We would like to get this bill passed as soon as possible, as I am sure the gentleman from Michigan would, and this is the window of opportunity, this week, to pass it. If we do not do it today, if we waited around to voluntarily do the report we do not have to do before we brought it out here and debated it, we would not get it accomplished.

Mr. Speaker, how much time do I have remaining?

The SPEAKER pro tempore. The gentleman has 12½ minutes remaining.

Mr. MCCOLLUM. Mr. Speaker, I yield 8 minutes to the gentleman from New Jersey [Mr. MARTINI], who is the author of this legislation. I congratulate him again. It is a fine bill and it does something that has been needed to be done for a long time.

□ 1245

Mr. MARTINI. Mr. Speaker, I thank the gentleman for yielding.

Before I begin, I want to take a moment to thank Chairman MCCOLLUM as well and the crime subcommittee counsel, Paul McNulty and Dan Bryant, for their hard work and efforts in bringing this important legislation to the floor today.

Mr. Speaker, the question facing the House of Representatives is whether or not individuals who knowingly and intentionally issue a materially fraudulent or false statement to the legislative or judicial branch of the Federal Government should be subject to criminal prosecution under title 18, section 1001 of the United States Code.

The Government Accountability Act, H.R. 3166, is intended to amend section 1001 of 18 United States Code in a manner that would make its application consistent with the legal precedents established prior to the Supreme Court's May 15, 1995, decision in Hubbard versus United States.

As a result of the Court's action in Hubbard, this year, for the first time in over 15 years, Members of Congress filed their financial disclosure statement without fear of prosecution or penalty for issuing fraudulent or false statements on these forms.

Mr. Speaker, I believe that is wrong and I also believe that the public has a right to know that congressional financial disclosure forms are filled out truthfully and accurately. The requirement to do so is one of the many applications of section 1001 of 18 United States Code that need to be addressed. That is why I introduced the Government Accountability Act.

I am pleased to say that this bipartisan legislation enjoys cosponsorship and support from by both the chairman and ranking member of the crime subcommittee.

My legislation closes a loophole in Federal law that was created by the Supreme Court's ruling in Hubbard versus United States.

As a result of this decision, section 1001 of 18 United States Code is now only applicable to individuals who knowingly and willfully issue a materially false statement to the executive branch of the Federal Government.

Individuals who issue false statements to the legislative or judicial branch of Government can no longer be prosecuted under section 1001.

In Hubbard, the Supreme Court held that, ''a court is neither a department nor an agency within the meaning of section 1001.'' This clearly infers that Congress is certainly not an agency or department of the executive branch. In fact, Federal courts have recently used Hubbard to overturn the conviction of a former Member of Congress and a former HUD official who lied to Congress.

Federal prosecutors have also been forced to drop key indictments or counts in criminal proceedings against several former Members of Congress as a result of this decision.

As a former assistant U.S. attorney in Newark, NJ, I know firsthand the importance of section 1001 of 18 United States Code. In my opinion, this is a critical provision of the law which protects the Federal Government from false or fraudulent statements.

Mr. Speaker, quite simply, this is an issue of parity. I can think of no reason why we would hold false statements issued to Congress or the Judiciary with any less severity then those issued to the executive branch.

In the past, section 1001 of 18 United States Code has been used to successfully prosecute Members of Congress who have lied on their financial disclosure form, initiated ghost employee schemes, knowingly submitted false vouchers, and purchased personal goods and services with taxpayer dollars.

Without a viable false statement statute these crimes could very well go unpunished.

Mr. Speaker, I want to make it abundantly clear that the intention of my legislation is not to create a tidal wave of special prosecutor and independent counsel investigations into this Administration or any future administrations.

Rather, H.R. 3166 is meant to restore and clarify the Federal False Statement Statute to its pre-Hubbard application.

Much of the initial attention surrounding congressional efforts to restore the Federal false statement statute focused on applicability of section 1001 to the judicial branch.

My legislation applies section 1001 to the judicial, as well as the legislative branch, however it specifically exempts formal courtroom proceedings.

Federal law enforcement officials must have the ability to bring charges against those who willfully and knowingly mislead the Federal Government. However, I felt that statements made to a judge in a courtroom setting should be exempted from the scope section 1001.

Accordingly, H.R. 3166 includes language drafted by the Department of Justice to address this concern in a manner that will not have an adversarial effect on the judicial process, a negative effect on the judicial process, but also remains consistent with Federal case-law precedents stemming from the Morgan and Mayer decisions, which were decisions which followed Hubbard.

An attorney should not be exposed to a criminal indictment for simply defending an unscrupulous client who is advancing a false or fraudulent defense.

The goal in applying section 1001 to the judicial branch should be to provide a penalty for individuals who may lie or issue false statements in the context of the administrative duties of the judiciary branch, not its litigation proceedings.

Further, during the House Subcommittee on Crime markup of H.R. 3166, some of my colleagues also expressed concern that the Government Accountability Act did not contain a congressional advocacy exception that would exempt certain types of legislative advocacy from the scope of section 1001.

These individuals were concerned that by codifying 1001's applicability to Congress we may inadvertently chill legislative advocacy.

Congress has always been the arena in which the American people have come to express their ideas and beliefs. We must ensure that we do not stifle public debate on the issues before this body.

While I believe that H.R. 3166 as originally drafted would afford protection to those individuals who engage in advocacy of the legislative branch, I am supportive of the bipartisan amendment, the gentleman from Florida, chairman MCCOLLUM, offered in Committee that exempts the application of section 1001 from nonadministrative matters before the Congress.

By limiting the application of section 1001 in a congressional setting to administrative matters and exempting legislative advocacy from its scope, we avoid the stifling of public debate before this great body.

The McCollum language will apply section 1001 to administrative matters like the Member's Financial Disclosure Form and duly authorized investigations of the congress.

Prior to the Hubbard decision, an uncertainty or vagueness existed among the various Federal courts concerning the applicability of section 1001 to Congress. Accordingly, Federal prosecutors pursued indictments under the Federal false statement statute with extreme caution in matters pertaining to Congress.

Enactment of legislation like H.R. 3166 would leave no doubt about the application of section 1001 to Congress. That is why this bill now contains a so-called legislative advocacy exception in order to avoid unintended consequences of codifying 1001's applicability to the legislative branch.

Mr. Speaker, the American people have demanded a Federal Government that is not above the law. Without an applicable Federal false statement statute, we will seriously jeopardize the ability of this institution to protect itself from both internal and external fraud.

I am pleased that the leadership has recognized the importance of this legislation and has brought it to the floor today.

In closing, I want to again thank Chairman MCCOLLUM and his capable staff, and I urge my colleagues to support this bipartisan reform bill.

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

Ladies and gentleman of the House of Representatives, we are in the process of amending a U.S. Supreme Court decision whose ruling applies to Members of the House of Representatives, applies to witnesses that may come before the House of Representatives and there are Members in broad daylight alleging that this is a minor provision, amending the Supreme Court's decision and we are talking about how minimal this is. The distinguished subcommittee chairman, the gentleman from Florida [Mr. MCCOLLUM], alleges that there is no objection. How on Earth would he know? Nobody has ever seen the report. Nobody would even know about the bill if my colleague was not on the Committee on the Judiciary. What in the world is going on around here that makes this matter so important that without a report, we would ask on a suspension calendar that a matter changing the Supreme Court, the law of the land, that it be sent without a report. Well, I do not know why. What is the rush? Question: How can we have an informed debate without a report? The gentleman from New Jersey [Mr. MARTINI], author of the measure, is familiar with this. The gentleman from Florida [Mr. MCCOLLUM], chairman of the Subcommittee on Crime, is familiar with this. But what about the 400 other Members of Congress that may not have attended the Committee on the Judiciary meetings? What do they get? Well, they get nothing. They get the response that customarily we give Members a report, but today, because Republican leadership has indicated that this bill goes today, it is not going at all. Question: Why not?

Another inquiry that I may have, is are we saying here that the Republican leadership, or may I speak more personally, the Speaker of the House saying that we will not allow a vote on this bill if it does not come up today or that it will not be brought forward? And by the way, where is this matter in the Senate? Does anybody happen to know or care? Are they waiting for us to send it over to them so that they can send it out? Do you know if it is marked up or not? Well, look, the House takes care of its own business and the Senate takes care of its.

So we are in a very embarrassing situation, because if that is the way this House is going to be run, this is one Member that is going to take exception to this. I think it is unseemly. I think that it completely misses the point of a very important law that is in the process of being made. Someone said it will be—not someone, I am sorry, the chairman of the subcommittee, the gentleman from Florida [Mr. MCCOLLUM], said it would be printed in form and would be sent to the Members today. Well, what time today, I ask the gentleman from Florida [Mr. MCCOLLUM]? Will it be before the vote or after the vote? And how much time would the Members have to read the report before they vote on it? Or does it matter, really? I mean, if you like it, we are putting it on suspension, we are rushing it through. No one can amend this, and now we do not have a report because we only supplied it customarily, we do not have to supply. So if you like this law or do not like it, just listen to the debate, listen to the author, and as far as we know, everybody should go along with this and that is the way we make laws in the United States now under the Gingrich regime. I take exception to this, sir, and I am ashamed of my subcommittee chairman who would allow himself to get drug into this ridiculous and embarrassing process.

Now, both parties usually send out a whip package which gives us a heads-up on what is coming up on the legislation. Usually for Members that would like a detail, they include the report that it can be referred to, but there is no report here. Members can read the brief summary. I do not know what Republicans put in their whip packages, but we put a brief outline of the measure. Why, the gentleman from New Jersey [Mr. MARTINI], with a bill which he deserves full credit for, would he allow this measure to come up in such a haphazard way? Does the gentleman not have any respect for the law or the process? Does the gentleman not understand how the House of Representatives customarily works? Does he not want Members to at least vaguely understand what in the world he is doing that changes a U.S. Supreme Court standing decision? Does it not reach that level of seriousness that the other 400 Members might at least, if they chose to be informed, would have a report available to them? Does the gentleman have no respect for the process of this great House of Representatives? What do we want to turn this into, a club, a political club where the biggest gang gets up and says, well, this is it, there is not objection? How do we know there is no objection? How do we know there are not reservations? My colleague does not, and neither do I. But I have enough respect for the rest of my colleagues to object as strenuously as I can to this very shabby process.

□ 1300

This is a very important piece of legislation. It is not a simple bill. The changes that the gentleman has grafted on to the Supreme Court decision and the existing law are very important and are very serious. I only wish that the gentleman and the Members on his side of the aisle would take it as seriously as we do on ours.

We think it is a good measure, but that does not mean that I can arbitrarily cut off the debate from everybody else in this body because they have not seen the report. Do we not have any pride about this House of Representatives in which we serve? Do we not want to really make the House a democratic forum for all of us so that the American people can understand how we make process? Maybe the gentleman does. I think deep down in our hearts all the Members do.

I think we are very serious about the business that brings us here to Washington, DC. I am looking into the faces of some very serious Members. But what about the process? What if there was one Member in the House that wanted to take exception, maybe even wanted to ask a question, where would he or she go to get the information? Does that not concern the gentleman at all? Does he not want to say that this bill was passed in broad daylight with the acquiescence and full understanding in the customary manner that we pass legislation around here?

The gentleman has already bumped it up to the Suspension Calendar. We cannot amend it now. We only have limited debate, and still we cannot do it right. I think this is disgraceful. And then to refuse to take it off the floor for no good explanation whatsoever insults not just the Members of Congress, I say to the gentleman from Florida [Mr. MCCOLLUM], but everybody in America that is expecting that we will pass legislation, especially from the lawyers in the Congress, in a fair and decent bipartisan manner. And that is not what is happening here today.

So with all deference to all of my colleagues and for all my colleagues who are pleased that at least one Member would have the temerity to raise his voice and say, ''Process, fellas. Process.'' That is what tests whether a House is working fairly or not.

It is not that, oh, we customarily send out reports but we were in a hurry today; we did not need it today. If Members do not like it, they can catch the report when it is printed. If they have a question, they can see me off the floor or check with staff and they will give that Member a response. But we are pushing this baby through Tuesday afternoon, first up, whether we are ready or not, whether people have had a chance to study it or not. Who cares. We are going to do it our way. It is unanimous anyway, which we do not know about at all. It is simple. It is not; it is very complex.

So I ask the gentleman from Florida [Mr. MCCOLLUM] again, with all the fairness of which I am able to muster at this time, please withdraw this measure from the floor and have it rescheduled.

Mr. MCCOLLUM. Mr. Speaker, I yield myself 1 minute.

First of all, I happen to know this is a very serious matter, and the gentleman from Michigan [Mr. CONYERS] and I agree on that point.

Second, I am not in the least bit embarrassed or disgraced or feel ridiculous about bringing this out here without a report, because the rules of this Congress, as have been the rules for many years, do not require a report on a bill that comes under suspension.

This is a special procedure for those bills that are considered noncontroversial. Those are bills that are scheduled only once a week, normally, sometimes in the late sessions, once or twice more frequently, so that we can expedite the process of handling them within the scheduled confines the House has for deliberating on those bills that will take more time on the floor, hours and hours of amendments.

The Justice Department just recently has endorsed even the amendments to this bill and fully supports it. There is nobody that I know of, though maybe somebody is opposed to this bill, but the point is that the reason for the report is not to prepare people on a Suspension Calendar bill to vote on a bill, but to provide legislative history. However, this report is ready. It will be filed here sometime today before we have the vote, and anybody who wants to read the report, scan it or otherwise before they vote, will have that opportunity.

I am sorry the gentleman feels inconvenienced, but the gentleman from New York [Mr. SCHUMER], the ranking member of the Subcommittee on Crime, had full notice that we did not have the report, would not have it ready, well before we brought it out here today.

Mr. Speaker, I yield 2 minutes to the gentleman from Florida [Mr. GOSS].

(Mr. GOSS asked and was given permission to revise and extend his remarks.)

Mr. GOSS. Mr. Speaker, I thank the gentleman for yielding me this time. This is a corrections bill, it is necessary, and it is necessary now.

Mr. Speaker, a stunning decision by the Supreme Court last spring once again leaves this institution above the law. In Hubbard versus United States, the Court held that section 1001 of 18 United States Code is only applicable to individuals who knowingly issue a false statement to the executive branch, implying that penalties for lying do not apply if the individual is lying to Congress. So, in effect, we have a law on the books that says individuals cannot lie to the executive branch, but it is OK to make false statements to the legislative branch of the Government. That is not good government. Think about what that means. It means individuals who do business with the Government or testify before congressional committees are not legally accountable for the accuracy of what they say and do, and that includes Members of Congress themselves. In fact, the Supreme Court's decision makes it very difficult, if not impossible, to prosecute Members of Congress who have been charged with kickback schemes, ghost employee schemes, check-kiting and falsifying financial disclosure reports. It also means that pending prosecution cases and prior convictions of Members of Congress are in jeopardy of being overturned.

Mr. Speaker, I serve on the Committee on Standards of Official Conduct. There are no rules for criminal behavior in the Committee on Standards of Official Conduct. The Committee on Standards of Official Conduct does not become a criminal enforcement committee.

Mr. Speaker, this institution cannot allow criminal activity to go unpunished—and unless all three branches of Government are included in the false statement statute that is exactly what may happen. H.R. 3166, the Government Accountability Act, will extend the false statement statute, clearly and incontrovertibly, to all three branches of the Government. If we are to restore some honor to this institution and hold all Members accountable for a breach of trust—then we must include ourselves in the false statement statute, and this is what we are doing. I support this measure and encourage my colleagues to do the same.

Mr. Speaker, I congratulate the gentleman from Florida [Mr. MCCOLLUM] on the way he has handled this, and the gentleman from New Jersey [Mr. MARTINI] for his insistence on bringing it to this stage.

Mr. MCCOLLUM. Mr. Speaker, I would inquire how much time I have remaining.

The SPEAKER pro tempore (Mr. GUTKNECHT). The gentleman from Florida [Mr. MCCOLLUM] has 1½ minutes remaining, and the time of the gentleman from Michigan [Mr. CONYERS] has expired.

Mr. CONYERS. Mr. Speaker, will the gentleman yield?

Mr. MCCOLLUM. I yield to the gentleman from Michigan.

Mr. CONYERS. Mr. Speaker, I would ask the gentleman if there is a way for a Member to file a dissenting view on this report if the report is already being printed?

Mr. MCCOLLUM. Mr. Speaker, reclaiming my time. If the gentleman can get it to us on time, we will be glad to give him a dissenting view and put it in. We are going to be doing a report and putting it in before we have a recorded vote later on today. So if the gentleman has a few minutes to do it, we will get it in.

Mr. CONYERS. Mr. Speaker, if the gentleman will continue to yield, how much time is the gentleman giving any Member that might want to file a dissenting view?

Mr. MCCOLLUM. Well, Mr. Speaker, reclaiming my time, again I might add, to anybody that wants to know, the rules are there is no report required at all in a suspension bill. We are not doing anything unusual today.

I think the most unusual thing is that there has been not one whit of discussion on that side of the aisle about the merits of this bill, about the substance of it. We are today talking about restoring the False Claims Act of the U.S. Congress to all three branches of the U.S. Government, executive, legislative, and judicial, and it is remarkable in its nature. It should be aired and debated fully, I agree.

We have, on our side of the aisle, discussed it in great detail. The report will give the technical information for legislative history, and I would encourage the gentleman and all participants on both sides of the aisle to vote for this bill. It is a very positive bill, supported by the administration, one that is needed to correct an error, in my judgment, of what the Supreme Court has said to us about how the law reads now, and I will again urge a very favorable and a strong vote in support of passage of this bill under suspension of the rules today.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Florida [Mr. MCCOLLUM] that the House suspend the rules and pass the bill, H.R. 3166, as amended.

The question was taken.

Mr. MCCOLLUM. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Pursuant to clause 5, rule I, and the Chair's prior announcement, further proceedings on this motion will be postponed.

The point of no quorum is considered withdrawn.

GENERAL LEAVE

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

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

There was no objection.

VETERANS' COMPENSATION COST-OF-LIVING ADJUSTMENT ACT OF 1996

Mr. STUMP. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3458) to increase, effective as of December 1, 1996, the rates of compensation for veterans with service-connected disabilities and the rates of dependency and indemnity compensation for the survivors of certain disabled veterans.

The Clerk read as follows:

H.R. 3458

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 ''Veterans' Compensation Cost-of-Living Adjustment Act of 1996''.

SEC. 2. INCREASE IN RATES OF DISABILITY COMPENSATION AND DEPENDENCY AND INDEMNITY COMPENSATION.

(a) RATE ADJUSTMENT.—The Secretary of Veterans Affairs shall, effective on December 1, 1996, increase the dollar amounts in effect for the payment of disability compensation and dependency and indemnity compensation by the Secretary, as specified in subsection (b).

(b) AMOUNTS TO BE INCREASED.—The dollar amounts to be increased pursuant to subsection (a) are the following:

(1) COMPENSATION.—Each of the dollar amounts in effect under section 1114 of title 38, United States Code.

(2) ADDITIONAL COMPENSATION FOR DEPENDENTS.—Each of the dollar amounts in effect under section 1115(1) of such title.

(3) CLOTHING ALLOWANCE.—The dollar amount in effect under section 1162 of such title.

(4) NEW DIC RATES.—The dollar amounts in effect under paragraphs (1) and (2) of section 1311(a) of such title.

(5) OLD DIC RATES.—Each of the dollar amounts in effect under section 1311(a)(3) of such title.

(6) ADDITIONAL DIC FOR SURVIVING SPOUSES WITH MINOR CHILDREN.—The dollar amount in effect under section 1311(b) of such title.

(7) ADDITIONAL DIC FOR DISABILITY.—The dollar amounts in effect under sections 1311(c) and 1311(d) of such title.

(8) DIC FOR DEPENDENT CHILDREN.—The dollar amounts in effect under sections 1313(a) and 1314 of such title.

(c) DETERMINATION OF PERCENTAGE INCREASE.—(1) The increase under subsection (a) shall be made in the dollar amounts specified in subsection (b) as in effect on November 30, 1996. Each such amount shall be increased by the same percentage as the percentage by which benefit amounts payable under title II of the Social Security Act (42 U.S.C. 401 et seq.) are increased effective December 1, 1996, as a result of a determination under section 215(i) of such Act (42 U.S.C. 415(i)).

(2) In the computation of increased dollar amounts pursuant to paragraph (1), any amount which as so computed is not an even multiple of $1 shall be rounded to the next lower whole dollar amount.

(d) SPECIAL RULE.—The Secretary may adjust administratively, consistent with the increased made under subsection (a), the rates of disability compensation payable to persons within the purview of section 10 of Public Law 85–857 (72 Stat. 1263) who are not in receipt of compensation payable pursuant to chapter 11 of title 38, United States Code.

SEC. 3. PUBLICATION OF ADJUSTED RATES.

At the same time as the matters specified in section 215(i)(2)(D) of the Social Security Act (42 U.S.C. 415(i)(2)(D)) are required to be published by reason of a determination made under section 215(i) of such Act during fiscal year 1996, the Secretary of Veterans Affairs shall publish in the Federal Register the amounts specified in section 2(b), as increased pursuant to section 2.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Arizona [Mr. STUMP] and the gentleman from Mississippi [Mr. MONTGOMERY] each will control 20 minutes.

The Chair recognizes the gentleman from Arizona [Mr. STUMP].

GENERAL LEAVE

Mr. STUMP. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 3458.

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

There was no objection.

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

(Mr. STUMP asked and was given permission to revise and extend his remarks.)

Mr. STUMP. Mr. Speaker, this bill increases the rates of compensation for veterans with service connected disabilities and the rates of dependency and indemnity compensation for the survivors of certain disabled veterans.

The increase would be effective on December 1, 1996, and would be the same percentage increase as applied to Social Security benefits.

The bill also rounds down to the next lower dollar amount, all compensation and DIC benefit payments when not a whole dollar amount.

Mr. Speaker, this is a clean COLA bill without any other provisions attached to it.

In the past, additional provisions on veterans' COLA bills have become controversial, so we have avoided that potential and I urge all Members to support the bill.

I want to thank my good friend, SONNY MONTGOMERY, the ranking minority member of the full committee, for his hard work and guidance on this measure.

Before yielding to him, I also want to thank TERRY EVERETT, chairman of the Subcommittee on Compensation, Pension, Insurance and Memorial Affairs and LANE EVANS, the ranking minority member on the subcommittee.

Mr. Speaker, I yield such time as he may consume to the gentleman from Alabama [Mr. EVERETT].

Mr. EVERETT. Mr. Speaker, H.R. 3458 will provide a cost of living allowance increase for those who receive compensation and pension as well as other related benefits. The COLA will be in an amount equal to the COLA given to Social Security recipients, and is currently estimated at 2.8 percent. The bill will also round the COLA down to the next lower dollar.

Mr. Speaker, I am pleased we can give a full COLA this year to help our most deserving and neediest veterans and their survivors. I urge my colleagues to support the bill.

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

Mr. Speaker, this is a bill that increases the compensation for service-connected veterans, their survivors, and certain disabled veterans. This bill is one that millions of veterans and spouses of veterans who died of a service-connected cause depend on the Congress to enact. Each time we do so we reaffirm our commitment to disabled veterans and the survivors of veterans. Many of these beneficiaries depend on their monthly VA check, Mr. Speaker, to pay their rent and to feed their families.

□ 1315

The married veteran with no other dependents who is rated totally disabled, 100 percent disabled, is currently eligible for $1,975 per month in VA disability payments.

In most cities and communities this amount is enough to allow the veteran and his family to live in some comfort, but it does not allow for many frills or luxuries. My colleagues can understand that even modest increases in food and housing costs must be addressed by providing cost of living increases to these veterans.

Mr. Speaker, I want to thank the gentleman from Arizona, Chairman STUMP, for his cooperation. I think we probably have the most nonpartisan committee in the Congress of the United States. We are very proud of that. I want to commend on my side of the aisle the gentleman from Illinois, LANE EVANS, for his work on this subcommittee and also to the gentleman from Alabama, Mr. EVERETT, chairman of that subcommittee.

Mr. Speaker, I yield 1 minute to the gentleman from Illinois [Mr. EVANS].

Mr. EVANS. Mr. Speaker, I rise in support of this legislation and to commend Chairman STUMP, Subcommittee Chairman TERRY EVERETT, and all of the members who have supported providing adequate compensation to veterans with service-connected disabilities and to spouses of veterans who die of service-connected causes.

This legislation which we are considering today is a small token of our esteem for those who left the service with disabilities. It provides for an increase estimated to be 2.8 percent for veterans drawing disability compensation as well as the spouses of veterans who die of a service-connected cause. There are other measures that we will

consider today that make improvements in veterans programs, but none will touch as many lives as this legislation.

I urge my colleagues to pass this far-reaching and vital legislation.

Mr. STUMP. Mr. Speaker, I yield 2 minutes to the gentleman from Arizona [Mr. HAYWORTH], a member of the committee.

Mr. HAYWORTH. Mr. Speaker, I thank the chairman for yielding time to me.

I also stand to salute our chairman, the dean of the Arizona delegation, for the commonsense approach he brings to the challenges we face on the Committee on Veterans' Affairs, as does the ranking member, my good friend from Mississippi, Mr. MONTGOMERY, who we share in the despair of him leaving this institution at the end of this term.

My colleague from Illinois, Mr. EVANS, said it quite succinctly. No other measure will affect more people who have worn the uniform of this Nation than this cost-of-living adjustment.

Mr. Speaker, I stand in this well today simply to take note of the fact, as I have before, where on many different occasions we come here with profound philosophical differences and different approaches on how we should solve the problems, that today, once again, the Committee on Veterans' Affairs serves as an example of what is possible when Members agree to rather commonsense, broad precepts such as a cost-of-living adjustment for deserving veterans with disabilities and their survivors. This is an outstanding piece of legislation. It is a commonsense approach that brings the concept of fairness to those who have worn this Nation's uniform. I endorse it wholeheartedly.

I urge my colleagues to vote in the affirmative for the legislation. I thank those Members on both sides of the aisle for their meaningful participation in getting this work done, and I salute the subcommittee chairman.

Mr. STUMP. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. GILMAN] chairman of the Committee on International Relations.

(Mr. GILMAN asked and was given permission to revise and extend his remarks.)

Mr. GILMAN. Mr. Speaker, I want to commend the distinguished ranking member of the subcommittee and the chairman of the committee for bringing this measure to the floor at this time. Mr. STUMP and Mr. MONTGOMERY have been continual advocates of our veterans' benefits.

Mr. Speaker, I rise today in strong support of H.R. 3458, the Veterans' Compensation Cost-of-Living Adjustment Act.

H.R. 3458 authorizes a full cost-of-living adjustment for veterans with service-connected disabilities and the rates of dependency and indemnity compensation [DIC] for the survivors of certain disabled veterans, for fiscal year 1997.

The Disability Compensation Program is intended to provide some relief for those veterans whose earning potential has been adversely impacted as a result of disabilities incurred during military service.

The Survivors Benefit Program is intended to provide partial compensation to the appropriate survivors for a loss of financial support due to a service-connected death.

Congress has provided an annual cost-of-living adjustment to these veterans and survivors since 1976.

Mr. Speaker, I believe this is a worthy piece of legislation and an appropriate response of this legislative body to the sacrifices made by our Nation's veterans and their families.

Mr. STEARNS. Mr. Speaker, I rise today in strong support of H.R. 3458 The Veterans' Compensation Cost-of-Living Adjustment Act.

As a cosponsor of this legislation, I believe that H.R. 3458 takes great strides in securing that our veterans are fairly and adequately compensated for their service to our country.

The bill calls for an increased rate of compensation for the 2.2 million veterans whose injuries are connected to their military service, as well as 300,000 survivors of veterans who died from service-connected injuries.

We have an obligation to provide for those injured while serving to defend our country. This bill provides for a much needed increase in compensation, bringing it up to the same level as Social Security benefits. The current estimate of a 2.8-percent increase will provide relief from the impaired earning capacity of disabled veterans and their families.

Mr. Chairman, it is time that we recognize the sacrifices of our Nation's disabled veterans and adjust their compensation fairly. This legislation serves our veterans, as they so selflessly and heroically served our Nation, and I urge my colleagues to support it.

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

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

The SPEAKER pro tempore (Mr. GUTKNECHT). The question is on the motion offered by the gentleman from Arizona [Mr. STUMP] that the House suspend the rules and pass the bill, H.R. 3458.

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

A motion to reconsider was laid on the table.

EXTENDING BENEFITS TO VETERANS EXPOSED TO AGENT ORANGE

Mr. STUMP. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3643) to amend title 38, United States Code, to extend through December 31, 1998, the period during which the Secretary of Veterans Affairs is authorized to provide priority health care to certain veterans who were exposed to agent orange or who served in the Persian Gulf war and to make such authority permanent in the case of certain veterans exposed to ionizing radiation, and for other purposes, as amended.

The Clerk read as follows:

H.R. 3643

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

SECTION 1. AUTHORITY TO PROVIDE PRIORITY HEALTH CARE.

(a) AUTHORIZED INPATIENT CARE.—Section 1710(e) of title 38, United States Code, is amended—

(1) in paragraph (1), by striking out subparagraphs (A) and (B) and inserting in lieu thereof the following:

''(e)(1)(A) A herbicide-exposed veteran is eligible for hospital care and nursing home care under subsection (a)(1)(G) for any disease suffered by the veteran that is—

''(i) among those diseases for which the National Academy of Sciences, in a report issued in accordance with section 2 of the Agent Orange Act of 1991, has determined—

''(I) that there is sufficient evidence to conclude that there is a positive association between occurrence of the disease in humans and exposure to a herbicide agent;

''(II) that there is evidence which is suggestive of an association between occurrence of the disease in humans and exposure to a herbicide agent, but such evidence is limited in nature; or

''(III) that available studies are insufficient to permit a conclusion about the presence or absence of an association between occurrence of the disease in humans and exposure to a herbicide agent; or

''(ii) a disease for which the Secretary, pursuant to a recommendation of the Under Secretary for Health on the basis of a peer-reviewed research study or studies published within 20 months after the most recent report of the National Academy under section 2 of the Agent Orange Act of 1991, determines there is credible evidence suggestive of an association between occurrence of the disease in humans and exposure to a herbicide agent.

''(B) A radiation-exposed veteran is eligible for hospital care and nursing home care under subsection (a)(1)(G) for any disease suffered by the veteran that is—

''(i) a disease listed in section 1112(c)(2) of this title; or

''(ii) any other disease for which the Secretary, based on the advice of the Advisory Committee on Environmental Hazards, determines that there is credible evidence of a positive association between occurrence of the disease in humans and exposure to ionizing radiation.'';

(2) in paragraph (2)—

(A) by striking out ''Hospital'' and inserting in lieu thereof ''In the case of a veteran described in paragraph (1)(C), hospital''; and

(B) by striking out ''subparagraph'' and all that follows through ''subsection'' and inserting in lieu thereof ''paragraph (1)(C)'';

(3) in paragraph (3), by striking out ''of this section after December 31, 1996'' and inserting in lieu thereof ''after December 31, 1998, in the case of care for a veteran described in paragraph (1)(A) or paragraph (1)(C)''; and

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

''(4) For purposes of this subsection and section 1712 of this title:

''(A) The term 'herbicide-exposed veteran' means a veteran (i) who served on active duty in the Republic of Vietnam during the Vietnam era, and (ii) who the Secretary finds may have been exposed during such service to a herbicide agent.

''(B) The term 'herbicide agent' has the meaning given that term in section 1116(a)(4) of this title.

''(C) The term 'radiation-exposed veteran' has the meaning given that term in section 1112(c)(4) of this title.''.

(b) AUTHORIZED OUTPATIENT CARE.—Section 1712 of such title is amended—

(1) in subsection (a)(1)—

(A) by striking out ''and'' at the end of subparagraph (C);

(B) in subparagraph (D)—

(i) by striking out ''before December 31, 1996,'' and inserting in lieu thereof ''before January 1, 1999,''; and

(ii) by striking out the period at the end of subparagraph (D) and inserting in lieu thereof a semicolon;

(C) by adding at the end the following new subparagraphs:

''(E) during the period before January 1, 1999, to any herbicide-exposed veteran (as defined in section 1710(e)(4)(A) of this title) for any disease specified in section 1710(e)(1)(A) of this title; and

''(F) to any radiation-exposed veteran (as defined in section 1112(c)(4) of this title) for any disease covered under section 1710(e)(1)(B) of this title.''; and

(2) in subsection (i)(3)—

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

(B) by striking out '', or (B)'' and all that follows through ''title''.

(c) SAVINGS PROVISIONS.—The provisions of sections 1710(e) and 1712(a) of title 38, United States Code, as in effect on the day before the date of the enactment of this Act, shall continue to apply on and after such date with respect to the furnishing of hospital care, nursing home care, and medical services for any veteran who was furnished such care or services before such date of enactment on the basis of presumed exposure to a substance or radiation under the authority of those provisions, but only for treatment for a disability for which such care or services were furnished before such date.

(d) PRIORITY HEALTH CARE FOR SERVICE IN ISRAEL OR TURKEY DURING PERSIAN GULF WAR.—(1) Section 1710(e)(1)(C) of title 38, United States Code, is amended by inserting after ''Southwest Asia theater of operations'' the following: '', or who may have been exposed while serving on active duty in Israel or Turkey during the period beginning on August 2, 1990, and ending on July 31, 1991,''.

(2) Section 1712(a)(1)(D) of such title is amended by inserting after ''during the Persian Gulf War'' the following: '', or who served on active duty in Israel or Turkey during the period beginning on August 2, 1990, and ending on July 31, 1991,''.

SEC. 2. DEPARTMENT COMMITTEE ON CARE OF SEVERELY CHRONICALLY MENTALLY ILL VETERANS.

(a) ESTABLISHMENT.—Subchapter II of chapter 73 of title 38, United States Code, is amended by adding after section 7318 the following new section:

''§ 7319. Committee on Care of Severely Chronically Mentally Ill Veterans

''(a) ESTABLISHMENT.—The Secretary, acting through the Under Secretary for Health, shall establish in the Veterans Health Administration a Committee on Care of Severely Chronically Mentally Ill Veterans. The Under Secretary shall appoint employees of the Department with expertise in the care of the chronically mentally ill to serve on the committee.

''(b) DUTIES.—The committee shall assess, and carry out a continuing assessment of, the capability of the Veterans Health Administration to meet effectively the treatment and rehabilitation needs of mentally ill veterans whose mental illness is severe and chronic and who are eligible for health care furnished by the Department, *including the needs of such veterans who are women*. In carrying out that responsibility, the committee shall—

''(1) evaluate the care provided to such veterans through the Veterans Health Administration;

''(2) identify systemwide problems in caring for such veterans in facilities of the Veterans Health Administration;

''(3) identify specific facilities within the Veterans Health Administration at which program enrichment is needed to improve treatment and rehabilitation of such veterans; and

''(4) identify model programs which the committee considers to have been successful in the treatment and rehabilitation of such veterans and which should be implemented more widely in or through facilities of the Veterans Health Administration.

''(c) ADVICE AND RECOMMENDATIONS.—The committee shall—

''(1) advise the Under Secretary regarding the development of policies for the care and rehabilitation of severely chronically mentally ill veterans; and

''(2) make recommendations to the Under Secretary—

''(A) for improving programs of care of such veterans at specific facilities and throughout the Veterans Health Administration;

''(B) for establishing special programs of education and training relevant to the care of such veterans for employees of the Veterans Health Administration;

''(C) regarding research needs and priorities relevant to the care of such veterans; and

''(D) regarding the appropriate allocation of resources for all such activities.

''(d) ANNUAL REPORT.—(1) Not later than April 1, 1997, the Secretary shall submit to the Committees on Veterans' Affairs of the Senate and House of Representatives a report on the implementation of this section. The report shall include the following:

''(A) A list of the members of the committee.

''(B) The assessment of the Under Secretary for Health, after review of the initial findings of the committee, regarding the capability of the Veterans Health Administration, on a systemwide and facility-by-facility basis, to meet effectively the treatment and rehabilitation needs of severely chronically mentally ill veterans who are eligible for Department care.

''(C) The plans of the committee for further assessments.

''(D) The findings and recommendations made by the committee to the Under Secretary for Health and the views of the Under Secretary on such findings and recommendations.

''(E) A description of the steps taken, plans made (and a timetable for their execution), and resources to be applied toward improving the capability of the Veterans Health Administration to meet effectively the treatment and rehabilitation needs of severely chronically mentally ill veterans who are eligible for Department care.

''(2) Not later than February 1, 1998, and February 1 of each of the three following years, the Secretary shall submit to the Committees on Veterans' Affairs of the Senate and House of Representatives a report containing information updating the reports submitted under this subsection before the submission of such report.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 73 is amended by inserting after the item relating to section 7318 the following new item:

''7319. Committee on Care of Severely Chronically Mentally Ill Veterans.''.

SEC. 3. CENTERS FOR MENTAL ILLNESS RESEARCH, EDUCATION, AND CLINICAL ACTIVITIES.

(a) IN GENERAL.—(1) Subchapter II of chapter 73 is amended by adding after section 7319, as added by section 2(a), the following new section:

''§ 7320. Centers for mental illness research, education, and clinical activities

''(a) The purpose of this section is to provide for the improvement of the provision of health-care services and related counseling services to eligible veterans suffering from mental illness (especially mental illness related to service-related conditions) through—

''(1) the conduct of research (including research on improving mental health service facilities of the Department and on improving the delivery of mental health services by the Department);

''(2) the education and training of health care personnel of the Department; and

''(3) the development of improved models and systems for the furnishing of mental health services by the Department.

''(b)(1) The Secretary shall establish and operate centers for mental illness research, education, and clinical activities. Such centers shall be established and operated by collaborating Department facilities as provided in subsection (c)(1). Each such center shall function as a center for—

''(A) research on mental health services;

''(B) the use by the Department of specific models for furnishing services to treat serious mental illness;

''(C) education and training of health-care professionals of the Department; and

''(D) the development and implementation of innovative clinical activities and systems of care with respect to the delivery of such services by the Department.

''(2) The Secretary shall, upon the recommendation of the Under Secretary for Health, designate the centers under this section. In making such designations, the Secretary shall ensure that the centers designated are located in various geographic regions of the United States. The Secretary may designate a center under this section only if—

''(A) the proposal submitted for the designation of the center meets the requirements of subsection (c);

''(B) the Secretary makes the finding described in subsection (d); and

''(C) the peer review panel established under subsection (e) makes the determination specified in subsection (e)(3) with respect to that proposal.

''(3) Not more than five centers may be designated under this section.

''(4) The authority of the Secretary to establish and operate centers under this section is subject to the appropriation of funds for that purpose.

''(c) A proposal submitted for the designation of a center under this section shall—

''(1) provide for close collaboration in the establishment and operation of the center, and for the provision of care and the conduct of research and education at the center, by a Department facility or facilities in the same geographic area which have a mission centered on care of the mentally ill and a Department facility in that area which has a mission of providing tertiary medical care;

''(2) provide that no less than 50 percent of the funds appropriated for the center for support of clinical care, research, and education will be provided to the collaborating facility or facilities that have a mission centered on care of the mentally ill; and

''(3) provide for a governance arrangement between the collaborating Department facilities which ensures that the center will be established and operated in a manner aimed at

improving the quality of mental health care at the collaborating facility or facilities which have a mission centered on care of the mentally ill.

''(d) The finding referred to in subsection (b)(2)(B) with respect to a proposal for designation of a site as a location of a center under this section is a finding by the Secretary, upon the recommendation of the Under Secretary for Health, that the facilities submitting the proposal have developed (or may reasonably be anticipated to develop) each of the following:

''(1) An arrangement with an accredited medical school that provides education and training in psychiatry and with which one or more of the participating Department facilities is affiliated under which medical residents receive education and training in psychiatry through regular rotation through the participating Department facilities so as to provide such residents with training in the diagnosis and treatment of mental illness.

''(2) An arrangement with an accredited graduate school of psychology under which students receive education and training in clinical, counseling, or professional psychology through regular rotation through the participating Department facilities so as to provide such students with training in the diagnosis and treatment of mental illness.

''(3) An arrangement under which nursing, social work, or allied health personnel receive training and education in mental health care through regular rotation through the participating Department facilities.

''(4) The ability to attract scientists who have demonstrated achievement in research—

''(A) into the evaluation of innovative approaches to the design of mental health services; or

''(B) into the causes, prevention, and treatment of mental illness.

''(5) The capability to evaluate effectively the activities of the center, including activities relating to the evaluation of specific efforts to improve the quality and effectiveness of mental health services provided by the Department at or through individual facilities.

''(e)(1) In order to provide advice to assist the Secretary and the Under Secretary for Health to carry out their responsibilities under this section, the official within the central office of the Veterans Health Administration responsible for mental health and behavioral sciences matters shall establish a peer review panel to assess the scientific and clinical merit of proposals that are submitted to the Secretary for the designation of centers under this section.

''(2) The panel shall consist of experts in the fields of mental health research, education and training, and clinical care. Members of the panel shall serve as consultants to the Department.

''(3) The panel shall review each proposal submitted to the panel by the official referred to in paragraph (1) and shall submit to that official its views on the relative scientific and clinical merit of each such proposal. The panel shall specifically determine with respect to each such proposal whether that proposal is among those proposals which have met the highest competitive standards of scientific and clinical merit.

''(4) The panel shall not be subject to the Federal Advisory Committee Act (5 U.S.C. App.).

''(f) Clinical and scientific investigation activities at each center established under this section—

''(1) may compete for the award of funding from amounts appropriated for the Department of Veterans Affairs medical and prosthetics research account; and

''(2) shall receive priority in the award of funding from such account insofar as funds are awarded to projects and activities relating to mental illness.

''(g) The Under Secretary for Health shall ensure that at least three centers designated under this section emphasize research into means of improving the quality of care for veterans suffering from mental illness through the development of community-based alternatives to institutional treatment for such illness.

''(h) The Under Secretary for Health shall ensure that information produced by the research, education and training, and clinical activities of centers established under this section that may be useful for other activities of the Veterans Health Administration is disseminated throughout the Veterans Health Administration. Such dissemination shall be made through publications, through programs of continuing medical and related education provided through regional medical education centers under subchapter VI of chapter 74 of this title, and through other means. Such programs of continuing medical education shall receive priority in the award of funding.

''(i) The official within the central office of the Veterans Health Administration responsible for mental health and behavioral sciences matters shall be responsible for supervising the operation of the centers established pursuant to this section and shall provide for ongoing evaluation of the centers and their compliance with the requirements of this section.

''(j)(1) There are authorized to be appropriated to the Department of Veterans Affairs for the basic support of the research and education and training activities of centers established pursuant to this section amounts as follows:

''(A) $3,125,000 for fiscal year 1998.

''(B) $6,250,000 for each of fiscal years 1999 through 2001.

''(2) In addition to funds appropriated for a fiscal year pursuant to the authorization of appropriations in paragraph (1), the Under Secretary for Health shall allocate to such centers from other funds appropriated for that fiscal year generally for the Department of Veterans Affairs medical care account and the Department of Veterans Affairs medical and prosthetics research account such amounts as the Under Secretary for Health determines appropriate to carry out the purposes of this section.''.

(2) The table of sections at the beginning of chapter 73 is amended by inserting after the item relating to section 7319, as added by section 2(b), the following new item:

''7320. Centers for mental illness research, education, and clinical activities.''.

(b) ANNUAL REPORTS.—Not later than February 1 of each of 1998, 1999, and 2000, the Secretary of Veterans Affairs shall submit to the Committees on Veterans' Affairs of the Senate and House of Representatives a report on the status and activities during the previous fiscal year of the centers for mental illness, research, education, and clinical activities established pursuant to section 7320 of title 38, United States Code (as added by subsection (a)). Each such report shall include the following:

(1) A description of the activities carried out at each center and the funding provided for such activities.

(2) A description of the advances made at each of the participating facilities of the center in research, education and training, and clinical activities relating to mental illness in veterans.

(3) A description of the actions taken by the Under Secretary for Health pursuant to subsection (h) of that section (as so added) to disseminate information derived from such activities throughout the Veterans Health Administration.

(4) The Secretary's evaluations of the effectiveness of the centers in fulfilling the purposes of the centers.

(c) IMPLEMENTATION.—The Secretary of Veterans Affairs shall designate at least one center under section 7320 of title 38, United States Code, not later than January 1, 1998.

SEC. 4. DISBURSEMENT AGREEMENTS RELATING TO MEDICAL RESIDENTS AND INTERNS.

Section 7406(c) of title 38, United States Code, is amended—

(1) by striking out ''Department hospital'' each place it appears and inserting in lieu thereof ''Department facility furnishing hospital care or medical services'';

(2) by striking out ''participating hospital'' in paragraph (4)(C) and inserting in lieu thereof ''participating facility''; and

(3) by striking out ''hospital'' both places it appears in paragraph (5) and inserting in lieu thereof ''facility''.

SEC. 5. AUTHORITY TO SUSPEND SPECIAL PAY AGREEMENTS FOR PHYSICIANS AND DENTISTS WHO ENTER RESIDENCY TRAINING PROGRAMS.

Section 7432(b)(2) of title 38, United States Code, is amended—

(1) by inserting ''(A)'' after ''(2)''; and

(2) by adding at the end the following:

''(B) The Secretary may suspend a special pay agreement entered into under this section in the case of a physician or dentist who, having entered into the special pay agreement, enters a residency training program. Any such suspension shall terminate when the physician or dentist completes, withdraws from, or is no longer a participant in the program. During the period of such a suspension, the physician or dentist is not subject to the provisions of paragraph (1).''.

SEC. 6. REPORTING REQUIREMENTS.

(a) EXTENSION OF ANNUAL REPORT REQUIREMENT.—Section 107(a) of the Veterans Health Care Act of 1992 (Public Law 102–585; 38 U.S.C. 1710 note) is amended by striking out ''Not later than January 1, 1993, January 1, 1994, and January 1, 1995'' and inserting in lieu thereof ''Not later than January 1 of 1993 and each year thereafter through 1998''.

(b) REPORT ON HEALTH CARE AND RESEARCH.—Section 107(b) of such Act is amended—

(1) in paragraph (2)(A), by inserting ''(including information on the number of inpatient stays and the number of outpatient visits through which such services were provided)'' after ''facility''; and

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

''(5) A description of the actions taken by the Secretary to foster and encourage the expansion of such research.''.

SEC. 7. ASSESSMENT OF USE BY WOMEN VETERANS OF DEPARTMENT HEALTH SERVICES.

(a) REPORTS TO UNDER SECRETARY FOR HEALTH.—The Center for Women Veterans of the Department of Veterans Affairs (established under section 509 of Public Law 103–446), in consultation with the Advisory Committee on Women Veterans, shall assess the use by women veterans of health services through the Department of Veterans Affairs, including counseling for sexual trauma and mental health services. The Center shall submit to the Under Secretary for Health of the Department of Veterans Affairs a report not later than April 1, 1997, and April 1 of each of the two following years, on—

(1) the extent to which women veterans described in section 1710(a)(1) of title 38, United States Code, fail to seek, or face barriers in seeking, health services through the Department, and the reasons therefor; and

(2) recommendations, if indicated, for encouraging greater use of such services, including (if appropriate) public service announcements and other outreach efforts.

(b) REPORTS TO CONGRESSIONAL COMMITTEES.—Not later than July 1, 1997, and July 1 of each of the two following years, the Secretary of Veterans Affairs shall submit to the Committees on Veterans' Affairs of the Senate and House of Representatives a report containing—

(1) the most recent report of the Center for Women Veterans under subsection (a);

(2) the views of the Under Secretary for Health on such report's findings and recommendations; and

(3) a description of the steps being taken by the Secretary to remedy any problems described in the report.

SEC. 8. MAMMOGRAPHY QUALITY STANDARDS.

(a) IN GENERAL.—(1) Subchapter II of chapter 73 of title 38, United States Code, is amended by adding after section 7320, as added by section 3(a), the following new section:

"§ 7321. Mammography quality standards

''(a) A mammogram may not be performed at a Department facility unless that facility is accredited for that purpose by a private nonprofit organization designated by the Secretary. An organization designated by the Secretary under this subsection shall meet the standards for accrediting bodies established under section 354(e) of the Public Health Service Act (42 U.S.C. 263b(e)).

''(b) The Secretary, in consultation with the Secretary of Health and Human Services, shall prescribe quality assurance and quality control standards relating to the performance and interpretation of mammograms and use of mammogram equipment and facilities of the Department of Veterans Affairs consistent with the requirements of section 354(f)(1) of the Public Health Service Act. Such standards shall be no less stringent than the standards prescribed by the Secretary of Health and Human Services under section 354(f) of the Public Health Service Act.

''(c)(1) The Secretary, to ensure compliance with the standards prescribed under subsection (b), shall provide for an annual inspection of the equipment and facilities used by and in Department health care facilities for the performance of mammograms. Such inspections shall be carried out in a manner consistent with the inspection of certified facilities by the Secretary of Health and Human Services under section 354(g) of the Public Health Service Act.

''(2) The Secretary may not provide for an inspection under paragraph (1) to be performed by a State agency.

''(d) The Secretary shall ensure that mammograms performed for the Department under contract with any non-Department facility or provider conform to the quality standards prescribed by the Secretary of Health and Human Services under section 354 of the Public Health Service Act.

''(e) For the purposes of this section, the term 'mammogram' has the meaning given such term in paragraph (5) of section 354(a) of the Public Health Service Act (42 U.S.C. 263b(a)).''.

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 7320, as added by section 3(b), the following new item:

''7321. Mammography quality standards.''.

(b) DEADLINE FOR PRESCRIBING STANDARDS.—The Secretary of Veterans Affairs shall prescribe standards under subsection (b) of section 7321 of title 38, United States Code, as added by subsection (a), not later than the end of the 120-day period beginning on the date of the enactment of this Act.

(c) IMPLEMENTATION REPORT.—The Secretary of Veterans Affairs shall submit to the Committees on Veterans' Affairs of the Senate and House of Representatives a report on the Secretary's implementation of section 7321 of title 38, United States Code, as added by subsection (a). The report shall be submitted not later than 120 days after the later of (1) the date on which the Secretary prescribes the quality standards required under subsection (b) of that section, or (2) the date of the enactment of this Act.

SEC. 9. PATIENT PRIVACY FOR WOMEN PATIENTS.

(a) IDENTIFICATION OF DEFICIENCIES.—The Secretary of Veterans Affairs shall conduct a survey of each medical center under the jurisdiction of the Secretary to identify deficiencies relating to patient privacy afforded to women patients in the clinical areas at each such center which may interfere with appropriate treatment of such patients.

(b) CORRECTION OF DEFICIENCIES.—The Secretary shall ensure that plans and, where appropriate, interim steps, to correct the deficiencies identified in the survey conducted under subsection (a) are developed and are incorporated into the Department's construction planning processes and given a high priority.

(c) REPORTS TO CONGRESS.—The Secretary shall compile an annual inventory, by medical center, of deficiencies identified under subsection (a) and of plans and, where appropriate, interim steps, to correct such deficiencies. The Secretary shall submit to the Committees on Veterans' Affairs of the Senate and House of Representatives, not later than October 1, 1997, and not later than October 1 each year thereafter through 1999 a report on such deficiencies. The Secretary shall include in such report the inventory compiled by the Secretary, the proposed corrective plans, and the status of such plans.

SEC. 10. MODIFICATION OF RESTRICTIONS ON REAL PROPERTY, MILWAUKEE COUNTY, WISCONSIN.

(a) MODIFICATION OF REVERSIONARY INTEREST.—The Secretary of Veterans Affairs is authorized to execute such instruments as may be necessary to modify the conditions under which the land described in subsection (b) will revert to the United States so as—

(1) to permit Milwaukee County, Wisconsin, to grant all or part of such land to another party with a condition on such grant that the grantee use such land only for civic and recreational purposes; and

(2) to provide that the conditions under which title to all or any part of such land reverts to the United States are stated so that any such reversion would occur at the option of the United States.

(b) DESCRIPTION OF LAND.—The land covered by this section is the tract of 28 acres of land, more or less, conveyed to Milwaukee County, Wisconsin, pursuant to the Act entitled ''An Act authorizing the Administrator of Veterans' Affairs to convey certain property to Milwaukee County, Wisconsin'', approved August 27, 1954 (68 Stat. 866).

(c) GENERAL AUTHORITIES.—The Secretary may carry out this section subject to such terms and conditions (including reservations of rights for the United States) as the Secretary considers necessary to protect the interests of the United States. In carrying out this section, the Secretary may eliminate any existing covenant or restriction with respect to the tract of land described in subsection (b) which the Secretary determines to be no longer necessary to protect the interests of the United States.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Arizona [Mr. STUMP] and the gentleman from Mississippi [Mr. MONTGOMERY] will each control 20 minutes.

The Chair recognizes the gentleman from Arizona, [Mr. STUMP].

(Mr. STUMP asked and was given permission to revise and extend his remarks.)

GENERAL LEAVE

Mr. STUMP. Mr. Speaker, I ask unanimous consent all Members have 5 legislative days to revise and extend their remarks and include extraneous material on H.R. 3643, as amended.

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

There was no objection.

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

Mr. Speaker, H.R. 3643 extends for 2 years expiring authorities for the VA to provide priority health care to Persian Gulf veterans and veterans exposed to agent orange.

This bill makes VA's authority to provide priority care to veterans exposed to ionizing radiation permanent.

It also contains additional provisions which will be explained by the subcommittee chairman momentarily, and I urge my colleagues to support this bill.

I want to thank my good friend, SONNY MONTGOMERY, the ranking minority members of the full committee for his work on this measure. Before yielding to him, I also want to thank TIM HUTCHINSON, chairman of the Sub-Committee on Hospitals and Health Care, and CHET EDWARDS, the ranking minority member on the subcommittee.

Additionally, Mr. Speaker, CORRINE BROWN and JACK QUINN, both members of the VA Committee, should be commended for their contributions to the bill.

I also want to recognize LANE EVANS for bringing provisions to the VA Committee's attention which are needed to modify the title restrictions in a 1954 VA land conveyance to the county of Milwaukee.

Mr. Speaker, I yield such time as he may consume to the gentleman from Arkansas [Mr. HUTCHINSON].

Mr. HUTCHINSON. Mr. Speaker, I rise in strong support of H.R. 3643, legislation to extend through December 31, 1998, the period which the Secretary of Veterans Affairs is authorized to provide priority health care to certain veterans who were exposed to agent orange or who served in the Persian Gulf war and to make such authority permanent in the case of certain veterans exposed to ionizing radiation.

The Committee on Veterans' Affairs has demonstrated a long history of bipartisan support for those veterans who may have been exposed to chemical or environmental hazards during their service in the Southeast and Southwest Asian theaters of war. specifically, the bill extends priority health care to agent orange and Persian Gulf veterans to December 31, 1998.

With regard to agent orange, this bill incorporates those provisions accepted by the full committee in the last session and were dropped out during conference with the Senate. As you may

remember, the provisions recognize the categorical list of diseases and their respective association with agent orange exposure to provide priority health care for veterans suffering from diseases in the first three of the five categories. The provisions neither alter nor have any bearing on the recent decision of the Secretary to presumptively service-connected veterans with prostate cancer and peripheral neuropathy.

The bill also makes permanent priority health care for radiation-exposed veterans and creates a VA committee on the care of severely chronically mentally ill veterans and centers for mental illness research, education, and clinical activities. This provision, originally introduced by subcommittee Ranking Member CHET EDWARDS, would require that committee members be VA employees with expertise in the care of the chronically mentally ill and that it submit annual reports to the House and Senate Veterans' Affairs Committees on ways of improving care to this priority treatment group. Over 40 percent of VA's patients are treated for mental health problems.

The bill would also require the VA to establish centers of excellence in mental illness research and clinical activities with the acronym MIRECC. The purpose of the MIRECC's would be to facilitate the improvement of health care services for veterans suffering from mental illness, especially from conditions which are service-related, and to develop improved models for the furnishing of clinical services. MIRECC's would be modeled after the successful Geriatric Research, Education, and Clinical Centers [GRECC's].

Under the provisions of this bill, the VA is authorized to appropriate the amount of $3,125 million for fiscal year 1998 and $6.25 million for the fiscal years 1999–2001.

The bill also makes technical changes to title 38 to facilitate the training of physicians and dentists in any VA facility and suspends special pay agreements for physicians and dentists who enter residency training programs.

Two amendments which encompass the committee's bipartisan concern for veterans were added to the bill during the Subcommittee on Hospitals and Health care markup.

The first amendment, offered by my friend and colleague JACK QUINN, provides that those veterans who served in Turkey and Israel during the time period of August 2, 1990, to July 31, 1991, be included in the definition of Persian Gulf veterans for the purpose of priority health care. The Department of Defense has estimated that approximately 8,145 veterans served in Israel and Turkey during the 11-month period. Under the current definition of the gulf war theater, these veterans are excluded and therefore not eligible for priority health care as provided under this bill.

JACK has also been a leader in the fight for mammography sceening at VA facilities, and has introduced legislation which has been incorporated into the second amendment, offered by Congresswoman CORRINE BROWN, which would reinstate reporting requirements through 1998 on the number of women who receive VA health care services; requires VA to assess barriers that may prevent women veterans from receiving proper health care; and identifies patient privacy deficiencies and makes recommendations on the correction of existing deficiencies. It also requires VA to adopt the same mammography standards used by the private sector and HHS. Finally, it directs that the mental health needs of women veterans who are chronically mentally ill be addressed by the Committee on the Care of Severely Chronically Mentally Ill Veterans.

The hard work of Mr. QUINN and Ms. BROWN is invaluable and I appreciate all they did to strengthen this bill.

I would also like to recognize the bipartisan efforts of LANE EVANS and GERALD KLECZKA, who have worked hard to ensure that language which would transfer VA land to the State of Wisconsin to facilitate the building of a new Milwaukee Brewers stadium is included in the bill.

Finally, I would like to extend my heartfelt thanks to Committee Chairman BOB STUMP, Ranking Member SONNY MONTGOMERY, and subcommittee Ranking Member CHET EDWARDS for all the hard work they have done in ensuring that this bill is brought to the floor today.

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

Mr. Speaker, I would like to point out that the gentleman from New York [Mr. GILMAN] is not a member of our committee but he always comes over when we have bills on the floor about veterans and makes some comments. The gentleman from Arizona [Mr. STUMP] and I are very appreciative that he takes that time and interest.

This bill is the result of the excellent work done by our Subcommittee on Hospitals and Health Care. At one time, the Honorable John Paul Hammerschmidt and I served as ranking member and chairman of this subcommittee. Today, Representative TIM HUTCHINSON, who serves in the seat which Mr. Hammerschmidt used to hold, is the chairman of the subcommittee, and CHET EDWARDS of Texas whose district includes the Olin E. Teague VA hospital, is the ranking member.

The subcommittee oversees 173 medical centers, all of which provide outpatient care and inpatient care. At 131 of these medical centers, the Veterans Health Administration also operates a nursing home care unit. In addition to these facilities, there are 391 independent, satellite, community based, rural outreach or mobile clinics operated by VHA, and this number should grow in future years as VHA tries to make VA care more convenient for veterans.

For my colleagues who may not know how important the VA health care system is to veterans, let me recite a few numbers from the most recent national survey of veterans.

The VA treated 64 percent of the most seriously disabled service-connected veterans who needed hospital care.

Almost half of the veterans with no health insurance, and 44 percent of veterans with incomes below $10,000, were treated by VA if they needed hospital care.

There are very significant changes taking place inside the veterans medical system. The Under Secretary for Health, Dr. Kenneth Kizer, is really shaking up the way things are done. He's trying to make sure the veterans are satisfied with the health care that VA provides them. Even at a time when the VA medical budget is under some pressure, Dr. Kizer assures us that he can serve the same number of veterans with fewer employees

The chairman of the committee, my good friend BOB STUMP, has been very supportive of the needs of veterans, and I wash to commend him for his leadership of the committee. He has continued to work with me and other members on both sides of the aisle to report legislation which will improve the services provided to veterans.

This bill, H.R. 3643, as amended, is an example of the bipartisan work of our committee. It includes provisions to extend the authority to provide health care to Vietnam veterans and Persian Gulf veterans, and includes an expansion of that authority suggested by Mr. QUINN for service members who served in Israel or Turkey during the Persian Gulf war. The bill also includes several provisions authored by my colleague from Florida, Ms. CORINNE BROWN, dealing with the special health care needs of women veterans.

Mr. Speaker, this bill also includes a provision which would resolve a technical problem clouding the future use of a 28-acre parcel of land conveyed by the VA to Milwaukee County, WI, as authorized by statute in 1954, for recreational and other purposes. The terms of that conveyance provided that if the county were to attempt to transfer title to a third party, title would automatically revert back to the VA. Unlike two other adjacent parcels of land previously transferred from VA to the county, the deed of conveyance made no provision for reversion ''at the option of the United States''.

A major league baseball stadium was constructed on the site made up of these three parcels of land. In October 1995, the State legislature of Wisconsin authorized financing and construction of a new stadium to replace the existing stadium on the site. That legislation requires Milwaukee County to convey all three tracts of land to the State.

That proposed conveyance raised a question of law as to whether, under such a transfer, the three tracts would

revert back to the United States under the terms of the earlier conveyances. As described by the Department of Veterans Affairs' General Counsel, a ''reversionary interest is a property right that runs with the land* * *'' and the Secretary lacks the authority to waive or otherwise extinguish the right of reversion. With respect to the parcels VA conveyed in 1949, however, the deed of conveyance provides for reversion, in the event of alienation of any part of the tract, at the option of the United States. The General Counsel concluded, in a February 2, 1996, memorandum opinion, that ''the Secretary of the VA has authority to exercise the option of the right of reversion on behalf of the United States, and the concomitant discretion to decline the option.'' The General Counsel further concluded, however, with respect to the property conveyed in 1954, that the law gives VA no discretion and a reversion would be automatic.

The Department of Veterans Affairs has advised, with respect to its authority to weigh the option of reversion regarding the two parcels, that it will not exercise the option in favor of reversion back to the United States so long as the existing statutory restrictions on use are followed. The Department has further advised that in the event that legislation is introduced to modify the deed restrictions, the VA would not object to releasing the properties from the restriction against alienation.

While recent press reports indicate success in developing other elements of a financing plan for the proposed new stadium, legislation is clearly needed to enable the county to transfer the 28-acre tract, which would otherwise revert to the United States, to the State of Wisconsin.

Section 10 of the amended bill would authorize the Secretary of Veterans Affairs to execute such instruments as may be needed to modify the conditions under which VA conveyed the 28-acre tract to Milwaukee County in 1954. Such authorization would permit the county to grant all or part of the land to another party, subject to the condition that the land be used only for civic and recreational purposes, and to provide that any reversion to the United States would occur at the option of the United States. The measure would also provide that the Secretary may carry out this provision subject to such terms and conditions as the Secretary considers necessary to protect the interests of the United States.

Also included, are provisions suggested by the ranking member, Mr. EDWARDS, which would improve the VA's treatment of mentally ill veterans.

Mr. Speaker, veterans with mental illness are five times more likely to use VA for health care services than the rest of the veteran population. This bill calls for VA to establish a committee of experts to assess its mental health programs and make recommendations for improvement. It also authorizes the establishment of up to five centers of excellence that would provide mental health research, education and clinical care.

□ 1330

Mr. Speaker, I yield 2 minutes to the gentleman from Illinois [Mr. EVANS].

Mr. EVANS. Mr. Speaker, the extension of priority care for veterans who were exposed to agent orange reflects the compromise reached in the Veterans' Affairs Committee last year on this issue. I must admit that I was not completely satisfied with the legislation and I still have reservations. Specifically, I still believe that we should be covering all of the categories in the Agent Orange Act of 1991.

However, I still believe, as I did last year, that this is a solid compromise which will ensure that the health care needs of deserving Vietnam veterans will be met. The recent release of the Institute of Medicine's report on agent orange only reaffirms that we must continue to honor the health care needs of our Vietnam veterans.

I would again like to thank Chairman STUMP, Mr. EDWARDS, Mr. HUTCHINSON, and Mr. MONTGOMERY for their efforts last year to work out legislation which I feel protects the rights of veterans. The rest of legislation, which also provides for our Persian Gulf war and atomic veterans, is right on target and should be supported by all of my colleagues.

Mr. STUMP. Mr. Speaker, I yield 3 minutes to the gentleman from New York [Mr. GILMAN], the chairman of the Committee on International Relations.

(Mr. GILMAN asked and was given permission to revise and extend his remarks.)

Mr. GILMAN. Mr. Speaker, I am pleased today to rise in support of H.R. 3643, extending benefits to veterans who have been exposed to agent orange, and I commend the gentleman from Arizona, the distinguished chairman of our Committee on Veterans' Affairs, and the gentleman from Mississippi, the distinguished ranking minority member, Mr. MONTGOMERY, for bringing this measure to the floor at this time, and I thank the gentleman from Mississippi for his kind remarks.

This legislation provides for the extension of much needed assistance to those veterans who have contracted health problems due to their exposure to radiation in World War II, to exposure to agent orange in Vietnam or to their service in the Persian Gulf.

Mr. Speaker, specifically, this measure extends through December 31, 1998, health care benefits to veterans suffering long-term side effects of exposure to agent orange as well as for those veterans suffering health problems from their service in the Persian Gulf.

Most important, it also recognizes the National Academy of Sciences categorical list of diseases and their respective association to agent orange exposure and provides priority health care for veterans from diseases in the first three categories.

In doing this, this bill gives the veterans the benefit of the doubt, allowing treatment for any disease conceivably related to wartime herbicide exposure unless scientific evidence clearly shows that no association exists. Additional conditions may be added for coverage at the VA secretary's discretion, if based upon credible evidence of an association.

This legislation also extends through 1997 the VA policy of offering care to veterans suffering from ailments that may have been caused by exposure to ionized radiation during atomic weapons testing after World War II.

Finally, this bill extends the authority of the VA to provide health care on a priority basis for Persian Gulf veterans through December 31, 1998, and extends coverage to those veterans serving in Israel and Turkey during the conflict.

Mr. Speaker, this legislation addresses many longstanding critical issues in veterans' health care and is a fitting response to the service provided by these dedicated veterans on behalf of their country.

Mr. MONTGOMERY. Mr. Speaker, I yield 2 minutes to the gentleman from Wisconsin [Mr. KLECZKA].

Mr. KLECZKA. Mr. Speaker, let me thank the gentleman from Mississippi [Mr. MONTGOMERY] for yielding time to me.

Let me echo the remarks of my friend, the gentleman from New York [Mr. GILMAN], in support of H.R. 3643. Not only does the bill provide priority health care for those veterans who were exposed to a agent orange, but also broadens the definition for the veterans who served in the Persian Gulf.

I think a more important portion of the bill requires the Veterans' Administration to promulgate mammography quality standards for our service men and women.

The last portion of the bill, which I asked be inserted, and I want to thank the gentleman from Arizona [Mr. STUMP] and the minority leaders, the gentleman from Mississippi [Mr. MONTGOMERY] and the gentleman from Illinois [Mr. EVANS], my friends, for helping me out on this; the situation is that in Milwaukee County the current baseball stadium lies on three parcels of land owned by the Veterans' Administration. Two of the parcels were transferred way back in 1948, and the third was transferred in 1954.

Now there is a new stadium being contemplated, the financing is almost put together on the new ball park, and we found that two of the parcels already have been transferred by the Secretary's authority. The third needed congressional legislation.

The provision in the bill today provides that since the use is going to be the same, for a public purpose, that the Veterans' Administration Secretary, at his authority or on his authority, can

transfer the land. I want to thank the chairman for helping us out on this situation.

Mr. STEARNS. Mr. Speaker, the legislation we consider today, H.R. 3643, is a credit to the Veterans Committee. I want to compliment both Chairman BOB STUMP and ranking minority member Representative SONNY MONTGOMERY for the bipartisan spirit they have shown in getting this bill to the House floor. This bill extends priority health care for veterans exposed to agent orange and those who served in the Persian Gulf war through December 31, 1998.

Mr. Speaker, my commitment to providing priority health care to the Vietnam veterans who were exposed to agent orange and to those who served in gulf war is longstanding. As you know, I have long supported efforts to find a link between exposure to agent orange and the plethora of illnesses which have occurred in Vietnam veterans.

With respect to what has been known as the gulf war syndrome, I took a deep interest in requesting that we aggressively seek answers to the many unexplained illnesses experienced by gulf war veterans. One of first casualties of this mysterious group of disease was a constituent of mine, Michael C. Adcock of Ocala, FL, who died at the age of 22 after serving in Operation Desert Storm.

After returning home from the gulf war, Michael suffered from a number of symptoms which had befallen many other gulf war veterans, including persistent nausea, skin rashes, aching joints, hair loss, bleeding gums, blurred vision, and lack of energy, among others.

Michael died in 1993, 3 years after coming home from the Desert Storm operation. We are still looking for answers to the causes of this mysterious syndrome which appears to be indigenous to those who served in the gulf war.

I think we all know how terribly urgent it is that we continue with our research efforts until we find the answer to the cause for this syndrome which is so ubiquitous to veterans of Desert Storm.

In light of the controversy surrounding unexplained illnesses Desert Storm veterans are experiencing, the VA, DOD, NIH, and HHS have been conducting extensive research into possible causes of the unexplained illnesses associated with this military campaign.

On March 19, 1995, Dr. Kizer testified that the VA would be initiating a national survey of Persian Gulf veterans and that this study that would involve selecting a random sample of 15,000 Persian Gulf veterans and 15,000 contemporaneous non-Persian Gulf era veterans. The survey would include a mail-in health questionnaire as well as physical examinations for a subgroup of those veterans included in a broader survey. Hopefully, the data collected will shed further light and provide us with additional clues surrounding the various illnesses being experienced by the men and women who served in Desert Storm.

I believe the results of the VA mortality followup study comparing Persian Gulf veterans with a control group of Persian-Gulf-era veterans could produce some answers to several troubling questions.

I am optimistic that through such efforts we might find the missing link that will explain this rash of perplexing illnesses which seem to be indigenous to these particular veterans. We all know how invaluable the research being conducted is and the need to find answers as to what is causing thousands of gulf war veterans to be plagued by a rash of unexplained symptoms.

I hope that the DOD and the VA will continue to both aggressively treat symptoms associated with Desert Storm syndrome and investigate its cause or causes.

My reason for sounding skeptical is that the medical follow up agency of medicine [IOM] made an independent study of the collective efforts to date. The IOM was rather harsh in its evaluation of the piecemeal study and the duplication of efforts between DOD, VA, and HHS. The IOM made several suggestions regarding the data and databases, the coordination process, and the consideration of study design needs. Hopefully, implementation of these suggestions will prove beneficial.

I also noted that the IOM concluded that it could not find any reliable intelligence of medical or biological justification for allegations that U.S. troops were exposed to chemical warfare agencies. Unfortunately, this seems to be at odds with statements from our troops both then and now.

On March 14, 1996, ''Veterans and Agent Orange: Update 1996'' found sufficient evidence between herbicide exposure and soft tissue sarcoma, non-Hodgkin's lymphoma, Hodgkin's disease, chloracne, and porphyria cutanea tarda. The primary focus in these updated studies was whether or not there is a connection between birth defects of children of those servicemen who were sprayed with herbicides while serving in Vietnam. Previous studies conducted by the National Academy of Sciences for the Department of Veterans Affairs at the direction of Congress found a link between agent orange and that at certain levels it caused a plethora of cancers and other health hazards.

It is my hope that further studies may be conducted so that we have a final pronouncement as to whether or not agent orange is culpable for causing such deformities in children born to Vietnam veterans. This bill would also establish five centers of excellence for mental illness, research, education and clinical activities [MIRECC]. I have long advocated that we provide our veterans with access to mental health services and care. In fact, I proposed a 120-bed psychiatric unit be a component of the ambulatory care addition in Gainesville. While I am gratified by the fact the VA in Gainesville just received a $19.8 million grant for this ambulatory care center, I suggest here today that one of these proposed centers, be housing in the VA in Gainesville, FL.

Another important component of this bill is that it requires VA to promulgate mammography quality standards, and it also directs the VA to report to Congress and efforts being made by the Department to ensure privacy and safety for women veterans who require hospitalization for psychiatric reasons.

Mr. Speaker, I strongly support this important legislation and urge my colleagues to give it their full support and pass this bill today.

Mrs. SMITH of Washington. Mr. Speaker, I rise today in strong support of H.R. 3643. This legislation will provide priority health care for Persian Gulf veterans suffering from the gulf war syndrome. In addition, this bill ensures our commitment to these veterans by providing funding to establish five centers for mental illness research, education and clinical activities, and improve VA health care services for women veterans.

Mr. Speaker, I recently had the opportunity to read some disturbing testimony from the Department of Defense at the House Government Reform and Oversight Committee hearing on the gulf war syndrome. The Pentagon admitted that when an Army unit blew up an Iraqi ammunition depot, soldiers might have been exposed to nerve gas. This announcement may help explain some of the mysterious illnesses reported by Americans who served in the gulf.

I will continue to do all that I can to ensure that VA resources are focused and coordinated to yield answers for Persian Gulf veterans. I will not tolerate the Federal Government dragging its feet for the fear of the financial consequences as it did with agent orange. This bill sends a message that we will not abandon our soldiers when they get in harm's way. Mr. Speaker, I urge my colleagues to support this important legislation.

Mr. EDWARDS. Mr. Speaker, H.R. 3643, as amended, is an omnibus health care bill which tackles a broad spectrum of issues affecting special veteran populations—women, veterans exposed to toxic and hazardous substances, and veterans suffering with chronic mental illness.

Mr. Speaker, I'm very pleased that this bill includes two provisions I introduced last year. One calls for VA to establish a committee of experts to assess its mental health programs and make recommendations for improvements. The other authorizes appropriations for VA to establish up to five centers of excellence that would provide mental health research, education, and clinical care.

Mr. Speaker, I think it's important to appreciate that more than 50 percent of all eligible veterans who suffer from severe mental illness rely on VA for care; that's more than five times the proportion of veterans in the general population who use VA for any health care. The Department reports that 64 percent of those veterans are service-connected for a psychiatric condition. I believe these data underscore the importance of VA mental health programs, and the need for this legislation.

I urge Members to support H.R. 3643.

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

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

The SPEAKER pro tempore (Mr. GUTKNECHT). The question is on the motion offered by the gentleman from Arizona [Mr. STUMP] that the House suspend the rules and pass the bill, H.R. 3643, as amended.

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

A motion to reconsider was laid on the table.

VETERANS' COMPENSATION AND READJUSTMENT BENEFITS AMENDMENTS OF 1996

Mr. STUMP. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3673) to amend title 38, United States Code, to revise and improve certain veterans programs and benefits, to authorize the American Battle Monuments Commission to enter into arrangements for the repair and long-term

maintenance of war memorials for which the Commission assumes responsibility, and for other purposes, as amended.

The Clerk read as follows:

H.R. 3673

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

SECTION 1. SHORT TITLE; REFERENCES TO TITLE 38, UNITED STATES CODE.

(a) SHORT TITLE.—This Act may be cited as the ''Veterans' Compensation and Readjustment Benefits Amendments of 1996''.

(b) REFERENCES.—Except as otherwise expressly provided, whenever in this Act an amendment is expressed in terms of an amendment to a section or other provision, the reference shall be considered to be made to a section or other provision of title 38, United States Code.

TITLE I—VETERANS COMPENSATION BENEFITS

SEC. 101. PRESUMPTION THAT BRONCHIOLO-ALVEOLAR CARCINOMA IS SERVICE-CONNECTED.

Section 1112(c)(2) is amended by adding at the end the following new subparagraph:

''(P) Bronchiolo-alveolar carcinoma.''.

SEC. 102. PRESUMPTION OF PERMANENT AND TOTAL DISABILITY FOR VETERANS OVER AGE 65 WHO ARE NURSING HOME PATIENTS.

Section 1502(a) is amended by inserting ''is 65 years of age or older and a patient in a nursing home or, regardless of age,'' after ''such a person''.

SEC. 103. PILOT PROGRAM FOR USE OF CONTRACT PHYSICIANS FOR DISABILITY EXAMINATIONS.

(a) AUTHORITY.—The Secretary of Veterans Affairs may conduct a pilot program under this section under which examinations with respect to medical disability of applicants for benefits under laws administered by the Secretary that are carried out through the Under Secretary for Benefits may be made by persons other than employees of the Department of Veterans Affairs pursuant to contracts entered into with those persons.

(b) LIMITATION.—The Secretary may carry out the pilot program under this section through not more than 10 regional offices of the Department of Veterans Affairs.

(c) SOURCE OF FUNDS.—Payments for contracts under the pilot program under this section shall be made from amounts available to the Secretary of Veterans Affairs for payment of examinations of applicants for benefits.

(d) REPORT TO CONGRESS.—Not later than three years after the date of the enactment of this Act, the Secretary shall submit to Congress a report on the effect of the use of the authority provided by subsection (a) on the cost, timeliness, and thoroughness of medical disability examinations.

SEC. 104. LIMITATION ON CLOTHING ALLOWANCE FOR INCARCERATED VETERANS.

(a) PRO RATA REDUCTION.—Chapter 53 is amended by inserting after section 5313 the following new section:

''§ 5313A. Limitation on payment of clothing allowance to incarcerated veterans

''In the case of a veteran who is incarcerated in a Federal, State, or local penal institution for a period in excess of 60 days and who is furnished clothing without charge by the institution, the amount of an annual clothing allowance payable to such veteran under section 1162 of this title shall be reduced on a pro rata basis for each day on which the veteran was so incarcerated during the 12-month period preceding the date on which payment of the allowance would be due. This section shall be carried out under regulations prescribed by the Secretary.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 5313 the following new item:

''5313A. Limitation on payment of clothing allowance to incarcerated veterans.''.

SEC. 105. EXTENSION OF VETERANS' CLAIMS ADJUDICATION COMMISSION.

(a) EXTENSION OF TIME FOR SUBMISSION OF FINAL REPORT.—Section 402(e)(2) of the Veterans' Benefits Improvements Act of 1994 (Public Law 103–446; 108 Stat. 4659) is amended by striking out ''Not later than 18 months after such date'' and inserting in lieu thereof ''Not later than December 31, 1996''.

(b) FUNDING.—From amounts appropriated to the Department of Veterans Affairs for each of fiscal years 1996 and fiscal year 1997 for the payment of compensation and pension, the amount of $75,000 is hereby made available for the activities of the Veterans' Claims Adjudication Commission under title IV of the Veterans' Benefits Improvements Act of 1994 (Public Law 103–446; 108 Stat. 4659).

TITLE II—EDUCATION AND OTHER READJUSTMENT BENEFITS

SEC. 201. PERIOD OF OPERATION FOR APPROVAL.

(a) IN GENERAL.—(1) Chapter 36 is amended—

(A) by striking out section 3689; and

(B) by striking out the item relating to section 3689 in the table of sections at the beginning of chapter 36.

(2) Subparagraph (C) of section 3680A(d)(2) is amended by striking out ''3689(b)(6)'' and inserting in lieu thereof ''3680A(g)''.

(b) DISAPPROVAL OF ENROLLMENT IN CERTAIN COURSES.—Section 3680A is amended by adding after subsection (d) the following new subsections:

''(e) The Secretary shall not approve the enrollment of an eligible veteran in a course not leading to a standard college degree offered by a proprietary profit or proprietary nonprofit educational institution when—

''(1) the educational institution has been operating for less than two years;

''(2) the course is offered at a branch of the educational institution and the branch has been operating for less than two years; or

''(3) following either a change in ownership or a complete move outside its original general locality the educational institution does not retain substantially the same faculty, student body, and courses, as determined in accordance with regulations the Secretary shall prescribe, as before the change in ownership or the move outside the general locality.

''(f) The Secretary shall not approve the enrollment of an eligible veteran in a course as a part of a program of education offered by an educational institution when the course is provided under contract by another educational institution or entity and—

''(1) the Secretary would be barred under subsection (e) from approving the enrollment of an eligible veteran in the course of the educational institution or entity providing the course under contract; or

''(2) the educational institution or entity providing the course under contract has not obtained approval for the course under this chapter.

''(g) Notwithstanding subsections (e) and (f), the Secretary may approve the enrollment of an eligible veteran in a course approved under this chapter if the course is offered by an educational institution under contract with the Department of Defense or the Department of Transportation and is given on or immediately adjacent to a military base, Coast Guard station, National Guard facility, or facility of the Selected Reserve.''.

(c) APPROVAL OF ACCREDITED COURSES.—Subsection (b) of section 3675 is amended to read as follows:

''(b) As a condition of approval under this section, the State approving agency must find the following:

''(1) Adequate records, as prescribed by the State approving agency, are kept by the educational institution to show the student's progress and grades and that satisfactory standards relating to progress and conduct are enforced.

''(2) The educational institution maintains a written record of the previous education and training of the eligible person or veteran that clearly indicates that appropriate credit has been given by the educational institution for previous education and training, with the training period shortened proportionately.

''(3) The educational institution and its approved courses meet the criteria of paragraphs (1), (2), and (3) of section 3676(c) of this title.''.

SEC. 202. ELIMINATION OF DISTINCTION BETWEEN OPEN CIRCUIT TV AND INDEPENDENT STUDY.

(a) VETERANS' EDUCATIONAL ASSISTANCE PROGRAM.—Subsection (f) of section 3482 is amended by striking out ''in part''.

(b) SURVIVORS' AND DEPENDENTS' EDUCATIONAL ASSISTANCE.—Section 3523 is amended—

(1) in subsection (a)(4), by inserting ''(including open circuit television)'' after ''independent study program'' the second place it appears; and

(2) in subsection (c), by striking out ''radio'' and all that follows through the end and inserting in lieu thereof ''radio.''.

(c) ADMINISTRATION OF EDUCATIONAL BENEFITS.—Subsection (c) of section 3680A is amended by striking out ''radio'' and all that follows through the end and inserting in lieu thereof ''radio.''.

SEC. 203. MEDICAL QUALIFICATIONS FOR FLIGHT TRAINING.

(a) CHAPTER 30 AND 32 PROGRAMS.—Sections 3034(d)(2) and 3241(b)(2) are each amended by inserting before the semicolon at the end the following: ''on the first day of such training and within 60 days after successfully completing such training''.

(b) SELECTED RESERVE.—Paragraph (2) of section 16136(c) of title 10, United States Code, is amended by inserting before the period at the end the following: ''on the first day of such training and within 60 days after successfully completing such training''.

SEC. 204. COOPERATIVE PROGRAMS.

(a) CHAPTER 30.—Section 3032 of chapter 30 is amended by striking out subsection (d) and redesignating subsections (e) and (f) as subsections (d) and (e), respectively.

(b) CHAPTER 32.—Section 3231 of chapter 32 is amended by striking out subsection (d) and redesignating subsections (e) and (f) as subsections (d) and (e), respectively.

(c) CHAPTER 35.—Subsection (b) of section 3532 is amended by striking out ''$327'' and inserting in lieu thereof ''$404''.

(d) CHAPTER 106.—Section 16131 of title 10, United States Code, is amended—

(1) by striking out subsection (e) and redesignating subsections (f), (g), (h), (i), and (j) as subsections (e), (f), (g), (h), and (i), respectively; and

(2) in subsection (b)(1), by striking out ''(g)'' and inserting in lieu thereof ''(f)''.

SEC. 205. EXTENSION OF ENHANCED LOAN ASSET SALE AUTHORITY.

Paragraph (2) of section 3720(h) is amended by striking out ''December 31, 1996'' and inserting in lieu thereof ''December 31, 1997''.

SEC. 206. EXTENSION OF AUTHORITY FOR THE HOMELESS VETERANS' REINTEGRATION PROJECTS.

(a) IN GENERAL.—Paragraph (1) of section 738(e) of the Stewart B. McKinney Homeless

Assistance Act (42 U.S.C. 11448(e)(1)) is amended by adding at the end the following:

''(E) $10,000,000 for fiscal year 1997.

''(F) $10,000,000 for fiscal year 1998.

''(G) $10,000,000 for fiscal year 1999.''.

(b) REPEAL OF CERTAIN EXTENSION.—Paragraph (2) of section 102(d) of the Act entitled ''An Act to amend title 38, United States Code, to extend the authority of the Secretary of Veterans Affairs to carry out certain programs and activities, to require certain reports from the Secretary of Veterans Affairs, and for other purposes'', approved February 13, 1996 (Public Law 104–110; 110 Stat. 769), is repealed, and the provisions of section 741 of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11450) are amended so as to appear as in effect immediately before the enactment of Public Law 104–110.

TITLE III—OTHER MATTERS

SEC. 301. REPAIR AND LONG-TERM MAINTENANCE OF WAR MEMORIALS.

Section 5(b)(2) of the Act of March 4, 1923 (36 U.S.C. 125(b)(2)), is amended—

(1) by inserting ''(A)'' after ''(2)''; and

(2) by adding at the end the following:

''(B) In assuming responsibility for a war memorial under paragraph (1), the Commission may enter into arrangements with the sponsors of the memorial to provide for the repair or long-term maintenance of the memorial. Any funds transferred to the Commission for the purpose of this subparagraph shall, in lieu of subparagraph (A), be deposited by the Commission in the fund established by paragraph (3).

''(3)(A) There is established in the Treasury a fund which shall be available to the Commission for expenses for the maintenance and repair of memorials with respect to which the Commission enters into arrangements under paragraph (2)(B). The fund shall consist of (i) amounts deposited, and interest and proceeds credited, under subparagraph (B), and (ii) obligations obtained under subparagraph (C).

''(B) The Commission shall deposit in the fund such amounts from private contributions as may be accepted under paragraph (2)(B). The Secretary of the Treasury shall credit to the fund the interest on, and the proceeds from sale or redemption of, obligations held in the fund.

''(C) The Secretary of the Treasury shall invest any portion of the fund that, as determined by the Commission, is not required to meet current expenses. Each investment shall be made in an interest bearing obligation of the United States or an obligation guaranteed as to principal and interest by the United States that, as determined by the Commission, has a maturity suitable for the fund.''.

SEC. 302. BURIAL BENEFITS FOR CERTAIN VETERANS WHO DIE IN STATE NURSING HOMES.

Subsection (a) of section 2303 is amended to read as follows:

''(a)(1) When a veteran dies in a facility described in paragraph (2), the Secretary shall—

''(A) pay the actual cost (not to exceed $300) of the burial and funeral or, within such limits, may make contracts for such services without regard to the laws requiring advertisement for proposals for supplies and services for the Department; and

''(B) when such a death occurs in a State, transport the body to the place of burial in the same or any other State.

''(2) A facility described in this paragraph is—

''(A) a Department facility (as defined in section 1701(4) of this title) to which the deceased was properly admitted for hospital, nursing home, or domiciliary care under section 1710 or 1711(a) of this title; or

''(B) an institution at which the deceased veteran was, at the time of death, receiving—

''(i) hospital care in accordance with section 1703 of this title;

''(ii) nursing home care under section 1720 of this title; or

''(iii) nursing home care pursuant to payments made under section 1741 of this title.''.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Arizona [Mr. STUMP] and the gentleman from Mississippi [Mr. MONTGOMERY] will each control 20 minutes.

The Chair recognizes the gentleman from Arizona [Mr. STUMP].

GENERAL LEAVE

Mr. STUMP. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous materials on H.R. 3673.

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

There was no objection.

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

(Mr. STUMP asked and was given permission to revise and extend his remarks.)

Mr. STUMP. Mr. Speaker, H.R. 3673, the veterans' compensation and readjustment benefits amendments of 1996, makes various improvements to VA disability programs, education benefits, and administration of the home loan program.

It also reauthorizes the Homeless Veterans Reintegration Project and authorizes the American Battle Monuments Commission to accept private funds for maintenance of overseas memorials transferred to the Commission.

Additionally, H.R. 3673, expands eligibility for burial benefits to certain veterans who die in State veterans nursing homes.

I urge my colleagues to support this bill.

Again Mr. Speaker, I want to express my appreciation to the ranking minority member of the full committee.

I also want to thank TERRY EVERETT, STEVE BUYER, LANE EVANS, and BOB FILNER, the respective chairmen and ranking minority members on the subcommittees with jurisdiction over these provisions.

Mr. Speaker, I also want to recognize CHRIS SMITH, the vice chairman of the Veterans' Affairs Committee for his leadership in adding another presumptive disability condition for radiation-exposed veterans.

Mr. Speaker, I yield such time as he may consume to the gentleman from Alabama [Mr. EVERETT].

Mr. EVERETT. Mr. Speaker, H.R. 3673 contains program improvements for several veterans benefits.

Section 101 adds bronchiolo-alveolar carcinoma to the presumptive list of service connected illnesses presumed to be the result of radiation-exposure.

Section 102 provides a presumption of permanent and total disability for veterans over the age of 65 who are nursing home patients.

Section 103 establishes a pilot program under which contract physicians would provide disability examinations to applicants for VA benefits. This pilot program is anticipated to speed up the examination-gathering process for the adjudication of claims.

Section 104 would limit the clothing allowance for veterans incarcerated for more than 60 days in a penal institution where they receive clothing at no cost.

Section 105 extends the time for the Veterans' Claims Adjudication Commission to submit a final report to December 31, 1996 and authorizes an additional $150,000 to complete their work.

Section 201 removes the GI bill's 2-year restriction on all degree granting institutions, including branch campuses.

Section 202 would allow individuals the opportunity to pursue their educational programs through open circuit TV without taking part of the course in residence.

Section 203 would permit payment of educational benefits for flight training provided the veterans meets the medical requirements for a commercial pilot's certificate at the beginning of training and within 60 days after completion of training.

Section 204 allows veterans training under cooperative training programs to be paid full-time educational benefits instead of the current 80 percent of the full-time educational benefit rate. Cooperative education is an increasingly popular and effective approach to education and this change will make these programs more affordable.

Section 205 extends VA's authority to guarantee the real estate mortgage investment conduits [REMIC's] that are used to market vendee loans on the secondary market for an additional year.

Section 206 extends the homeless veterans reintegration project [HVRP] through fiscal year 1999 and authorize appropriations in the amount of $10 million per year. The homeless veterans reintegration project is a Veterans Employment and Training Service program to assist homeless veterans with finding employment.

Section 301 authorizes the American Battle Monuments Commission to accept private funds to help maintain overseas war memorials transferred to the ABMC.

Section 302 authorizes VA to pay transportation expenses for the body and up to $300 in burial costs to reimburse State nursing homes for certain veterans who die in their care.

Mr. Speaker, I am pleased that we are able to offer these program improvements. This bill, along with the provisions in H.R. 3674 comprise a realistic package of benefits improvements and we've done it in a very bipartisan manner. I thank the distinguished chairman, the ranking member for their work and leadership. I urge my colleagues to support the bill.

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Mr. Speaker, I would like to thank the distinguished chairman of the full committee and the ranking member of the full committee, and also I would like to thank my ranking member, the gentleman from Illinois, LANE EVANS, for the outstanding work he has done with this bill.

I urge my colleagues to support the bill.

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

Mr. Speaker, H.R. 3673, as amended, has a number of good provisions which are designed to improve the administration of veterans benefits and make them easier for veterans to use. I want to commend Mr. EVERETT, Mr. EVANS, Mr. BUYER, and Mr. FILNER for working together to report these various provisions.

This bill includes several commonsense provisions, and it saves money. Almost everyone understands that veterans who are receiving long-term care in a nursing home and who are over 65 are not going to come back to the work force. If these veterans apply for the VA pension program, VA believes that there should be a presumption that they are permanently and totally disabled. This saves time and money in deciding their eligibility for this means-tested program, and is included in this bill.

This bill also makes a number of minor improvements in the laws governing the administration of the Montgomery GI bill. Our Subcommittee on Education, Training, Employment, and Housing, chaired by Congressman STEVE BUYER, has learned that changes in the education arena make the laws governing the provision of education assistance unreasonable or unnecessarily bureaucratic. Relaxing the 2-year rule and improving benefits for veterans enrolled in cooperative training programs are examples of the thoughtful provisions contained in this bill. Mr. BUYER and Ranking Member BOB FILNER, who is doing a great job in his new position as the ranking Democrat on this important subcommittee, have recommended some very necessary changes to the programs under their jurisdiction, and I commend them for their efforts.

Mr. Speaker, I yield 2 minutes to the gentleman from California, [Mr. FILNER] who has become the ranking member, and commend him for the fine job he is doing.

Mr. FILNER. Mr. Speaker, I thank the gentleman for his generosity in yielding time to me.

Mr. Speaker, I want Members to know how much I have enjoyed serving as ranking member on the subcommittee that has jurisdiction over the Montgomery GI bill and other issues of special interest to you.

Mr. Speaker, H.R. 3673 is a good bill, and I particularly want to express my strong support for the education and employment-related provisions contained in title II of this measure.

The chairman of the subcommittee has already fully explained the details of H.R. 3673, so I will not take up our time repeating that information. I do want to say, however, that I am particularly pleased that this bill includes the reauthorization of the Homeless Veterans Reintegration project. Under this very successful program, which is administered by the Veterans' Employment and Training Service in the Department of Labor, thousands of homeless veterans have been placed in permanent, substantial jobs.

I urge my colleagues to support H.R. 3673.

Mr. STUMP. Mr. Speaker, I am happy to yield 3 minutes to the gentleman from New York [Mr. GILMAN], chairman of the Committee on International Relations.

(Mr. GILMAN asked and was given permission to revise and extend his remarks.)

Mr. GILMAN. Mr. Speaker, I rise today in strong support of H.R. 3673, the Veterans' Compensation and Readjustment Benefits Amendments, and I commend the gentleman from Arizona [Mr. STUMP], the distinguished chairman of the Committee on Veterans' Affairs, and the distinguished ranking minority member, the gentleman from Mississippi [Mr. MONTGOMERY], for their efforts in bringing these important revisions to the floor.

Mr. Speaker, this legislation makes several significant adjustments to veterans' compensation and educational programs and authorizes the American Battle Monuments Commission to enter into arrangements for the repair and long-term maintenance of our war memorials.

Mr. Speaker, among the compensation benefits provisions is a provision adding bronchiolo-alveolar carcinoma to the list of service-connected illnesses presumed to manifest in a radiation-exposed veteran.

Those veterans who were exposed to radiation and have subsequently contracted this condition will now be eligible for benefits.

The legislation also provides an important presumption of permanent and total disability for veterans over the age of 65 who are nursing home patients, thus making the rating procedure for eligibility determination unnecessary. Moreover, it also authorizes the VA to establish a pilot program to allow contract physicians to provide disability examinations to applicants for disability benefits. It is hoped this program will speed up the disability examination process for claims adjudication.

In terms of education benefits, this bill permits veterans who receive training under cooperative programs to be paid full-time education benefits, instead of the current rate of 80 percent. It also allows veterans the opportunity to pursue educational programs through open-circuit television.

Finally, H.R. 3673 facilitates the repair and long-term maintenance of overseas war memorials by authorizing the American Battle Monuments Commission to collect private donations and establish a fund to cover maintenance expenses, in addition to relying solely on appropriated funds.

The burial benefits program is also amended to extend eligibility to veterans who die in either a State home, or an institution receiving hospital care, nursing home care, or nursing home care payment, providing for payment of transportation expenses and up to $300 in burial costs.

Mr. Speaker, this bill makes a number of timely, needed adjustments to our veterans benefits programs. I thank our Committee on Veterans' Affair's for bringing it to the floor and I strongly support passage of this measure.

Mr. MONTGOMERY. Mr. Speaker, I yield 4 minutes to the gentleman from Illinois [Mr. EVANS].

Mr. EVANS. Mr. Speaker, since Mr. STUMP and Mr. EVERETT have already summarized the bills, I want to draw my colleagues' attention to particular portions of this bill that should help resolve veterans' claims for benefits in a more timely and complete manner.

On April 7, 1995, I introduced the veterans programs amendments of 1995, H.R. 1482. I am pleased that four of the issues which that bill addressed are contained in modified or improved form in this bill. I want to express my thanks to the subcommittee chairman, TERRY EVERETT, for his hard work and his collegiality during the subcommittee's work this year.

H.R. 3673 would establish a pilot program for VBA to contract with competent medical authorities for examination of veterans applying for VA disability benefits. I included this provision in H.R. 1482 after reading the recommendations of the Blue Ribbon Panel on the Adjudication of Claims, which found that in some instances, VA medical centers were not responsive to VBA requirements for thorough medical exams. By giving VA regional offices the authority, on a pilot basis, to choose someone other than an unresponsive VA medical center for its medical examinations, we hope to improve the quality and timeliness of compensation and pension examinations.

This bill includes a provision that will make it easier for VA to award pension benefits to veterans who are 65 years of age or older and who are patients in nursing homes. It is both common sense and humane to presume that such individuals are permanently and totally disabled; the result of this will be less time spent trying to establish the obvious and more time spent on deciding claims in a timely manner.

H.R. 3673 also includes a provision that would authorize the American Battle Monuments Commission [ABMC], which maintains cemeteries in foreign nations containing the remains of American service members, to assume responsibility for private memorials erected by American citizens

which commemorate the service of American fighting units overseas. This provision would authorize ABMC to accept responsibility for upkeep of these memorials and to accept private contributions to defray the cost of the maintenance and upkeep. I am advised that several of these private memorial groups have expressed an interest in turning over their memorials to an agency which will ensure their upkeep, and I am pleased that this could be done under this legislation at no additional cost to the taxpayer.

Finally, I should mention a provision included in this measure which will help to defray the burial costs of certain veterans who die in State nursing homes. VA helps to defray the burial costs of veterans who die in VA hospitals and nursing homes, and since State veteran homes are an essential part of the VA's extended care capability, it only makes sense to offer this same assistance to the families of veterans who die in State nursing homes. I want to single out the commander of the Iowa Veterans Nursing Home, Mr. Jack Dack, for bringing this need to our attention.

Mr. Speaker, I urge my colleagues to support this measure.

Again, Mr. Speaker, I want to thank everyone who has been involved, including the chairman of the full committee and our ranking member, for their work today.

Mr. STUMP. Mr. Speaker, I am pleased to yield 3 minutes to the gentleman from New Jersey [Mr. SMITH], vice chairman of the Committee on Veterans' Affairs.

Mr. SMITH of New Jersey. Mr. Speaker, I thank my good friend for yielding time to me, and I want to commend him on this excellent bill, and the gentleman from Alabama [Mr. EVERETT], for their fine work in casting it, and the gentleman from Mississippi [Mr. MONTGOMERY] for the good work he has done as well.

Mr. Speaker, I rise in strong support of the bill.

This important provision adds bronchiolo-alveolar pulmonary carcinoma to the list of cancers that are presumed to be service-connected for veterans who were exposed to radiation in accordance with the provisions of Public Law 100–321.

Mr. Speaker, in 1986—10 years ago—I became involved with the case of one of those victims, Joan McCarthy, a constituent from New Jersey. Joan has for many years worked to locate other atomic veterans and their widows, and she founded the New Jersey Association of Atomic Veterans.

Joan's husband, Tom, was a participant in Operation Wigwam, a nuclear test in May 1955 which involved an underwater detonation of a 30-kiloton plutonium bomb in the Pacific Ocean, about 500 miles southwest of San Diego.

Tom served as a navigator on the U.S.S. *McKinley*, one of the ships assigned to observe the Operation Wigwam test. The detonation of the nuclear weapon broke the surface of the water, creating a giant wave and bathing the area with a radioactive mist. Government reports indicate that the entire test area was awash with the airborne products of the detonation. The spray from the explosion was described in the official Government reports as an ''insidious hazard which turned into an invisible radioactive aerosol.'' McCarthy spent four days in this environment while serving aboard the *McKinley*.

In April 1981—at the age of 44—Thomas McCarthy died, and the cause of death was a very rare form of lung cancer, bronchiolo-alveolar pulmonary carcinoma. This illness is a nonsmoking related cancer—which is remarkable given the estimate that about 97 percent of all lung cancer is caused by smoking. On his deathbed, Tom McCarthy informed his wife about his involvement in Operation Wigwam and wondered about the fate of other men who were present.

Mr. Speaker, smoking is not considered a cause for this ailment, but it has been well-documented that exposure to ionizing radiation can cause this lethal cancer. The National Research Council cited Department of Energy studies in the BEIR V reports, stating that ''Bronchiolo-Alveolar Carcinoma is the most common cause of delayed death from inhaled plutonium 239.'' The BEIR V report notes that this cancer is caused by the inhalation and deposition of alpha-emitting plutonium particles.

Mr. Speaker, the Department of Veterans Affairs has also acknowledged the clear linkage between this ailment and radiation exposure. In May 1994, Secretary Brown wrote to then-Chairman SONNY MONTGOMERY of the Veterans Affairs Committee regarding this issue. Secretary Brown stated as follows:

> The Veterans' Advisory Committee on Environmental Hazards considered the issue of the radiogenicity of bronchiolo-alveolar carcinoma and advised me that, in their opinion, this form of lung cancer may be associated with exposure to ionizing radiation. They commented that the association of exposure to ionizing radiation and lung cancer has been strengthened by such recent evidence as the 1988 report of the United Nations Scientific Committee on the Effects of Atomic Radiation, the 1990 report of the National Academy of Sciences' Committee on the Biological Effects of Ionizing Radiations (the BEIR V Report), and the 1991 report of the International Committee on Radiation Protection. The Advisory Committee went on to state that when it had recommended that lung cancer be accepted as a radiogenic cancer, it was intended to include most forms of lung cancer, including bronchiolo-alveolar carcinoma.

I met with Secretary Brown last year and he assured me that the VA would not oppose Congress taking action to add this disease to the presumptive list. Notwithstanding this fact, however, the VA has repeatedly denied Joan McCarthy's claims for survivor's benefits. Unfortunately, Joan is not alone in being denied the survivor's benefits that she deserves. Consider the case of Gwen Poitras, who lives in Pasco County, FL. Gwen's husband, Robert Poitras, was in command of the U.S.S. *Takelma*, one of the ships that observed the nuclear tests of Operation Hardtack in the South Pacific.

Just like Thomas McCarthy, Robert Poitras died of bronchiolo-alveolar pulmonary carcinoma. And just like Joan McCarthy, Robert's widow was denied the dependency and indemnity compensation which she applied for after her husband's death.

The VA has claimed in the past that adjudication on a case-by-case basis is the appropriate means of resolving these claims. Unfortunately, the practical experiences of claimants reveal deep flaws in the process used by the VA. A key problem involves the reliance on radiation dose reconstructions that are based on information that is decades old.

Problems with the individual adjudication process were summed up in the recent report of the Advisory Committee on Human Radiation Experiments, which was presented only last week to the President. The panel urged the Human Radiation Interagency Working Group, in conjunction with Congress, to address some of these concerns.

For example, the Advisory Committee noted that there are many concerns with the questionable condition of radiation exposure records that are maintained by the Government. It was also noted that the appeals process is especially cumbersome: Those who receive an initial denial of their claim are issued a form letter from the VA stating that it will take a minimum of 24 months—at least 2 years—to resolve the matter.

Mr. Speaker, I believe the widows of our servicemen who participated in these nuclear tests deserve better than this. They should not be required to meet an impossible standard of proof in order to receive DIC benefits, which CBO estimates will cost the Government, on average, a mere $10 thousand a year for each affected widow. I am glad to see that today we are moving one step closer to achieving that.

I want to note that this legislation is supported by the American Legion, the Veterans of Foreign Wars, and the Vietnam Veterans of America.

I urge my colleagues to vote ''yes'' on this bill.

Mrs. COLLINS of Illinois. Mr. Speaker, in May 1996, there were approximately 2.2 million veterans receiving disability compensation. They are men and women who served the Nation with honor and pride. However, through no fault of their own, they now are disadvantaged to varying degrees and are experiencing impaired earning capacities due to their respective service connected disabilities.

This concerns me as much as it concerns the more than 1.2 million aging veterans in the State of Illinois. Among those are the more than 26,000 members of Illinois' Disabled American Veterans who write and call me with a real sense of alarm about their future.

I would like to think that my colleagues on both sides of the aisle recognize the sacrifices and contributions these men and women have made. According to a recent national survey commissioned by the Disabled American Veterans, 96 percent of those polled believe our Nation has an obligation to provide ongoing disability and death benefits to veterans and their families for injuries and fatalities occurring while in the Armed Services.

Mr. Speaker, passage of this amendment is essential, and with the passage of time, it is becoming critical. As we vote today, let us remember that the basic purpose of the disability compensation program is to provide a measure of relief from the impaired earning capacity of veterans disabled as the result of their military service.

Many such disabled veterans are located in Chicago's metropolitan area where I represent the Seventh District. Four VA medical centers, Lakeside, Westside, Hines, and North Chicago, already serving a population of nearly 900,000 veterans. My point is this. Let's help those veterans needing help the most. I encourage support for this amendment.

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

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

The SPEAKER pro tempore (Mr. GUTKNECHT). The question is on the motion offered by the gentleman from Arizona [Mr. STUMP] that the House suspend the rules and pass the bill, H.R. 3673, as amended.

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

A motion to reconsider was laid on the table.

VETERANS' EDUCATION AND COMPENSATION BENEFITS AMENDMENTS OF 1996

Mr. STUMP. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3674) to amend title 38, United States Code, to clarify the causal relationship required between a veteran's service-connected disability and employment handicap for purposes of determining eligibility for training and rehabilitation assistance, to transfer certain educational assistance entitlements from the Post-Vietnam Era Educational Assistance Program to the Montgomery GI bill, and for other purposes, as amended.

The Clerk read as follows:

H.R. 3674

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

SECTION 1. SHORT TITLE; REFERENCES TO TITLE 38, UNITED STATES CODE.

(a) SHORT TITLE.—This Act may be cited as the ''Veterans' Education and Compensation Benefits Amendments of 1996''.

(b) REFERENCES.—Except as otherwise expressly provided, whenever in this Act an amendment is expressed in terms of an amendment to a section or other provision, the reference shall be considered to be made to a section or other provision of title 38, United States Code.

TITLE I—VETERANS' EDUCATION PROGRAMS

SEC. 101. EMPLOYMENT HANDICAP FOR WHICH AN INDIVIDUAL MAY RECEIVE TRAINING AND REHABILITATION ASSISTANCE.

(a) DEFINITIONS.—Section 3101 is amended—

(1) in paragraph (1), by inserting '', resulting in substantial part from a disability described in section 3102(1)(A) of this title,'' after ''impairment'';

(2) in paragraph (6), by inserting ''authorized under section 3120 of this title'' after ''assistance''; and

(3) in paragraph (7), by inserting '', resulting in substantial part from a service-connected disability rated at 10 percent or more,'' after ''impairment''.

(b) BASIC ENTITLEMENT.—Section 3102 is amended—

(1) in paragraph (1)(A)(i), by striking out ''which is'' and all that follows through ''chapter 11 of this title'' and inserting in lieu thereof ''rated at 20 percent or more'';

(2) in paragraph (2)(A), by striking out ''which is'' and all that follows through ''chapter 11 of this title'' and inserting in lieu thereof ''rated at 10 percent''; and

(3) by amending paragraph (2)(B) to read as follows:

''(B) is determined by the Secretary to be in need of rehabilitation because of a serious employment handicap.''.

(c) PERIODS OF ELIGIBILITY.—Section 3103 is amended—

(1) in subsection (b)(3), by striking out ''described in section 3102(1)(A)(i) of this title'' and inserting in lieu thereof ''rated at 10 percent or more'';

(2) in subsection (c)—

(A) in the matter preceding paragraph (1), by striking out ''particular'' and inserting in lieu thereof ''current''; and

(B) in paragraph (2), by striking out ''veteran's employment'' and inserting in lieu thereof ''veteran's current employment''; and

(3) in subsection (d), by striking out ''under this chapter'' and inserting in lieu thereof ''in accordance with the provisions of section 3120 of this title''.

(d) SCOPE OF SERVICES AND ASSISTANCE.—Section 3104 is amended—

(1) in subsection (a)—

(A) in paragraph (1)—

(i) by striking out ''such veteran's disability or disabilities cause'' and inserting in lieu thereof ''the veteran has an employment handicap or''; and

(ii) by inserting ''reasonably'' after ''goal is'';

(B) in paragraph (7)(A)—

(i) by striking out ''(i)''; and

(ii) by striking out '', and (ii)'' and all that follows through ''such Act''; and

(C) in paragraph (12), by striking out ''For the most severely disabled veterans requiring'' and inserting in lieu thereof ''For veterans with the most severe service-connected disabilities who require''; and

(2) by striking out subsection (b) and redesignating subsection (c) as subsection (b).

(e) DURATION OF REHABILITATION PROGRAMS.—Paragraph (1) of section 3105(c) is amended by striking out ''veteran's employment'' and inserting in lieu thereof ''veteran's current employment''.

(f) INITIAL AND EXTENDED EVALUATIONS; DETERMINATIONS REGARDING SERIOUS EMPLOYMENT HANDICAP.—(1) Section 3106 is amended—

(A) in subsection (a), by striking out ''described in clause (i) or (ii) of section 3102(1)(A) of this title'' and inserting in lieu thereof ''rated at 10 percent or more'';

(B) in subsection (b), by striking out ''counseling in accordance with'';

(C) in subsection (c), by striking out ''with extended'' and inserting in lieu thereof ''with an extended''; and

(D) by redesignating subsections (d) and (e) as subsections (e) and (f), respectively, and inserting after subsection (c) the following new subsection:

''(d) In any case in which the Secretary has determined that a veteran has a serious employment handicap and also determines, following such initial and any such extended evaluation, that achievement of a vocational goal currently is not reasonably feasible, the Secretary shall determine whether the veteran is capable of participating in a program of independent living services and assistance under section 3120 of this title.''.

(2) Chapter 31 is amended—

(A) in section 3107(c)(2), by striking out ''3106(e)'' and inserting in lieu thereof ''3106(f)'';

(B) in section 3109, by striking out ''3106(d)'' and inserting in lieu thereof ''3106(e)'';

(C) in section 3118(c), by striking out ''3106(e)'' and inserting in lieu thereof ''3106(f)''; and

(D) in section 3120(b), by striking out ''3106(d)'' and inserting in lieu thereof ''3106(d) or (e)''.

(g) ALLOWANCES.—Section 3108 is amended—

(1) in subsection (a)(2), by striking out ''following the conclusion of such pursuit'' and inserting in lieu thereof ''while satisfactorily following a program of employment services provided under section 3104(a)(5) of this title''; and

(2) in subsection (f)(1)—

(A) in subparagraph (A)—

(i) by inserting ''eligible for and'' after ''veteran is'';

(ii) by striking out ''chapter 30 or 34'' and inserting in lieu thereof ''chapter 30''; and

(iii) by striking out ''either chapter 30 or chapter 34'' and inserting in lieu thereof ''chapter 30''; and

(B) in subparagraph (B), by striking out ''chapter 30 or 34'' and inserting in lieu thereof ''chapter 30''.

(h) EMPLOYMENT ASSISTANCE.—Paragraph (1) of section 3117(a) is amended by inserting ''rated at 10 percent or more'' after ''disability''.

(i) PROGRAM OF INDEPENDENT LIVING SERVICES AND ASSISTANCE.—Section 3120 is amended—

(1) in subsection (b), by striking out ''service-connected disability described in section 3102(1)(A)'' and inserting in lieu thereof ''serious employment handicap resulting in substantial part from a service-connected disability described in section 3102(1)(A)(i)''; and

(2) in subsection (d), by striking out ''and (b)''.

(j) EFFECTIVE DATE.—(1) Except as provided in paragraph (2), the amendments made by this section shall take effect on the date of the enactment of this Act.

(2) The amendments made by subsection (a) (other than paragraph (2)), subsection (d) (other than subparagraphs (A) and (B) of paragraph (1)), and subsection (i) shall only apply with respect to claims of eligibility or entitlement to services and assistance (including claims for extension of such services and assistance) under chapter 31 of title 38, United States Code, received by the Secretary on or after the date of the enactment of this Act, including those claims based on original applications, and applications seeking to reopen, revise, reconsider, or otherwise adjudicate or readjudicate on any basis claims for services and assistance under such chapter.

SEC. 102. INCREASE IN BASIC MONTGOMERY GI BILL RATES.

(a) IN GENERAL.—Section 3015 is amended—

(1) in subsection (a)(1), by striking out ''$400'' and inserting in lieu thereof ''$421.62''; and

(2) in subsection (b)(1), by striking out ''$325'' and inserting in lieu thereof ''$343.51''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on October 1, 1996.

SEC. 103. ENROLLMENT OF CERTAIN VEAP PARTICIPANTS IN MONTGOMERY GI BILL.

(a) IN GENERAL.—Subchapter II of chapter 30 is amended by inserting after section 3018B the following new section:

''§ 3018C. Opportunity for certain VEAP participants to enroll

''(a) Notwithstanding any other provision of law, an individual who—

''(1) is a participant on the date of the enactment of the Veterans' Education and Compensation Benefits Amendments of 1996 in the educational benefits program provided by chapter 32;

''(2) is serving on active duty (excluding the periods referred to in section 3202(1)(C)) on such date;

''(3) before applying for benefits under this section, has completed the requirements of a secondary school diploma (or equivalency certificate) or has successfully completed the equivalent of 12 semester hours in a program of education leading to a standard college degree;

''(4) if discharged or released from active duty during the 180-day period specified in paragraph (5), is discharged or released therefrom with an honorable discharge; and

''(5) before 180 days after the date of the enactment of the Veterans' Education and Compensation Benefits Amendments of 1996, makes an irrevocable election to receive benefits under this section in lieu of benefits under chapter 32 of this title, pursuant to procedures which the Secretary of each military department shall provide in accordance with regulations prescribed by the Secretary of Defense for the purpose of carrying out this section or which the Secretary of Transportation shall provide for such purpose with respect to the Coast Guard when it is not operating as a service in the Navy;

may elect to become entitled to basic educational assistance under this chapter.

''(b) With respect to an individual who makes an election under subsection (a) to become entitled to basic education assistance under this chapter—

''(1) the basic pay of the individual shall be reduced (in a manner determined by the Secretary of Defense) until the total amount by which such basic pay is reduced is $1,200; or

''(2) to the extent that basic pay is not so reduced before the individual's discharge or release from active duty as specified in subsection (a)(4) of this section, the Secretary shall collect from the individual an amount equal to the difference between $1,200 and the total amount of reductions under paragraph (1), which shall be paid into the Treasury of the United States as miscellaneous receipts.

''(c)(1) Except as provided in paragraph (3) of this subsection, an individual who is enrolled in the educational benefits program provided by chapter 32 of this title and who makes the election described in subsection (a)(5) of this section shall be disenrolled from such chapter 32 program as of the date of such election.

''(2) For each individual who is disenrolled from such program, the Secretary shall refund—

''(A) to the individual, as provided in section 3223(b) of this title and subject to subsection (b)(2) of this section, the unused contributions made by the individual to the Post-Vietnam Era Veterans Education Account established pursuant to section 3222(a) of this title; and

''(B) to the Secretary of Defense the unused contributions (other than contributions made under section 3222(c) of this title) made by such Secretary to the Account on behalf of such individual.

''(3) Any contribution made by the Secretary of Defense to the Post-Vietnam Era Veterans Education Account pursuant to subsection (c) of section 3222 of this title on behalf of any individual referred to in paragraph (1) of this subsection shall remain in such account to make payments of benefits to such individual under section 3015(f) of this title.

''(d) The procedures provided in regulations referred to in subsection (a) shall provide for notice of the requirements of subparagraphs (B), (C), and (D) of section 3011(a)(3) and of subparagraph (A) of section 3012(a)(3) of this title. Receipt of such notice shall be acknowledged in writing.''.

(b) CONFORMING AMENDMENTS.—(1) The table of sections at the beginning of chapter 30 is amended by inserting after the item relating to section 3018B the following new item:

''3018C. Opportunity for certain VEAP participants to enroll.''.

(2) Subsection (d) of section 3013 is amended by striking out ''or 3018B'' and inserting in lieu thereof '', 3018B, or 3018C''.

(3) Subsection (f) of section 3015 is amended by inserting '', 3018B, or 3018C'' after ''section 3018A''.

(4) Paragraph (3) of section 3035(b) is amended by striking out ''or 3018B'' in the matter preceding subparagraph (A) and inserting in lieu thereof '', 3018B, or 3018C''.

(c) TRANSFER OF EDUCATIONAL ASSISTANCE FUNDS.—(1) Subparagraph (B) of section 3232(b)(2) is amended—

(A) by striking out '', for the purposes of section 1322(a) of title 31,''; and

(B) by striking out ''as provided in such section'' and inserting in lieu thereof ''to the Secretary for payments for entitlement earned under subchapter II of chapter 30''.

(2) Paragraph (1) of section 3035(b) of such title is amended by inserting before the period at the end the following: ''and from transfers from the Post-Vietnam Era Veterans Education Account pursuant to section 3232(b)(2)(B) of this title''.

(3) Subsection (a) of section 1322 of title 31, United States Code, is amended by striking out ''(82)'' and inserting in lieu thereof ''(81)''.

SEC. 104. MONTGOMERY GI BILL ELIGIBILITY FOR CERTAIN ACTIVE DUTY MEMBERS OF ARMY AND AIR NATIONAL GUARD.

(a) IN GENERAL.—Paragraph (7) of section 3002 is amended by striking out ''November 29, 1989'' and inserting in lieu thereof ''June 30, 1985''.

(b) APPLICATION.—(1) An individual may only become eligible for benefits under chapter 30 of title 38, United States Code, as a result of the amendment made by subsection (a) by making an election to become entitled to basic educational assistance under such chapter. The election may only be made within the nine-month period beginning on the date of the enactment of this Act in the manner required by the Secretary of Defense.

(2) In the case of any individual making an election under paragraph (1)—

(A) the basic pay of an individual who, while a member of the Armed Forces, makes an election under paragraph (1) shall be reduced (in a manner determined by the Secretary of Defense) until the total amount by which such basic pay is reduced is $1,200; or

(B) to the extent that basic pay is not so reduced before the individual's discharge or release from active duty, the Secretary of Defense shall collect from an individual who makes such an election an amount equal to the difference between $1,200 and the total amount of reductions under subparagraph (A), which amount shall be paid into the Treasury of the United States as miscellaneous receipts.

(3) In the case of any individual making an election under paragraph (1), the 10-year period referred to in section 3031 of such title shall begin on the later of—

(A) the date determined under such section 3031; or

(B) the date the election under paragraph (1) of this subsection becomes effective.

SEC. 105. PERMANENT AUTHORITY FOR ALTERNATIVE TEACHER CERTIFICATION PROGRAMS.

Subsection (c) of section 3452 is amended by striking out ''For the period ending on September 30, 1996, such'' and inserting in lieu thereof ''Such''.

TITLE II—VETERANS' BENEFITS PROGRAMS

SEC. 201. EFFECTIVE DATE OF DISCONTINUANCE OF CERTAIN VETERANS' BENEFITS BY REASON OF DEATH OF RECIPIENT.

(a) DATE OF DISCONTINUANCE OF BENEFITS.—Section 5112(b)(1) of title 38, United States Code, is amended to read as follows:

''(1) by reason of—

''(A) the marriage or remarriage of the payee, shall be the last day of the month before the month during which such marriage or remarriage occurs; and

''(B) the death of the payee, shall be (i) the last day of the month before the month during which the death occurs, or (ii) in the case of a payee who was in receipt of compensation or pension and who has a surviving spouse who is not entitled to have benefits computed under section 5310 of this title for the month in which the death occurs, the date on which the death occurs;''.

(b) PAYMENT OF BENEFIT FOR FINAL MONTH.—Section 5112 of such title is further amended by adding at the end the following new subsection:

''(d) In the case of discontinuance of payment of compensation or pension covered by subsection (b)(1)(B)(ii), the payment for the final calendar month (or any portion thereof) for which such benefit is payable shall (notwithstanding any other provision of law) be payable to the surviving spouse.''.

(c) COMMENCEMENT DATE FOR DIC.—Section 5110(d) of such title is amended by adding at the end the following new paragraph:

''(3) Notwithstanding paragraph (1), the effective date of an award of dependency and indemnity compensation for which application is received within one year from the date of death shall, in the case of a surviving spouse who is not entitled to have benefits computed under section 5310 of this title for the month in which the death occurs, be the day following the date on which the death occurred.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to the death of compensation and pension recipients occurring after October 1, 1997.

SEC. 202. INCREASE IN PERIOD FOR WHICH ACCRUED BENEFITS PAYABLE.

Subsection (a) of section 5121 is amended by striking out ''one year'' in the matter preceding paragraph (1) and inserting in lieu thereof ''two years''.

SEC. 203. INCREASE IN AUTOMOBILE ALLOWANCE.

(a) IN GENERAL.—Subsection (a) of section 3902 is amended by striking out ''$5,500'' and inserting in lieu thereof ''$6,500''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to purchases of automobiles and other

conveyances on or after the date of the enactment of this Act.

SECTION 204. LEGAL ASSISTANCE FOR FINANCIALLY NEEDY VETERANS IN CONNECTION WITH COURT OF VETERANS APPEALS PROCEEDINGS.

(a) IN GENERAL.—Subchapter III of chapter 72 is amended by adding at the end the following new section:

"§ 7287. Legal assistance for financially needy veterans in proceedings before the Court

''(a)(1) The Court of Veterans Appeals shall provide funds in order to provide financial assistance by grant or contract to legal assistance entities for purposes of programs described in subsection (b). Such funds shall be provided from amounts transferred to the Court under subsection (c)(1) or specifically appropriated to the Court for the purposes of this section.

''(2) The Court shall seek to provide funds for such purpose through a nonprofit organization selected by it. If the Court determines that there exists no nonprofit organization that would be an appropriate recipient of funds under this section for the purposes referred to in paragraph (1) and that it is consistent with the mission of the Court, the Court shall provide financial assistance, by grant or contract, directly to legal assistance entities for purposes of permitting such entities to carry out programs described in subsection (b).

''(b)(1) A program referred to in subsection (a) is any program under which a legal assistance entity uses financial assistance under this section to provide assistance or carry out activities (including assistance, services, or activities referred to in paragraph (3)) in order to ensure that individuals described in paragraph (2) receive, without charge, legal assistance in connection with decisions to which section 7252(a) of this title may apply or with other proceedings before the Court.

''(2) An individual referred to in paragraph (1) is any veteran or other person who—

''(A) is or seeks to be a party to an action before the Court; and

''(B) cannot, as determined by the Court or the entity concerned, afford the costs of legal advice and representation in connection with that action.

''(3) Assistance, services, and activities under a program described in this subsection may include the following for individuals described in paragraph (2) in connection with proceedings before the Court:

''(A) Financial assistance to defray the expenses of legal advice or representation (other than payment of attorney fees) by attorneys, clinical law programs of law schools, and veterans service organizations.

''(B) Case screening and referral services for purposes of referring cases to pro bono attorneys and such programs and organizations.

''(C) Education and training of attorneys and other legal personnel who may appear before the Court by attorneys and such programs and organizations.

''(D) Encouragement and facilitation of the pro bono representation by attorneys and such programs and organizations.

''(4) A legal assistance entity that receives financial assistance described in subsection (a) to carry out a program under this subsection shall make such contributions (including in-kind contributions) to the program as the nonprofit organization or the Court, as the case may be, shall specify when providing the assistance.

''(5) A legal assistance entity that receives financial assistance under subsection (a) to carry out a program described in this subsection may not require or request the payment of a charge or fee in connection with the program by or on behalf of any individual described in paragraph (2).

''(c)(1)(A) From amounts appropriated to the Department for each of fiscal years 1997 through 2003 for the payment of compensation and pension, the Secretary shall transfer to the Court the amount specified under subparagraph (B) for each such fiscal year, and such funds shall be available for use by the Court only in accordance with this section.

''(B) The amount to be transferred to the Court under subparagraph (A) for any fiscal year is $700,000 for fiscal year 1997 and the same amount for each succeeding fiscal year through fiscal year 2003 increased by 3 percent per year, reduced for any such fiscal year by such amount as may otherwise be specifically appropriated for the purposes of the program under this section for that fiscal year.

''(2) The Court shall provide funds available to it for the purposes of the program under this section to a nonprofit organization described in subsection (a)(1). Such funds shall be provided to such organization in advance or by way of reimbursement, to cover some or all of the administrative costs of the organization in providing financial assistance to legal assistance entities carrying out programs described in subsection (b).

''(3) Funds shall be provided under this subsection pursuant to a written agreement entered into by the Court and the organization receiving the funds.

''(d) A nonprofit organization may—

''(1) accept funds, in advance or by way of reimbursement, from the Court under subsection (a)(1) in order to provide the financial assistance referred to in that subsection;

''(2) provide financial assistance by grant or contract to legal assistance entities under this section for purposes of permitting such entities to carry out programs described in subsection (b);

''(3) administer any such grant or contract; and

''(4) accept funds, in advance or by way of reimbursement, from the Court under subsection (c) in order to cover the administrative costs referred to in that subsection.

''(e)(1) Not later than February 1 of each year, the Court shall submit to Congress a report on the funds and financial assistance provided under this section during the preceding fiscal year. Based on the information provided the Court by entities receiving such funds and assistance, each report shall—

''(A) set forth the amount, if any, of funds provided to nonprofit organizations under paragraph (1) of subsection (a) during the fiscal year covered by the report;

''(B) set forth the amount, if any, of financial assistance provided to legal assistance entities pursuant to paragraph (1) of subsection (a) or under paragraph (2) of that subsection during that fiscal year;

''(C) set forth the amount, if any, of funds provided to nonprofit organizations under subsection (c) during that fiscal year; and

''(D) describe the programs carried out under this section during that fiscal year.

''(2) The Court may require that any nonprofit organization and any legal assistance entity to which funds or financial assistance are provided under this section provide the Court with such information on the programs carried out under this section as the Court determines necessary to prepare a report under this subsection.

''(f) For the purposes of this section:

''(1) The term 'nonprofit organization' means any not-for-profit organization that is involved with the provision of legal assistance to persons unable to afford such assistance.

''(2) The term 'legal assistance entity' means a not-for-profit organization or veterans service organization capable of providing legal assistance to persons with respect to matters before the Court.

''(3) The term 'veterans service organization' means an organization referred to in section 5902(a)(1) of this title, including an organization approved by the Secretary under that section.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 7286 the following new item:

''7287. Legal assistance for financially needy veterans in proceedings before the Court.''.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Arizona [Mr. STUMP] and the gentleman from Mississippi [Mr. MONTGOMERY] will each be recognized for 20 minutes.

The Chair recognizes the gentleman from Arizona [Mr. STUMP].

(Mr. STUMP asked and was given permission to revise and extend his remarks.)

GENERAL LEAVE

Mr. STUMP. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on H.R. 3674.

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

There was no objection.

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

Mr. Speaker, H.R. 3674, is one of the most significant pieces of veterans legislation to be considered by the House in some time.

It is probably the largest expansion of benefits for veterans since the Persian Gulf war. As provided for in the congressional budget resolution, H.R. 3674 increases a variety of veterans' benefits by the total of $230 million over the next 6 years.

This bill: Increases the Montgomery GI bill active duty monthly basic rate by $5, to a total of $421.62 per month. Allows certain active duty servicemembers in the post-Vietnam era educational assistance program to transfer into the Montgomery GI bill.

Provides Montgomery GI bill eligibility for certain active duty members of the Army and Air National Guard. Makes permanent, the authority for alternative teacher certificate programs. Allows a surviving spouse to retain compensation or pension payments pro rated to the date of death instead of the end of the month before the veteran died.

Increases from 1 year to 2 years, the period of time for which accrued benefits are payable to a surviving spouse in the case of a veteran who dies while a claim is being adjudicated. Increases the maximum one-time allowance for the purchase of an automobile by a severely disabled veteran from $5,500 to $6,500.

And the bill authorizes funds for the pro bono legal assistance program in connection with proceedings before the U.S. Court of Veterans Appeals.

Mr. Speaker, all these benefit improvements are offset by a provision clarifying the causal relationship required between a veterans' service-connected disability and an employment handicap for purposes of determining eligibility for vocational rehabilitation. In addition to my distinguished colleague, SONNY MONTGOMERY, I want to thank the chairmen and ranking members of all three of our subcommittees and all members of the Committee on Veterans' Affairs for their contribution to this legislation.

Several committee members authored separate bills which have made their way into H.R. 3674. Additionally, Mr. Speaker, I want to acknowledge the contribution of this legislation made by the distinguished chairman of the Budget Committee, Mr. KASICH.

He and his staff worked very closely with the Veterans' Affairs Committee during this year's budget debate to work out an agreement allowing this bill to be considered within the context of the committee's balanced budget proposal.

□ 1400

Mr. Speaker, I yield such time as he may consume to the gentleman from Indiana [Mr. BUYER], the chairman of the Subcommittee on Education and Training.

Mr. BUYER. I thank the chairman for yielding me this time.

Mr. Speaker, H.R. 3674 is really a consolidation of several bills taken up by two benefits subcommittees. I would like to thank my colleague, TERRY EVERETT, for this work, on this bill, along with my other colleagues in the leadership, SONNY MONTGOMERY and BOB STUMP; and also great appreciation to the professional staff for the job that they have done on this bill.

This bill contains several notable provisions that will enhance a wide variety of benefits and will spend about $229 million over the next 6 years to increase veterans benefits. The remaining $56 million will go to deficit reduction.

I would like to take a moment and say what we really seek to do is override the Court of Veterans Appeals decision in Davenport versus Brown. It will clarify the causal relationship required between a veteran's service-connected disability and an employment handicap, for purposes of determining eligibility for vocational rehabilitation.

It is my understanding in the Davenport versus Brown, Mr. Davenport, an attorney, with a 10-percent service-connected disability for a foot fungus wanted both rehabilitation in the form of a master's degree program in cinema so he could move to California for work in the movie industry. The VA denied the claim, saying that the fungus did not cause him an employability problem. He then appealed to the Court of Veterans Appeals, who then said that the service-connected disability did not have to cause an employability problem, merely had to be a service disability and have a employability problem due to any cause to get voc rehabilitation.

I disagree with the decision of the Court of Veterans Appeals and so do many of my colleagues in this body. We have worked in a bipartisan fashion to draft this bill. Section 101, in fact, will override the Court of Veterans Appeals decision in Davenport versus Brown by reestablishing the longstanding requirement that a veteran's employment handicap be the result of a service-connected disability in order to qualify for vocational rehabilitation benefits.

Section 102 would increase the basic monthly rate for the Montgomery GI bill benefits by $5 to $421.62 for 3-year enlistees and $343.51 for 2-year enlistees. That is an increase in veterans benefits over 6 years of $92 million.

Section 103 of this bill will allow active duty service members to transfer from the old post Vietnam Era Education Assistance Program, known as VEAP, to the Montgomery GI bill under chapter 30. Under VEAP, a veteran could expect a maximum benefit of $8,100. Under the Montgomery GI bill, a veteran can expect a minimum of about $15,500 for a 3-year enlistment. This will increase veterans benefits by $18 million over 6 years.

Section 104 of this bill will offer active duty Army or Air Force National Guard members who are not eligible for any sort of education benefit to participate in the Montgomery GI bill. These are Guardsmen and women who enlisted between June 30, 1985 and November 29, 1989. We are increasing veterans benefits by $14 million over 6 years.

Section 105 would make permanent the program to provide GI bill funding for veterans enrolled in programs designed to certify teachers through nontraditional education institutions. We are increasing veterans benefits by $6 million over 6 years.

Section 201 will allow a surviving spouse to retain compensation or pension payments prorated to the day of death instead of the end of the month before a veteran died. We are increasing veterans benefits by over $70 million over 6 years.

Section 202 increases the period of time for which accrued benefits are payable to a surviving spouse to 2 years. These are spouses of veterans who die while their claim is being adjudicated. We are doing this because of the large increase in adjudication time at VBA. We are increasing veterans benefits under this provision by $17 million over 6 years.

Section 203 would increase the maximum, one-time auto purchase allowance from $5,500 to $6,500. The allowance is available only to severely disabled veterans if their disability is service-connected. We are increasing veterans benefits in this provision by $6 million over 6 years.

Section 204 will keep the pro bono legal representation program at the Court of Veterans Appeals alive by directing VA transfer $700,000 per year from the C&P account to the court. The pro bono program provides legal representation of financially needy veterans in connection with proceedings before the U.S. Court of Veterans Appeals at no cost to the veterans. We are increasing veterans benefits by this provision $6 million over 6 years.

That is a total increase in veterans benefits by this committee of $229 million over 6 years. I think that is an excellent action.

A lot of things go out and get CNN headline news. It is a shame when we are working in this Congress that the work of my dear colleagues, SONNY MONTGOMERY and BOB STUMP, doing great things on behalf of veterans, is not shown.

This is virtually our only opportunity in this Congress to make these kinds of program improvements. These are good provisions that will make a difference in the lives of thousands of veterans and surviving spouses. It is a bipartisan bill.

I thank all the Members on both sides of the aisle for their support, and I urge the full support of this bill by my colleagues.

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

To the gentleman from Indiana [Mr. BUYER] just in the well, this is important legislation. What we are doing is helping the young veteran, and it certainly should be pointed out that the legislation we have brought up today is very, very beneficial for our veterans and their dependents.

This last bill, H.R. 3674, as amended, does include several provisions that would improve the GI bill and make it available to more veterans. The monthly benefits have been mentioned, if they go to school, a $5 a month increase allows service members participating in the old VEAP program that was after the Vietnam war, a program to enroll in the GI bill. It provides eligibility for educational benefits to certain active duty members of the National Guard. These active duty members are known as AGR's. It also makes permanent a program to encourage veterans to become teachers.

Mr. Speaker, a $5 a month increase does not sound like a lot of money, but there are a lot of people out there getting these educational benefits, and anything we can do to encourage more veterans to use this program we think is worthwhile.

I want to thank the gentleman from Arizona [Mr. STUMP], chairman, and the gentleman from Indiana [Mr. BUYER], the gentleman from Alabama [Mr. EVERETT], the gentleman from Illinois [Mr. EVANS], the gentleman from California [Mr. FILNER], and other members of the committee for supporting us on this bill. I am very pleased with the recent Department of Defense report that said that the GI bill is the best recruiting tool that the military

has. It is really better than the cash benefits. But really the main purpose of the GI bill is to help veterans readjust to civilian life when they leave the military service. Over 2 million young men and women have chosen to participate in the Montgomery GI bill since the program started in 1985.

Mr. Speaker, this bill has brought in a lot of money, of the $100 a month the active duty people pay for 12 months, has brought in more than $2 billion. So this has really helped the cost of the program, and it has not been a heavy cost, to the taxpayer.

I want to say that this has brought qualified young people into the military service. We need quick learners now that the type of equipment we have in the military is very sophisticated and these young people need to have quick minds. We believe the educational benefits bring in the qualified people.

Mr. Speaker, the last veterans' bill, H.R. 3674, as amended, includes several provisions that would improve the Montgomery GI bill and make it available to more veterans. It increases the monthly benefit for veterans going to school by $5 a month, it allows servicemembers participating in the old VEAP program to enroll in the GI bill, and it provides eligibility for education benefits to certain active duty members of the National Guard. It also makes permanent a program to encourage veterans to become teachers.

A $5 per month increase doesn't sound like a lot of money, but anything we can do to encourage more veterans to use this program is worthwhile. I want to thank Mr. STUMP, Mr. BUYER, and the other members for supporting VA on this.

Mr. Speaker, I am very pleased with a recent Department of Defense [DOD] report concerning the Montgomery GI bill. Recruiters from all services say this program is the best recruitment tool they have, and DOD strongly supports the GI bill's continuation. The principal purpose of the GI bill is to help veterans readjust to civilian life. The best news is that, in March of this year, 95 percent of all new active-duty recruits chose to enroll in the GI bill. This means that over 11,000 young men and women will have the means to further their education—in addition to the over 2 million recruits who have chosen to participate in the Montgomery GI bill since the program began in 1985.

Additionally, Mr. Speaker, I would like my colleagues to know that since the GI bill's establishment, more than $2 billion have been returned to the Treasury because of the basic pay reduction required under the GI bill for active duty service members.

This program has been a winner in every way. The GI bill has enabled the services to recruit the bright young people they need, it has been a cost-effective program and, most important, millions of fine men and women will have an opportunity to go to school that they might not have had but for the GI bill.

I want to commend Mr. EVANS for sponsoring the provision in this bill which would allow the VA to pay 2 years in back benefits to the survivor of a veteran whose claim is allowed after his or her death. Mr. EVANS, in tandem with TERRY EVERETT, the chairman of the Subcommittee on Compensation, Pensions, Insurance and Memorial Affairs, has worked hard and searched for the best ways to improve veterans programs within that subcommittee's jurisdiction.

Mr. Speaker, I yield 3 minutes to the gentleman from California [Mr. FILNER].

Mr. FILNER. I thank the gentleman for yielding me this time.

Mr. Speaker, I will not take up time by again summarizing this bill. I do, though, want to particularly point out two of the provisions in H.R. 3674. First, this measure would provide a modest increase in the benefits paid under the Montgomery GI bill—active duty. As the costs of education continue to rise, we must ensure that the GI bill is a meaningful readjustment benefit that provides an adequate level of assistance to our veteran students. Additionally, in a recent report, the Department of Defense cautioned that we must pay close attention to the benefit levels paid under the Montgomery GI bill if this program is to continue to be an effective recruitment tool.

Next, a provision of H.R. 3674 would permit certain active-duty individuals who have eligibility under the Veterans' Educational Assistance Program, known as VEAP, to transfer to the Montgomery GI bill. By way of background, the new GI bill, as introduced by Mr. MONTGOMERY and approved by the House in 1984, would have permitted all servicemembers with VEAP eligibility to transfer to the new program. The new GI bill was a far more generous program than VEAP, and SONNY wanted those members of the Armed Forces who were VEAP-eligibles to have the opportunity to enroll in the more attractive program. Unfortunately, the then-chairman and ranking member of the Senate Armed Services Committee, both of whom were opposed to the new GI bill, refused to accept this provision. The only way to reach a compromise and establish the new program was to accept the Senate restrictions on eligibility. Since then, however, SONNY has taken every opportunity to move individuals out of the VEAP program and into the Montgomery GI bill. H.R. 3674 continues his good work, and will enable yet another group of servicemembers to establish Montgomery GI bill eligibility.

The Montgomery GI bill has been a landmark program, and I am proud to have the opportunity make it even stronger and better.

Mr. STUMP. Mr. Speaker, I yield 3 minutes to the gentleman from Pennsylvania [Mr. FOX], a member of the committee.

Mr. FOX of Pennsylvania. Mr. Speaker, I want to thank Chairman STUMP for yielding time and for his leadership with this legislation. I am grateful for his assistance including provisions to authorize the exceptional veterans pro bono legal representation program within the bill. I would also like to thank Mr. MONTGOMERY, the ranking member; Mr. BUYER, Mr. EVERETT, Mr. HUTCHINSON, Mr. EVANS, Mr. MASCARA, Mr. BILIRAKIS, Mr. TEJEDA, Mr. WELLER, Mr. STEARNS, and my other colleagues on the committee for their strong support of our legislation to authorize the outstanding pro bono legal program which represents veterans before the Court of Veterans Appeals.

Mr. Speaker, the pro bono program provides countless hours of volunteer legal service to veterans who would otherwise be unable to be represented before the Court of Veterans Appeals.

This exceptional initiative helps veterans secure the rights and benefits that they have earned by virtue of their dedicated service to our great Nation. Moreover, the program improves the efficiency of the court and provides training to lawyers to assist veterans across the Nation.

In fiscal year 1994 the pro bono program volunteer attorneys provided over 15,000 hours of service and a remarkable 77 percent of their veteran clients were successful in overturning the initial decision of the board. Not surprisingly, the program has broad support from the court and veterans service organizations and has received commendations from Supreme Court Chief Justice William Rehnquist.

After hearing from the Court of Veterans Appeals, the pro bono program, the veterans service organizations, the Department of Veterans Affairs, and the Veterans Law Section of the Federal Bar Association, I introduced H.R. 3943 to provide statutory authorization for this tremendous service initiative.

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Accordingly, I am delighted that this legislation was included within the bill that we have here today, H.R. 3674. But I would also like to express my gratitude to the Committee on Veterans' Affairs, the staff, the pro bono program, the Court of Veterans Appeals, and the veterans service organizations for their help on the bill.

Again I thank the gentleman from Arizona [Mr. STUMP], the chairman, and the gentleman from Mississippi [Mr. MONTGOMERY], the ranking member, for their leadership on this important legislation we will act on today.

Mr. MONTGOMERY. Mr. Speaker, I yield 3 minutes to the gentleman from Illinois [Mr. EVANS].

Mr. EVANS. Mr. Speaker, I first want to thank all those Members, particularly the gentleman from Pennsylvania [Mr. FOX], for sponsoring the provision to authorize funds for the pro bono legal assistance program. The veterans who have been awarded benefits by the Court of Veterans Appeals as a result of the legal assistance provided by the program fully understand the importance of this program and the need for this program in the future to be available to veterans who need it. I want to commend the gentleman from Arizona, Chairman STUMP, the gentleman from Indiana, Subcommittee Chairman BUYER and the gentleman from Alabama, Subcommittee Chairman EVERETT, as well as the gentleman

from Mississippi, Ranking Member SONNY MONTGOMERY and the gentleman from California, BOB FILNER, for all their hard work on this legislation.

This bill makes a number of enhancements to the Montgomery GI bill, a program I have been pleased to name. We had an amendment in the committee to name it the Montgomery GI bill, and I was pleased to offer that amendment. By providing an opportunity for more service members to enroll in the Montgomery GI bill, we increase the educational opportunities for deserving Americans, and by increasing the benefit level wherever we can we signify our commitment to the education needs of our veterans and service members.

Mr. Speaker, I am not sure I will have another opportunity on this floor to express my thoughts about my colleague the gentleman from Mississippi, Congressman SONNY MONTGOMERY. I believe every veteran in this country owes the gentleman a debt of gratitude for his work and commitment to serving veterans. Through his work, particularly on establishing the GI bill program, he has left a legacy that will be long remembered. He has earned the title ''Mr. Veteran.''

The gentleman has been a faithful guardian and protector of the veterans of this Nation, and we will miss him very much. I want to personally offer my appreciation for his many years of service on the Committee on Veterans Affairs and the Committee on National Security and to wish him the very best in the future.

Mr. STUMP. Mr. Speaker, I yield 3 minutes to the gentleman from New York [Mr. GILMAN], the chairman of the Committee on International Relations.

(Mr. GILMAN asked and was given permission to revise and extend his remarks.)

Mr. GILMAN. Mr. Speaker, I am pleased to rise in strong support of this measure, the veterans educational compensation benefits amendments, and to commend our committee's distinguished chairman, the gentleman from Arizona [Mr. STUMP], and his ranking minority member partner, the distinguished gentleman from Mississippi [Mr. MONTGOMERY]. These two gentleman have kept our veterans' affairs and their benefits right before the American public, before the Congress, and we owe them a deep debt of gratitude for doing what they are doing to keep our veterans in good stead.

This legislation now before us makes several adjustments to veterans compensation programs. It makes improvements to the Montgomery GI bill, a historic measure. The bill increases the monthly basic Montgomery GI bill rates.

The most significant change to education benefits is that veterans will now have to prove that their employment handicaps are directly related to service-connected disabilities in order to be eligible for training and vocational rehabilitation benefits.

This legislation also allows a surviving spouse to retain compensation or pension payments pro rated until the day of death, instead of the end of the previous month before the veteran died, as under current law.

Furthermore, the payment period for accrued benefits is increased from 1 to 2 years, and the maximum allowance provided by the VA Secretary for the purchase of an automobile is increased from $5,500 to $6,500.

Finally, funding is authorized for financial assistance, by contract or grant, to legal assistance entities to represent financially needy veterans in proceedings before the U.S. Court of Veterans Appeals, enabling them to pursue their appeal properly.

Mr. Speaker, this bill provides for numerous improvements to veterans compensation and education benefits programs. I strongly urge its passage.

Again, I want to thank the leadership of the Veterans' Affairs Committee and ranking minority member for their excellent work in helping our veterans.

Mr. STUMP. Mr. Speaker, I yield 3 minutes to the gentleman from Florida [Mr. BILIRAKIS].

Mr. BILIRAKIS. Mr. Speaker, I am still out of breath running here from the airport, but I appreciate the gentleman from Arizona yielding me the time.

Mr. Speaker, I rise in support of H.R. 3674, the veterans educational and compensation benefits amendments. I ask unanimous consent to revise and extend my remarks.

I am pleased that a bill I introduced, H.R. 109, has been incorporated into H.R. 3674, My bill addresses a problem that confronts the surviving spouse of a recently deceased veteran. Under current law, if a veteran dies before the end of the month, even if it is only by a few hours, the surviving spouse will have that month's disability compensation revoked.

Clearly this policy creates a huge financial burden for a recent widow, especially if she is not eligible for dependency and indemnity compensation. H.R. 3674 allows a surviving spouse to retain compensation or pension payments by prorating these payments to the date of death, and therefore, provides the surviving spouse with compensation for each day the veteran lived in that final month. For example, if the veteran lives until the 15th of the month, his spouse will be allowed to keep his compensation from the 1st through the 15th.

In the 104th Congress, my legislation has received widespread bipartisan support in the House and is supported by the veterans' organizations and the VA. I want to thank Compensation Subcommittee Chairman EVERETT and Education Subcommittee Chairman BUYER for their support on this important issue.

The enactment of H.R. 3674 would recognize that the financial obligations of a veteran's household do not vanish upon the veteran's death. Rent or mortgage payments and other bills will still come due, and a surviving spouse should not be left without any contribution from the VA for the last days of a veteran's life.

I urge my colleagues to support H.R. 3674.

Mr. MONTGOMERY. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, we have the blue sheets on each one of the four bills that we have talked about today, and if any Member would like to have one of those blue sheets, they explain each bill.

Mr. Speaker, I would like to thank my colleagues for the kind words that have been said about us today. You know, this is really what it is all about serving in Congress, the little things you are able to do that are appreciated.

Mr. Speaker, with that, I yield back the balance of my time.

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

Mr. Speaker, in closing, let me once again acknowledge the splendid cooperation from the ranking member, my good friend the gentleman from Mississippi, SONNY MONTGOMERY, as well as the subcommittee ranking members, the gentleman from Illinois, Mr. EVANS, the gentleman from Texas, Mr. EDWARDS, the gentleman from California, Mr. FILNER. I almost forgot him, as well as my own subcommittee chairmen, the gentleman from Alabama, Mr. EVERETT, the gentleman from Arkansas, Mr. HUTCHINSON, and the gentleman from Indiana, Mr. BUYER, for all the hard work they have done. Especially I would like to thank the staff for the many hours that they have put in helping us to arrive at this point today. We take pride in being very bipartisan on this committee, and that extends down to the staff, too, and we are proud that we can do that and accomplish what we can for the veterans.

Mr. STEARNS. Mr. Speaker, in an era of international economic competition, education is more important than ever. The link between education and our economic competitiveness is clear. In this decade, 89 percent of the jobs being created require some form of post-secondary training. That is why I rise today in support of this measure which increases the monetary amount and expands access to certain members of the Army and National Guard for the Montgomery GI bill.

By allowing participants in the Veterans' Education Assistance Program to transfer into the Montgomery GI bill, veterans will be afforded a greater education benefit, and an unpopular and relatively unsuccessful program will be brought nearer to closure. It is in our Nation's best interest to provide improved education opportunities whenever possible.

This legislation represents a substantial stride toward transforming the Department of Veterans' Affairs into a more effective and efficient organization that can better serve our Nation's veterans. I urge my colleagues to support this measure and thus demonstrate its commitment to our outstanding young men and women who are the backbone of our Armed Forces.

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

The SPEAKER pro tempore (Mr. GUTKNECHT). The question is on the motion offered by the gentleman from Arizona [Mr. STUMP] that the House suspend the rules and pass the bill, H.R. 3674, as amended.

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

A motion to reconsider was laid on the table.

EXPORT ADMINISTRATION ACT OF 1996

Mr. ROTH. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 361) to provide authority to control exports, and for other purposes, as amended.

The Clerk read as follows:

H.R. 361

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

SECTION 1. TABLE OF CONTENTS.

The table of contents of this Act is as follows:

Sec. 1. Table of contents.

TITLE I—EXPORT ADMINISTRATION

Sec. 101. Short title.
Sec. 102. Findings.
Sec. 103. Policy statement.
Sec. 104. General provisions.
Sec. 105. Multilateral controls.
Sec. 106. Emergency controls.
Sec. 107. Short supply controls.
Sec. 108. Foreign boycotts.
Sec. 109. Procedures for processing export license applications; other inquiries.
Sec. 110. Violations.
Sec. 111. Controlling proliferation activity.
Sec. 112. Administrative and judicial review.
Sec. 113. Enforcement.
Sec. 114. Export control authorities and procedures.
Sec. 115. Annual report.
Sec. 116. Definitions.
Sec. 117. Effects on other Acts.
Sec. 118. Secondary Arab boycott.
Sec. 119. Conforming amendments to other laws.
Sec. 120. Expiration date.
Sec. 121. Savings provision.

TITLE II—NUCLEAR PROLIFERATION PREVENTION

Sec. 201. Repeal of termination of provisions of the Nuclear Proliferation Prevention Act of 1994.
Sec. 202. Seeking multilateral support for unilateral sanctions.
Sec. 203. Sanctions under the Nuclear Proliferation Prevention Act of 1994.

TITLE I—EXPORT ADMINISTRATION

SEC. 101. SHORT TITLE.

This title may be cited as the ''Export Administration Act of 1996''.

SEC. 102. FINDINGS.

The Congress makes the following findings:

(1) Export controls are a part of a comprehensive response to national security threats. United States exports should be restricted only for significant national security, nonproliferation, and foreign policy reasons.

(2) Exports of certain commodities and technology may adversely affect the national security and foreign policy of the United States by making a significant contribution to the military potential of individual countries or by disseminating the capability to design, develop, test, produce, stockpile, or use weapons of mass destruction, missile delivery systems, and other significant military capabilities. Therefore, the administration of export controls should emphasize the control of these exports.

(3) The acquisition of sensitive commodities and technology by those countries and end users whose actions or policies run counter to United States national security or foreign policy interests may enhance the military capabilities of those countries, particularly their ability to design, develop, test, produce, stockpile, use, and deliver nuclear, chemical, and biological weapons, missile delivery systems, and other significant military capabilities. This enhancement threatens the security of the United States and its allies, and places additional demands on the defense budget of the United States. Availability to countries and end users of items that contribute to military capabilities or the proliferation of weapons of mass destruction is a fundamental concern of the United States and should be eliminated through negotiations and other appropriate means whenever possible.

(4) With the growing importance of exports to sustained United States economic growth and vitality, restrictions on exports must be evaluated in terms of their effects on the United States economy.

(5) Export controls cannot be the sole instrument of the United States to prevent a country or end user from developing weapons of mass destruction. For this reason, export controls should be applied as part of a comprehensive response to security threats.

(6) The national security of the United States depends not only on wise foreign policies and a strong defense, but also a vibrant national economy. To be truly effective, export controls should be applied uniformly by all suppliers.

(7) International treaties, such as the Chemical Weapons Convention, and international agreements and arrangements intended to control, lessen, or eliminate weapons of mass destruction should be fully implemented by, among other things, imposing restrictions on imports and exports of designated items, monitoring, and transmitting reports on, the production, processing, consumption, export, and import of designated items, and complying with verification regimes mandated by such treaties, agreements, and arrangements.

(8) Except in the event the United States is the sole source of critical supplies, unilateral export controls are generally not truly effective in influencing the behavior of other governments or impeding access to controlled items. Unilateral controls alone may impede access to United States sources of supply without affecting the ability of countries to obtain controlled items elsewhere. Moreover, unilateral controls generally permit foreign competitors to serve markets the United States Government denies to United States firms and workers, thus impairing the reliability of United States suppliers in comparison with their foreign competitors. At the same time, the need to lead the international community or overriding national security or foreign policy interests may justify unilateral controls in specific cases.

(9) The United States recognizes the importance of comprehensive enforcement measures to maximize the effectiveness of multilateral controls.

(10) The United States export control system must not be overly restrictive or bureaucratic, or undermine the competitive position of United States industry. The export control system must be efficient, responsive, transparent, and effective.

(11) Export restrictions that negatively affect the United States industrial base may ultimately weaken United States military capabilities and lead to dependencies on foreign sources for key components.

(12) Minimization of restrictions on exports of agricultural commodities and products is of critical importance to the maintenance of a sound agricultural sector, to a positive contribution to the balance of payments, to reducing the level of Federal expenditures for agricultural support programs, and to United States cooperation in efforts to eliminate malnutrition and world hunger.

(13) Minimization of restrictions on the export of information technology products and services is of critical importance to United States leadership in removing obstacles to the effective development of a superior global information infrastructure and the new jobs and markets, increased trade and information flows, improved national security, and new tools for the improvement of the quality of life for people globally that will be created.

(14) The United States should play a leading role in promoting transparency and responsibility with regard to the transfers of conventional armaments and sensitive dual-use goods and technologies.

SEC. 103. POLICY STATEMENT.

It is the policy of the United States to do the following:

(1) To stem the proliferation of weapons of mass destruction, and the means to deliver them, and other significant military capabilities by—

(A) leading international efforts to control the proliferation of chemical and biological weapons, nuclear explosive devices, missile delivery systems, and other significant military capabilities;

(B) controlling involvement of United States persons in, and contributions by United States persons to, foreign programs intended to develop weapons of mass destruction, missiles, and other significant military capabilities, and the means to design, test, develop, produce, stockpile, or use them; and

(C) implementing international treaties or other agreements or arrangements concerning controls on exports of designated items, reports on the production, processing, consumption, and exports and imports of such items, and compliance with verification programs.

(2) To restrict the export of items—

(A) that would significantly contribute to the military potential of countries so as to prove detrimental to the national security of the United States or its allies; or

(B) where necessary to further significantly the foreign policy of the United States or to fulfill its declared international commitments.

(3) To—

(A) minimize uncertainties in export control policy; and

(B) encourage trade with all countries with which the United States has diplomatic or trading relations, except those countries with which such trade has been determined by the President to be against the national interest.

(4) To restrict export trade when necessary to protect the domestic economy from the excessive drain of scarce materials and to reduce the serious inflationary impact of foreign demand.

(5) To further increase the reliance of the United States upon multilateral coordination of controls through effective control regimes that maintain lists of controlled items

that are truly critical to the control objectives, strive to increase membership to include all relevant countries, maintain common criteria and procedures for licensing, and harmonize member countries' licensing practices. It is the policy of the United States that multilateral controls are the best means of achieving the control objectives of the United States.

(6) To impose unilateral controls only when it is necessary to further significantly the national security or foreign policy of the United States, and only after full consideration of the economic impact of the controls and their effectiveness in achieving their intended objectives.

(7) To make all licensing determinations in a timely manner so undue delays in the licensing process will not cause a United States person to lose an export sale.

(8) To use export controls to deter and punish acts of international terrorism and to encourage other countries to take immediate steps to prevent the use of their territories or resources to aid, encourage, or give sanctuary to those persons involved in directing, supporting, or participating in acts of international terrorism. To this end, consistent with the policies of this section and the provisions of this title, the United States should, by restricting exports to countries that have violated international norms of behavior by repeatedly supporting acts of international terrorism, distance itself from those countries.

(9)(A) To counteract restrictive trade practices or boycotts fostered or imposed by foreign countries against other countries friendly to the United States or against any United States person.

(B) To encourage and, in specified cases, require United States persons engaged in the export of commodities, technology, and other information to refuse to take actions, including furnishing information or entering into or implementing agreements, which have the effect of furthering or supporting the restrictive trade practices or boycotts fostered or imposed by any foreign country against a country friendly to the United States or against any United States person.

(10) To streamline export control functions and increase administrative accountability, and thereby better serve the exporting public by reducing and eliminating overlapping, conflicting, and inconsistent regulatory burdens.

(11) To minimize restrictions on the export of agricultural commodities and products.

(12) To minimize restrictions on the export of information technology products and services as part of a flexible regulatory environment that can keep pace with the rapid technological changes necessary to realize the full economic, societal, and national security benefits of United States leadership in the development of a superior global information infrastructure.

(13) To cooperate with other countries to promote greater transparency and responsibility with regard to the transfers of armaments and sensitive goods and technologies, both for the purpose of developing common understandings of the risks to international peace and regional security associated with the transfers of such items and to coordinate national control policies to combat those risks.

(14) To enhance the national security and nonproliferation interests of the United States. To this end and consistent with the other policies of this section and the provisions of this title, the United States will use export controls when necessary to ensure that access to weapons of mass destruction, missile delivery systems, and other significant military capabilities is restricted. While the multilateral nonproliferation regimes will be the primary instruments through which the United States will pursue its nonproliferation goals, it may also, consistent with the policies of this section and the provisions of this title, take unilateral action.

(15) To promote international peace, stability, and respect for fundamental human rights. The United States may establish controls on exports that contribute to the military capabilities of countries that threaten international peace or stability or to countries that abuse the fundamental rights of their citizens, or to promote other important foreign policy objectives of the United States, consistent with the policies of this section and the provisions of this title.

SEC. 104. GENERAL PROVISIONS.

(a) TYPES OF LICENSES.—Under such conditions as the Secretary may impose, consistent with the provisions of this title, the Secretary may require any type of license appropriate to the effective and efficient implementation of this title, including the following:

(1) SPECIFIC EXPORTS.—A license authorizing a specific export.

(2) MULTIPLE EXPORTS.—Licenses authorizing multiple exports, issued pursuant to an application by the exporter, in lieu of a license for each such export. Licenses under this paragraph shall be designed to encourage and acknowledge exporters' internal control programs for ensuring compliance with the terms of the license.

(b) UNITED STATES COMMODITY CONTROL INDEX.—

(1) IN GENERAL.—The Secretary shall establish and maintain, in consultation with the Secretary of Defense and the heads of other appropriate departments and agencies, a United States Commodity Control Index specifying the license requirements under this title that are applicable to the items on the list.

(2) CONTENTS.—The control index shall—

(A) consist of a multilateral control list of items on which export controls are imposed under section 105, an emergency control list of items on which export controls are imposed under section 106, and a short supply control list of commodities on which export controls are imposed under section 107;

(B) include, as part of the multilateral and emergency control lists, those items identified pursuant to section 111(a);

(C) for each item on the control index, specify with particularity the performance (where applicable) and other identifying characteristics of the item and provide a rationale for why the item is on the control list;

(D) identify countries, and, as appropriate, end uses or end users, including specific projects and end users of concern, cross-referenced with the list of commodities and technology on which export controls are imposed; and

(E) be sufficiently specific and clear as to guide exporters and licensing officers in determinations of licensing requirements under this title.

(c) DENIED OR DEBARRED PARTIES, SANCTIONED PARTIES, BLOCKED PERSONS, SPECIALLY DESIGNATED NATIONALS, AND OTHER PARTIES PRESENTING UNACCEPTABLE RISKS OF DIVERSION.—

(1) DENIED OR DEBARRED PARTIES, SANCTIONED PARTIES, BLOCKED PERSONS, AND SPECIALLY DESIGNATED NATIONALS.—The President shall ensure that an official list is published semiannually in the Federal Register of all parties denied or debarred from export privileges under this title or under the Arms Export Control Act, all parties sanctioned for prohibited proliferation activity under this title or other statutes, and all blocked persons and specially designated nationals. For purposes of this paragraph, a ''blocked person'' or ''specially designated national'' is a person or entity so designated by the President or the Secretary of the Treasury under the Trading With the Enemy Act, or the International Emergency Economic Powers Act, with whom transactions are prohibited on account of the relationship of that person or entity with a country, organization, or activity against which sanctions are imposed under either such Act. Promptly after any person is designated a ''blocked person'' or ''specially designated national'', the Secretary of the Treasury shall publish such designation in the Federal Register.

(2) OTHER PARTIES.—The Secretary shall maintain a list of parties for whom licenses under this title will be presumptively denied.

(d) DELEGATION OF AUTHORITY.—Subject to the provisions of this title, the President may delegate the power, authority, and discretion conferred upon the President by this title to such departments, agencies, and officials of the Government as the President considers appropriate, except that no authority under this title may be delegated to, or exercised by, any official of any department or agency the head of which is not appointed by the President, by and with the advice and consent of the Senate. The President may not delegate or transfer his power, authority, or discretion to overrule or modify any recommendation or decision made by the Secretary, the Secretary of Defense, or the Secretary of State under this title and may not delegate the authority under section 106(a)(4).

(e) NOTIFICATION OF THE PUBLIC; CONSULTATION WITH BUSINESS.—The Secretary shall keep the public fully apprised of changes in export control policy and procedures instituted in conformity with this title with a view to encouraging trade. The Secretary shall consult regularly with representatives of a broad spectrum of enterprises, labor organizations, and citizens interested in or affected by export controls, in order to obtain their views on United States export control policy and the foreign availability of items subject to controls.

(f) EXPORT ADVISORY COMMITTEES.—

(1) APPOINTMENT.—Upon his or her own initiative or upon the written request of representatives of a substantial segment of any industry which produces any items subject to export controls under this title or under the International Emergency Economic Powers Act, or being considered for such controls, the Secretary shall appoint export advisory committees with respect to any such items. Each such committee shall consist of representatives of United States industry and Government, including the Department of Commerce and other appropriate departments and agencies of the Government. The Secretary shall permit the widest possible participation by the business community on the export advisory committees.

(2) FUNCTIONS.—Export advisory committees appointed under paragraph (1) shall advise and assist the Secretary, and any other department, agency, or official of the Government carrying out functions under this title, on actions (including all aspects of controls imposed or proposed) designed to carry out the policies of this title concerning the items with respect to which such export advisory committees were appointed. Such committees, where they have expertise in such matters, shall be consulted on questions involving—

(A) technical matters,

(B) worldwide availability and actual utilization of production technology,

(C) licensing procedures which affect the level of export controls applicable to any items,

(D) revisions of the multilateral control list (as provided in section 105(g)), including proposed revisions of multilateral controls in which the United States participates,

(E) the issuance of regulations,

(F) the impact and interpretation of existing regulations,

(G) processes and procedures for review of licenses and policy,

(H) any other questions relating to actions designed to carry out this title, and

(I) the operation and conduct of international business transactions.

Nothing in this subsection shall prevent the United States Government from consulting, at any time, with any person representing an industry or the general public, regardless of whether such person is a member of an export advisory committee. Members of the public shall be given a reasonable opportunity, pursuant to regulations prescribed by the Secretary, to present evidence to such committees.

(3) REIMBURSEMENT OF EXPENSES.—Upon the request of any member of any export advisory committee appointed under paragraph (1), the Secretary may, if the Secretary determines it to be appropriate, reimburse such member for travel, subsistence, and other necessary expenses incurred by such member in connection with the duties of such member.

(4) CHAIRPERSON.—Each export advisory committee appointed under paragraph (1) shall elect a chairperson, and shall meet at least every 3 months at the call of the chairperson, unless the chairperson determines, in consultation with the other members of the committee, that such a meeting is not necessary to achieve the purposes of this subsection. Each such committee shall be terminated after a period of 2 years, unless extended by the Secretary for additional periods of 2 years each. The Secretary shall consult with each such committee on such termination or extension of that committee.

(5) ACCESS TO INFORMATION.—To facilitate the work of the export advisory committees appointed under paragraph (1), the Secretary, in conjunction with other departments and agencies participating in the administration of this title, shall disclose to each such committee adequate information, consistent with national security, pertaining to the reasons for the export controls which are in effect or contemplated for the items or policies for which that committee furnishes advice. Information provided by the export advisory committees shall not be subject to disclosure under section 552 of title 5, United States Code, and such information shall not be published or disclosed unless the Secretary determines that the withholding thereof is contrary to the national interest.

(g) DEVELOPMENT AND REVIEW OF THE CONTROL INDEX.—

(1) IN GENERAL.—

(A) Consistent with the general guidance of the Export Control Policy Committee established in section 114(c), the Secretary of Defense and the heads of other appropriate departments and agencies may identify and recommend to the Secretary—

(i) commodities and technology for inclusion on, or deletion from, the multilateral and emergency control lists; and

(ii) the licensing requirements that should or should not apply to these commodities and technology.

(B) The Secretary of Defense shall have primary responsibility for identifying commodities and technologies that are critical to the design, development, test, production, stockpiling, or use of weapons of mass destruction and other military capabilities, including nuclear, biological, and chemical weapons, and manned and unmanned vehicles capable of delivering such weapons, in determining recommendations for inclusion of items on the control index.

(C) If the Secretary of Defense, the Secretary of State, or the Secretary of Energy disagrees with the decision of the Secretary regarding the inclusion or deletion, or licensing requirements of, any commodity or technology, the Secretary of Defense, State, or Energy (as the case may be) may, within 30 days after the Secretary makes the decision, appeal the Secretary's decision to the President in writing, but only on the basis of the specific provisions of this title. If the Secretary of Defense, the Secretary of State, or the Secretary of Energy fails to appeal a decision of the Secretary in accordance with the preceding sentence, he or she shall be deemed to have no objection to the decision. The President shall resolve a disagreement under this subsection not later than 30 days after the appeal is made under this paragraph.

(2) NEGOTIATIONS.—The Secretary of State, in consultation with appropriate departments and agencies, shall be responsible for conducting negotiations with other countries regarding multilateral arrangements for restricting the export of items to carry out the policies of this title. All appropriate departments and agencies shall develop initial technical parameters and product definitions in connection with the development of proposals within the United States Government to be made to multilateral regimes, in consultation with the export advisory committees as provided in paragraph (3).

(3) CONSULTATIONS WITH EXPORT ADVISORY COMMITTEES.—The Secretary shall consult with the appropriate export advisory committee appointed under this section with respect to changes in the control index, and such export advisory committee may submit recommendations to the Secretary with respect to such changes. The Secretary shall consider the recommendations of the export advisory committee and shall inform the committee of the disposition of its recommendations. The Secretary shall also seek comments and recommendations from the public in connection with changes in the control index. To the maximum extent practicable and consistent with the conduct of international negotiations, such comments and recommendations should be taken into consideration in the development of United States Government proposals and positions to be taken in multilateral regimes.

(h) RIGHT OF EXPORT.—No authority or permission to export may be required under this title, or under regulations issued under this title, except to carry out the policies set forth in section 103.

(i) INTERNATIONAL OBLIGATIONS UNDER TREATIES.—Notwithstanding any other provision of this title containing limitations on authority to control exports, the Secretary, in consultation with the Secretary of State, may impose controls on exports to a particular country or countries in order to fulfill obligations of the United States under resolutions of the United Nations and under treaties to which the United States is a party. The Secretary may regulate domestic and foreign conduct consistent with the policies of such United Nations resolutions, treaties, and other international agreements. Such authority shall include, but not be limited to, authority to prohibit activity such as financing, contracting, providing services, or employment, to deny access to items in the United States and abroad, to conduct audits of records and inspections of facilities, to compel reports, and to curtail travel.

(j) FEES.—No fee may be charged in connection with the submission or processing of an export license application under this title.

SEC. 105. MULTILATERAL CONTROLS.

(a) AUTHORITY.—

(1) IN GENERAL.—In order to carry out the policies set forth in paragraphs (1), (2), (5), (13), (14), and (15) of section 103, the President may, in accordance with this section, prohibit, curtail, or require the provision of information regarding, the export of any commodities, technology, or other information subject to the jurisdiction of the United States, or exported by any person subject to the jurisdiction of the United States, in order to implement multilateral export control regimes. The authority under this paragraph shall include, but not be limited to, the authority to regulate domestic and foreign conduct, to prohibit activity such as financing, contracting, providing services, or employment, to deny access to items in the United States and abroad, to conduct audits of records and inspections of facilities, and to compel reports. The authority granted by this subsection may not be exercised to impose unilateral controls.

(2) EXERCISE OF AUTHORITY.—The authority granted by this subsection shall be implemented by the Secretary, in consultation with appropriate departments and agencies.

(3) CONSISTENCY WITH EXPORT CONTROL REGIMES.—Any provision of this title that provides that no authority or permission to export may be required under this title shall not apply to the extent that such a provision is inconsistent with an international commitment of the United States under a multilateral export control regime.

(b) MULTILATERAL CONTROL LIST.—The Secretary shall, in consultation with appropriate departments and agencies as provided in section 104(g), designate as part of the control index, a multilateral control list, comprised of the items on which export controls are in effect under this section.

(c) EXPORT LICENSING POLICIES.—The President shall ensure that steps are taken to increase the degree to which the licensing requirements of other export regime members are harmonized with the licensing requirements maintained by the Secretary in controlling items under this section.

(d) MULTILATERAL CONTROL REGIMES.—

(1) POLICY.—In order to carry out the policies set forth in section 103, the Secretary of State, in consultation with appropriate departments and agencies, should seek multilateral arrangements that are intended to secure effective achievement of these policies and, in so doing, also establish fairer and more predictable competitive opportunities for United States exporters.

(2) STANDARDS FOR NATIONAL SYSTEMS.—In the establishment and maintenance of multilateral regimes, the Secretary of State, in consultation with appropriate departments and agencies, shall take steps to attain the cooperation of members of the regimes in the effective implementation of export control systems. Such systems should contain the following elements:

(A) National laws providing enforcement authorities, civil and criminal penalties, and statutes of limitations sufficient to deter potential violations and punish violators.

(B) A program to evaluate export license applications that includes sufficient technical expertise to assess the licensing status of exports and ensure the reliability of end users.

(C) An enforcement mechanism that provides authority for trained enforcement officers to investigate and prevent illegal exports.

(D) A system of export control documentation to verify the movement of items.

(E) Procedures for the coordination and exchange of information concerning licensing, end users, and enforcement.

(F) Adequate national resources devoted to carrying out subparagraphs (A) through (E).

(3) STANDARDS FOR MULTILATERAL REGIMES.—In the establishment and maintenance of multilateral regimes, the Secretary of State, in consultation with appropriate departments and agencies, should seek, consistent with the policies set forth in section 103, the following features for the multilateral control regimes in which the United States participates:

(A) FULL MEMBERSHIP.—Achieve membership of all supplier countries whose policies and activities are consistent with the objectives and membership criteria of the multilateral regime.

(B) EFFECTIVE ENFORCEMENT AND COMPLIANCE.—Promote enforcement and compliance with the rules and guidelines of the members of the regime through maintenance of an effective control list.

(C) PUBLIC UNDERSTANDING.—Enhance public understanding of each regime's purpose and procedures.

(D) EFFECTIVE IMPLEMENTATION PROCEDURES.—Achieve procedures for effective implementation of the rules and guidelines of the regime through uniform and consistent interpretations of export controls agreed to by the governments participating in the regime.

(E) ENHANCED COOPERATION AMONG REGIME MEMBERS.—Reach agreement to enhance cooperation among members of the regime in obtaining the agreement of governments outside the regime to restrict the export of items controlled by the regime, to establish an ongoing mechanism in the regime to coordinate planning and implementation of export control measures related to such agreements, and to remove items from the list of items controlled by the regime if the control of such items no longer serves the objectives of the members of the regime.

(F) PERIODIC HIGH-LEVEL MEETINGS.—Conduct periodic meetings of high-level representatives of participating governments for the purpose of coordinating export control policies and issuing policy guidance to members of the regime.

(G) COMMON LIST OF CONTROLLED ITEMS.—Reach agreement on a common list of items controlled by the regime.

(H) TREATMENT OF CERTAIN COUNTRIES.—Prevent the export or diversion of the most sensitive items to countries whose activities are threatening to the national security of the United States or its allies.

(I) DISCLOSURE OF NONPROPRIETARY INFORMATION.—Promote transparency and timely disclosure of nonproprietary information with respect to the transfers of sensitive dual-use commodities and technologies, when appropriate, for the purpose of developing common understandings of the risks to international peace and regional security associated with such transfers and to coordinate national control policies to combat those risks.

(e) INCENTIVES FOR PARTNERSHIP.—Consistent with the policies of this title and consistent with the objectives, rules, and guidelines of the individual regime—

(1) the Secretary, in consultation with appropriate departments and agencies, may provide for exports free of license requirements to and among members of a multilateral regime for items subject to controls under such a multilateral regime; and

(2) the Secretary, in consultation with appropriate departments and agencies, may adjust licensing policies with respect to a particular country or entity for access to items controlled under this title to the extent of the adherence of that country or entity to the export control policies of this section. Actions by the Secretary under paragraphs (1) and (2) shall be consistent with the requirements of section 111(a)(1)(C).

(f) TRANSPARENCY OF MULTILATERAL CONTROL REGIMES.—

(1) PUBLICATION OF INFORMATION ON EACH EXISTING REGIME.—Within 6 months after the date of the enactment of this Act, the Secretary shall, to the extent doing so is not inconsistent with arrangements in multilateral export control regimes, publish in the Federal Register the following information with respect to each multilateral control regime existing on the date of the enactment of this Act:

(A) Purposes of the control regime.

(B) Members of the regime.

(C) Licensing policy.

(D) Items subject to the controls under the regime, together with all public notes, understandings, and other aspects of the agreement of the regime, and all changes thereto.

(E) Any countries, end uses, or end users that are subject to the controls.

(F) Rules of interpretation.

(G) Major policy actions.

(H) The rules and procedures of the regime for establishing and modifying any matter described in subparagraphs (A) through (G) and for reviewing export license applications.

(2) NEW REGIMES.—Within 2 months after the United States joins or organizes a new export control regime, the Secretary shall, to the extent doing so is not inconsistent with arrangements in the regime, publish the information described in subparagraphs (A) through (H) of paragraph (1) with respect to that regime.

(3) PUBLICATION OF CHANGES.—Within 2 months after the applicable regime adopts any changes in the information published under this subsection, the Secretary shall, to the extent doing so is not inconsistent with arrangements in the regime, publish such changes in the Federal Register.

(g) REVIEW OF CONTROLLED ITEMS.—

(1) IN GENERAL.—Under the policy guidance of the Export Control Policy Committee established in section 114(c), and consistent with the procedures in section 104(g), the Secretary shall review all items on the multilateral control list maintained under subsection (b) at least every 2 years, except that the Secretary shall review annually whether the policy set forth in section 103(12) is being achieved. At the conclusion of each review, the Secretary shall decide whether to maintain or remove items from the multilateral control list, maintain, change, or eliminate the specifications, performance thresholds, or licensing requirements on items on the list, or add items to the list.

(2) CONSIDERATIONS.—In conducting the review, the Secretary shall—

(A) consult with the Secretary of Defense concerning militarily critical technologies;

(B) consult with the appropriate export advisory committees appointed under section 104(f) and consider recommendations of such committees with respect to proposed changes in the multilateral control list;

(C) consider whether controlled items or their equivalent are so widely available in the United States (in terms of quantity, cost, and means of sale and delivery) that the requirement for a license is ineffective in achieving the purpose of the control;

(D) consider whether the differences between the export controls of the United States and that of governments of foreign suppliers of competing items effectively has placed or will place the United States exporter at a significant commercial disadvantage with respect to its competitors abroad, and has placed, or will place, employment in the United States in jeopardy;

(E) consider the results of determinations made under section 114(k); and

(F) consider comments received pursuant to the notice of review provided under paragraph (3)(A).

(3) PROCEDURES.—

(A) NOTICE OF REVIEW.—Before beginning each review under this subsection, the Secretary shall publish a notice of that review in the Federal Register and shall provide a 30-day period for comments and submission of data, including by exporters and other interested parties.

(B) PROPOSALS TO EXPORT CONTROL REGIMES.—If a revision to the multilateral control list or to a licensing requirement under this paragraph is inconsistent with the control lists, guidelines, or the licensing requirements of, an export control regime, the Secretary of State shall propose such revision to that regime. Such revision shall become effective only to the extent such revision is agreed to by the export control regime.

(C) PUBLICATION OF REVISIONS.—The Secretary shall publish in the Federal Register any revisions in the list, with an explanation of the reasons for the revisions.

SEC. 106. EMERGENCY CONTROLS.

(a) AUTHORITY.—

(1) IN GENERAL.—In order to carry out the policy set forth in paragraphs (1), (2), (6), (8), (14), and (15) of section 103, the President may, in accordance with the provisions of this section, unilaterally prohibit, curtail, or require the provision of information regarding the export of any commodity, technology, or other information subject to the jurisdiction of the United States or exported by any person subject to the jurisdiction of the United States. The authority under this paragraph shall include, but not be limited to, the authority to regulate domestic and foreign conduct, to prohibit activity such as financing, contracting, providing services, or employment, to deny access to items in the United States and abroad, to conduct audits of records and inspections of facilities, and to compel reports.

(2) EXERCISE OF AUTHORITY.—The authority contained in this section shall be exercised by the Secretary, in consultation with the Secretary of State, the Secretary of Defense, and such other departments and agencies as the President considers appropriate, and consistent with the procedures in section 104(g).

(3) EXPIRATION OF CONTROLS.—

(A) IN GENERAL.—Any controls imposed under this section shall expire 12 months after they are imposed, unless they are terminated earlier by the President or unless they are extended under this section, except that such controls may be adopted as multilateral controls under section 105 or included in an embargo that is imposed by the President under the International Emergency Economic Powers Act, the Trading with the Enemy Act, or other provision of law other than this title. Any extension or subsequent extension of the controls under this section shall be for a period of not more than 1 year each. The controls shall expire at the end of each such extension unless they are terminated earlier by the President or unless they are further extended under this section, except that such controls may be adopted as multilateral controls under section 105 or included in an embargo described in the first sentence of this subparagraph.

(B) EXCEPTION FOR MULTILATERAL AGREEMENTS.—Subparagraph (A) shall not apply to controls imposed by the President in order to fulfill obligations of the United States under resolutions of the United Nations or under treaties to which the United States is a party. If such a resolution or treaty ceases to be in effect, controls imposed by the

President pursuant to such resolution or treaty shall immediately cease to be in effect.

(4) CRITERIA.—Controls may be imposed, expanded, or extended under this section only if the President determines that—

(A) the controls are necessary to further significantly the nonproliferation, national security, or foreign policies of the United States provided in section 103, the objective of the controls is in the overall national interest of the United States, and reasonable alternative means to the controls are not available;

(B) the controls are likely to make substantial progress toward achieving the intended purpose of—

(i) changing, modifying, or constraining the undesirable conduct or policies of the country to which the controls apply;

(ii) denying access by the country to controlled items from all sources;

(iii) establishing multilateral cooperation to deny the country access to controlled items from all sources; or

(iv) denying exports or assistance that significantly contributes to the proliferation of weapons of mass destruction or other important military capabilities, terrorism, or human rights abuses;

(C) the proposed controls are compatible with the foreign policy objectives of the United States and with overall United States policy toward the country to which the controls apply;

(D) the reaction of other countries to the imposition, expansion, or extension of such export controls by the United States is not likely to render the controls ineffective in achieving the intended purpose or to be counter-productive to United States policy interests;

(E) the effect of the proposed controls on the export performance of the United States, the competitive position of the United States as a supplier of items, or on the economic well-being of individual United States companies and their employees and communities does not exceed the benefit to the United States foreign policy, nonproliferation, or national security interests; and

(F) the United States has the ability to enforce the proposed controls effectively.

(b) CONSULTATION WITH INDUSTRY.—The Secretary shall consult with and seek advice from affected United States industries and export advisory committees appointed under section 104(f) before the imposition, expansion, or extension of any export control under this section.

(c) CONSULTATION WITH OTHER COUNTRIES.—When expanding or extending export controls under this section (unless such action is taken under subsection (a)(3)(B)), the Secretary of State, in consultation with appropriate departments and agencies, shall, at the earliest appropriate opportunity, consult with the countries with which the United States maintains export controls cooperatively, and with other countries, as appropriate, to advise them of the reasons for the action and to urge them to adopt similar controls.

(d) CONSULTATIONS WITH THE CONGRESS.—

(1) CONSULTATIONS.—The Secretary may impose, expand, or extend export controls under this section only after consultation with the Congress, including the Committee on International Relations of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate.

(2) REPORTS.—The Secretary may not impose or expand controls under subsection (a) until the Secretary has submitted to the Congress a report—

(A) addressing each of the criteria set forth in subsection (a)(4);

(B) specifying the purpose of the controls;

(C) describing the nature, the subjects, and the results of, or plans for, the consultation with industry under subsection (b) and with other countries under subsection (c);

(D) specifying the nature and results of any alternative means attempted to achieve the objectives of the controls, or the reasons for imposing or expanding the controls without attempting any such alternative means; and

(E) describing the availability from other countries of items comparable to the items subject to the controls, and describing the nature and results of the efforts made to secure the cooperation of foreign governments in controlling the foreign availability of such comparable items.

Such report shall also indicate how such controls will further significantly the policies of the United States as set forth in section 103 or will further its declared international obligations.

(e) SEEKING MULTILATERAL SUPPORT FOR UNILATERAL CONTROLS.—The Secretary of State, in consultation with appropriate departments and agencies, shall have a continuing duty to seek support for controls imposed under this section by other countries and by effective multilateral control regimes.

(f) PROCEDURES AND LIMITATIONS ON EMERGENCY CONTROLS.—

(1) CESSATION OF EMERGENCY CONTROLS.—

(A) IN GENERAL.—Controls imposed under this section on commodities, technology, or other information shall cease to be in effect immediately upon—

(i) the imposition of similarly restrictive controls under section 105 on the same commodities, technology, or information to the country or end user, or for the end use, with respect to which the controls were imposed under this section; or

(ii) the imposition of an embargo, under the International Emergency Economic Powers Act, the Trading with the Enemy Act, or other provision of law, on exports to, and imports from the country with respect to which the controls were imposed under this section.

(B) CONVERSION TO MULTILATERAL AGREEMENTS.—If the President imposes controls on commodities, technology, or other information to a country or end user, or for an end use, under this section in order to fulfill obligations of the United States under resolutions of the United Nations or under a treaty to which the United States is a party, any equivalent controls imposed prior thereto under this section on the same commodities, technology, or information to the same country or end user, or for the same end use, shall immediately cease to be in effect.

(2) LIMITATIONS ON REIMPOSITION.—Controls which have ceased to be in effect under subsection (a)(3), and which have not been extended under subsection (g), may not be reimposed by the President under subsection (a) for a period of 6 months beginning on the date on which the original controls expire, unless the President determines that reimposition of controls is warranted due to significant changes in circumstances since the expiration of the controls.

(g) EXTENSION OF EMERGENCY CONTROLS.—

(1) REPORT.—If the President decides to extend controls imposed under subsection (a), which are due to expire under subsection (a)(3), the President shall, not later than 30 calendar days before the expiration of such controls, transmit to the Congress a report on the proposed extension, setting forth the reasons for the proposed extension in detail and specifying the period of time, which may not exceed 1 year, for which the controls are proposed to be extended. In particular, such report shall—

(A) contain determinations by the President—

(i) that the controls are likely to continue to make substantial progress toward achieving the intended purpose of—

(I) changing, modifying, or constraining the undesirable conduct or policies of the country to which the controls apply;

(II) denying access by the country to controlled items from all sources;

(III) establishing multilateral cooperation to deny the country access to controlled items from all sources; or

(IV) denying exports or assistance that significantly contributes to the proliferation of weapons of mass destruction or other important military capabilities, terrorism, or human rights abuses;

(ii) that the impact of the controls has been compatible with the foreign policy objectives of the United States and with overall United States policy toward the controlled country;

(iii) that the reaction of other countries to the imposition or expansion of the controls by the United States has not rendered the controls ineffective in achieving the intended purpose and have not been counterproductive to United States policy interests;

(iv) that the effect of the controls on the export performance of the United States, the competitive position of the United States as a supplier of items, and the economic well-being of individual United States companies and their employees and communities has not exceeded the benefit to the United States foreign policy, nonproliferation, or national security interests; and

(v) that the United States has enforced the controls effectively.

(2) FURTHER EXTENSIONS OF CONTROLS.—If, upon the expiration of the controls extended under this subsection, the President determines that a further extension of emergency controls for an additional period of time of not more than 1 year is necessary, paragraph (1) shall apply to such further extension.

(h) EFFECT ON OTHER AUTHORITY.—

(1) EMBARGO AUTHORITY.—Nothing in this section shall be construed to limit the authority of the President to impose an embargo on exports to, and imports from, a specific country under the International Emergency Economic Powers Act, the Trading with the Enemy Act, or other provision of law (other than this title). In any case in which the President exercises any such authority to impose an embargo, the requirements of this section shall not apply for so long as such embargo is in effect.

(2) EFFECT ON EXISTING EMBARGOES.—(A) Nothing in this section affects the authorities conferred upon the President by section 5(b) of the Trading with the Enemy Act, which were being exercised with respect to a country on July 1, 1977, as a result of a national emergency declared by the President before that date, and are being exercised on the date of the enactment of this Act.

(B) Nothing in this section affects the authorities conferred upon the President by the International Economic Powers Act or other provision of law (other than the Export Administration Act of 1979), which were being exercised with respect to a country before the date of the enactment of this Act as a result of a national emergency declared by the President before that date, and are being exercised with respect to such country on such date of enactment.

(i) COUNTRIES SUPPORTING INTERNATIONAL TERRORISM.—

(1) PROHIBITION ON EXPORTS.—(A) No export described in subparagraph (B) may be made to any country the government of which the Secretary of State has determined has repeatedly provided support for acts of international terrorism.

(B) The exports referred to in subparagraph (A) are—

(i) of any commodity or technology the export of which is controlled under this title pursuant to the Wassenaar Arrangement, the Missile Technology Control Regime, or the Australia Group, or controlled under this title pursuant to section 309(c) of the Nuclear Non-Proliferation Act of 1978,

(ii) of any other commodity or technology the export of which is controlled under this title pursuant to multilateral export control regimes in which the United States participates, and

(iii) of any commodity or technology which could make a significant contribution to the military potential of a country described in subparagraph (A), including its military logistics capability, or could enhance the ability of such country to support acts of international terrorism,

other than food, medicine, or medical supplies that the President determines will be used only for humanitarian purposes. An individual validated license shall be required for the export under this subparagraph of any such food, medicine, or medical supplies.

(C) Subsections (a)(3) and (b) shall not apply to exports prohibited or restricted under this subsection.

(D)(i) The Secretary shall maintain a list of commodities and technology described in subparagraph (B)(iii). The Secretary shall review the list of items on that list at least annually. At the conclusion of the review, the Secretary shall determine whether to remove items from the list, change the specifications of items on the list, or add items to the list, in order to ensure that the items on the list meet the requirements of subparagraph (B)(iii).

(ii) The procedures set forth in subparagraphs (A) and (C) of section 105(g)(3) shall apply to reviews under clause (i) of the list of items described in subparagraph (B)(iii) to the same extent as such section applies to reviews of the control list under section 105(g).

(2) NOTIFICATION OF CONGRESS OF LICENSES ISSUED.—The Secretary and the Secretary of State shall notify the Speaker of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs and the Committee on Foreign Relations of the Senate at least 30 days before issuing any license under this title for exports to a country the government of which the Secretary of State has determined has repeatedly provided support for acts of international terrorism.

(3) PUBLICATION OF DETERMINATIONS.—Each determination of the Secretary of State under paragraph (1)(A) shall be published in the Federal Register.

(4) RESCISSION OF DETERMINATIONS.—A determination made by the Secretary of State under paragraph (1)(A) may not be rescinded unless the President submits to the Speaker of the House of Representatives and the chairman of the Committee on Banking, Housing, and Urban Affairs and the chairman of the Committee on Foreign Relations of the Senate—

(A) before the proposed rescission would take effect, a report certifying that—

(i) there has been a fundamental change in the leadership and policies of the government of the country concerned;

(ii) that government is not supporting acts of international terrorism; and

(iii) that government has provided assurances that it will not support acts of international terrorism in the future; or

(B) at least 45 days before the proposed rescission would take effect, a report justifying the rescission and certifying that—

(i) the government concerned has not provided any support for international terrorism during the preceding 6-month period; and

(ii) the government concerned has provided assurances that it will not support acts of international terrorism in the future.

(5) WAIVER OF PROHIBITIONS.—The President may waive the prohibitions contained in paragraph (1)(A) with respect to a specific transaction if—

(A) the President determines that the transaction is essential to the national security interests of the United States; and

(B) not less than 30 days prior to the proposed transaction, the President—

(i) consults with the Committee on International Relations of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate regarding the proposed transaction; and

(ii) submits to the Speaker of the House of Representatives and the chairman of the Committee on Banking, Housing, and Urban Affairs of the Senate a report containing—

(I) the name of any country involved in the proposed transaction, the identity of any recipient of the items to be provided pursuant to the proposed transaction, and the anticipated use of those items;

(II) a description of the items involved in the proposed transaction (including their market value) and the actual sale price at each step in the transaction;

(III) the reasons why the proposed transaction is essential to the national security interests of the United States and the justification for the proposed transaction;

(IV) the date on which the proposed transaction is expected to occur; and

(V) the name of any foreign governments involved in the proposed transaction.

To the extent possible, the information specified in clause (ii) of subparagraph (B) shall be provided in unclassified form.

(6) MULTILATERAL REGIMES.—The Secretary of State, in consultation with appropriate departments and agencies, shall seek support by other countries and by effective multilateral control regimes of controls imposed by this subsection.

(7) EFFECT ON OTHER LAWS.—The provisions of this subsection do not affect any other provision of law to the extent such other provision imposes greater restrictions on exports to any country the government of which the Secretary of State has determined has repeatedly provided support for acts of international terrorism than are imposed under this subsection.

(j) CRIME CONTROL INSTRUMENTS.—

(1) LICENSE REQUIRED.—Crime control and detection instruments and equipment shall be approved for export by the Secretary only pursuant to an export license. Paragraphs (3)(A) and (4) of subsection (a) shall not apply to the export controls imposed by this subsection.

(2) CONCURRENCE OF SECRETARY OF STATE.—

(A) ITEMS ON CONTROL INDEX.—Any determination of the Secretary of what commodities or technology shall be included on the control index as a result of the export restrictions imposed by this subsection shall be made with the concurrence of the Secretary of State.

(B) ACTION ON LICENSE APPLICATION.—Any determination of the Secretary to approve or deny an export license application to export crime control or detection instruments or equipment shall be made with the concurrence of the Secretary of State.

(3) DISPUTE RESOLUTION.—If the Secretary of State does not agree with the Secretary with respect to any determination under paragraph (2), the Secretary of State shall refer the matter to the President for resolution.

(4) EXCEPTIONS.—The provisions of this subsection shall not apply with respect to exports to countries which are members of the North Atlantic Treaty Organization or to Japan, Australia, or New Zealand, or to such other countries as the President shall designate consistent with the purposes of this subsection and section 502B of the Foreign Assistance Act of 1961.

(k) SPARE PARTS.—At the same time as the President imposes or expands export controls under this section, the President shall determine whether such export controls will apply to replacement parts or parts in commodities subject to such export controls.

(l) EFFECT ON OTHER LAWS.—None of the prohibitions contained in this section shall apply to any transaction subject to the reporting requirements of title V of the National Security Act of 1947.

SEC. 107. SHORT SUPPLY CONTROLS.

(a) AUTHORITY.—

(1) IN GENERAL.—In order to carry out the policy set forth in section 103(4), the President may prohibit or curtail the export of any commodities subject to the jurisdiction of the United States or exported by any person subject to the jurisdiction of the United States. In curtailing exports to carry out the policy set forth in section 103(4), the President shall allocate a portion of export licenses on the basis of factors other than a prior history of exportation. Such factors shall include the extent to which a country engages in equitable trade practices with respect to United States commodities and treats the United States equitably in times of short supply.

(2) PUBLIC PARTICIPATION.—Upon imposing quantitative restrictions on exports of any commodities to carry out the policy set forth in section 103(4), the Secretary shall include in a notice published in the Federal Register with respect to such restrictions an invitation to all interested parties to submit written comments within 15 days after the date of publication on the impact of such restrictions and the method of licensing used to implement them.

(3) LICENSE FEES.—In imposing export controls under this section, the President's authority shall include, but not be limited to, the imposition of export license fees.

(b) MONITORING.—

(1) IN GENERAL.—In order to carry out the policy set forth in section 103(4), the Secretary shall monitor exports, and contracts for exports, of any commodity (other than a commodity which is subject to the reporting requirements of section 602 of the Agricultural Trade Act of 1978 (7 U.S.C. 5712)) when the volume of such exports in relation to domestic supply contributes, or may contribute, to an increase in domestic prices or a domestic shortage, and such price increase or shortage has, or may have, a serious adverse impact on the economy or any sector thereof. Any such monitoring shall commence at a time adequate to assure that the monitoring will result in a data base sufficient to enable policies to be developed, in accordance with section 103(4), to mitigate a short supply situation or serious inflationary price rise or, if export controls are needed, to permit imposition of such controls in a timely manner. Information which the Secretary requires to be furnished in effecting such monitoring shall be confidential, except as provided in paragraph (2).

(2) REPORTS ON MONITORING.—The results of monitoring under paragraph (1) shall, to the extent practicable, be aggregated and included in weekly reports setting forth, with respect to each item monitored, actual and anticipated exports, the destination by country, and the domestic and worldwide price, supply, and demand. Such reports may be made monthly if the Secretary determines that there is insufficient information to justify weekly reports.

(3) CONSULTATION WITH SECRETARY OF ENERGY.—The Secretary shall consult with the Secretary of Energy to determine whether monitoring or export controls under this section are warranted with respect to exports of facilities, machinery, or equipment normally and principally used, or intended to be used, in the production, conversion, or transportation of fuels and energy (except nuclear energy), including, but not limited to—

(A) drilling rigs, platforms, and equipment;

(B) petroleum refineries, and natural gas processing, liquefaction, and gasification plants;

(C) facilities for production of synthetic natural gas or synthetic crude oil;

(D) oil and gas pipelines, pumping stations, and associated equipment; and

(E) vessels for transporting oil, gas, coal, and other fuels.

(c) PETITIONS FOR MONITORING OR CONTROLS OF METALLIC MATERIALS.—

(1) IN GENERAL.—(A) Any entity, including a trade association, firm, or certified or recognized union or group of workers, that is representative of an industry or a substantial segment of an industry that processes metallic materials capable of being recycled may transmit a written petition to the Secretary requesting the monitoring of exports or the imposition of export controls, or both, with respect to any such material, in order to carry out the policy set forth in section 103(4).

(B) Each petition shall be in such form as the Secretary shall prescribe and shall contain information in support of the action requested. The petition shall include any information reasonably available to the petitioner indicating that each of the criteria set forth in paragraph (3)(A) is satisfied.

(2) PUBLICATION OF NOTICE.—Within 15 days after receipt of any petition described in paragraph (1), the Secretary shall publish a notice in the Federal Register. The notice shall—

(A) include the name of the material that is the subject to the petition;

(B) include the schedule B number of the material as set forth in the Statistical Classification of Domestic and Foreign Commodities Exported from the United States;

(C) indicate whether the petition is requesting that controls or monitoring, or both, be imposed with respect to the exportation of such material; and

(D) provide that interested persons shall have a period of 30 days beginning on the date on which the notice is published to submit to the Secretary written data, views, or arguments, with or without opportunity for oral presentation, with respect to the matter involved.

At the request of the petitioner or any other entity described in paragraph (1)(A) with respect to the material which is the subject of the petition, or at the request of any entity representative of producers or exporters of such material, the Secretary shall conduct public hearings with respect to the subject of the petition, in which case the 30-day period may be extended to 45 days.

(3) DETERMINATION OF MONITORING OR CONTROLS.—(A) Within 45 days after the end of the 30- or 45-day period described in paragraph (2), as the case may be, the Secretary shall determine whether to impose monitoring or controls, or both, on the export of the material that is the subject of the petition in order to carry out the policy set forth in section 103(4). In making such determination, the Secretary shall determine whether—

(i) there has been a significant increase, in relation to a specific period of time, in exports of such material in relation to domestic supply and demand;

(ii) there has been a significant increase in domestic price of such material or a domestic shortage of such material relative to demand;

(iii) exports of such material are as important as any other cause of a domestic price increase or shortage relative to demand found under clause (ii);

(iv) a domestic price increase or shortage relative to demand found under clause (ii) has significantly adversely affected or may significantly adversely affect the national economy or any sector thereof, including a domestic industry; and

(v) monitoring or controls, or both, are necessary in order to carry out the policy set forth in section 103(4).

(B) The Secretary shall publish in the Federal Register a detailed statement of the reasons for the Secretary's determination under subparagraph (A) of whether to impose monitoring or controls, or both, including the findings of fact in support of that determination.

(4) PUBLICATION OF REGULATIONS.—Within 15 days after making a determination under paragraph (3) to impose monitoring or controls on the export of a material, the Secretary shall publish in the Federal Register proposed regulations with respect to such monitoring or controls. Within 30 days after the publication of such proposed regulations, and after considering any public comments on the proposed regulations, the Secretary shall publish and implement final regulations with respect to such monitoring or controls.

(5) CONSOLIDATION OF PETITIONS.—For purposes of publishing notices in the Federal Register and scheduling public hearings pursuant to this subsection, the Secretary may consolidate petitions, and responses to such petitions, which involve the same or related materials.

(6) SUBSEQUENT PETITIONS ON SAME MATERIAL.—If a petition with respect to a particular material or group of materials has been considered in accordance with all the procedures described in this subsection, the Secretary may determine, in the absence of significantly changed circumstances, that any other petition with respect to the same material or group of materials which is filed within 6 months after the consideration of the prior petition has been completed does not merit complete consideration under this subsection.

(7) PRECEDENCE OF PROCEDURES OVER OTHER REVIEWS.—The procedures and time limits set forth in this subsection with respect to a petition filed under this subsection shall take precedence over any review undertaken at the initiative of the Secretary with respect to the same subject as that of the petition.

(8) TEMPORARY CONTROLS.—The Secretary may impose monitoring or controls, on a temporary basis, on the export of a metallic material after a petition is filed under paragraph (1)(A) with respect to that material but before the Secretary makes a determination under paragraph (3) with respect to that material only if—

(A) the failure to take such temporary actions would result in irreparable harm to the entity filing the petition, or to the national economy or segment thereof, including a domestic industry, and

(B) the Secretary considers such action to be necessary to carry out the policy set forth in section 103(4).

(9) OTHER AUTHORITY NOT AFFECTED.—The authority under this subsection shall not be construed to affect the authority of the Secretary under any other provision of this title, except that if the Secretary determines, on the Secretary's own initiative, to impose monitoring or controls, or both, on the export of metallic materials capable of being recycled, under the authority of this section, the Secretary shall publish the reasons for such action in accordance with paragraph (3)(A) and (B).

(10) SUBMISSION AND CONSIDERATION OF ADDITIONAL INFORMATION.—Nothing contained in this subsection shall be construed to preclude submission on a confidential basis to the Secretary of information relevant to a decision to impose or remove monitoring or controls under the authority of this title, or to preclude consideration of such information by the Secretary in reaching decisions required under this subsection. The provisions of this paragraph shall not be construed to affect the applicability of section 552(b) of title 5, United States Code.

(d) AGRICULTURAL COMMODITIES.—

(1) APPROVAL OF CONTROLS BY SECRETARY OF AGRICULTURE.—The authority conferred by this section shall not be exercised with respect to any agricultural commodity, including fats and oils, forest products, or animal hides or skins, without the approval of the Secretary of Agriculture. The Secretary of Agriculture shall not approve the exercise of such authority with respect to any such commodity during any period for which the supply of such commodity is determined by the Secretary of Agriculture to be in excess of the requirements of the domestic economy, except to the extent the President determines that the controls on such agricultural commodities are also imposed under section 106. The Secretary of Agriculture shall, by exercising the authority which the Secretary of Agriculture has under other applicable provisions of law, collect data with respect to export sales of animal hides and skins.

(2) PROTECTION OF STORED COMMODITIES FROM FUTURE CONTROLS.—Upon approval of the Secretary, in consultation with the Secretary of Agriculture, agricultural commodities purchased by or for use in a foreign country may remain in the United States for export at a later date free from any quantitative limitations on export which may be imposed to carry out the policy set forth in section 103(4) subsequent to such approval. The Secretary may not grant such approval unless the Secretary receives adequate assurance and, in conjunction with the Secretary of Agriculture, finds—

(A) that such commodities will eventually be exported,

(B) that neither the sale nor export thereof will result in an excessive drain of scarce material and have a serious domestic inflationary impact,

(C) that storage of such commodities in the United States will not unduly limit the space available for storage of domestically owned commodities, and

(D) that the purpose of such storage is to establish a reserve of such commodities for later use, not including resale to or use by another country.

The Secretary may issue such regulations as may be necessary to carry out this paragraph.

(3) PROCEDURES FOR IMPOSING CONTROLS.—(A) If the President imposes export controls on any agricultural commodity under section 106 or this section, the President shall immediately transmit a report on such action to the Congress, setting forth the reasons for the controls in detail and specifying the period of time, which may not exceed 1 year, that the controls are proposed to be in effect. If the Congress, within 60 days after the date of the receipt of the report, enacts a joint resolution pursuant to paragraph (4) approving the imposition of the export controls, then such controls shall remain in effect for the period specified in the report, or until terminated by the President, whichever occurs first. If the Congress, within 60 days

after the date of its receipt of such report, fails to adopt a joint resolution approving such controls, then such controls shall cease to be effective upon the expiration of that 60-day period.

(B) The provisions of subparagraph (A) and paragraph (4) shall not apply to export controls—

(i) which are extended under this title if the controls, when imposed, were approved by the Congress under subparagraph (A) and paragraph (4); or

(ii) which are imposed with respect to a country as part of the prohibition or curtailment of all exports to that country.

(4) EXPEDITED PROCEDURES.—(A) For purposes of this paragraph, the term ''joint resolution'' means only a joint resolution the matter after the resolving clause of which is as follows: ''That pursuant to section 107(d)(3) of the Export Administration Act of 1996, the President may impose export controls as specified in the report submitted to the Congress on _____.'', with the blank space being filled with the appropriate date.

(B) On the day on which a report is submitted to the House of Representatives and the Senate under paragraph (3), a joint resolution with respect to the export controls specified in such report shall be introduced (by request) in the House by either the chairman of the Committee on International Relations, for the chairman and the ranking minority member of the Committee, or by Members of the House designated by the chairman and ranking minority member; and shall be introduced (by request) in the Senate by the majority leader of the Senate, for the majority leader and the minority leader of the Senate, or by Members of the Senate designated by the majority leader and minority leader of the Senate. If either House is not in session on the day on which such a report is submitted, the joint resolution shall be introduced in that House, as provided in the preceding sentence, on the first day thereafter on which that House is in session.

(C) If the committee of either House to which a joint resolution has been referred has not reported the joint resolution at the end of 30 days after its referral, the committee shall be discharged from further consideration of the resolution.

(D) A joint resolution under this paragraph shall be considered in the Senate in accordance with the provisions of section 601(b)(4) of the International Security Assistance and Arms Export Control Act of 1976. For the purpose of expediting the consideration and passage of joint resolutions reported to the House of Representatives by the Committee on International Relations under this paragraph, a motion to proceed to the consideration in the House of any such joint resolution shall be considered as highly privileged if offered by the chairman of the committee or a designee on or after the third day the report on the joint resolution has been available to Members pursuant to clause 2(l)(6) of rule XI of the Rules of the House of Representatives. The motion shall not be subject to debate or to intervening motion or otherwise subject to points of order, nor shall it be in order to move to reconsider the vote by which the motion is agreed to or not agreed to. If the motion is agreed to, the joint resolution shall be considered in the House and debatable for not to exceed two hours equally divided and controlled by the chairman and ranking minority member of the committee. The previous question shall be considered as ordered on the joint resolution to final passage without intervening motion.

(E) In the case of a joint resolution described in subparagraph (A), if, before the passage by one House of a joint resolution of that House, that House receives a resolution with respect to the same matter from the other House, then—

(i) the procedure in that House shall be the same as if no joint resolution has been received from the other House; but

(ii) the vote on final passage shall be on the joint resolution of the other House.

(5) COMPUTATION OF TIME PERIODS.—In the computation of the period of 60 days referred to in paragraph (3)(A) and the period of 30 days referred to in paragraph (4)(C), there shall be excluded the days on which either House of Congress is not in session because of an adjournment of more than 3 days to a day certain or because of an adjournment of the Congress sine die.

(6) RULEMAKING POWER.—The provisions of this subsection are enacted by the Congress—

(A) as an exercise of the rulemaking power of the House of Representatives and the Senate, respectively, and as such, they shall be considered as part of the rules of each House, respectively, or of that House to which they specifically apply, and such rules shall supersede other rules only to the extent that they are inconsistent therewith; and

(B) with full recognition of the constitutional right of either House to change such rules (so far as relating to such House) at any time, in the same manner, and to the same extent as in the case of any other rule of such House.

(e) BARTER AGREEMENTS.—

(1) EXEMPTION FROM CONTROLS.—The exportation pursuant to a barter agreement of any commodities which may lawfully be exported from the United States, for any commodities which may lawfully be imported into the United States, may be exempted, in accordance with paragraph (2), from any quantitative limitation on exports (other than any reporting requirement) imposed to carry out the policy set forth in section 103(4).

(2) CRITERIA FOR EXEMPTION.—The Secretary shall grant an exemption under paragraph (1) if the Secretary finds, after consultation with the appropriate department or agency of the United States, that—

(A) for the period during which the barter agreement is to be performed—

(i) the average annual quantity of the commodities to be exported pursuant to the barter agreement will not be required to satisfy the average amount of such commodities estimated to be required annually by the domestic economy and will be surplus thereto; and

(ii) the average annual quantity of the commodities to be imported will be more than the average amount of such commodities estimated to be required annually to supplement domestic production; and

(B) the parties to such barter agreement have demonstrated adequately that they intend, and have the capacity, to perform such barter agreement.

(3) DEFINITION.—For purposes of this subsection, the term ''barter agreement'' means any agreement which is made for the exchange, without monetary consideration, of any commodities produced in the United States for any commodities produced outside of the United States.

(4) APPLICABILITY.—This subsection shall apply only with respect to barter agreements entered into after September 30, 1979.

(f) EFFECT OF CONTROLS ON EXISTING CONTRACTS.—

(1) WESTERN RED CEDAR.—Any export controls imposed under section 7(i) of the Export Administration Act of 1979 or this section shall not affect any contract to harvest unprocessed western red cedar from State lands which was entered into before October 1, 1979, and the performance of which would make the red cedar available for export.

(2) OTHER CONTROLS.—Any export controls imposed under this section on any agricultural commodity (including fats, oils, forest products, and animal hides and skins), or on any fishery product, shall not affect any contract to export entered into before the date on which such controls are imposed. For purposes of this paragraph, the term ''contract to export'' includes, but is not limited to, an export sales agreement and an agreement to invest in an enterprise which involves the export of commodities or technology.

(g) OIL EXPORTS FOR USE BY UNITED STATES MILITARY FACILITIES.—For purposes of this section, and for purposes of any export controls imposed under this title, shipments of crude oil, refined petroleum products, or partially refined petroleum products from the United States for use by the Department of Defense or United States-supported installations or facilities shall not be considered to be exports.

SEC. 108. FOREIGN BOYCOTTS.

(a) PROHIBITIONS AND EXCEPTIONS.—

(1) PROHIBITIONS.—In order to carry out the policies set forth in section 103(9), the President shall issue regulations prohibiting any United States person, with respect to that person's activities in the interstate or foreign commerce of the United States, from taking or knowingly agreeing to take any of the following actions with intent to comply with, further, or support any boycott fostered or imposed by a foreign country against a country which is friendly to the United States and which is not itself the object of any form of boycott pursuant to United States law or regulation:

(A) Refusing, or requiring any other person to refuse, to do business with or in the boycotted country, with any business concern organized under the laws of the boycotted country, with any national or resident of the boycotted country, or with any other person, pursuant to an agreement with, a requirement of, or a request from or on behalf of the boycotting country. The mere absence of a business relationship with or in the boycotted country, with any business concern organized under the laws of the boycotted country, with any national or resident of the boycotted country, or with any other person, does not indicate the existence of the intent required to establish a violation of regulations issued to carry out this subparagraph.

(B) Refusing, or requiring any other person to refuse, to employ or otherwise discriminating against any United States person on the basis of the race, religion, sex, or national origin of that person or of any owner, officer, director, or employee of such person.

(C) Furnishing information with respect to the race, religion, sex, or national origin of any United States person or of any owner, officer, director, or employee of such person.

(D) Furnishing information about whether any person has, has had, or proposes to have any business relationship (including a relationship by way of sale, purchase, legal or commercial representation, shipping or other transport, insurance, investment, or supply) with or in the boycotted country, with any business concern organized under the laws of the boycotted country, with any national or resident of the boycotted country, or with any other person that is known or believed to be restricted from having any business relationship with or in the boycotting country. Nothing in this paragraph shall prohibit the furnishing of normal business information in a commercial context as defined by the Secretary.

(E) Furnishing information about whether any person is a member of, has made a contribution to, or is otherwise associated with or involved in the activities of any charitable or fraternal organization which supports the boycotted country.

(F) Paying, honoring, confirming, or otherwise implementing a letter of credit which contains any condition or requirement compliance with which is prohibited by regulations issued pursuant to this paragraph, and no United States person shall, as a result of the application of this paragraph, be obligated to pay or otherwise honor or implement such letter of credit.

(2) EXCEPTIONS.—Regulations issued pursuant to paragraph (1) shall provide exceptions for—

(A) complying or agreeing to comply with requirements—

(i) prohibiting the import of commodities or services from the boycotted country or commodities produced or services provided by any business concern organized under the laws of the boycotted country or by nationals or residents of the boycotted country; or

(ii) prohibiting the shipment of commodities to the boycotting country on a carrier of the boycotted country, or by a route other than that prescribed by the boycotting country or the recipient of the shipment;

(B) complying or agreeing to comply with import and shipping document requirements with respect to the country of origin, the name of the carrier and route of shipment, the name of the supplier of the shipment, or the name of the provider of other services, except that no information knowingly furnished or conveyed in response to such requirements may be stated in negative, blacklisting, or similar exclusionary terms, other than with respect to carriers or route of shipment as may be permitted by such regulations in order to comply with precautionary requirements protecting against war risks and confiscation;

(C) complying or agreeing to comply in the normal course of business with the unilateral and specific selection by a boycotting country, or national or resident thereof, of carriers, insurers, suppliers of services to be performed within the boycotting country, or specific commodities which, in the normal course of business, are identifiable by source when imported into the boycotting country;

(D) complying or agreeing to comply with export requirements of the boycotting country relating to shipments or transshipment of exports to the boycotted country, to any business concern of or organized under the laws of the boycotted country, or to any national or resident of the boycotted country;

(E) compliance by an individual or agreement by an individual to comply with the immigration or passport requirements of any country with respect to such individual or any member of such individual's family or with requests for information regarding requirements of employment of such individual within the boycotting country; and

(F) compliance by a United States person resident in a foreign country or agreement by such person to comply with the laws of the country with respect to such person's activities exclusively therein, and such regulations may contain exceptions for such resident complying with the laws or regulations of the foreign country governing imports into such country of trademarked, trade named, or similarly specifically identifiable products, or components of products for such person's own use, including the performance of contractual services within that country, as may be defined by such regulations.

(3) LIMITATION ON EXCEPTIONS.—Regulations issued pursuant to paragraphs (2)(C) and (2)(F) shall not provide exceptions from paragraphs (1)(B) and (1)(C).

(4) ANTITRUST AND CIVIL RIGHTS LAWS NOT AFFECTED.—Nothing in the subsection may be construed to supersede or limit the operation of the antitrust or civil rights laws of the United States.

(5) EVASION.—This section shall apply to any transaction or activity undertaken, by or through a United States person or any other person, with intent to evade the provisions of this section as implemented by the regulations issued pursuant to this subsection, and such regulations shall expressly provide that the exceptions set forth in paragraph (2) shall not permit activities or agreements (expressed or implied by a course of conduct, including a pattern of responses) otherwise prohibited, which are not within the intent of such exceptions.

(b) ADDITIONAL REGULATIONS AND REPORTS.—

(1) REGULATIONS.—In addition to the regulations issued pursuant to subsection (a), regulations issued under section 106 shall implement the policies set forth in section 103(9).

(2) REPORTS BY UNITED STATES PERSONS.—Such regulations shall require that any United States person receiving a request for the furnishing of information, the entering into or implementing of agreements, or the taking of any other action referred to in section 103(9) shall report that fact to the Secretary, together with such other information concerning such request as the Secretary may require, for such action as the Secretary considers appropriate for carrying out the policies of that section. Such person shall also report to the Secretary whether such person intends to comply and whether such person has complied with such request. Any report filed pursuant to this paragraph shall be made available promptly for public inspection and copying, except that information regarding the quantity, description, and value of any commodities or technology to which such report relates may be kept confidential if the Secretary determines that disclosure thereof would place the United States person involved at a competitive disadvantage. The Secretary shall periodically transmit summaries of the information contained in such reports to the Secretary of State for such action as the Secretary of State, in consultation with the Secretary, considers appropriate for carrying out the policies set forth in section 103(9).

(c) PREEMPTION.—The provisions of this section and the regulations issued under this section shall preempt any law, rule, or regulation which—

(1) is a law, rule, or regulation of any of the several States or the District of Columbia, or any of the territories or possessions of the United States, or of any governmental subdivision thereof; and

(2) pertains to participation in, compliance with, implementation of, or the furnishing of information regarding restrictive trade practices or boycotts fostered or imposed by foreign countries against other countries.

SEC. 109. PROCEDURES FOR PROCESSING EXPORT LICENSE APPLICATIONS; OTHER INQUIRIES.

(a) PRIMARY RESPONSIBILITY OF THE SECRETARY.—

(1) IN GENERAL.—All export license applications required under this title shall be submitted by the applicant to the Secretary. Subject to the procedures provided in this section—

(A) if referral of an application to other departments or agencies for review is not required, the Secretary shall, within 9 days after receiving the application, issue a license or notify the applicant of the intent to deny the application; or

(B) if referral of the application to other departments or agencies for review is required, the Secretary shall, within 30 days after referral of any such application to other departments or agencies—

(i) issue a license;

(ii) notify the applicant of the intent to deny the application; or

(iii) ensure that the application is subject to the interagency resolution process set forth in subsection (d).

(2) RECOMMENDATIONS OF OTHER AGENCIES.—The Secretary shall seek information and recommendations from the Department of Defense and other departments and agencies of the United States that are identified by the President as being concerned with factors having an important bearing on exports administered under this title. Such departments and agencies shall cooperate fully and promptly in rendering information and recommendations.

(3) PROCEDURES.—In guidance and regulations that implement this section, the Secretary shall describe the procedures required by this section, the responsibilities of the Secretary and of other departments and agencies in reviewing applications, the rights of the applicant, and other relevant matters affecting the review of license applications.

(4) CALCULATION OF PROCESSING TIMES.—In calculating the processing times set forth in this section, the Secretary shall use calendar days, except that if the final day for a required action falls on a weekend or holiday, that action shall be taken no later than the following business day.

(5) RELIABILITY OF PARTIES.—In reviewing applications for export licenses, the Secretary may in each case consider the reliability of the parties to the proposed export. In making such an evaluation, the Secretary may consider all sources of information, including results of other United States Government actions, such as actions by the Committee on Foreign Investment in the United States, investigations of diversions from authorized end uses or end users, and intelligence information, except that the consideration of such information in connection with the evaluation of the reliability of parties shall not authorize the direct or indirect disclosure of classified information or sources and methods of gathering classified information and shall not confer a right on private parties to have access to classified information.

(b) INITIAL SCREENING.—

(1) UPON RECEIPT OF APPLICATION.—Upon receipt of an export license application, the Secretary shall enter and maintain in the records of the Department of Commerce information regarding the receipt and status of the application.

(2) INITIAL PROCEDURES.—Promptly upon receiving any license application, the Secretary shall—

(A) contact the applicant if the application is improperly completed or if additional information is required, and hold the application for a reasonable time while the applicant provides the necessary corrections or information, and such time shall not be included in calculating the time periods prescribed in this section;

(B) refer the application, including all information submitted by the applicant, and all necessary recommendations and analyses by the Secretary to the Department of Defense and other departments and agencies identified by the President under subsection (a)(2); and

(C) ensure that the classification stated on the application for the export items is correct, return the application if a license is not required, and, if referral to other departments or agencies is not required, grant the application or notify the applicant of the Secretary's intent to deny the application.

In the event that the head of a department or agency determines that certain types of applications need not be referred to the department or agency, such department or

agency head shall notify the Secretary of the specific types of such applications that the department or agency does not wish to review.

(c) ACTION BY OTHER DEPARTMENTS AND AGENCIES.—

(1) REFERRAL TO OTHER AGENCIES.—The Secretary shall promptly refer license applications to departments and agencies under subsection (b) to make recommendations and provide information to the Secretary.

(2) RESPONSIBILITY OF REFERRAL AGENCIES.—The Department of Defense and other reviewing departments and agencies shall organize their resources and units to plan for the prompt and expeditious internal dissemination of export license applications, if necessary, so as to avoid delays in responding to the referral of applications.

(3) ADDITIONAL INFORMATION REQUESTS.—Each department or agency to which a license application is referred shall specify to the Secretary any information that is not in the application that would be required for the department or agency to make a determination with respect to the application, and the Secretary shall promptly request such information from the applicant. The time that may elapse between the date the information is requested by that department or agency and the date the information is received by that department or agency shall not be included in calculating the time periods prescribed in this section.

(4) TIME PERIOD FOR ACTION BY REFERRAL DEPARTMENTS AND AGENCIES.—Within 30 days after receiving a referral of an application under this section, the department or agency concerned shall provide the Secretary with a recommendation either to approve the license or to deny the license. A recommendation that the Secretary deny a license shall include a statement of reasons for the recommendation that are consistent with the provisions of this title, and shall cite both the specific statutory and the regulatory basis for the recommendation. A department or agency that fails to provide a recommendation in accordance with this paragraph within that 30-day period shall be deemed to have no objection to the decision of the Secretary on the application.

(d) INTERAGENCY RESOLUTION.—

(1) INITIAL RESOLUTION.—The Secretary shall establish, select the chairperson of, and determine procedures for an interagency committee to review initially all license applications on which the departments and agencies reviewing the applications under this section are not in agreement. The chairperson of such committee shall consider the recommendations of the departments and agencies reviewing a particular application and inform them of his or her decision on the application, which may include a decision that the particular application requires further consideration under the procedures established under paragraph (2). An application may also be referred to further consideration under the procedures established under paragraph (2) if an appeal from the chairperson's decision is made in writing by an official of the department or agency concerned who is appointed by the President by and with the advice and consent of the Senate, or an officer properly acting in such capacity.

(2) FURTHER RESOLUTION.—The President shall establish a process for the further review and determination of export license applications pursuant to a decision by the chairperson under paragraph (1) or an appeal by a department or agency under paragraph (1). Such process shall—

(A) be chaired by the Secretary or his or her designee;

(B) ensure that license applications are resolved or referred to the President no later than 90 days after the date the license application is initially received by the Secretary;

(C) provide that a department or agency dissenting from the decision reached under subparagraph (B) may appeal the decision to the President; and

(D) provide that a department or agency that fails to take a timely position, citing the specific statutory and regulatory bases for a denial, shall be deemed to have no objection to the pending decision.

(e) ACTIONS BY THE SECRETARY IF APPLICATION DENIED.—In cases where the Secretary has determined that an application should be denied, the applicant shall be informed in writing of—

(1) the determination to deny;

(2) the specific statutory and regulatory bases for the proposed denial;

(3) what, if any, modifications in or restrictions on the items for which the license was sought would allow such export to be compatible with export controls imposed under this title, and which officer or employee of the Department of Commerce would be in a position to discuss modifications or restrictions with the applicant and the specific statutory and regulatory bases for imposing such modifications or restrictions;

(4) to the extent consistent with the national security and foreign policy of the United States, the specific considerations that led to the determination to deny the application; and

(5) the availability of appeal procedures.

The Secretary shall allow the applicant 20 days to respond to the determination before the license application is denied.

(f) EXCEPTIONS FROM REQUIRED TIME PERIODS.—The following actions related to processing an application shall not be included in calculating the time periods prescribed in this section:

(1) AGREEMENT OF THE APPLICANT.—Delays upon which the Secretary and the applicant mutually agree.

(2) PRELICENSE CHECKS.—A prelicense check that may be required to establish the identity and reliability of the recipient of items controlled under this title, if—

(A) the need for the prelicense check is determined by the Secretary, or by another department or agency if the request for the prelicense check is made by such department or agency;

(B) the request for the prelicense check is sent by the Secretary within 5 days after the determination that the prelicense check is required; and

(C) the analysis of the result of the prelicense check is completed by the Secretary within 5 days.

(3) REQUESTS FOR GOVERNMENT-TO-GOVERNMENT ASSURANCES.—Any request by the Secretary or another department or agency for government-to-government assurances of suitable end uses of items approved for export, when failure to obtain such assurances would result in rejection of the application, if—

(A) the request for such assurances is sent to the Secretary of State within 5 days after the determination that the assurances are required;

(B) the Secretary of State initiates the request of the relevant government within 10 days thereafter; and

(C) the license is issued within 5 days after the Secretary receives the requested assurances.

Whenever a prelicense check described in paragraph (2) and assurances described in this paragraph are not requested within the time periods set forth therein, then the time expended for such prelicense check or assurances shall be included in calculating the time periods established by this section.

(4) MULTILATERAL REVIEW.—Multilateral review of a license application to the extent that such multilateral review is required by a relevant multilateral regime.

(5) CONGRESSIONAL NOTIFICATION.—Such time as is required for mandatory congressional notifications under this title.

(6) CONSULTATIONS.—Consultation with other governments, if such consultation is provided for by a relevant multilateral regime as a precondition for approving a license.

(g) APPEALS.—

(1) IN GENERAL.—The Secretary shall establish appropriate procedures for any applicant to appeal to the Secretary the denial of an export license application or other administrative action under this title.

(2) FILING OF PETITION.—In any case in which any action prescribed in this section is not taken on a license application within the time periods established by this section (except in the case of a time period extended under subsection (f) of which the applicant is notified), the applicant may file a petition with the Secretary requesting compliance with the requirements of this section. When such petition is filed, the Secretary shall take immediate steps to correct the situation giving rise to the petition and shall immediately notify the applicant of such steps.

(3) BRINGING COURT ACTION.—If, within 20 days after a petition is filed under paragraph (2), the processing of the application has not been brought into conformity with the requirements of this section, or the application has been brought into conformity with such requirements but the Secretary has not so notified the applicant, the applicant may bring an action in an appropriate United States district court for an order requiring compliance with the time periods required by this section. The United States district courts shall have jurisdiction to provide such relief, as appropriate.

(h) CLASSIFICATION REQUESTS AND OTHER INQUIRIES.—

(1) CLASSIFICATION REQUESTS.—In any case in which the Secretary receives a written request asking for the proper classification of an item on the control index, the Secretary shall, within 14 days after receiving the request, inform the person making the request of the proper classification.

(2) OTHER INQUIRIES.—In any case in which the Secretary receives a written request for information about the applicability of licensing requirements under this title to a proposed export transaction or series of transactions, the Secretary shall, within 30 days after receiving the request, reply with that information to the person making the request.

SEC. 110. VIOLATIONS.

(a) CRIMINAL PENALTIES.—

(1) VIOLATIONS BY AN INDIVIDUAL.—Except as provided in paragraph (3), any individual who knowingly violates or conspires to or attempts to violate any provision of this title or any regulation, license, or order issued under this title shall be fined not more than 5 times the value of the exports involved or $500,000, whichever is greater, or imprisoned not more than 10 years, or both.

(2) VIOLATIONS BY A PERSON OTHER THAN AN INDIVIDUAL.—Except as provided in paragraph (3), any person other than an individual who knowingly violates or conspires to or attempts to violate any provision of this title or any regulation, license, or order issued under this title shall be fined not more than 10 times the value of the exports involved or $1,000,000, whichever is greater.

(3) ANTIBOYCOTT VIOLATIONS.—

(A) Any individual who knowingly violates or conspires to or attempts to violate any regulation or order issued under section 108

shall be fined, for each violation, not more than 5 times the value of the exports involved or $250,000, whichever is greater, or imprisoned not more than 10 years, or both.

(B) Any person other than an individual who knowingly violates or conspires to or attempts to violate any regulation or order issued under section 108 shall be fined, for each violation, not more than 5 times the value of the exports involved or $500,000, whichever is greater.

(b) FORFEITURE OF PROPERTY INTEREST AND PROCEEDS.—

(1) FORFEITURE.—Any person who is convicted under subsection (a)(1) or (2) shall, in addition to any other penalty, forfeit to the United States—

(A) any of that person's interest in, security of, claim against, or property or contractual rights of any kind in the commodities or tangible items that were the subject of the violation;

(B) any of that person's interest in, security of, claim against, or property or contractual rights of any kind in tangible property that was used in the export or attempt to export that was the subject of the violation; and

(C) any of that person's property constituting, or derived from, any proceeds obtained directly or indirectly as a result of the violation.

(2) PROCEDURES.—The procedures in any forfeiture under this subsection, and the duties and authority of the courts of the United States and the Attorney General with respect to any forfeiture action under this subsection or with respect to any property that may be subject to forfeiture under this subsection, shall be governed by the provisions of chapter 46 of title 18, United States Code, to the same extent as property subject to forfeiture under that chapter.

(c) CIVIL PENALTIES; ADMINISTRATIVE SANCTIONS.—

(1) CIVIL PENALTIES.—The Secretary may impose a civil penalty of not more than $250,000 for each violation of this title or any regulation, license, or order issued under this title, either in addition to or in lieu of any other liability or penalty which may be imposed, except that the civil penalty for each such violation of regulations issued under section 108 may not exceed $50,000.

(2) DENIAL OF EXPORT PRIVILEGES.—The Secretary may deny the export privileges of any person, including suspending or revoking the authority of any person to export or receive United States-origin commodities or technology subject to this title, on account of any violation of this title or any regulation, license, or order issued under this title.

(d) PAYMENT OF CIVIL PENALTIES.—The payment of any civil penalty imposed under subsection (c) may be made a condition, for a period not exceeding 1 year after the penalty has become due but has not been paid, to the granting, restoration, or continuing validity of any export license, permission, or privilege granted or to be granted to the person upon whom such penalty is imposed. In addition, the payment of any civil penalty imposed under subsection (c) may be deferred or suspended in whole or in part for a period of time no longer than any probation period (which may exceed 1 year) that may be imposed upon such person. Such deferral or suspension shall not operate as a bar to the collection of the penalty in the event that the conditions of the suspension, deferral, or probation are not fulfilled.

(e) REFUNDS.—Any amount paid in satisfaction of any civil penalty imposed under subsection (c) shall be covered into the Treasury as a miscellaneous receipt. The head of the department or agency concerned may, in his or her discretion, refund any such civil penalty imposed under subsection (c), within 2 years after payment, on the ground of a material error of fact or law in the imposition of the penalty. Notwithstanding section 1346(a) of title 28, United States Code, no action for the refund of any such penalty may be maintained in any court.

(f) EFFECT OF OTHER CONVICTIONS.—

(1) DENIAL OF EXPORT PRIVILEGES.—Any person convicted of a violation of—

(A) this title or the Export Administration Act of 1979,

(B) the International Emergency Economic Powers Act,

(C) section 793, 794, or 798 of title 18, United States Code,

(D) section 4(b) of the Internal Security Act of 1950 (50 U.S.C. 783(b)),

(E) section 38 of the Arms Export Control Act,

(F) section 16 of the Trading with the Enemy Act (59 U.S.C. App. 16),

(G) any regulation, license, or order issued under any provision of law listed in subparagraph (A), (B), (C), (D), (E), or (F), or

(H) section 371 or 1001 of title 18, United States Code, if in connection with the export of commodities or technology controlled under this title, any regulation, license or order issued under the International Emergency Economic Powers Act, or defense articles or defense services controlled under the Arms Export Control Act,

may, at the discretion of the Secretary, be denied export privileges under this title for a period of up to 10 years from the date of the conviction. The Secretary may also revoke any export license under this title in which such person had an interest at the time of the conviction.

(2) RELATED PERSONS.—The Secretary may exercise the authority under paragraph (1) with respect to any person related, through affiliation, ownership, control, or position of responsibility, to any person convicted of any violation of a law set forth in paragraph (1), upon a showing of such relationship with the convicted person, after providing notice and opportunity for a hearing.

(g) STATUTE OF LIMITATIONS.—Any proceeding in which a civil penalty or other administrative sanction (other than a temporary denial order) is sought under subsection (c) may not be instituted more than 5 years after the date of the alleged violation, except that, in any case in which a criminal indictment alleging a violation of this title is returned within the time limits prescribed by law for the institution of such action, the statute of limitations for bringing a proceeding to impose such a civil penalty or other administrative sanction under this title shall, upon the return of the criminal indictment, be tolled against all persons named as a defendant. The tolling of the statute of limitations shall continue for a period of 6 months from the date a conviction becomes final or the indictment is dismissed.

(h) VIOLATIONS DEFINED BY REGULATION.—Nothing in this section shall limit the power of the Secretary to define by regulation violations under this title.

(i) OTHER AUTHORITIES.—Nothing in subsection (c), (d), (e), (f), or (g) limits—

(1) the availability of other administrative or judicial remedies with respect to violations of this title, or any regulation, order, or license issued under this title;

(2) the authority to compromise and settle administrative proceedings brought with respect to any such violation; or

(3) the authority to compromise, remit, or mitigate seizures and forfeitures pursuant to section 1(b) of title VI of the Act of June 15, 1917 (22 U.S.C. 401(b)).

(j) PRIVATE RIGHT OF ACTION.—Any person—

(1) against whom an act of discrimination described in section 108(a)(1)(B) is committed, or

(2) who, on account of a violation of the regulations issued pursuant to section 108(a), loses an opportunity to engage in a commercial venture pursuant to a contract, joint venture, or other commercial transaction, including an opportunity to bid or tender an offer for a contract,

may bring an action in an appropriate district court of the United States against the United States person committing the violation, for recovery of actual damages incurred on account of such act of discrimination or lost opportunity. In any such action the court may award punitive damages. An action may be brought under this subsection against a United States person whether or not the United States person has been determined under this section to have violated the regulations issued pursuant to section 108(a) on account of which the action is brought. In an action brought under this subsection, unless the court finds that the interests of justice require otherwise, the court shall designate the substantially prevailing party or parties in the action, and the remaining parties shall pay the reasonable attorneys' fees of the substantially prevailing party or parties in such proportion as the court shall determine.

SEC. 111. CONTROLLING PROLIFERATION ACTIVITY.

(a) PROLIFERATION CONTROLS.—

(1) MISSILE TECHNOLOGY CONTROLS.—The Secretary, in consultation with the Secretary of De fense and the heads of other appropriate departments and agencies and consistent with sections 103 and 104(g)—

(A) shall establish and maintain, as part of the control index established under section 104(b), dual-use items on the MTCR Annex;

(B) may include, as part of the control index established under section 104(b), items that—

(i) would make a material contribution to the design, development, test, production, stockpiling, or use of missile delivery systems, and

(ii) are not included in the MTCR Annex but which the United States has proposed to the other members of the MTCR for inclusion in the MTCR Annex; and

(C) shall require a license under paragraph (1) or (2) of section 104(a), consistent with the arrangements of the MTCR, for—

(i) any export of items on the control index pursuant to subparagraphs (A) and (B) to any country; and

(ii) any export of items that the exporter knows is destined for a project or facility for the design, development, or manufacture of a missile in a country that is not an adherent to the MTCR.

(2) CHEMICAL AND BIOLOGICAL WEAPONS CONTROLS.—The Secretary, in consultation with the Secretary of Defense and the heads of other appropriate departments and agencies and consistent with sections 103 and 104(g)—

(A) shall establish and maintain, as part of the control index established under section 104(b), dual-use items listed by the Australia Group or the Chemical Weapons Convention;

(B) may include, as part of the control index established under section 104(b), items that—

(i) would make a material contribution to the design, development, test, production, stockpiling, or use of chemical or biological weapons, and

(ii) are not contained on the list of controlled items of the Australia Group but which the United States has proposed to the other members of the Australia Group for inclusion in such list; and

(C) shall require a license under paragraph (1) or (2) of section 104(a), consistent with the

arrangements of the Australia Group and the Chemical Weapons Convention, for—

(i) any export of items on the control index pursuant to subparagraphs (A) and (B) to any country, except as provided for in section 105(e); and

(ii) any export of items that the exporter knows is destined for a project or facility for the design, development, or manufacture of a chemical or biological weapon.

(3) POLICY OF DENIAL OF LICENSES.—(A) Licenses under paragraph (1)(C) should in general be denied if the ultimate consignee of the commodities or technology is a facility in a country that is not an adherent to the MTCR and the facility is designed to develop or build missiles.

(B) Licenses under paragraph (1)(C) shall be denied if the ultimate consignee of the commodities or technology is a facility in a country the government of which has been determined under section 106(i)(1) to have repeatedly provided support for acts of international terrorism.

(b) TECHNICAL AMENDMENTS TO ARMS EXPORT CONTROL ACT.—(1) Section 71(a) of the Arms Export Control Act (22 U.S.C. 2797(a)) is amended by striking ''6(l) of the Export Administration Act of 1979'' and inserting ''111(a) of the Export Administration Act of 1996''.

(2) Section 81(a)(1) of the Arms Export Control Act (22 U.S.C. 2798(a)(1)) is amended in subparagraphs (A) and (B) by inserting ''under this Act'' after ''United States'' the second place it appears in each subparagraph.

(c) GENERAL PROHIBITION.—Notwithstanding any other provision of this title, the export of commodities or technology shall be prohibited if the ultimate consignee is a program or activity for the design, development, manufacture, stockpiling, testing, or other acquisition of a weapon of mass destruction or missile in a country that is not an adherent to the regime controlling such weapon or missile, unless the Secretary determines such export would not make a material contribution to such program or activity.

(d) CHEMICAL AND BIOLOGICAL WEAPONS PROLIFERATION SANCTIONS.—

(1) IMPOSITION OF SANCTIONS.—

(A) DETERMINATION BY THE PRESIDENT.—Except as provided in paragraph (2)(B), the President shall impose both of the sanctions described in paragraph (3) if the President determines that a foreign person, on or after the date of the enactment of this Act, has knowingly and materially contributed—

(i) through the export from the United States of any goods or technology that are subject to the jurisdiction of the United States under this title, or

(ii) through the export from any other country of any goods or technology that would be, if they were United States goods or technology, subject to the jurisdiction of the United States under this title,

to the efforts by any foreign country, project, or entity described in subparagraph (B) to use, develop, produce, stockpile, or otherwise acquire chemical or biological weapons.

(B) COUNTRIES, PROJECTS, OR ENTITIES RECEIVING ASSISTANCE.—Subparagraph (A) applies in the case of—

(i) any foreign country that the President determines has, at any time after January 1, 1980—

(I) used chemical or biological weapons in violation of international law;

(II) used lethal chemical or biological weapons against its own nationals; or

(III) made substantial preparations to engage in the activities described in subclause (I) or (II);

(ii) any foreign country whose government is determined for purposes of section 106(i) to be a government that has repeatedly provided support for acts of international terrorism; or

(iii) any other foreign country, project, or entity designated by the President for purposes of this subsection.

(C) PERSONS AGAINST WHICH SANCTIONS ARE TO BE IMPOSED.—Sanctions shall be imposed pursuant to subparagraph (A) on—

(i) the foreign person with respect to which the President makes the determination described in that subparagraph;

(ii) any successor entity to that foreign person;

(iii) any foreign person that is a parent or subsidiary of that foreign person if that parent or subsidiary knowingly assisted in the activities which were the basis of that determination; and

(iv) any foreign person that is an affiliate of that foreign person if that affiliate knowingly assisted in the activities which were the basis of that determination and if that affiliate is controlled in fact by that foreign person.

(2) CONSULTATIONS WITH AND ACTIONS BY FOREIGN GOVERNMENT OF JURISDICTION.—

(A) CONSULTATIONS.—If the President makes the determinations described in paragraph (1)(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 subsection.

(B) ACTIONS BY GOVERNMENT OF JURISDICTION.—In order to pursue such consultations with that government, the President may delay imposition of sanctions pursuant to this subsection for a period of up to 90 days. Following these consultations, the President shall impose sanctions unless the President determines and certifies to the Congress that that government has taken specific and effective actions, including appropriate penalties, to terminate the involvement of the foreign person in the activities described in paragraph (1)(A). The President may delay imposition of sanctions for an additional period of up to 90 days if the President determines and certifies to the Congress that that government is in the process of taking the actions described in the preceding sentence.

(C) REPORT TO CONGRESS.—The President shall report to the Congress, not later than 90 days after making a determination under paragraph (1)(A), on the status of consultations with the appropriate government under this subsection, and the basis for any determination under subparagraph (B) of this paragraph that such government has taken specific corrective actions.

(3) SANCTIONS.—

(A) DESCRIPTION OF SANCTIONS.—The sanctions to be imposed pursuant to paragraph (1)(A) are, except as provided in subparagraph (B) of this paragraph, the following:

(i) PROCUREMENT SANCTION.—The United States Government shall not procure, or enter into any contract for the procurement of, any goods or services from any person described in paragraph (1)(C).

(ii) IMPORT SANCTIONS.—The importation into the United States of products produced by any person described in paragraph (1)(C) shall be prohibited.

(B) EXCEPTIONS.—The President shall not be required to apply or maintain sanctions under this subsection—

(i) in the case of procurement of defense articles or defense services—

(I) under existing contracts or subcontracts, including the exercise of options for production quantities to satisfy United States operational military requirements;

(II) if the President determines that the person or other entity to which the sanctions would otherwise be applied is a sole source supplier of the defense articles or services, that the defense articles or services are essential, and that alternative sources are not readily or reasonably available; or

(III) if the President determines that such articles or services are essential to the national security under defense coproduction agreements;

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

(iii) to—

(I) spare parts,

(II) component parts, but not finished products, essential to United States products or production, or

(III) routine servicing and maintenance of products, to the extent that alternative sources are not readily or reasonably available;

(iv) to information and technology essential to United States products or production; or

(v) to medical or other humanitarian items.

(4) TERMINATION OF SANCTIONS.—The sanctions imposed pursuant to this subsection shall apply for a period of at least 12 months following the imposition of sanctions and shall cease to apply thereafter only if the President determines and certifies to the Congress that reliable information indicates that the foreign person with respect to which the determination was made under paragraph (1)(A) has ceased to aid or abet any foreign government, project, or entity in its efforts to acquire chemical or biological weapons capability as described in that paragraph.

(5) WAIVER.—

(A) CRITERION FOR WAIVER.—The President may waive the application of any sanction imposed on any person pursuant to this subsection, after the end of the 12-month period beginning on the date on which that sanction was imposed on that person, if the President determines and certifies to the Congress that such waiver is important to the national security interests of the United States.

(B) NOTIFICATION OF AND REPORT TO CONGRESS.—If the President decides to exercise the waiver authority provided in subparagraph (A), the President shall so notify the Congress not less than 20 days before the waiver takes effect. Such notification shall include a report fully articulating the rationale and circumstances which led the President to exercise the waiver authority.

(6) DEFINITION OF FOREIGN PERSON.—For purposes of this subsection, the term ''foreign person'' means—

(A) an individual who is not a citizen of the United States or an alien lawfully admitted for permanent residence to the United States; or

(B) a corporation, partnership, or other entity which is created or organized under the laws of a foreign country or which has its principal place of business outside the United States.

(e) MISSILE PROLIFERATION CONTROL VIOLATIONS.—

(1) VIOLATIONS BY UNITED STATES PERSONS.—

(A) SANCTIONS.—(i) If the President determines that a United States person knowingly—

(I) exports, transfers, or otherwise engages in the trade of any item on the MTCR Annex, in violation of the provisions of section 38 (22 U.S.C. 2778) or chapter 7 of the Arms Export Control Act, this title, or any regulations or orders issued under any such provisions,

(II) conspires to or attempts to engage in such export, transfer, or trade, or

(III) facilitates such export, transfer, or trade by any other person,

then the President shall impose the applicable sanctions described in clause (ii).

(ii) The sanctions which apply to a United States person under clause (i) are the following:

(I) If the item on the MTCR Annex involved in the export, transfer, or trade is missile equipment or technology within category II of the MTCR Annex, then the President shall deny to such United States person, for a period of 2 years, licenses for the transfer of missile equipment or technology controlled under this title.

(II) If the item on the MTCR Annex involved in the export, transfer, or trade is missile equipment or technology within category I of the MTCR Annex, then the President shall deny to such United States person, for a period of not less than 2 years, all licenses for items the export of which is controlled under this title.

(B) DISCRETIONARY SANCTIONS.—In the case of any determination referred to in subparagraph (A), the Secretary may pursue any other appropriate penalties under section 110.

(C) WAIVER.—The President may waive the imposition of sanctions under subparagraph (A) on a person with respect to a product or service if the President certifies to the Congress that—

(i) the product or service is essential to the national security of the United States; and

(ii) such person is a sole source supplier of the product or service, the product or service is not available from any alternative reliable supplier, and the need for the product or service cannot be met in a timely manner by improved manufacturing processes or technological developments.

(2) TRANSFERS OF MISSILE EQUIPMENT OR TECHNOLOGY BY FOREIGN PERSONS.—

(A) SANCTIONS.—(i) Subject to subparagraphs (C) through (G), if the President determines that a foreign person, after the date of the enactment of this section, knowingly—

(I) exports, transfers, or otherwise engages in the trade of any MTCR equipment or technology that contributes to the design, development, or production of missiles in a country that is not an adherent to the MTCR and would be, if it were United States-origin equipment or technology, subject to the jurisdiction of the United States under this title,

(II) conspires to or attempts to engage in such export, transfer, or trade, or

(III) facilitates such export, transfer, or trade by any other person,

or if the President has made a determination with respect to a foreign person, under section 73(a) of the Arms Export Control Act, then the President shall impose on that foreign person the applicable sanctions under clause (ii).

(ii) The sanctions which apply to a foreign person under clause (i) are the following:

(I) If the item involved in the export, transfer, or trade is within category II of the MTCR Annex, then the President shall deny, for a period of 2 years, licenses for the transfer to such foreign person of missile equipment or technology the export of which is controlled under this title.

(II) If the item involved in the export, transfer, or trade is within category I of the MTCR Annex, then the President shall deny, for a period of not less than 2 years, licenses for the transfer to such foreign person of items the export of which is controlled under this title.

(III) If, in addition to actions taken under subclauses (I) and (II), the President determines that the export, transfer, or trade has substantially contributed to the design, development, or production of missiles in a country that is not an adherent to the MTCR, then the President shall prohibit, for a period of not less than 2 years, the importation into the United States of products produced by that foreign person.

(B) INAPPLICABILITY WITH RESPECT TO MTCR ADHERENTS.—Subparagraph (A) does not apply with respect to—

(i) any export, transfer, or trading activity that is authorized by the laws of an adherent to the MTCR, if such authorization is not obtained by misrepresentation or fraud; or

(ii) any export, transfer, or trade of an item to an end user in a country that is an adherent to the MTCR.

(C) EFFECT OF ENFORCEMENT ACTIONS BY MTCR ADHERENTS.—Sanctions set forth in subparagraph (A) may not be imposed under this paragraph on a person with respect to acts described in such subparagraph or, if such sanctions are in effect against a person on account of such acts, such sanctions shall be terminated, if an adherent to the MTCR is taking judicial or other enforcement against that person with respect to such acts, or that person has been found by the government of an adherent to the MTCR to be innocent of wrongdoing with respect to such acts.

(D) ADVISORY OPINIONS.—The Secretary, in consultation with the Secretary of State and the Secretary of Defense, 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 paragraph. 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.

(E) WAIVER AND REPORT TO CONGRESS.—(i) In any case other than one in which an advisory opinion has been issued under subparagraph (D) stating that a proposed activity would not subject a person to sanctions under this paragraph, the President may waive the application of subparagraph (A) to a foreign person if the President determines that such waiver is essential to the national security of the United States.

(ii) In the event that the President decides to apply the waiver described in clause (i), the President shall so notify the Congress not less than 20 working days before issuing the waiver. Such notification shall include a report fully articulating the rationale and circumstances which led the President to apply the waiver.

(F) ADDITIONAL WAIVER.—The President may waive the imposition of sanctions under subparagraph (A) on a person with respect to a product or service if the President certifies to the Congress that—

(i) the product or service is essential to the national security of the United States; and

(ii) such person is a sole source supplier of the product or service, the product or service is not available from any alternative reliable supplier, and the need for the product or service cannot be met in a timely manner by improved manufacturing processes or technological developments.

(G) EXCEPTIONS FROM IMPORT SANCTIONS.—The President shall not apply the sanction under this subsection prohibiting the importation of the products of a foreign person—

(i) in the case of procurement of defense articles or defense services—

(I) under existing contracts or subcontracts, including the exercise of options for production quantities to satisfy requirements essential to the national security of the United States;

(II) if the President determines that the person to which the sanctions would be applied is a sole source supplier of the defense articles and services, that the defense articles or services are essential to the national security of the United States, and that alternative sources are not readily or reasonably available; or

(III) if the President determines that such articles or services are essential to the national security of the United States under defense coproduction agreements;

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

(iii) to—

(I) spare parts,

(II) component parts, but not finished products, essential to United States products or production,

(III) routine services and maintenance of products, to the extent that alternative sources are not readily or reasonably available, or

(IV) information and technology essential to United States products or production.

(3) DEFINITIONS.—For purposes of this subsection—

(A) the terms ''missile equipment or technology'' and ''MTCR equipment or technology'' mean those items listed in category I or category II of the MTCR Annex;

(B) the term ''foreign person'' means any person other than a United States person;

(C)(i) 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; and

(ii) in the case of a country where it may be impossible to identify a specific governmental entity referred to in clause (i), the term ''person'' means—

(I) all activities of that government relating to the development or production of any missile equipment or technology; and

(II) all activities of that government affecting the development or production of aircraft, electronics, and space systems or equipment; and

(D) the term ''otherwise engaged in the trade of'' means, with respect to a particular export or transfer, to be a freight forwarder or designated exporting agent, or a consignee or end user of the item to be exported or transferred.

(f) EFFECT ON OTHER LAWS.—The provisions of this section do not affect any activities subject to the reporting requirements contained in title V of the National Security Act of 1947.

(g) SEEKING MULTILATERAL SUPPORT FOR UNILATERAL SANCTIONS.—The Secretary of State, in consultation with appropriate departments and agencies, shall seek the support of other countries for sanctions imposed under this section.

SEC. 112. ADMINISTRATIVE AND JUDICIAL REVIEW.

(a) APPLICABILITY.—

(1) EXEMPTIONS FROM ADMINISTRATIVE PROCEDURE.—Except as provided in this section, the functions exercised under this title are excluded from the operation of sections 551, 553 through 559, and 701 through 706 of title 5, United States Code.

(2) JUDICIAL REVIEW.—Except as otherwise provided in this section, a final agency action under this title may be reviewed by appeal to the United States Court of Appeals for the District of Columbia Circuit, to the extent provided in this paragraph. The court's review in any such appeal shall be limited to determining whether—

(A) a regulation—

(i) fails to take an action required by this title;

(ii) takes an action prohibited by this title; or

(iii) otherwise violates this title;

(B) an agency action violates this title;

(C) an agency action violates an agency regulation establishing time requirements or other procedural requirements of a non-discretionary nature;

(D) the issuance of regulations required by this title complies with time restrictions imposed by this title;

(E) license decisions are made and appeals thereof are concluded in compliance with time restrictions imposed by this title;

(F) classifications and advisory opinions are issued in compliance with time restrictions imposed by this title;

(G) unfair impact determinations under section 114(k) are in compliance with time restrictions imposed by that section; or

(H) the United States has complied with the requirements of section 114(k) after an unfair impact determination has been made.

(b) PROCEDURES RELATING TO CIVIL PENALTIES AND SANCTIONS.—

(1) ADMINISTRATIVE PROCEDURES.—Any administrative sanction imposed under section 110(c) may be imposed only after notice and opportunity for an agency hearing on the record in accordance with sections 554 through 557 of title 5, United States Code. The imposition of any such administrative sanction shall be subject to judicial review in accordance with sections 701 through 706 of title 5, United States Code.

(2) AVAILABILITY OF CHARGING LETTER.—Any charging letter or other document initiating administrative proceedings for the imposition of sanctions for violations of the regulations issued under section 108(a) shall be made available for public inspection and copying.

(c) COLLECTION.—If any person fails to pay a civil penalty imposed under section 110(c), the Secretary may ask the Attorney General to bring a civil action in an appropriate district court to recover the amount imposed (plus interest at currently prevailing rates from the date of the final order). No such action may be commenced more than 5 years after the order imposing the civil penalty becomes final. In such an action, the validity, amount, and appropriateness of such penalty shall not be subject to review.

(d) IMPOSITION OF TEMPORARY DENIAL ORDERS.—

(1) GROUNDS FOR IMPOSITION.—In any case in which there is reasonable cause to believe that a person is engaged in or is about to engage in any act or practice which constitutes or would constitute a violation of this title, or any regulation, order, or license issued under this title, including any diversion of goods or technology from an authorized end use or end user, or in any case in which a criminal indictment has been returned against a person alleging a violation of this title or any of the statutes listed in section 110(f), the Secretary may, without a hearing, issue an order temporarily denying that person's United States export privileges (hereafter in this subsection referred to a ''temporary denial order''). A temporary denial order may be effective for no longer than 180 days, but may be renewed by the Secretary, following notice and an opportunity for a hearing, for additional periods of not more than 180 days each.

(2) ADMINISTRATIVE APPEALS.—The person or persons subject to the issuance or renewal of a temporary denial order may appeal the issuance or renewal of the temporary denial order, supported by briefs and other material, to an administrative law judge who shall, within 15 working days after the appeal is filed, issue a decision affirming, modifying, or vacating the temporary denial order. The temporary denial order shall be affirmed if it is shown that—

(A) there is reasonable cause to believe that the person subject to the order is engaged in or is about to engage in any act or practice which constitutes or would constitute a violation of this title, or any regulation, order, or license issued under this title, or

(B) a criminal indictment has been returned against the person subject to the order alleging a violation of this title or any of the statutes listed in section 110(f).

The decision of the administrative law judge shall be final unless, within 10 working days after the date of the administrative law judge's decision, an appeal is filed with the Secretary. On appeal, the Secretary shall either affirm, modify, reverse, or vacate the decision of the administrative law judge by written order within 10 working days after receiving the appeal. The written order of the Secretary shall be final and is not subject to judicial review, except as provided in paragraph (3). The materials submitted to the administrative law judge and the Secretary shall constitute the administrative record for purposes of review by the court.

(3) COURT APPEALS.—An order of the Secretary affirming, in whole or in part, the issuance or renewal of a temporary denial order may, within 15 days after the order is issued, be appealed by a person subject to the order to the United States Court of Appeals for the District of Columbia Circuit, which shall have jurisdiction of the appeal. The court may review only those issues necessary to determine whether the issuance of the temporary denial order was based on reasonable cause to believe that the person subject to the order was engaged in or was about to engage in any act or practice which constitutes or would constitute a violation of this title, or any regulation, order, or license issued under this title, or if a criminal indictment has been returned against the person subject to the order alleging a violation of this title or any of the statutes listed in section 110(f). The court shall vacate the Secretary's order if the court finds that the Secretary's order is arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law.

SEC. 113. ENFORCEMENT.

(a) GENERAL AUTHORITY AND DESIGNATION.—

(1) POLICY GUIDANCE ON ENFORCEMENT.—The Secretary, in consultation with the Secretary of the Treasury and the heads of other appropriate departments and agencies, shall be responsible for providing policy guidance on the enforcement of this title.

(2) GENERAL AUTHORITIES.—(A) To the extent necessary or appropriate to the enforcement of this title or to the imposition of any penalty, forfeiture, or liability arising under the Export Administration Act of 1979, officers or employees of the Department of Commerce designated by the Secretary and officers and employees of the United States Customs Service designated by the Commissioner may exercise the enforcement authorities described in paragraph (3).

(B) In carrying out the enforcement authorities described in paragraph (3), the Commissioner of Customs, and employees of the United States Customs Service designated by the Commissioner, may make investigations within or outside the United States and at those ports of entry or exit from the United States where officers of the United States Customs Service are authorized by law to carry out such enforcement responsibilities. Subject to paragraph (3), the United States Customs Service is authorized, in the enforcement of this title, to search, detain (after search), and seize commodities or technology at those ports of entry or exit from the United States where officers of the Customs Service are authorized by law to conduct such searches, detentions, and seizures, and at those places outside the United States where the Customs Service, pursuant to agreements or other arrangements with other countries, is authorized to perform enforcement activities.

(C) In carrying out the enforcement authorities described in paragraph (3), the Secretary, and officers and employees of the Department of Commerce designated by the Secretary, may make investigations within the United States, and shall conduct, outside the United States, prelicense and postshipment verifications of items licensed for export and investigations in the enforcement of section 108. The Secretary, and officers and employees of the Department of Commerce designated by the Secretary, are authorized to search, detain (after search), and seize items at those places within the United States other than those ports specified in subparagraph (B). The search, detention (after search), or seizure of items at those ports and places specified in subparagraph (B) may be conducted by officers and employees of the Department of Commerce only with the concurrence of the Commissioner of Customs or a person designated by the Commissioner.

(D) The Secretary and the Commissioner of Customs may enter into agreements and arrangements for the enforcement of this title, including foreign investigations and information exchange.

(3) SPECIFIC AUTHORITIES.—(A) Any officer or employee designated under paragraph (2) may do the following in carrying out the enforcement authority under this title:

(i) Make investigations of, obtain information from, make inspection of any books, records, or reports (including any writings required to be kept by the Secretary), premises, or property of, and take the sworn testimony of, any person.

(ii) Administer oaths or affirmations, and by subpoena require any person to appear and testify or to appear and produce books, records, and other writings, or both. In the case of contumacy by, or refusal to obey a subpoena issued to, any such person, a district court of the United States, on request of the Attorney General and after notice to any such person and a hearing, shall have jurisdiction to issue an order requiring such person to appear and give testimony or to appear and produce books, records, and other writings, or both. Any failure to obey such order of the court may be punished by such court as a contempt thereof. The attendance of witnesses and the production of documents provided for in this clause may be required from any State, the District of Columbia, or in any territory of the United States at any designated place. Witnesses subpoenaed under this subsection shall be paid the same fees and mileage as are paid witnesses in the district courts of the United States.

(B)(i) Any officer or employee of the Office of Export Enforcement of the Department of Commerce who is designated by the Secretary under paragraph (2), and any officer or employee of the United States Customs Service who is designated by the Commissioner of Customs under paragraph (2), may do the following in carrying out the enforcement authority under this title:

(I) Execute any warrant or other process issued by a court or officer of competent jurisdiction with respect to the enforcement of this title.

(II) Make arrests without warrant for any violation of this title committed in his or

her presence or view, or if the officer or employee has probable cause to believe that the person to be arrested has committed, is committing, or is about to commit such a violation.

(III) Carry firearms.

(ii) Officers and employees of the Office of Export Enforcement designated by the Secretary under paragraph (2) shall exercise the authorities set forth in clause (i) pursuant to guidelines approved by the Attorney General.

(C) Any officer or employee of the United States Customs Service designated by the Commissioner of Customs under paragraph (2) may do the following in carrying out the enforcement authority under this title:

(i) Stop, search, and examine a vehicle, vessel, aircraft, or person on which or whom the officer or employee has reasonable cause to suspect there is any item that has been, is being, or is about to be exported from or transited through the United States in violation of this title.

(ii) Detain and search any package or container in which the officer or employee has reasonable cause to suspect there is any item that has been, is being, or is about to be exported from or transited through the United States in violation of this title.

(iii) Detain (after search) or seize any item, for purposes of securing for trial or forfeiture to the United States, on or about such vehicle, vessel, aircraft, or person or in such package or container, if the officer or employee has probable cause to believe the item has been, is being, or is about to be exported from or transited through the United States in violation of this title.

(4) OTHER AUTHORITIES NOT AFFECTED.—The authorities conferred by this section are in addition to any authorities conferred under other laws.

(b) FORFEITURE.—Any commodities or tangible items lawfully seized under subsection (a) by designated officers or employees shall be subject to forfeiture to the United States. Those provisions of law relating to—

(1) the seizure, summary and judicial forfeiture, and condemnation of property for violations of the customs laws,

(2) the disposition of such property or the proceeds from the sale thereof,

(3) the remission or mitigation of such forfeitures, and

(4) the compromise of claims,

shall apply to seizures and forfeitures incurred, or alleged to have been incurred, under the provisions of this subsection, insofar as applicable and not inconsistent with this title; except that such duties as are imposed upon the customs officer or any other person with respect to the seizure and forfeiture of property under the customs laws may be performed with respect to seizures and forfeitures of property under this subsection by the Secretary or such officers and employees of the Department of Commerce as may be authorized or designated for that purpose by the Secretary, or, upon the request of the Secretary, by any other agency that has authority to manage and dispose of seized property.

(c) REFERRAL OF CASES.—All cases involving violations of this title shall be referred to the Secretary for purposes of determining civil penalties and administrative sanctions under section 110(c), or to the Attorney General for criminal action in accordance with this title or to both the Secretary and the Attorney General.

(d) UNDERCOVER INVESTIGATION OPERATIONS.—

(1) USE OF FUNDS.—With respect to any undercover investigative operation conducted by the Office of Export Enforcement of the Department of Commerce (hereafter in this subsection referred to as ''OEE'') necessary for the detection and prosecution of violations of this title—

(A) funds made available for export enforcement under this title may be used to purchase property, buildings, and other facilities, and to lease space within the United States, without regard to sections 1341 and 3324 of title 31, United States Code, the third undesignated paragraph under the heading of ''MISCELLANEOUS'' of the Act of March 3, 1877, (40 U.S.C. 34), sections 3732(a) and 3741 of the Revised Statutes of the United States (41 U.S.C. 11(a) and 22), and subsections (a) and (c) of section 304, and section 305 of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 254(a) and (c) and 255),

(B) funds made available for export enforcement under this title may be used to establish or to acquire proprietary corporations or business entities as part of an undercover operation, and to operate such corporations or business entities on a commercial basis, without regard to section 9102 of title 31, United States Code,

(C) funds made available for export enforcement under this title and the proceeds from undercover operations may be deposited in banks or other financial institutions without regard to the provisions of section 648 of title 18, United States Code, and section 3302 of title 31, United States Code, and

(D) the proceeds from undercover operations may be used to offset necessary and reasonable expenses incurred in such operations without regard to the provisions of section 3302 of title 31, United States Code,

if the Director of OEE (or an officer or employee designated by the Director) certifies, in writing, that the action authorized by subparagraph (A), (B), (C), or (D) for which the funds would be used is necessary for the conduct of the undercover operation.

(2) DISPOSITION OF BUSINESS ENTITIES.—If a corporation or business entity established or acquired as part of an undercover operation with a net value of more than $50,000 is to be liquidated, sold, or otherwise disposed of, the Director of OEE shall report the circumstances to the Secretary and the Comptroller General, as much in advance of such disposition as the Director of OEE or his or her designee determines is practicable. The proceeds of the liquidation, sale, or other disposition, after obligations incurred by the corporation or business enterprise are met, shall be deposited in the Treasury of the United States as miscellaneous receipts.

(3) DEPOSIT OF PROCEEDS.—As soon as the proceeds from an OEE undercover investigative operation with respect to which an action is authorized and carried out under this subsection are no longer necessary for the conduct of such operation, such proceeds or the balance of such proceeds remaining at the time shall be deposited into the Treasury of the United States as miscellaneous receipts.

(4) AUDIT AND REPORT.—(A) The Director of OEE shall conduct a detailed financial audit of each OEE undercover investigative operation which is closed and shall submit the results of the audit in writing to the Secretary. Not later than 180 days after an undercover operation is closed, the Secretary shall submit to the Congress a report on the results of the audit.

(B) The Secretary shall submit annually to the Congress a report, which may be included in the annual report under section 115, specifying the following information:

(i) The number of undercover investigative operations pending as of the end of the period for which such report is submitted.

(ii) The number of undercover investigative operations commenced in the 1-year period preceding the period for which such report is submitted.

(iii) The number of undercover investigative operations closed in the 1-year period preceding the period for which such report is submitted and, with respect to each such closed undercover operation, the results obtained and any civil claims made with respect thereto.

(5) DEFINITIONS.—For purposes of paragraph (4)—

(A) the term ''closed'', with respect to an undercover investigative operation, refers to the earliest point in time at which all criminal proceedings (other than appeals) pursuant to the investigative operation are concluded, or covert activities pursuant to such operation are concluded, whichever occurs later;

(B) the terms ''undercover investigative operation'' and ''undercover operation'' mean any undercover investigative operation conducted by OEE—

(i) in which the gross receipts (excluding interest earned) exceed $25,000, or expenditures (other than expenditures for salaries of employees) exceed $75,000, and

(ii) which is exempt from section 3302 or 9102 of title 31, United States Code,

except that clauses (i) and (ii) shall not apply with respect to the report to the Congress required by subparagraph (B) of paragraph (4); and

(C) the term ''employees'' means employees, as defined in section 2105 of title 5, United States Code, of the Department of Commerce.

(e) REFERENCE TO ENFORCEMENT.—For purposes of this section, a reference to the enforcement of this title or to a violation of this title includes a reference to the enforcement or a violation of any regulation, license, or order issued under this title.

SEC. 114. EXPORT CONTROL AUTHORITIES AND PROCEDURES.

(a) POLICY GUIDANCE.—

(1) IN GENERAL.—As directed by the President, annual policy guidance shall be issued to provide detailed implementing guidance to export licensing officials in all appropriate departments and agencies.

(2) ELEMENTS OF ANNUAL POLICY REVIEW.—In order to develop such annual policy guidance, export controls and other regulations to implement this title shall be reviewed annually. This annual policy review shall include an evaluation of the benefits and costs of the imposition, extension, or removal of controls under this title. This review shall include—

(A) an assessment by the Secretary of the economic consequences of the imposition, extension, or removal of controls during the preceding 12 months, including the impact on United States exports or jobs;

(B) an assessment by the Secretary of State of the objectives of the controls in effect during the preceding 12 months, and the extent to which the controls have served those objectives; and

(C) an assessment by the Secretary of Defense of the impact that the imposition, extension, or removal of controls during the preceding 12 months has had on United States national security.

(b) EXPORT CONTROL AUTHORITY AND FUNCTIONS.—

(1) IN GENERAL.—Unless otherwise reserved to the President or a department or agency outside the Department of Commerce, all power, authority, and discretion conferred by this title shall be exercised by the Secretary.

(2) DELEGATION OF FUNCTIONS OF THE SECRETARY.—The Secretary may delegate any function under this title to the Under Secretary of Commerce for Export Administration appointed under subsection (d) or to any other officer of the Department of Commerce.

(c) EXPORT CONTROL POLICY COMMITTEE.—

(1) ESTABLISHMENT.—There is established an Export Control Policy Committee (hereafter in this subsection referred to as the ''Committee'').

(2) FUNCTIONS.—The Committee shall—

(A) provide policy guidance and advice to the President on export control issues under this title;

(B) review policy recommendations proposed by the Secretary and other members of the Committee; and

(C) receive policy recommendations from other departments and agencies and resolve policy disputes among departments and agencies under this title.

(3) MEMBERSHIP.—The Committee shall include the Secretary, the Secretary of Defense, the Secretary of Energy, the heads of other relevant departments, and appropriate officials of the Executive Office of the President.

(4) CHAIR.—The Committee shall be chaired by the President or his designee.

(5) DELEGATION; OTHER REPRESENTATIVES.—A member of the Committee under paragraph (3) may designate the deputy head of his or her department or agency to serve in his or her absence as a member of the Committee, but this authority may not be delegated to any other individual. The chair may also invite the temporary participation in the Committee's meetings of representatives from other offices and agencies as appropriate to the issues under consideration.

(6) MEETINGS.—The chair of the Committee may call a meeting of the Committee. Meetings shall not be subject to section 552b of title 5, United States Code.

(d) UNDER SECRETARY OF COMMERCE; ASSISTANT SECRETARIES.—

(1) APPOINTMENT.—The President shall appoint, by and with the advice and consent of the Senate, an Under Secretary of Commerce for Export Administration who shall carry out all functions of the Secretary under this title and other provisions of law relating to national security, as the Secretary may delegate. The President shall appoint, by and with the advice and consent of the Senate, two Assistant Secretaries of Commerce to assist the Under Secretary in carrying out such functions.

(2) TRANSITION PROVISIONS.—Those individuals serving in the positions of Under Secretary of Commerce for Export Administration and Assistant Secretaries of Commerce under section 15(a) of the Export Administration Act of 1979, on the day before the date of the enactment of this Act, shall be deemed to have been appointed under paragraph (1), by and with the advice and consent of the Senate, as of such date of enactment.

(e) ISSUANCE OF REGULATIONS.—The President and the Secretary may issue such regulations as are necessary to carry out this title. Any such regulations the purpose of which is to carry out section 105, 106, or 111(a) may be issued only after the regulations are submitted for review to such departments or agencies as the President considers appropriate. The Secretary shall consult with the appropriate export advisory committee appointed under section 104(f) in formulating regulations under this title. The second sentence of this subsection does not require the concurrence or approval of any official, department, or agency to which such regulations are submitted.

(f) AMENDMENTS TO REGULATIONS.—If the Secretary proposes to amend regulations issued under this title, the Secretary shall report to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Speaker of the House of Representatives on the intent and rationale of such amendments. Such report shall evaluate the cost and burden to the United States exporters of the proposed amendments in relation to any enhancement of licensing objectives. The Secretary shall consult with the appropriate export advisory committees appointed under section 104(f) in amending regulations issued under this title.

(g) CONFIDENTIALITY OF INFORMATION.—

(1) EXEMPTIONS FROM DISCLOSURE.—

(A) INFORMATION OBTAINED ON OR BEFORE JUNE 30, 1980.—Except as otherwise provided by the third sentence of section 108(b)(2), information obtained under the Export Administration Act of 1979 and its predecessor statutes on or before June 30, 1980, which is deemed confidential, including Shipper's Export Declarations, or with reference to which a request for confidential treatment is made by the person furnishing such information, shall not be subject to disclosure under section 552 of title 5, United States Code, and such information shall not be published or disclosed unless the Secretary determines that the withholding thereof is contrary to the national interest.

(B) INFORMATION OBTAINED AFTER JUNE 30, 1980.—Except as otherwise provided by the third sentence of section 108(b)(2), information obtained under this title or under the Export Administration Act of 1979 after June 30, 1980, may be withheld from disclosure only to the extent permitted by statute, except that information submitted, obtained, or considered in connection with an application for an export license or other export authorization under the Export Administration Act of 1979 or this title, including—

(i) the export license or other export authorization itself,

(ii) classification requests described in section 109(h)(1),

(iii) information obtained during the course of an assessment under subsection (k),

(iv) information or evidence obtained in the course of any investigation, and

(v) information obtained or furnished under this title in connection with international agreements, treaties, or obligations,

shall be withheld from public disclosure and shall not be subject to disclosure under section 552 of title 5, United States Code, unless the release of such information is determined by the Secretary to be in the national interest.

(2) INFORMATION TO CONGRESS AND GAO.—

(A) IN GENERAL.—Nothing in this title shall be construed as authorizing the withholding of information from the Congress or from the General Accounting Office.

(B) AVAILABILITY TO THE CONGRESS.—

(i) IN GENERAL.—All information obtained at any time under this title or previous Acts regarding the control of exports, including any report or license application required under this title, shall be made available to any committee or subcommittee of Congress of appropriate jurisdiction upon the request of the chairman or ranking minority member of such committee or subcommittee.

(ii) PROHIBITION ON FURTHER DISCLOSURE.—No committee, subcommittee, or Member of Congress shall disclose any information obtained under this title or previous Acts regarding the control of exports which is submitted on a confidential basis to the Congress under clause (i) unless the full committee to which the information is made available determines that the withholding of the information is contrary to the national interest.

(C) AVAILABILITY TO THE GAO.—

(i) IN GENERAL.—Notwithstanding paragraph (1), information referred to in subparagraph (B) shall, consistent with the protection of intelligence, counterintelligence, and law enforcement sources, methods, and activities, as determined by the agency that originally obtained the information, and consistent with the provisions of section 716 of title 31, United States Code, be made available only by the agency, upon request, to the Comptroller General of the United States or to any officer or employee of the General Accounting Office authorized by the Comptroller General to have access to such information.

(ii) PROHIBITION ON FURTHER DISCLOSURES.—No officer or employee of the General Accounting Office shall disclose, except to the Congress in accordance with this paragraph, any such information which is submitted on a confidential basis and from which any individual can be identified.

(3) INFORMATION EXCHANGE.—Notwithstanding paragraph (1), the Secretary and the Commissioner of Customs shall exchange licensing and enforcement information with each other which is necessary to facilitate enforcement efforts and effective license decisions.

(4) PENALTIES FOR DISCLOSURE OF CONFIDENTIAL INFORMATION.—Any officer or employee of the United States, or any department or agency thereof, who publishes, divulges, discloses, or makes known in any manner or to any extent not authorized by law any confidential information that—

(A) he or she obtains in the course of his or her employment or official duties or by reason of any examination or investigation made by, or report or record made to or filed with, such department or agency, or officer or employee thereof, and

(B) is exempt from disclosure under this subsection,

shall be fined not more than $10,000, or imprisoned not more than one year, or both, shall be removed from office or employment, and shall be subject to a civil penalty of not more than $1,000 imposed by the Secretary under section 110(c).

(h) AUTHORITY FOR SEMINAR AND PUBLICATIONS FUND.—The Secretary is authorized to cooperate with public agencies, other governments, international organizations, private individuals, private associations, and other groups in connection with seminars, publications, and related activities to carry out export activities, including educating the public or government officials on the application of this title and the regulations issued under this title. The Secretary is further authorized to accept contributions of funds, property, or services in connection with such activities to recover the cost of such programs and activities. Contributions may include payments for materials or services provided as part of such activities. The contributions collected may be retained for use in covering the costs of such activities, and for providing information to the public with respect to this title and other export control programs of the United States and other governments.

(i) SUPPORT OF OTHER COUNTRIES' EXPORT CONTROL PROGRAM.—The Secretary is authorized to participate in and provide training to officials of other countries on the principles and procedures for the implementation of effective export controls and may participate in any such training provided by other departments and agencies of the United States.

(j) INCORPORATED COMMODITIES AND TECHNOLOGY.—

(1) COMMODITIES CONTAINING CONTROLLED PARTS AND COMPONENTS.—Controls may not be imposed under this title or any other provision of law for a commodity solely because the commodity contains parts or components subject to export controls under this title if such parts or components—

(A) are essential to the functioning of the commodity,

(B) are customarily included in sales of the commodity in countries other than controlled countries, and

(C) comprise 25 percent or less of the total value of the commodity,

unless the commodity itself, if exported, would by virtue of the functional characteristics of the commodity as a whole make a significant contribution to the military or proliferation potential of a controlled country or end user which would prove detrimental to the national security of the United States.

(2) REEXPORTS OF FOREIGN-MADE ITEMS INCORPORATING U.S. ITEMS.—

(A) COMMODITIES.—(i) No authority or permission may be required under section 105 or section 106 to reexport to a country other than a terrorist country or an embargoed country a commodity that is produced in a country other than the United States and incorporates commodities that are subject to the jurisdiction of the United States, if the value of the controlled United States content of the commodity produced in such other country is 25 percent or less of the total value of the commodity.

(ii) No authority or permission may be required under section 105 or section 106 to reexport to a terrorist country or to an embargoed country a commodity that is produced in a country other than the United States and incorporates commodities that are subject to the jurisdiction of the United States, if the value of the controlled United States content of the commodity produced in such other country is 10 percent or less of the total value of the commodity.

(B) TECHNOLOGY.—(i) No authority or permission may be required under section 105 or section 106 to reexport to a country other than a terrorist country or an embargoed country technology that is produced in a country other than the United States and is commingled with or drawn from technology that is produced in the United States, if the value of the controlled United States content of the technology produced in such other country is 25 percent or less of the total value of the technology.

(ii) No authority or permission may be required under section 105 or section 106 to reexport to a terrorist country or an embargoed country technology that is produced in a country other than the United States and is commingled with or drawn from technology that is produced in the United States, if the value of the controlled United States content of the technology produced in such other country is 10 percent or less of the total value of the technology.

(C) DEFINITIONS.—For purposes of this paragraph—

(i) the ''controlled United States content'' of a commodity or technology means those commodities or technology that—

(I) are subject to the jurisdiction of the United States;

(II) are incorporated into the commodity or technology; and

(III) would, at the time of the reexport, require a license under section 105 or 106 if exported from the United States to a country to which the commodity or technology is to be reexported;

(ii) an ''embargoed country'' is a country against which an embargo is in effect under the Trading with the Enemy Act, the International Emergency Economic Powers Act, or other provision of law; and

(iii) a ''terrorist country'' is a country with respect to which a determination is in effect that was made under section 106(i)(1)(A) of this Act, or section 6(j)(1)(A) of the Export Administration Act of 1979, that the government of such country has repeatedly provided support for acts of international terrorism.

(3) TREATMENT OF TECHNOLOGY AND SOURCE CODE.—For purposes of this subsection, technology and source code used to design or produce foreign-made commodities are not deemed to be incorporated into such foreign-made commodities.

(4) REPORTING REQUIREMENTS.—Notwithstanding paragraphs (1) through (3), the Secretary may require persons to report to the Department of Commerce their proposed calculations and underlying data sufficient for the Department of Commerce to evaluate the adequacy of those calculations and data related to commodities and technology before a reexporter may rely upon the exclusions from controls provided in this subsection.

(5) EXCEPTIONS.—Paragraphs (1) and (2) do not require any changes to regulations in effect on the effective date of this title and, notwithstanding paragraphs (1) and (2), controls may be imposed on commodities or technology transferred, after March 1, 1996, from export control under the Arms Export Control Act to control under this title if those commodities or technology are designated by the President for exemption from paragraph (1) or (2), as the case may be.

(k) UNFAIR IMPACT ON UNITED STATES EXPORTER.—

(1) POLICY.—It is the policy of the United States that no United States exporter should be affected unfairly by export control policies or practices unless relief from such controls would create a significant risk to the foreign policy, nonproliferation, or national security interests of the United States.

(2) RELIEF FROM EXPORT CONTROLS.—(A) A person may petition the Secretary for relief from current export control requirements (other than control requirements specifically imposed by this title or other provisions of law) on the basis of foreign availability. A person may also petition the Secretary for approval of an export license application on other grounds which the Secretary, with the concurrence of the Secretary of Defense, shall establish by regulation. The Secretary shall, upon receipt of such petitions, and may, on his or her initiative, conduct assessments for providing relief based upon these grounds.

(B) For purposes of this subsection, foreign availability exists when the controlled item is available in fact, under terms and conditions established by the Secretary with the concurrence of the secretary of Defense, to controlled countries or end users from sources outside the United States so that the requirement for a license is or would be ineffective in achieving the purpose of the control.

(3) PROVISIONS FOR RELIEF.—The Secretary, in consultation with appropriate departments and agencies, shall make determinations of facts under paragraph (2), addressing, in the case of a petition filed under paragraph (2), each ground for relief asserted in the petition, and, subject to paragraph (4), shall provide at least one of the following forms of relief to persons that meet the criteria in paragraph (2):

(A) Change the control status of, or licensing requirements on, all or some of the items in question so as to eliminate the unfair impact.

(B) Selectively approve the sale of controlled items so as to eliminate the unfair impact.

(C) Seek multilateral support to eliminate the source of unfair impact. If relief under this subparagraph is chosen and if such efforts fail to achieve multilateral support, then the Secretary, not later than 330 days from the date of the Secretary's initiation of the assessment under paragraph (2), shall provide other relief pursuant to subparagraph (A) or (B) or conclude pursuant to paragraph (4) that the granting of such relief would create a significant risk to United States nonproliferation, foreign policy, or national security interests.

A determination that a petitioner qualifies for relief under paragraph (2) shall not compel the United States to remove controls from an item that remains subject to control by a multilateral regime.

(4) EXCEPTIONS FROM RELIEF.—The Secretary shall provide relief under paragraph (3) to a petitioner who qualifies for relief under paragraph (2) unless the Secretary concludes that the granting of such relief would create a significant risk to United States nonproliferation, foreign policy, or national security interests. In the event the Secretary determines to grant such relief, he or she may do so unless the President determines that such relief would create a significant risk to the foreign policy, nonproliferation, or national security interests of the United States.

(5) PROCEDURES.—

(A) PUBLICATION.—In any case in which the President or the Secretary determines that relief under paragraph (3) will not be granted, notwithstanding the existence of facts that constitute a basis for granting relief, the Secretary shall publish that determination, together with a concise statement of its basis and the estimated economic impact of the decision.

(B) NOTICE OF ASSESSMENTS.—Whenever the Secretary undertakes an assessment under paragraph (2), the Secretary shall publish in the Federal Register notice of the initiation of such assessment.

(C) PROCEDURES FOR MAKING DETERMINATIONS.—During the conduct of an assessment under this subsection, the Secretary shall consult with other appropriate departments and agencies concerning the assessment. The Secretary shall make a determination as to whether relief is required under paragraph (2) within 120 days after the date of the Secretary's receipt of the petition requesting relief or the date of the Secretary's initiation of the assessment (as the case may be) and shall so notify the applicant. If the Secretary has determined that relief is appropriate, the Secretary shall, upon making such a determination, submit the determination for review to the Department of Defense and other appropriate departments and agencies for consultations regarding the findings and the relief selected. If the Secretary of Defense or other department or agency head disagrees with the Secretary's determination, he or she may appeal the determination to the President in writing, but only on the basis of the criteria set forth in paragraph (4). The President shall resolve any such disagreement so that, in all cases, not later than 150 days after the date of the Secretary's receipt of the petition requesting relief or the date of the Secretary's initiation of the assessment (as the case may be), the Secretary responds in writing to the petitioner and submits for publication in the Federal Register, that—

(i) unfair impact exists and—

(I) the requirement of a license has been removed;

(II) the control status of all or some of the items in question has been changed so as to eliminate the unfair impact;

(III) the sale of controlled items has been approved so as to eliminate the unfair impact;

(IV) export controls under this title are to be maintained notwithstanding the finding under paragraph (2); or

(V) the United States recommendation to remove the license requirement or change the control status will be submitted to a relevant multilateral regime for consideration for a period of not more than 180 days beginning on the date of the publication; or

(ii) a right to relief under paragraph (2) does not exist.

The reasons for maintaining export controls under clause (i)(IV) shall be included in the submission to the petitioner and the publication. In any case in which the submission for publication is not made within the 150-day period required by this subparagraph, the Secretary may not thereafter require a license for the export of items that are the subject of the allegation under paragraph (2).

(D) NEGOTIATIONS TO ELIMINATE UNFAIR IMPACT.—(i) In any case in which export controls are maintained under this section pursuant to paragraph (4) despite a determination of unfair impact, the Secretary of State shall actively pursue negotiations with the governments of the appropriate foreign countries for the purpose of eliminating the unfair impact. No later than the commencement of such negotiations, the Secretary of State shall notify the Congress in writing that the Secretary of State has begun such negotiations and why it is important that export controls on the items involved be maintained to avoid a significant risk to the foreign policy, nonproliferation, or national security interests of the United States.

(ii) Whenever the Secretary of State has reason to believe that items subject to export controls by the United States may become available in fact from other countries to controlled countries and that such availability can be prevented or eliminated by means of negotiations with such other countries, the Secretary of State shall promptly initiate negotiations with the governments of such other countries to prevent such foreign availability.

(6) SHARING OF INFORMATION.—Each department or agency of the United States, including any intelligence agency, and all contractors with any such department or agency, shall, upon the request of the Secretary and consistent with the protection of intelligence sources and methods, furnish information to the Department of Commerce concerning foreign availability of items subject to export controls under this title. Consistent with the protection of intelligence sources and methods and classification restrictions, each such department or agency shall allow the Department of Commerce access to such information from a laboratory or other facility within such department or agency.

(7) CONGRESSIONAL NOTIFICATION AND REPORTING REQUIREMENTS.—The Secretary shall each year notify the Congress of all petitions for relief under this subsection and the status of all such petitions.

(l) EXCEPTIONS FOR MEDICAL AND HUMANITARIAN PURPOSES.—This title does not authorize controls on—

(1) medicine or medical supplies; or

(2) donations of items that are intended to meet basic human needs, including food, educational materials, seeds, hand tools, water resources equipment, clothing and shelter materials, and basic household supplies.

(m) SANCTITY OF EXISTING CONTRACTS AND LICENSES.—

(1) IN GENERAL.—In the case of a control imposed under section 106 on the export of any items, the President may not prohibit the export of those items—

(A) in performance of a contract, agreement, or other contractual commitment entered into before the date on which the control is initially imposed, or the date on which the President reports to the Congress the President's intention to impose the control, whichever date occurs first, or

(B) under a license or other authorization issued under this title before the date on which the control is initially imposed, or the date on which the President reports to the Congress the President's intention to impose the control, whichever date occurs first.

(2) EXCEPTION.—The prohibition in paragraph (1) shall not apply if the President determines and certifies to the Congress that—

(A) a breach of the peace poses a serious and direct threat to the strategic interest of the United States;

(B) the prohibition of exports under each such contract, agreement, commitment, license, or authorization will be directly instrumental in remedying the situation posing the direct threat; and

(C) the export controls will continue only so long as the direct threat persists.

The authority of the President to make determinations under this paragraph may not be delegated.

(n) PUBLICATION OF DECISIONS AND ACTIONS OF THE SECRETARY.—

(1) IN GENERAL.—The Secretary shall publish in the Federal Register, to the greatest extent practicable, actions, procedures, and decisions of the Secretary under this title, taking into account restrictions on disclosure of classified or confidential information. The Secretary shall publish in the Federal Register calculations by the Secretary of commonly-used control index parameters for commodities and technologies, including all officially accepted composite theoretical performance calculations for computers and microprocessors, except in a case in which a private party requested the calculation and asked that it not be published.

(2) NOTICE OF REVISIONS.—Whenever the Secretary makes any revision in the control index with respect to any commodity or technology, or with respect to any country or destination affected by controls imposed under section 105 or section 106, the Secretary shall publish in the Federal Register a notice of such revision and shall specify in such notice under which authority the revision is being made.

(o) NOTIFICATION OF THE PUBLIC; CONSULTATION WITH INDUSTRY; RECORDKEEPING.—

(1) NOTIFICATION OF THE PUBLIC.—The Secretary shall keep the public fully apprised of changes in export control policy and procedures instituted under this title with a view to encouraging trade.

(2) CONSULTATION WITH INDUSTRY.—The Secretary shall meet regularly with export advisory committees appointed under section 104(f) in order to obtain their views on United States export control policy and the foreign availability of commodities and technology.

(p) EXPORT CONTROL DUTIES.—

(1) ASSIGNMENT.—The Secretary shall ensure that at least one full-time representative of the Department of Commerce stationed in the People's Republic of China has duties related to the implementation of export controls under this title. These duties shall include giving priority to conducting postshipment verifications and prelicense checks, and to using other means to ensure that United States exports from the United States of dual use items are not diverted to unauthorized end uses or end users.

(2) OTHER RESOURCES.—The Secretary shall ensure that appropriate resources are made available and, if necessary, new procedures established to assist the representative or representatives of the Department of Commerce referred to in paragraph (1) in carrying out their duties and to ensure that sensitive items are not diverted to inappropriate end uses or end users in the People's Republic of China. Efforts to carry out this paragraph shall include appropriate coordination with United States officials in Hong Kong to ensure that sensitive items exported to Hong Kong are protected from diversion.

(3) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out paragraph (1).

(q) AUTHORIZATION FOR TECHNICAL DATA.—A license authorizing the export of any commodities or technology under this title shall also authorize the export of operation technical data related to such commodities or technology, if the technical level of the data does not exceed the minimum necessary to install, repair, maintain, inspect, operate, or use the commodities or technology.

(r) LICENSES FOR SPARE PARTS NOT REQUIRED.—A license shall not be required under this title for replacement parts which are exported to replace on a one-for-one basis parts that were in a commodity that was lawfully exported from the United States, unless the President determines that such a license should be required for such parts.

SEC. 115. ANNUAL REPORT.

(a) CONTENTS.—Not later than March 1 of each year, the Secretary shall submit to the Congress a report on the administration of this title during the preceding calendar year. All agencies shall cooperate fully with the Secretary in providing information for such report. Such report shall include detailed information on the following:

(1) The implementation of the policies set forth in section 103, including delegations of authority by the President under section 104(d), consultations with the export advisory committees established under section 104(f), and any changes in the exercise of the authorities contained in sections 105(a), 106(a), 107(a), and 108(a).

(2) With respect to multilateral export controls imposed or maintained under section 105, the following:

(A) Adjustments to multilateral export controls.

(B) The exercise of the Secretary's authority under section 105(e).

(3) Determinations made under section 114(k), the criteria used to make such determinations, the removal of any export controls under such section, and any evidence demonstrating a need to maintain export controls notwithstanding determinations made under paragraph (2) of section 114(k).

(4) Short supply controls and monitoring under section 107.

(5) Organizational and procedural changes undertaken in furtherance of the policies set forth in this title, including changes to increase the efficiency of the export licensing process and to fulfill the requirements of section 109, including an accounting of appeals received, and actions taken pursuant thereto, under section 109(g).

(6) Violations under section 110 and enforcement activities under section 113.

(7) The issuance of regulations under this title.

(8) The results, in as much detail as may be included consistent with the strategic and political interests of the United States and the need to maintain the confidentiality of proprietary information, of the reviews of the multilateral control list, and any revisions to the list resulting from such reviews, required by section 105.

(b) COMPARATIVE REPORT ON EXPORT CONTROL SYSTEMS AMONG COUNTRIES.—The Secretary shall include, in each annual report under subsection (a), a description of significant differences between the export control laws and regulations of the United States and its major trade competitors, particularly as these differences relate to the implementation of multilateral export control regimes. The Secretary shall include—

(1) an assessment of the impact of these differences on important interests of the United States;

(2) a description of the extent to which the executive branch intends to address these differences; and

(3) a listing of unilateral controls and embargoes imposed by the United States that are in effect, with a quantification of their economic impact, including the effect of such controls and embargoes on employment in the United States.

(c) GAO REPORT.—The Comptroller General shall prepare and submit to the Congress, not later than 120 days after each report under subsection (b) is submitted, an analysis of such report.

SEC. 116. DEFINITIONS.

As used in this title:

(1) AFFILIATE.—The term ''affiliate'' includes both governmental entities and commercial entities that are controlled in fact by a country.

(2) ADHERENT.—An ''adherent'' to a multilateral regime is a country that is a member of that regime or that, pursuant to an international understanding to which the United States is a party, controls exports in accordance with the criteria and standards of that regime.

(3) AUSTRALIA GROUP.—The term ''Australia Group'' means the multilateral regime in which the United States participates that seeks to prevent the proliferation of chemical and biological weapons.

(4) CHEMICAL WEAPONS CONVENTION.—The term ''Chemical Weapons Convention'' refers to the Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on Their Destruction of 1992.

(5) COMMODITY.—The term ''commodity'' means any article, natural or manmade substance, material, software, source code, supply, or manufactured product, including inspection and test equipment, and excluding technical data.

(6) CONTROL OR CONTROLLED.—The terms ''control'' and ''controlled'' refer to a licensing requirement, a written reexport authorization requirement, or a prohibition on an export.

(7) CONTROL INDEX.—The term ''control index'' means the United States Commodity Control Index established under section 104(b)(1).

(8) CONTROLLED COUNTRY.—The term ''controlled country'' means a country to which exports are controlled under section 105 or 106.

(9) EXPORT.—(A) The term ''export''—

(i) means—

(I) an actual shipment, transfer, or transmission of items out of the United States; and

(II) a transfer to any person of items either within the United States or outside of the United States with the knowledge or intent that the items will be shipped, transferred, or transmitted outside the United States; and

(ii) includes the term ''reexport''.

(B) The Secretary may further define the term export by regulation to include, among other concepts, that—

(i) a transfer of items in the United States to an embassy or affiliate of a country is an export to the country,

(ii) disclosure of technology to a foreign person is deemed to be an export to the country of which he or she is a national, and

(iii) transfer of effective control from one country to another over a satellite above the earth is an export from one country to another.

(C) As used in this paragraph, the term ''foreign person'' means—

(i) an individual who is not a United States citizen or an alien lawfully admitted for permanent residence to the United States;

(ii) any corporation, partnership, business association, society, trust, organization, or other nongovernmental entity created or organized under the laws of a foreign country or that has its principal place of business outside the United States; and

(iii) any governmental entity of a foreign country that is operating as a business enterprise.

(10) EXPORT CONTROL REGIME, MULTILATERAL EXPORT CONTROL REGIME, MULTILATERAL REGIME, AND REGIME.—The terms ''export control regime'', ''multilateral export control regime'', ''multilateral regime'', and ''regime'' each means an international agreement or an arrangement among two or more countries, including the United States, a purpose of which is to coordinate national export control policies of participating countries regarding certain items. Such terms include the Australia Group, the Wassenaar Arrangement, the MTCR, and the Nuclear Supplies Group.

(11) FOREIGN AVAILABILITY, AVAILABLE IN FACT TO CONTROLLED COUNTRIES.—The terms ''foreign availability'' and ''available in fact to controlled countries'' each include production or availability of any item from any country—

(A) in which the item is not restricted for export to any controlled country; or

(B) in which such export restrictions are determined by the Secretary to be ineffective.

For purposes of subparagraph (B), the mere inclusion of items on a list of items subject to export controls imposed pursuant to a multilateral export control regime shall not alone constitute credible evidence that the government of a country provides an effective means of controlling the export of such items to controlled countries.

(12) ITEM.—The term ''item'' means any commodity, technology, or other information.

(13) LICENSING REQUIREMENT.—The term ''licensing requirement'' includes any restriction or condition, including recordkeeping and reporting, imposed by the Secretary under this title in licensing the export of a commodity, technology, or other information.

(14) MEMBER OF AN EXPORT CONTROL REGIME.—A ''member'' of an export control regime, multilateral export control regime, multilateral regime, or regime is a country that participates in that regime.

(15) MISSILE.—The term ''missile'' means any missile system or component listed in category I of the MTCR Annex, and any other unmanned delivery system or component of similar capability, as well as the specially designed production facilities for these systems.

(16) MISSILE TECHNOLOGY CONTROL REGIME; MTCR.—The term ''Missile Technology Control Regime'' or ''MTCR'' means the policy statement and guidelines between the United States, the United Kingdom, the Federal Republic of Germany, France, Italy, Canada, and Japan, announced on April 16, 1987, to restrict sensitive missile-related transfers based on the MTCR Annex, and any amendments thereto.

(17) MTCR ANNEX.—The term ''MTCR Annex'' means the Equipment and Technology Annex of the MTCR, and any amendments thereto.

(18) NUCLEAR EXPLOSIVE DEVICE.—The term ''nuclear explosive device'' means any device, whether assembled or disassembled, that is designed to produce an instantaneous release of an amount of nuclear energy from special nuclear material that is greater than the amount of energy that would be released from the detonation of one pound of trinitrotoluene (TNT).

(19) NUCLEAR SUPPLIERS' GROUP.—The term ''Nuclear Suppliers' Group'' means the multilateral arrangement in which the United States participates whose purpose is to restrict the transfers of items with relevance to the nuclear fuel cycle or nuclear explosive applications.

(20) PERSON.—Except as provided in section 111, the term ''person'' includes—

(A) the singular and the plural and any individual, partnership, corporation, business association, society, trust, organization, or any other group created or organized under the laws of a country; and

(B) any government, or any governmental body, corporation, trust, agency, department, or group, operating as a business enterprise.

(21) REEXPORT.—The term ''reexport'' means the shipment, transfer, transshipment, or diversion of items from one foreign country to another.

(22) SECRETARY.—The term ''Secretary'' means the Secretary of Commerce or any successor officer performing functions of the Secretary of Commerce under this title.

(23) TECHNOLOGY.—The term ''technology'' means specific information that is necessary for the development, production, or use of a commodity, including source code, and that takes the form of technical data or technical assistance.

(24) UNILATERAL AND UNILATERALLY.—The terms ''unilateral'' and ''unilaterally'', with respect to an export control on a commodity or technology, refer to a control that is not similarly imposed in similar circumstances by any country other than the United States, and that materially restricts the export of the commodity or technology.

(25) UNITED STATES.—The term ''United States'' means the States of the United States, the District of Columbia, and any commonwealth, territory, dependency, or possession of the United States, and includes the outer Continental Shelf, as defined in section 2(a) of the Outer Continental Shelf Lands Act (43 U.S.C. 1331(a)).

(26) UNITED STATES PERSON.—The term ''United States person'' means any United States citizen, resident, or national (other than an individual resident outside the United States and employed by other than a United States person), any domestic concern (including any permanent domestic establishment of any foreign concern) and any foreign subsidiary or affiliate (including any permanent foreign establishment) of any domestic concern which is controlled in fact by such domestic concern, as determined under regulations of the President.

(27) WASSENAAR ARRANGEMENT.—The term ''Wassenaar Arrangement'' means the multilateral regime in which the United States participates that seeks to promote transparency and responsibility with regard to the transfers of conventional armaments and sensitive dual-use goods and technologies.

(28) WEAPON OF MASS DESTRUCTION.—The term ''weapon of mass destruction'' means any chemical, biological, or nuclear weapon, including a nuclear explosive device.

SEC. 117. EFFECTS ON OTHER ACTS.

(a) COMMODITY JURISDICTION.—

(1) COORDINATION OF CONTROLS.—The authority granted under this title and under section 38 of the Arms Export Control Act (22 U.S.C. 2778) shall be exercised in such a manner as to achieve effective coordination between the licensing systems under this title and such section 38 and to share information regarding the trustworthiness of parties.

(2) ELIMINATION OF OVERLAPPING CONTROLS.—Notwithstanding any other provision of law, no item may be included on both the control index and the United States Munitions List after the date of the enactment of this Act.

(3) COMMODITY JURISDICTION DISPUTE RESOLUTION.—The President shall establish procedures for the resolution of commodity jurisdiction disputes among departments and agencies of the United States. Such disputes shall normally be resolved within 60 days, and the procedures shall allow disputes to be referred to the President normally within 90 days. These procedures shall also—

(A) require the Secretary and the Secretary of State to refer matters to each other in accordance with their respective jurisdictions;

(B) require transparency, among the Secretary, the Secretary of State, and the Secretary of Defense, in commodity jurisdiction cases and commodity classification requests and determinations;

(C) provide for interagency meetings and consultations to permit the free exchange of views regarding significant jurisdictional issues; and

(D) provide deadlines for action and standards for decision, and ensure that disputes that cannot be resolved may be referred to the President by the Secretary of State, the Secretary of Defense, or the Secretary.

(b) IN GENERAL.—Except as otherwise provided in this title, nothing in this title shall be construed to modify, repeal, supersede, or otherwise affect the provisions of any other laws authorizing control over exports of any commodities, technology, or other information.

(c) LICENSING PROCESS.—The provisions of section 109 shall supersede the procedures published pursuant to section 309(c) of the Nuclear Non-Proliferation Act of 1978 (42 U.S.C. 2139a(c)) to the extent such procedures are inconsistent with the provisions of section 109.

(d) AMENDMENTS TO THE INTERNATIONAL EMERGENCY ECONOMIC POWERS ACT.—

(1) EXERCISE OF PRESIDENTIAL AUTHORITY.—(A) Section 204(b) of the International Emergency Economic Powers Act (50 U.S.C. 1703(b)) is amended—

(i) by striking ''and'' at the end of paragraph (4);

(ii) by striking the period at the end of paragraph (5) and inserting ''; and''; and

(iii) by adding at the end the following:

''(6) if the action is being taken unilaterally—

''(A) why the President believes the action is necessary to meet the unusual and extraordinary threat referred to in paragraph (2); and

''(B) what steps the President is taking to gain multilateral support for the action.''.

(B) Section 204(c) of that Act (50 U.S.C. 1703(c)) is amended—

(i) by striking ''(5)'' and inserting ''(6)''; and

(ii) by striking the period and inserting '', and, in the case of controls referred to in paragraph (6) of subsection (b), the President shall report to the Congress on the economic losses that have occurred as a result of the unilateral action''.

(2) CONFIDENTIALITY OF INFORMATION.—The International Emergency Economic Powers Act is amended—

(A) by redesignating section 208 as section 209; and

(B) by inserting after section 207 the following:

''SEC. 208. CONFIDENTIALITY OF INFORMATION.

''(a) EXEMPTIONS FROM DISCLOSURE.—Information obtained under this title before or after the enactment of this section may be withheld only to the extent permitted by statute, except that information submitted, obtained, or considered in connection with any transaction that would otherwise be prohibited under this title, including—

''(1) the license or other authorization itself,

''(2) classification requests or other inquiries on the applicability of export license requirements to a proposed transaction or series of transactions,

''(3) information or evidence obtained in the course of any investigation, and

''(4) information obtained or furnished under this title in connection with international agreements, treaties, or obligations,

shall be withheld from public disclosure, and shall not be subject to disclosure under section 552 of title 5, United States Code, unless the release of such information is determined by the Secretary of Commerce or the Secretary of the Treasury to be in the national interest. In the case of information obtained or furnished under this title in connection with international agreements, treaties, or obligations, such a determination may be made only after consultation with the Secretary of State.

''(b) INFORMATION TO CONGRESS AND GAO.—

''(1) IN GENERAL.—Nothing in this title shall be construed as authorizing the withholding of information from the Congress or from the General Accounting Office.

''(2) AVAILABILITY TO THE CONGRESS.—

''(A) IN GENERAL.—All information obtained at any time under this title regarding the control of exports, including any report or license application required under this title, shall be made available to any committee or subcommittee of Congress of appropriate jurisdiction upon the request of the chairman or ranking minority member of such committee or subcommittee.

''(B) PROHIBITION ON FURTHER DISCLOSURE.—No committee, subcommittee, or Member of Congress shall disclose any information obtained under this title or previous Acts regarding the control of exports which is submitted on a confidential basis to the Congress under subparagraph (A) unless the full committee to which the information is made available determines that the withholding of the information is contrary to the national interest.

''(3) AVAILABILITY TO THE GAO.—

''(A) IN GENERAL.—Notwithstanding paragraph (1), information referred to in paragraph (2) shall, consistent with the protection of intelligence, counterintelligence, and law enforcement sources, methods, and activities, as determined by the agency that originally obtained the information, and consistent with the provisions of section 716 of title 31, United States Code, be made available only by the agency, upon request, to the Comptroller General of the United States or to any officer or employee of the General Accounting Office authorized by the Comptroller General to have access to such information.

''(B) PROHIBITION ON FURTHER DISCLOSURES.—No officer or employee of the General Accounting Office shall disclose, except to the Congress in accordance with this subsection, any such information which is submitted on a confidential basis and from which any individual can be identified.

''(c) PENALTIES FOR DISCLOSURE OF CONFIDENTIAL INFORMATION.—Any officer or employee of the United States, or any department or agency thereof, who publishes, divulges, discloses, or makes known in any manner or to any extent not authorized by law any confidential information that—

''(1) he or she obtains in the course of his or her employment or official duties or by reason of any examination or investigation made by, or report or record made to or filed with, such department or agency, or officer or employee thereof, and

''(2) is exempt from disclosure under this section,

shall be fined not more than $10,000, or imprisoned not more than 1 year, or both, shall be removed from office or employment, and shall be subject to a civil penalty of not more than $1,000.''.

(3) PENALTIES.—Section 206 of the International Emergency Economic Powers Act (50 U.S.C. 1705) is amended—

(A) in subsection (a) by inserting '', or attempts to violate,'' after ''violates''; and

(B) in subsection (b) by inserting '', or willfully attempts to violate,'' after ''violates''.

(e) AMENDMENTS TO THE TRADING WITH THE ENEMY ACT.—Section 16 of the Trading With the Enemy Act (50 U.S.C. App. 16) is amended—

(1) in subsection (a)—

(A) by inserting '', or attempt to violate,'' after ''violate'' the first place it appears; and

(B) by inserting ''attempt to violate,'' after ''violate,'' the second place it appears; and

(2) in subsection (b)(1) by inserting '', or attempts to violate,'' after ''violates''.

(f) REPORT ON OFAC AND ODTC.—

(1) STUDY ON OFAC.—The Secretary of the Treasury shall study ways to make the operations of the Office of Foreign Assets Control of the Department of the Treasury more effective and efficient in responding to licensing requests and other inquiries of United States exporters, including through the upgrading of technology in that office.

(2) STUDY ON ODTC.—The Secretary of State shall study ways to make the Office of Defense Trade Controls of the Department of State more effective and efficient in responding to licensing requests and other inquiries of United States exporters, including through the upgrading of technology in that office.

(3) SUBMISSION OF REPORTS.—Not later than 6 months after the date of the enactment of this Act, the Secretary of the Treasury shall submit to the Congress a report on the study conducted under paragraph (1) and the Secretary of State shall submit to the Congress a report on the study conducted under paragraph (2).

SEC. 118. SECONDARY ARAB BOYCOTT.

(a) SENSE OF CONGRESS.—

(1) ENDING SECONDARY BOYCOTT.—It is the sense of the Congress that the countries of the Arab League should end the secondary Arab boycott.

(2) ACTIONS TO END SECONDARY BOYCOTT.—The United States will consider the secondary Arab boycott to have ended when—

(A) the Arab League issues a public pronouncement that the Arab League has ended the secondary Arab boycott;

(B) all activities carried out by the Central Office for the Boycott of Israel in support of the secondary Arab boycott have been terminated;

(C) the Arab League and the individual countries that are members of the Arab League have terminated the practice of barring United States persons and foreign companies that do not comply with the secondary Arab boycott from doing business with countries that are members of the Arab League, and have declared null and void any existing list of such barred persons and companies; and

(D) the Arab League, and the individual countries that are the members of the Arab League, have ceased requesting United States persons to take actions prohibited under section 108(a).

(b) DEFINITION.—For purposes of this section, the term ''secondary Arab boycott'' means the refusal to do business with persons who do not comply with requests to take any action prohibited under section 108(a) with respect to Israel.

SEC. 119. CONFORMING AMENDMENTS.

(a) ARMS EXPORT CONTROL ACT.—

(1) Section 38 of the Arms Export Control Act (22 U.S.C. 2778) is amended—

(A) in subsection (e)—

(i) in the first sentence by striking ''subsections (c)'' and all that follows through ''12 of such Act'' and inserting ''subsections (b), (c), (d) and (e) of section 110 of the Export Administration Act of 1996, by subsections (a) and (b) of section 113 of such Act, and by section 114(g) of such Act''; and

(ii) in the third sentence by striking ''11(c) of the Export Administration Act of 1979'' and inserting ''110(c) of the Export Administration Act of 1996''; and

(B) in subsection (g)(1)(A) by striking clause (ii) and inserting the following:

''(ii) section 110 of the Export Administration Act of 1996,''.

(2) Section 39A(c) of the Arms Export Control Act, as added by the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995, is amended—

(A) by striking ''(c),'' and all that follows through ''12(a) of such Act'' and inserting ''(c), (d), and (e) of section 110, section 112(c), and subsections (a) and (b) of section 113, of the Export Administration Act of 1996''; and

(B) by striking ''11(c)'' and inserting ''110(c)''.

(3) Section 40(k) of the Arms Export Control Act (22 U.S.C. 2780(k)) is amended—

(A) by striking ''11(c), 11(e), 11(g), and 12(a) of the Export Administration Act of 1979'' and inserting ''110(b), 110(c), 110(e), 113(a), and 113(b) of the Export Administration Act of 1996''; and

(B) by striking ''11(c)'' and inserting ''110(c)''.

(4) Section 73A of the Arms Export Control Act, as added by the Foreign Relations Authorization Act, Fiscal Years 1995 and 1995, is amended by striking ''a MTCR adherent'' and inserting ''an MTCR adherent''.

(b) OTHER PROVISIONS OF LAW.—

(1) Section 5(b)(4) of the Trading with the Enemy Act (12 U.S.C. 95a(4); 50 U.S.C. App. 5(b)(4)) is amended by striking ''section 5 of the Export Administration Act of 1979, or under section 6 of that Act to the extent that such controls promote the nonproliferation or antiterrorism policies of the United States'' and inserting ''the Export Administration Act of 1996''.

(2) Section 502B(a)(2) of the Foreign Assistance Act of 1961 (22 U.S.C. 2304(a)(2)) is amended in the second sentence—

(A) by striking ''Export Administration Act of 1979'' the first place it appears and inserting ''Export Administration Act of 1996''; and

(B) by striking ''Act of 1979)'' and inserting ''Act of 1996)''.

(3)(A) Section 140(a) of the Foreign Relations Authorization Act, Fiscal Years 1988 and 1989 (22 U.S.C. 2656f(a)) is amended—

(i) in paragraph (1)(B) by inserting ''or section 106(i) of the Export Administration Act of 1996'' after ''Act of 1979''; and

(ii) in paragraph (2) by striking ''6(j) of the Export Administration Act of 1979'' and inserting ''106(i) of the Export Administration Act of 1996''.

(B) For purposes of the report required by March 31, 1996, under section 140(a) of the Foreign Relations Authorization Act, Fiscal Years 1988 and 1989, the reference in paragraph (2) of such section to ''section 106(i) of the Export Administration Act of 1996'' shall be deemed to refer to ''section 6(j) of the Export Administration Act of 1979 or section 106(i) of the Export Administration Act of 1996''.

(4) Section 40(e)(1) of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2712(e)(1)) is amended by striking ''6(j)(1) of the Export Administration Act of 1979'' and inserting ''106(i)(1) of the Export Administration Act of 1996''.

(5) Section 110 of the International Security and Development Cooperation Act of 1980 (22 U.S.C. 2778a) is amended by striking ''Act of 1979'' and inserting ''Act of 1996''.

(6) Section 205(d)(4)(B) of the State Department Basic Authorities Act of 1956 (22 U.S.C. 4305(d)(4)(B)) is amended by striking ''6(j) of the Export Administration Act of 1979'' and inserting ''106(i) of the Export Administration Act of 1996''.

(7) Section 203(b)(3) of the International Emergency Economic Powers Act (50 U.S.C. 1702(b)(3)) is amended by striking ''section 5 of the Export Administration Act of 1979, or under section 6 of such Act to the extent that such controls promote the nonproliferation or antiterrorism policies of the United States'' and inserting ''the Export Administration Act of 1996''.

(8) Section 491(f) of the Forest Resources Conservation and Shortage Relief Act of 1990 (16 U.S.C. 620c(f)) is repealed.

(9) Section 499 of the Forest Resources Conservation and Shortage Relief Act of 1990 (16 U.S.C. 620j) is amended by striking ''section 7 of the Export Administration Act of 1979'' and inserting ''section 107 of the Export Act of 1996''.

(10) Section 1605 (a)(7)(A) of title 28, United States Code, is amended by striking ''6(j) of the Export Administration Act of 1979 (50 U.S.C. App. 2405(j))'' and inserting ''106(i) of the Export Administration Act of 1996''.

(11) Section 2332d(a) of title 18, United States Code, is amended by striking ''6(j) of the Export Administration Act (50 U.S.C. App. 2405)'' and inserting ''106(i) of the Export Administration Act of 1996''.

(12) Section 620H (a)(1) of the Foreign Assistance Act of 1961 (22 U.S.C. 2378(a)(1)) is amended by striking ''6(j) of the Export Administration Act of 1979 (50 U.S.C. App. 2405(j))'' and inserting ''106(i) of the Export Administration Act of 1996''.

(13) Section 1621(a) of the International Financial Institutions Act (22 U.S.C. 262p–4q(a)) is amended by striking ''6(j) of the Export Administration Act of 1979 (50 U.S.C. App. 2405(j))'' and inserting ''106(i) of the Export Administration Act of 1996''.

(c) REPEAL.—The Export Administration Act of 1979 is repealed.

SEC. 120. EXPIRATION DATE.

This title expires on June 30, 2001.

SEC. 121. SAVINGS PROVISIONS.

(a) IN GENERAL.—All delegations, rules, regulations, orders, determinations, licenses, or other forms of administrative action which have been made, issued, conducted, or allowed to become effective under—

(1) the Export Control Act of 1949, the Export Administration Act of 1969, or the Export Administration Act of 1979, or

(2) those provisions of the Arms Export Control Act which are amended by section 119,

and are in effect at the time this title takes effect, shall continue in effect according to their terms until modified, superseded, set aside, or revoked under this title or the Arms Export Control Act.

(b) ADMINISTRATIVE AND JUDICIAL PROCEEDINGS.—

(1) EXPORT ADMINISTRATION ACT.—This title shall not affect any administrative or judicial proceedings commenced or any application for a license made, under the Export Administration Act of 1979, which is pending at the time this title takes effect. Any such proceedings, and any action on such application, shall continue under the Export Administration Act of 1979 as if that Act had not been repealed.

(2) OTHER PROVISIONS OF LAW.—This title shall not affect any administrative or judicial proceedings commenced or any application for a license made, under those provisions of the Arms Export Control Act which are amended by section 119, if such proceedings or application is pending at the time this title takes effect. Any such proceedings, and any action on such application, shall continue under those provisions as if those provisions had not been amended by section 119.

(c) TREATMENT OF CERTAIN DETERMINATIONS.—Any determination with respect to the government of a foreign country under section 6(j) of the Export Administration Act of 1979, that is in effect at the time this title takes effect, shall, for purposes of this title or any other provision of law, be deemed to be made under section 106(i) of this Act until superseded by a determination under such section 106(i).

TITLE II—NUCLEAR PROLIFERATION PREVENTION

SEC. 201. REPEAL OF TERMINATION OF PROVISIONS OF THE NUCLEAR PROLIFERATION PREVENTION ACT OF 1994.

(a) REPEAL.—Part D of the Nuclear Proliferation Prevention Act of 1994 (part D of title VIII of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995; Public Law 103–236; 108 Stat. 525) is hereby repealed.

(b) PRESIDENTIAL DETERMINATIONS.—Section 824(c) of the Nuclear Proliferation Prevention Act of 1994 is amended by striking '', in writing after opportunity for a hearing on the record,''.

(c) JUDICIAL REVIEW.—Section 824 of the Nuclear Proliferation Prevention Act of 1994 is amended—

(1) by striking subsection (e); and

(2) by redesignating subsections (f) through (k) as subsections (e) through (j), respectively.

(d) CONFORMING AMENDMENT.—Section 102(b)(2)(G) of the Arms Export Control Act (22 U.S.C. 2799aa–1(b)(2)(G)) is amended by striking ''section 6 of the Export Administration Act of 1979'' and inserting ''section 105 or 106 of the Export Administration Act of 1996''.

SEC. 202. SEEKING MULTILATERAL SUPPORT FOR UNILATERAL SANCTIONS.

The Secretary of State, in consultation with appropriate departments and agencies, shall seek the support of other countries for sanctions imposed under the Nuclear Proliferation Prevention Act of 1994 or the amendments made by that Act.

SEC. 203. SANCTIONS UNDER THE NUCLEAR PROLIFERATION PREVENTION ACT OF 1994.

Section 102(b)(2) of the Arms Export Control Act (22 U.S.C. 2799aa–1(b)(2)) is amended—

(1) in subparagraph (D) by striking ''shall not apply—'' and all that follows through the end of clause (ii) and inserting ''shall not apply to humanitarian assistance.'';

(1) in subparagraph (G) by striking '', except that'' and all that follows through the end of the subparagraph and inserting a period; and

(3) by adding at the end the following:

''(H)(i) The President shall prohibit the importation into the United States of specific products produced in that country by persons who have engaged in the activities described in paragraph (1) that were the basis of the President's determination under such paragraph.

''(ii) In the event that it is not possible to identify the persons who have engaged in the activities described in paragraph (1) that were the basis of the President's determination under such paragraph, the President shall prohibit the importation into the United States of products produced in that country by those persons that the President shall designate as most closely identified with those activities.

''(iii) For purposes of this subparagraph, the term 'person' means—

''(I) a natural person;

''(II) a corporation, business association, partnership, society, or trust, or any other nongovernmental entity, organization, or group;

''(III) a governmental entity operating as a business enterprise;

''(IV) a division or office of a governmental department; or

''(V) a military unit or successor to such unit.

''(iv) The prohibition on imports imposed under this subparagraph shall be in addition to any other prohibition on imports in effect before the President's determination under paragraph (1) is made.

The prohibitions contained in subparagraphs (D), (G), and (H) shall not apply to any transaction subject to the reporting requirements of title V of the National Security Act of 1947.''.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Wisconsin [Mr. ROTH] and the gentleman from Connecticut [Mr. GEJDENSON] will each be recognized for 20 minutes.

The Chair recognizes the gentleman from Wisconsin [Mr. ROTH].

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

Mr. Speaker, this bill before us is a result of an enormous amount of work by many, many people. As this session began, I spoke to President Clinton and with the gentleman from New York, Chairman GILMAN, and the gentleman from South Carolina, Chairman SPENCE, and many others about working together for a good, balanced reform bill that we could all support.

We spent 14 months in bipartisan discussion, talks involving our committee, and the administration, and the Committee on National Security.

We knew that we needed to respond to new challenges: There is a new added urgency to our fight against the proliferation and international terrorism; COCOM has disappeared and cooperation among our allies is far more difficult; our Government is resorting to unilateral controls, all too frequently, often at the expense of U.S. workers; and technological progress in many areas has accelerated, putting many products beyond the effective control of governments.

Mr. Speaker, we have successfully met these challenges in this bill, H.R. 361. The bill strikes a careful balance, replacing an expired cold-war law with a new statute that focuses on today's challenges.

Let me list some of the bill's key provisions.

First, the bill creates a new emphasis on strengthening multilateral export controls and on reducing U.S. reliance on unilateral controls. While unilateral controls are permitted, the President must annually justify them.

The President must also annually estimate and justify their cost to the U.S. economy, and he must identify what is being done to make the controls multilateral.

Second, the bill combats the proliferation of weapons of mass destruction and the missiles to deliver them. This includes tough prohibitions on the exports to countries not supporting multilateral efforts on nonproliferation. It also includes strengthened sanctions on persons who aid international proliferations.

Third, the bill cracks down on dual-use exports and reexports to terrorist countries. Sensitive exports are simply prohibited. Plus, the Secretary of State is given new duties to ensure greater multilateral support for these tough controls.

Fourth, the bill removes unneeded bureaucracy and cold-war impediments to export competitiveness. For instance, the bill streamlines the procedures and reduces, in half, licensing time lines. It provides new procedures for ensuring that U.S. exporters are treated fairly and that U.S. controls are clear and understandable.

It establishes new rights for exporters to seek administrative and judicial review. The bill codifies new principles for deciding issues of jurisdiction between the State Department munitions list and the Commerce Department dual-use list.

Mr. Speaker, these are just the highlights. I should also note that compromises have been made. The bill does not do everything that I or the gentleman from Connecticut [Mr. GEJDENSON], or anyone on our committee would prefer. For example, I wish we would have been able to do something more on encryption and the like, but it can and should become law, this bill.

Mr. Speaker, I want to pay special tribute to the gentleman from New York [Mr. GILMAN], the full committee chairman, and the gentleman from Indiana [Mr. HAMILTON] and the gentleman from Connecticut [Mr. GEJDENSON], our minority side, for their work, and especially the staffs who worked with us for 14 months in negotiation on this piece of legislation. Without their stalwart efforts over many years of reform, we would not be here today.

I also want to acknowledge the work of the National Security Advisor Tony Lake and his team at the NSC. They have been tireless in their support.

Mr. Speaker, I would like to acknowledge the contributions of other committees with jurisdiction. As I have mentioned, the gentleman from South Carolina [Mr. SPENCE] and his committee staff have been an invaluable part of these discussions in coming to a good resolution on this bill.

I would like to thank the gentleman from Texas [Mr. ARCHER], chairman of the Committee on Ways and Means, who reported the import sanctions provision retained in both section 1711 and section 203; the gentleman from New York [Mr. SOLOMON], the Committee on Rules, and his staff, who have contributed important technical improvement, especially on section 107; and the staff of the Permanent Select Committee on Intelligence. They all have provided key assistance on provisions affecting the intelligence community.

We have been helped greatly by such industry leaders as Mike Armstrong of Hughes Electronics and Mike Jordan of Westinghouse Electric. Their testimony and their advice have been invaluable. There have been so many CEO's in America who have contacted us on this legislation.

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I also want to thank all the associations who have worked closely with us and their support in making today possible: the Association of Manufacturing Technology [AMT] and its 356 machine tool companies. I want to thank the aerospace industry, and I want to thank the Chemical Manufacturers Association, the Agricultural Export Alliance and the American Farm Bureau.

Mr. Speaker, in conclusion, I recall introducing this bill, H.R. 361, on the first day of the Congress. My goal was simple, to reform our outdated export control system and to help our high-technology industry to create new jobs, good paying jobs, for American workers. This bill does that. It replaces a 17-year-old dinosaur with a law that is updated and forward looking.

With H.R. 361's passage, we will help the United States enter the 21st century as the most successful and the most responsible exporting state in the world, and I urge all my colleagues to adopt and to vote for this legislation.

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

First, I would like to express my profound regret that the gentleman from Wisconsin will not be seeking a return to this Chamber. It has befuddled some, but the gentleman and I have had a great working relationship for a number of years, both when I was chairman and now under his chairmanship.

I have always found him to be honorable and hard-working and straightforward. Sometimes he would get it wrong, but I am sure he felt the same way about me. So it has been a great pleasure to work with him, and I look forward to many years of friendship. I think he is a terrific Member, and I think he has made a valiant effort, and I know, having brought this bill out on a number of occasions. It is a difficult challenge to get a real change through the Congress.

We can remember in 1989, the Bush administration found itself in a horrendous battle between Secretary of Defense Cheney and Secretary of Commerce Mosbacher. Secretary Mosbacher decontrolled 286 computers. Secretary Cheney seemed to be ready to assure us that this would give the Soviet Union the ability to rejuvenate itself and pass us militarily. There was this great debate in Washington whether Mosbacher had gone too far. Of course, I do not know what one could do with a 286 computer today except for using it as a paperweight, but that is part of the problem with this bill.

This bill is going to pass, Mr. Speaker, and I will not oppose it. While I am not going to oppose it, however, I cannot endorse it. I think what we do here is we do very little really to grab hold of the kinds of initiatives we need to deal with the terrorism and the spread of the kind of technologies, choke point technologies, that we might be able to control if we were more serious. At the same time, we hobble the American export market which has a direct impact on our workers and the vitality of our economy because these modern technologies are our future. They are where we are most competitive.

We give ourselves, as this legislation does, as much as half a year to get an export license, while in Germany, France, Japan and the rest of the countries around the glove, who have the exact same technology, they will just walk through an agency and in many, many instances not need any license at all.

The problem with this new agreement that replaces COCOM is that, frankly, it all ends up being unilateral controls. We end up in a situation where it will be controlled in the United States, but the Germans and the Japanese will make no effort to control it. The reason here is, I think, we have to focus on what is doable. We have to focus on getting cooperative agreements on critical technologies, on choke point technologies. But we also have to have the understanding that, while we ought not be racing to provide sensitive technologies to dangerous countries, frankly, the gentleman from Wisconsin and I have worked together, and the gentleman from New York [Mr. GILMAN] and I have worked on the terrorism legislation to deny all technologies to the Libyas and Irans of this world who are leaders in the kind of terrorism that exists today. But the reality is we do not make the kind of definitions that are necessary.

We do not deal with foreign availability. If it can be bought in Radio Shack in Beijing, it is too late to try to control it as an export product from the United States. We found that through the years we would fight for export license for 386 chips while they could be bought in stores in China.

The failure to deal with the difference between a dual-use item and a munition will leave us where we are and where we have been in the past, where at one point an American company could not sell bank smart cards to a British bank. Not that they were not available, not that it was not clearly a nonmilitary use, but because there was encryption involved that ended getting dragged into the same category as bullets and bombs.

This bill does not give American exporters the kind of platform to challenge bureaucratic insanity. If you are down there buried in the bowels of the government, most people do great work; but the instinct is why take a chance, and not taking a chance may cripple America's economy because these are the jobs of the future. It is not simply profits we are talking about, we are talking about the vitality of American industry, the vitality of our work force, and the vitality of our economy.

I commend the chairman for doing what he has done, though, because this is a very tough Congress. With the extreme nature of some of the politics of this Congress, the gentleman probably would have never gotten it through some of the other committees. My admiration for the gentleman from Wisconsin, Chairman ROTH, continues. I am just frustrated, frankly, that we have not been able to do more.

That is basically not a tricky decision. It is a rational process. If we can buy it in every other country in the globe, American control does not achieve anything. If we have something that is dual use, it ought not be dealt with as if it was a missile system. So we have made some progress here; we have not made enough.

These are the critical industries for the future. We ought to be nurturing them and doubling our efforts to fight terrorism, not leaving them hobbled in what may be 6 months of bureaucracy while purchasers of these products are running into Germany and Japan and walking out without any waiting period.

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

Mr. ROTH. Mr. Speaker, I yield myself such time as I may consume to say that, first of all, I want to thank the gentleman from Connecticut [Mr. GEJDENSON] for his strong support of this legislation and for backing the legislation. I do not know of anyone in this body who has a greater understanding of the legislation than Mr. GEJDENSON does, so I appreciate his support very much.

GENERAL LEAVE

Mr. ROTH. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 361.

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

There was no objection.

Mr. ROTH. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. GILMAN], chairman of our full committee. In doing that, I again want to thank him for his strong support and his help and the staff's help on this legislation.

(Mr. GILMAN asked and was given permission to revise and extend his remarks.)

Mr. GILMAN. Mr. Speaker, I thank the gentleman for yielding me this time.

I rise in strong support of the Export Administration Act of 1996, the first significant reform of our export control laws in the past two decades. It will bring our export control statutes in conformity to the post-cold war era and will strengthen our export controls in such key markets as China.

I want to congratulate the distinguished gentleman from Wisconsin, the chairman of the Subcommittee on International Economic Policy and Trade, for his outstanding work on this legislation as well as his support of the gentleman from Connecticut [Mr. GEJDENSON] the committee's distinguished ranking member.

The gentleman from Wisconsin [Mr. ROTH] has been unwavering in his determination to move this bill, and the successful negotiations with the Committee on National Security and with the administration have enabled our committee to bring this bill to the House floor today under a suspension of the rules.

During our committee's markup on this vitally important legislation, the Committee on International Relations considered an export control text that greatly tightened statutory restrictions on exports to terrorist nations, specifically prohibiting all proliferation-related and dual-use exports and reexports to such countries providing a Presidential waiver if an export is essential to the national interest.

Enactment of this legislation, Mr. Speaker, will require the Secretary of State to seek support of these antiterrorism controls from other nations and from the various export control regimes. It will help to make certain that the same stringent export control regime will be applied to all terrorist states, including Syria.

During its markup, the committee adopted an amendment that I proposed providing greater scrutiny and monitoring to the billions of dollars of dual-use equipment and technology licensed annually for export from our Nation to the People's Republic of China.

As we learned during the recent debate on the House floor in providing most-favored-nation to China, we are going to have to pay greater attention to China's rapid military buildup and modernization of its Armed Forces.

Enactment of this bill will help to accomplish that objective by ensuring that our dual-use exports to the People's Republic of China are not going to be put to use for those purposes by companies controlled by the Chinese People's Liberation Army.

In sum, this bill not only undertakes the long overdue reform of the Export Administration Act but also reestablishes our statutes on dual-use exports and reasserts the prerogatives of this committee over this important body of law. While it provides greater transparency on U.S. export control laws and greatly reduces the number of days needed for issuing export licenses, it also adds controls on countries not supporting multilateral efforts to counter the proliferation of weapons of mass destruction.

In short, this is a well balanced bill addressing regional and global proliferation threats while, at the same

time, streamlining and modernizing antiquated export control procedures of the cold war era.

To those Members concerned about the impact of its provisions on American industry, I would point out that it subjects export controls to new oversight procedures and gives our exporters an improved appeals process for controls they believe are unfair.

Accordingly, I urge my colleagues to support this historic legislation, the Roth bill on export controls, and I again commend him and the gentleman from Connecticut [Mr. GEJDENSON] for their work on this measure.

Mr. ROTH. Mr. Speaker, I yield myself such time as I may consume to again thank the gentleman from New York, the chairman of our full committee, for his strong support of this legislation and for all the help he has given me in making today possible.

Mr. Speaker, I yield 3 minutes to the gentleman from Nebraska [Mr. BEREUTER] who has worked on this subcommittee with me for many, many years and I have always appreciated his support.

(Mr. BEREUTER asked and was given permission to revise and extend his remarks.)

Mr. BEREUTER. Mr. Speaker, this Member rises in strong support of H.R. 361, the Export Administration Act of 1996. Our current export licensing framework is grossly out of date—not having been significantly revised in 17 years. We desperately need to pass this legislation if Congress is to have any influence over the delicate balancing act between national security and commercial interests that the President currently performs under the broad powers of the International Emergency Economic Powers Act.

First however, this Member would like to congratulate the distinguished gentleman from Wisconsin [Mr. ROTH], chairman of the International Relations Subcommittee on International Economic Policy and Trade, for his exceptional work in crafting legislation that not only revises an out-of-date statutory framework but provides us with a rational system for export controls that can evolve well during the 21st century. This Member regrets that we are losing Chairman ROTH'S excellent stewardship on issues of great importance to American commercial interests. It has been this Member's pleasure to serve with Chairman ROTH on this subcommittee for the last 14 years. However, this Member is grateful that Chairman ROTH leaves his post with a good, bipartisan House compromise that the Senate would be wise to consider and pass.

On March 3, 1795, Congress gave the President authority to permit the exportation of arms, cannons and military stores in ''cases connected with the security of the commercial interest of the United States, and for public purposes only.'' That act was one of the first export administration acts and no doubt an ancestor to the legislation currently before us today.

Despite his best efforts during his tenure in Congress to eliminate red tape and bureaucracy, Chairman ROTH presents us with a bill 201 years later that is 202 pages longer than its precursor. That amounts to a page of legislation for each birthday of this great country.

Obviously, despite that facetious comparisons, Mr. Speaker, the world is a much more complicated place than it was in 1795, but the underlying principles for export regulations are the same. Then, we did not want our enemies to be able to acquire the cannons that could damage our ships of commerce. Now, for example, we seek to deny them the precision tools from constructing weapons of mass destruction.

Mr. Speaker, this legislation is not perfect; no compromises are. But the current export control authority for our Nation is badly in need of reform. This legislation will importantly reestablish U.S. statutory authority and eliminate the necessity of the President using overly broad emergency administrative powers to implement our Nation's export control laws. While tightening restrictions on dual-use exports to rogue regimes and terrorist countries, it emphasizes strengthening multilateral export controls. Also it provides strong incentives for the President to negotiate with our allies before unilateral controls are imposed.

Mr. Speaker, this Member would like to again congratulate Chairman ROTH for his hard work on striking an appropriate balance between U.S. national security and commercial interests. If the Senate wisely follows his lead and passes this legislation, part of the Roth legacy will be a rational export control system that is responsive to U.S. industry while protecting the national security.

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Mr. ROTH. Mr. Speaker, I thank the gentleman from Nebraska [Mr. BEREUTER] for his excellent comments. I want to say I have enjoyed working with him for the last 14 years on this subcommittee. I appreciate all his creative thinking in the committee also.

Mr. Speaker, I yield 3 minutes to the gentleman from Illinois [Mr. MANZULLO], vice chairman of our subcommittee.

Mr. MANZULLO. Mr. Speaker, many people are legitimately concerned about the large U.S. trade deficit, which reached $111 billion in 1995. But few people know that the U.S. Government maintains barriers to American exports to willing customers overseas. In 1993, the respected Institute for International Economics measured this barrier, totaling up to $40 billion in lost U.S. sales abroad. Even if you use the most conservative estimate, the current export control system stymies the creation of 600,000 high-paying, highly skilled jobs.

We have entered a new post-cold-war era where our national security threats have fundamentally changed from the large Soviet menace to a select group of smaller national dedicated to developing weapons of mass destruction and to the promotion of state-sponsored terrorism. We need a revised export control system that recognizes these new threats to our national interests while balancing our economic interests. This bill meets that challenge.

The new Export Administration Act brings more rationality into the system to provide more predictability and transparency for U.S. exporters. It emphasizes coordination with other nations, as opposed to our usual unilateral sanction, ''shoot ourselves in the foot strategy.''

The new Export Administration Act reduces by almost in half the number of days allowed for issuing export licenses. As chairman of the Small Business Exports Subcommittee, I especially know how delays in the export licensing process can hurt a small exporter. H.R. 361 is needed so that bureaucrats do not unnecessarily delay an important sale.

I also want to extend my appreciation to the chairman of the International Economic Policy and Trade Subcommittee, Mr. TOBY ROTH of Wisconsin. For the past few years, we were unable to pass a comprehensive Export Administration Act reform. This year, the chairman adopted a different tactic to include the National Security Committee in the drafting of this legislation.

The results speak for themselves today: H.R. 361 is on the noncontroversial suspension calendar.

I also want to thank the administration for moving many export control reforms internally through regulatory changes. Increasing the MTOP levels on computers to 2,000 to most every country in the world and 10,000 to our strongest allies was a welcome move because our competitors, even in Brazil and Taiwan, are making functional equivalents of these computer systems.

Because of these administrative changes, we do not have to include these reforms in this legislation. I hope that same spirit of reform will continue because this legislation provides discretion to the administration to resolve some of the most contentious issues in export control reform such as a dual-use definition and foreign availability criteria.

I urge my colleagues to adopt this landmark job-creating reform and that the other body act expeditiously on this bill.

Mr. ROTH. Mr. Speaker, I yield 3 minutes to the gentlewoman from Kansas [Mrs. MEYERS], chairman of the Committee on Small Business.

(Mrs. MEYERS of Kansas asked and was given permission to revise and extend her remarks.)

Mrs. MEYERS of Kansas. Mr. Speaker, I rise in strong support of H.R. 361. I feel that this Congress and the American people owe a debt of gratitude to chairman ROTH for the way he has

crafted this legislation. In previous Congresses this legislation foundered in bitter controversy between the national security community and the business community. Under the leadership of the gentleman from Wisconsin, the legitimate interest in preventing proliferation of technology that can be misused has been reconciled with the legitimate interest in allowing our companies a level playing field with their foreign competitors. And he has done it in a way that allows this bill to be considered under suspension of the rules.

The rationale and need for export controls has changed because of the end of the cold war. Before, we were contending with an adversary with considerable indigenous industrial and scientific capabilities, but lagging behind in technical innovation. The Soviets could develop high technology weapons on their own through their own capabilities plus espionage, but they were one or two generations behind us. Our goal was to keep them from getting state-of-the-art technology, but we knew it was useless to try and keep them from getting older technology.

Before, the key objective of our export controls was to keep the technology away from the Soviets that could allow them to develop more accurate missiles or quieter submarines. But we couldn't prevent them from building subs or rockets, they already knew how to do that. We had to keep our qualitative advantage that made up for our quantitative disadvantage, that would have allowed us to prevail in a stand-up fight and made our deterrent credible. Now, to counter the proliferation threat from rogue and terrorist nations, our focus has to change. We want to prevent the irons and Libyas of the world from getting any kind of missile or weapon of mass destruction. The dangerous countries now do not have the indigenous capability to produce these weapons; they have to purchase the necessary technology and know-how. It doesn't matter if what they build is obsolete in a purely military sense; these obsolete weapons are still dangerous in terms of their utility for terrorist purposes. We have to focus our export control resources to target those outlaw nations specifically, and keep them from getting the technology necessary to build any weapons of mass destruction.

There are two ways to do this. We can put tougher unilateral controls on ever type of industrial technology, because even the lower tech items can still be used to build crude weapons suitable for terrorist purposes. Or, we can concentrate on uniting the entire industrialized world to prevent the real threshold technology from getting to the nations that are truly dangerous. I believe the second approach is the more useful and effective one, and it is the approach taken in this legislation.

Finally, the bill's provision allowing import sanctions to be imposed upon countries that engage in nuclear proliferation puts a real deterrent to this activity in the hands of the President. It makes it much more likely that we will be able to threaten a sanction that will actually hurt the offending country more than it does us.

However, I am afraid that this current language may be too narrow. It restricts the import sanction to the entities responsible for or most closely identified with the illegal proliferation. There will be situations where it would be most effective to target imports that may not be from the entity that engaged in the proliferation but would cause the foreign country much much more pain if cut off.

We must remember that any trade sanction we impose will cause some hardship to Americans, since after all no trade occurs without mutual benefit. We should allow the administration enough flexibility to pick an appropriate trade sanction that causes more pain to the offending foreign country than it does to American citizens. I hope we can further modify this provision as this bill moves through the legislative process.

All in all, Mr. Speaker, this bill is vitally needed. I urge its swift passage.

Mr. ROTH. Mr. Speaker, I yield the balance of my time to the gentleman from California [Mr. CAMPBELL] who is the newest member of our subcommittee and by far one of the brightest and most astute.

Mr. GEJDENSON. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. CAMPBELL].

The SPEAKER pro tempore (Mr. GUTKNECHT). The gentleman from California [Mr. CAMPBELL] is recognized for 3 minutes.

(Mr. CAMPBELL asked and was given permission to revise and extend his remarks.)

Mr. CAMPBELL. Mr. Speaker, I thank the gentleman for those overly generous comments, and I thank the gentleman from Connecticut for his generous gift of time. I rise in support of the bill.

Mr. Speaker, the bill is essential. I only wish it did more. In this regard, I agree with my colleague that we are making a good start. It is my hope that we will do more as the bill moves into conference. But, Lord knows, it has to be viewed as a first step which would not have taken place but for the exceptional efforts of our colleague and chairman from Wisconsin.

There are two points I would like to stress. First of all is regarding the private right of action which is created in this bill. I am always very concerned whenever there is a new private right of civil action created where people can go to a court of law and bring a lawsuit. That is the case here. Where an enterprise is alleged to be violating the rules about the diversion of weapons and technology, private right of action is created.

I think it would have been wiser to require that before that civil lawsuit be commenced that there be a criminal conviction. The reason is that if otherwise it is possible that diplomatic efforts to work out a disagreement can be impeded by the civil lawsuit that is pending. At the very least, however, the bill did include a provision on an English rule that the attorney's fees be paid for by the losing side in such civil litigation, and I think it is essential that that remain.

My second and last point is that the bill should have done more on encryption and so I will take the remaining minute to say that I am hopeful that even possibly within this Congress there may be a way to address encryption, possibly our colleague from Washington State's own bill on encryption, Mr. WHITE, possibly an amendment as this bill goes into conference. The administration can do a whole lot on its own regarding the export of encryption software and hardware. Simply by reclassifying this a dual-use rather than munition, it would bring its review process out of the State Department and over to commerce where I think it would be much more realistic.

The importance of the encryption export is not simply in its own right as a market for American entrepreneurship and or research and development, but also this: As more and more computers are being used in commerce and as we go to virtual banking and international finance, the ability to encrypt is going to be an essential part of any computer system you buy. If American computers cannot have embedded in them reliable encryption, then nobody is going to buy the computer system. And then we move from a loss of maybe a billion or two to tens of billions of dollars. Indeed, the computer systems policy project estimates a $60 billion loss to our country by the year 2000.

Those are two points that should be emphasized as the bill goes to conference. I conclude with a word of personal appreciation to the chairman, how much I have enjoyed working with him for 5 years in several Congresses.

Mr. Speaker, I want to take this opportunity to speak in support of H.R. 361, the Omnibus Export Administration Act of 1996. In committee, I offered an amendment to apply the English rule on attorneys' fees to the private right of action this bill contains. I want to emphasize that my willingness to vote for this bill is conditioned upon this provision staying in the bill; if it is removed, but the private right of action stays, I would have to reconsider my support for this legislation.

I have also expressed my concerns to Chairman ROTH about the competitive disadvantage provision within the foreign availability section. I believe that there is a real danger that U.S. companies will suffer significant disadvantages within CoCom's successor, the new Wassenaar Arrangement, if the U.S. Government rigorously enforces the new internationally agreed upon export control lists while its allies and other nations within Wassenaar rubber stamp their licenses or give those licenses only cursory reviews.

I want to take time today, however, to discuss an omission from H.R. 361. That issue is

encryption. It is not a part of H.R. 361, in part, because it is too controversial and might have killed the last chance that the bill has for passage during the 104th Congress. But within the category of export controls, encryption is the most important issue facing us today, and I believe that Congress would be abdicating its responsibility by not taking it up during the current session. By speaking today, I hope to build a record for early consideration of encryption legislation in the next Congress, or even for consideration in the remaining days of this Congress.

As data become more available, data become more vulnerable. The more information is passed along both public and private networks, the greater is the demand for information security. Financial losses from system penetrations have increased, and users feel more vulnerable to interception or corruption of their data. Both companies and individuals want to avoid the losses and the system shutdowns that occur when outsiders are able to browse within their data. They view information as property, and they believe that they have a right to put as strong a lock on that property as they see fit. I agree with them. Information must be protected.

Encryption is the ability to scramble communications sent out along computer networks. There is no restriction on encryption when it is applied domestically, but under current law, it cannot be exported except under very limited conditions.

The current export controls prevent U.S. companies from meeting the market demand for encryption. Our overseas competitors, however, will meet that demand. Only last month, there were news reports of a new Nippon Telephone and Telegraph encryption chip, which provides a strength of encryption unavailable from any U.S. vendor.

This creates a real problem for two of the most successful industries in the United States today, the computer and software industries. Because they are of such high quality, U.S. computers and software dominate the world market and set the international standard. This results in a significant competitive advantage for both industries and it has been a major benefit to national security, as militarily useful products and technologies have spun off to benefit our increasingly automated weapons systems. That advantage, however, is under serious challenge. U.S. computers and software cannot continue to be world leaders if an important aspect of their competitiveness is denied to them.

It is ill advised to continue the current U.S. Government encryption policy. A recent Department of Commerce study documented that there are hundreds of foreign firms that produce encryption products that serve the market denied to U.S. companies. As a consequence, the current policy results in handing the encryption market to our trade competitors. Worse still, however, is the fact that in today's world, customers tend to buy complete packages for their computer networks and they want information security to be a part of that package. In 1996, the market loss for encryption products alone may be estimated in the billions; but the market for computer and software systems amounts to hundreds of billions. It is that total systems market, as well, which is imperiled by a U.S. Government export control policy that refuses to face the reality of the international marketplace by refusing to allow encryption to be included as a part of the total network systems offered by U.S. companies. The Computer Systems Policy Project estimates that, unless the United States relaxes export controls on encryption, the U.S. technology industry will lose $60 billion in revenue and 200,000 jobs by the year 2000.

A company from Silicon Valley, Hewlett-Packard, illustrates the difficulties encountered by the entire industry. Hewlett-Packard has developed a number of products that require encryption for their operation. For example, emerging smart card technology promises to bring individuals unprecedented access and control over digital information and assets. Last year 500 million smart cards were issued and more than 4 billion are expected to be in use by the 2000. With all that critical information stored on a smart card, the network system supporting use of the card would require significant encryption capability. Although the use of this new personal information card is entirely benign and poses no national security risk, currently, the restrictions on the export of cryptography make it extremely difficult to market this product abroad. Such a policy restriction has minimal benefits and high long-term costs.

The current encryption export control system is both anachronistic and inefficient. It denies U.S. companies the right to export products containing encryption that is widely available from foreign vendors, and those few licenses that are granted take so long in the approval process that customers who might buy American technology are tempted to turn to foreign suppliers to satisfy their needs. It makes no sense to control commercial encryption as though it is a munitions item. It has been decades since the military was the primary user of encryption. At the very minimum, encryption control parameters ought to be raised to the level commercially available from foreign vendors, and encryption ought to be controlled as a dual-use commercial item rather than a munitions item. This change alone would replace the current cumbersome State Department bureaucracy with a Commerce licensing system that is likely to be more efficient and more responsive to commercial exigencies while not excluding the role of defense agencies within the new process. The pending Export Administration Act accomplishes a similar balance for the items it controls.

The administration has indicated that it is at least considering this authority transfer. But the last encryption policy change it allowed took 2 years to execute. Industries as fast-moving as computers and software cannot afford such glacial change. The administration has to respond quickly to changed conditions, or the Congress should make the change for them through the legislative process.

There is no market for the weak encryption that U.S. companies are allowed to export under current regulations when strong encryption is widely available from foreign vendors. Nor can U.S. companies follow the recent proposal of the U.S. Government and force their customers to escrow the key to their encryption systems with a third party, when foreign vendors offer the same strength of encryption without any cumbersome requirements. If such a requirement could be imposed throughout the world, U.S. companies would suffer no disadvantage. But that is unlikely to occur.

Congressman WHITE has drafted, and I have cosponsored, legislation that would begin to address the problems engendered by our current encryption policy. That legislation would bring our licensing parameters for encryption up to the levels widely available abroad and also transfer encryption export licensing authority from the State Department to Commerce. It is still my hope that this legislation can be taken up during this session of Congress. Encryption could also be addressed by the Clinton administration by simply undertaking regulatory reforms. Those reforms should have been undertaken years ago, so that U.S. companies would not be facing the competitive disadvantages that they are today.

Mr. GEJDENSON. Mr. Speaker, I would like to again commend my colleagues, the gentleman from Wisconsin [Mr. ROTH] for his work on this issue and so many others, having been such a valuable Member of the Congress. We are truly going to miss him as a legislator and as a friend. We will not miss him as a friend. We will see him long after his time in Congress. I commend him for his work. I agree with the gentleman from California on the encryption issue and others that need to be dealt with rapidly.

Mr. ROTH. Mr. Speaker, I thank the gentleman for his kind remarks and I have also enjoyed working with the gentleman from Connecticut [SAM GEJDENSON]. The feeling is mutual.

Mr. HAMILTON. Mr. Speaker, I urge the House to suspend the rules and pass H.R. 361, the Omnibus Export Administration Act of 1996, as amended.

COMMUNICATIONS

I want to commend Congressman ROTH, the principal drafter of this bill, for the excellent work he has done to bring it before the House today.

This is an extraordinarily complicated measure. Since the end of the cold war, three previous export administration bills have failed to pass the House.

Congressman ROTH deserves a lot of credit for the fact that H.R. 361 stands a better chance of being approved by the House than its predecessors.

As Mr. ROTH has acknowledged, however, this bill would not be on the floor today were it not for the creativity and hard work of Congressman GEJDENSON, ranking Democrat on our Economic Policy Subcommittee. Much of H.R. 361 is based on the bill Mr. GEJDENSON drafted, with Mr. ROTH's help, in 1994. No Member of Congress has done more to promote reform of the U.S. system for controlling dual-use exports than has Mr. GEJDENSON.

Let me also commend the administration and the bipartisan leaderships of the National Security, Ways and Means, Rules and Judiciary Committees for their constructive work on this bill. The progress of this bill so far has been a model of bipartisanship.

A BALANCED BILL

An effective export control system must carefully balance U.S. national security and economic interests.

This bill strikes a decent balance.

On the national security side, it toughens nonproliferation sanctions, tightens restrictions on exports to terrorist nations, and strengthens multilateral nonproliferation regimes.

On the economic side, it shortens export licensing deadlines, makes the licensing system more transparent, and gives exporters better access to administrative and judicial review of licensing decisions.

I am also pleased that the bill includes language protecting U.S. farmers from economic embargoes. These protections will reassure both farmers and our trading partners about our commitment to expanding export markets.

Nobody considers this a perfect bill. In his effort to gain the support of the National Security Committee, Mr. ROTH agreed to make changes in H.R. 361 that some American exporters opposed. I share the concerns of these exporters, and I am hopeful that several of the reforms they favor can be reinstated at a later stage in the legislative process, to better serve all U.S. national interests.

WHY WE NEED A BILL

Mr. Speaker, this bill needs to move forward today if we are to have a chance of enacting it this year.

Our dual-use export control system has operated under Executive order since the old Export Administration Act expired in August 1994.

We need an export administration statute for several reasons.

First, a regulatory system does not provide as sound a basis for business or policy decisions as would a statute. U.S. exporters and the U.S. Government will both benefit from the increased predictability and transparency of a statute.

Second, without a statute we cannot adequately enforce our antiboycott policies, which help protect Israel from economic pressure.

Third, our current export control system reflects the East-West security focus of the expired Export Administration Act. H.R. 361 will give us a system that more closely corresponds to the economic and security circumstances of the post-cold-war era.

CONCLUSION

Mr. Speaker, export controls impact a wide range of U.S. national interests. That makes if difficult to draft an Export Administration Act that fully satisfies all interested parties.

But the bill before us today strikes a good compromise, and after 2 years under Executive order, it is time to put our export control system on a statutory foundation.

I urge Members to vote to suspend the rules and pass H.R. 361.

Mr. SPENCE. Mr. Speaker, I rise in support of H.R. 361, the Omnibus Export Administration Act of 1996.

This act would supersede the original Export Administration Act, which expired in 1994, and is the result of many months of negotiation and hard work between the International Relations and National Security Committees. I believe it strikes a responsible balance between the desire to promote U.S. exports and the need to prevent sensitive technologies for falling into the wrong hands. I commend my colleagues, Mr. GILMAN, the chairman of the International Relations Committee, and Mr. ROTH, the chairman of the International Economic Policy and Trade Subcommittee, for their commitment to work cooperatively on this issue.

Since the fall of 1994, the Clinton administration has been operating under emergency authorities contained in the International Emergency Economic Powers Act. This piecemeal approach to export control is neither satisfactory nor prudent and has resulted in poor decisions with detrimental impact on U.S. national security.

The Export Administration Act accomplishes several important objectives. For example:

It removes the ad hoc nature of current export control policy decisionmaking by codifying in statute procedures for determining whether exports of sensitive dual-use technologies are consistent with U.S. national security interests. While directing continued efforts to work with our allies to harmonize their export control policies with our own, it allows us to control unilaterally the export of critical items for important national security or foreign policy reasons.

It grants the Secretary of Defense statutory authority to participate in the formulation and review of multilateral, unilateral, missile technology, chemical, and biological export control lists. This is a significant and important increase in the authority of the Secretary of Defense.

It allows the Department of Defense to specify limitations on how, to what countries, and to what end-uses controlled items may be exported. This grants DOD new statutory authority to help ensure that sensitive technologies do not end up in the wrong hands.

It ensures that the Department of Defense will have the opportunity to review all export license applications submitted to the Department of Commerce. This will prevent situations, as has happened in the past, where the Commerce Department approves the export of a sensitive dual-use technology with military application without the knowledge of the Department of Defense.

It establishes a procedural mechanism whereby the Secretary of Defense can escalate disputes regarding the approval of license applications to the President for resolution.

It prohibits any item whose export is strictly controlled as a munition from being placed simultaneously on the less-restrictive list of dual-use commodities for export.

It properly focuses our export control efforts on stemming the proliferation of dangerous technologies to potentially hostile regimes by prohibiting any export that would materially contribute to a weapons of mass destruction program in a country that is not a member or adherent to a multilateral export control regimes. And it prohibits the export of any controlled items to terrorist countries.

Mr. Speaker, the Export Administration Act of 1996 is a balanced compromise that goes a long way toward updating this country's export control process in a way that conforms to the new national security challenges we face today.

I urge my colleagues to join me in support of H.R. 361.

Mr. GEJDENSON. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Wisconsin [Mr. ROTH] that the House suspend the rules and pass the bill, H.R. 361, as amended.

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

A motion to reconsider was laid on the table.

☐ 1500

EXTENDING MOST-FAVORED-NATION STATUS TO ROMANIA

Mr. CRANE. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3161) to authorize the extension of nondiscriminatory treatment—most-favored-nation treatement—to the products of Romania.

The Clerk read as follows:

H.R. 3161

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

SECTION 1. FINDINGS.

The Congress finds that—

(1) Romania emerged from years of brutal Communist dictatorship in 1989 and approved a new Constitution and elected a Parliament by 1991, laying the foundation for a modern parliamentary democracy charged with guaranteeing fundamental human rights, freedom of expression, and respect for private property;

(2) local elections, parliamentary elections, and presidential elections have been held in Romania, and 1996 will mark the second nationwide presidential elections under the new Constitution;

(3) Romania has undertaken significant economic reforms, including the establishment of a two-tier banking system, the introduction of a modern tax system, the freeing of most prices and elimination of most subsidies, the adoption of a tariff-based trade regime, and the rapid privatization of industry and nearly all agriculture;

(4) Romania concluded a bilateral investment treaty with the United States in 1993, and both United States investment in Romania and bilateral trade are increasing rapidly;

(5) Romania has received most-favored-nation treatment since 1993, and has been found by the President to be in full compliance with the freedom of emigration requirements under title IV of the Trade Act of 1974;

(6) Romania is a member of the World Trade Organization and extension of unconditional most-favored-nation treatment to the products of Romania would enable the United States to avail itself of all rights under the World Trade Organization with respect to Romania; and

(7) Romania has demonstrated a strong desire to build friendly relationships and to cooperate fully with the United States on trade matters.

SEC. 2. TERMINATION OF APPLICATION OF TITLE IV OF THE TRADE ACT OF 1974 TO ROMANIA

(a) PRESIDENTIAL DETERMINATIONS AND EXTENSION OF NONDISCRIMINATORY TREATMENT.—Notwithstanding any provision of title IV of the Trade Act of 1974 (19 U.S.C. 2431 et seq.), the President may—

(1) determine that such title should no longer apply to Romania; and

(2) after making a determination under paragraph (1), proclaim the extension of nondiscriminatory treatment (most-favored-nation treatment) to the products of that country.

(b) TERMINATION OF APPLICATION OF TITLE IV.—On and after the effective date of the extension under subsection (a)(2) of nondiscriminatory treatment to the products of Romania, title IV of the Trade Act of 1974 shall cease to apply to that country.

The SPEAKER pro tempore. (Mr. GUTKNECHT). Pursuant to the rule, the gentleman from Illinois [Mr. CRANE] and the gentleman from Florida [Mr. GIBBONS] each will control 20 minutes.

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

Mr. FUNDERBURK. Point of order. Mr. Speaker.

The SPEAKER pro tempore. The gentleman will state his point of order.

Mr. FUNDERBURK. Mr. Speaker, is either gentleman opposed to the bill?

The SPEAKER pro tempore. Is the gentleman from Florida [Mr. GIBBONS] opposed to the motion?

Mr. GIBBONS. No, I am not.

Mr. FUNDERBURK. Is the gentleman from Illinois opposed to the motion?

Mr. CRANE. No, I am not.

Mr. FUNDERBURK. Then I request 20 minutes to speak in opposition, Mr. Speaker.

The SPEAKER pro tempore. Under the rule, an opponent is entitled to control 20 minutes.

The Chair will recognize the gentleman from Illinois [Mr. CRANE] for 20 minutes in favor of the motion to suspend the rules and the gentleman from North Carolina [Mr. FUNDERBURK] for 20 minutes in opposition.

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

Mr. CRANE. Mr. Speaker, I ask unanimous consent to yield half of my time to my distinguished colleague, the gentleman from Florida [Mr. GIBBONS], the ranking member of our full Committee on Ways and Means, who introduced this legislation with me.

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

There was no objection.

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

Mr. Speaker, I rise in strong support of H.R. 3161, legislation which authorizes the President to extend permanent most-favored-nation [MFN] tariff treatment to the products of Romania. This legislation, which was introduced by myself and the ranking minority member of the Ways and Means Committee, Mr. GIBBONS, is supported by the administration and was favorably reported out of the Ways and Means Committee by a voice vote on June 13, 1996.

At present, Romania's MFN status is subject to the freedom-of-emigration conditions contained in title IV of the Trade Act of 1974, the provision of U.S. law which contains the so-called Jackson-Vanik amendment. As enacted, the Jackson-Vanik conditions apply to nonmarket economy countries not eligible for MFN treatment on January 3, 1975. Since the passage of Jackson-Vanik more than 20 years ago, however, we have witnessed the end of the cold war and the rebirth of Central and Eastern Europe after the collapse of communism in the region.

Like many of its neighbors, Romania has undergone wholescale change in its political and economic systems, as the country has undertaken the difficult transition away from centralization toward democracy and open markets. After the overthrow of its Communist dictatorship in 1989, Romania approved a new Constitution to lay the foundation for human rights, freedom of expression, and respect for private property under the new democratic government. Since then, Romania has held local, parliamentary, and Presidential elections. Later this year, Romania will hold its second Presidential election under the new Constitution.

In addition to democratic reform, Romania has undertaken significant market-oriented economic reforms, including privatization. Since 1990, more than 500,000 small- and medium-size companies have been created by the private sector and more than 2,000 state owned enterprises have been privatized. At present, the private sector accounts for about 50 percent of the country's gross domestic product and employs more than half of its work force. To continue the transition to a market-based economy, the government has targeted 2,900 state enterprises for privatization this year. At the end of this process, it is estimated that the private sector will account for more than 70 percent of Romania's gross domestic product.

Given Romania's progress toward pluralistic democracy and a market economy, I believe it is appropriate for the United States to respond by passing H.R. 3161 to normalize our bilateral trade relations. Extending permanent MFN to Romania, as has been done for other East European countries, will enhance our bilateral relations by providing the business community with greater certainty with respect to Romania's status under U.S. law. In addition, Romania is a member of the World Trade Organization and an extension of permanent MFN is necessary in order for the United States to benefit from our rights under the WTO in our relations with Romania. Moreover, solidifying our bilateral commercial relations will help to ensure that Romania continues on the steady course of reform that it has laid out for its future.

The Congressional Budget Office has indicated that its baseline revenue projections assume that Romania's conditional MFN status will be renewed by the President in the future. Therefore, enactment of H.R. 3161 will not affect projected Federal Government receipts. I urge my colleagues to support the passage of this legislation.

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

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

Mr. Speaker, I am speaking today because I care deeply about the Romanian people and the fate of the country where I spent almost 6 years of my life as a Fulbright Scholar, university professor doing research, USIA officer and U.S. Ambassador.

It would have been easier for me to follow the stampede, business and trade interest. When I was the U.S. Ambassador under Ceausescu's harsh regime, conventional wisdom in the media, the Congress, like today, and the State Department was that Ceausescu was a great guy who was a maverick in foreign policy and his friendship should be cultivated and rewarded. Many here were anxious to curry his favor and reward his tyranny. So it is no surprise that former ambassadors and many congressmen have fallen again for the slick PR, money, pressure, propaganda job of the current Romanian Ambassador, favored son of the old Communist elite trained for just this purpose. As usual it works and money, trade, and businesses talk louder than values, principles, human rights, and freedom. Many were on the wrong side during Ceausescu's day, and now they are again on the wrong side in Iliescu's day, against the democrats, against the growth of economic freedom and privatization, against press freedom, against human rights.

But I was proven right before when the Wall Street Journal described me as America's Cassandra Ambassador and when earlier this year the University of Bucharest granted me an honorary doctor's degree for work fighting for human rights and democratization in Romania.

Since the current regime in Bucharest remains the only Government in Eastern Europe which has not elected a democratic government separated from the harsh Communist past, and since serious problems of human rights violations, press infringements, private property and privatization reverses continue, it is important that I speak for the little person seeking democracy, the small businessmen seeking economic freedom and minorities with human rights concerns.

Romania has MFN on an annual basis, and it is trying to ram through permanent MFN so that the crypto-Communist Government of Ion Iliescu can get an extra advantage in the upcoming elections. A 3-months' delay in bringing up permanent MFN will not hurt Bucharest at all, but it will give the democratic forces a chance to have a more level playing field in this election. Following the election in November, no matter who wins, then permanent MFN can be brought up and voted on and signed into law.

Listen to the plea of the ad hoc committee for the Organization of Romanian Democracy in a letter to me last week: ''Unlike the other Eastern European countries * * * Romania has continued to be ruled by the same type of autocratic and police regime. Rewarding the Romanian authoritarian regime with the unconditional MFN status will be equivalent to the unqualified endorsement of President Iliescu and will provide the regime with unfair respectability credentials before elections. They pointed out that in recent local elections democratic groups barely won out. Under the present frame of mind of the Romanian people, we feel that the granting hastily of the permanent MFN status before the Presidential/parliamentary elections would discourage the Romanian electors and

would destroy all chances for the popular vote turning to a truly democratic system. Therefore, the fairest, optimal solution would be the postponement of the dabate on the MFN status in Congress until after the elections. Trusting in your fair evaluation of the real political climate in Romania, we thank you * * * for your consideration.'' Chairmjan Stefan Issarescu and Co-Chairman Dr. Simone Vrabiescu-Kleckner, A.C.O.R.D.

In addition to the election factor, the 3 months gives us a last opportunity to gain real progress in areas of concern heretofore ignored by the Bucharest regime. Without annual MFN, the United States will surely lose what little leverage it has in encouraging improvement in the areas of human rights, privatization, economic freedom, press and media freedom and political democratization. Why are the Romanian Embassy and its recruited supporters and many in Congress so anxious to rush permanent MFN through without waiting less then 4 months until after the election? We know the new ambassador's job and fate many be on the line if he doesn't get this big plum for his boss Iliescu now, immediately, after all, look what happened to Geoana's predecessor. But ponder, why has the same establishment here in Washington and New York not put Romania on the top list to gain entry into NATO? Just perhaps it has something to do with less than favorable progress made by the Government in most areas since 1989. If Bucharest has nothing to hide, why not wait only a few short months before voting on permanent MFN?

Of course, there is a parade of congressman, former ambassadors, religious group leaders and Romanian officials and parliamentarians expressing their approval of immediate permanent MNF for Romania. We know why: An old Communist trick, it has become a question of nationalism and patriotism because of Bucharest's propaganda. If someone prominent in Romania did not support this he would be branded anti-Romanian, that is how it is framed. Do we ever learn anything from history?

Just a few points on the problems in present-day Romania: One, privatization and economic freedom are proceeding slower than almost anywhere else. In fact the Heritage Foundation's index of economic freedom of 1996 ranks Romania 112th after such countries as Russia, Moldova, Albania and Bulgaria and the lowest in Eastern Europe, dropping dramatically from last year.

Two, there are still many problems with state dominated TV and newsprint for opposition newspapers not being readily available as well as journalist freedom. In Sunday's Washington Times it was reported that Romanian journalist Radu Mazare was sentenced to prison charged with libel for exposing corruption of local officials of the government. Western broadcasts, including BBC, are often selectively banned; Senator JESSE HELMS sent a letter to find out why journalist Doina Boghean was sentenced by a court for the offense of slander; Senator STROM THURMOND wrote to find out why two religious radio broadcasts by Voice of the Gospel were shut down; CSCE Chairs Senator ALPHONSE D'AMATO and Congressman CHRIS SMITH wrote expressing concern about government limitation on religious programming including for Baptists, Seventh Day Adventists and others. Does all this sound democratic?

Three, human rights violations and discrimination against minorities continues. The new Ambassador in Washington taking a page from his Communist training tried to discredit my position by saying I am now a Hungarian advocate. Sorry, Mircea, but it will not work. I am for human rights for all people but everyone knows and outside government will admit that I am and have been a Romanianophile.

Four, why is it that the number of orphans in Romania has grown since the fall of Ceausescu, and they exist in the most horrible conditions? Is this not an indictment of the Iliescu government which has been in power since 1989?

Fifth, in most cases private property is not returned to its original owners.

We should be helping the democratic, not the authoritarian, forces in Romania.

Therefore I urge postponement at least until after the November elections of consideration and approval of permanent MFN for Romania so that the Romanian people can have a better chance at fair elections and so that more progress can be made in the areas aforementioned.

We have a moral obligation to the people seeking greater democratization and privatization in Romania to take this position. And furthermore the United States is still, often despite the Congress, looked to as defender of the truth, freedom and democracy throughout the world and we have an opportunity to be that defender. The United States has to stand for something and take the lead, and show that commerce and money greed are not everything to us. Let us do the right thing for a change.

Oppose H.R. 3161 until after Romania's elections.

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

Mr. GIBBONS. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, the issue here is shall we grant to the people of Romania ordinary business, like trade agreements that we address to almost everybody else on Earth with very few exceptions. I am not here to defend Romania. No one could possibly do that. Romania is not a perfect country, but there are not many perfect countries at all on this globe, and I think that they are trying to do the best they can to get back into what is the normal westernized way of doing business and of treating their people. I know of no country in Europe that has possibly been more abused by its leaders in the last 50 or 60 years than Romania, but it is making progress.

Mr. Speaker, our trade with Romania is pitifully small. It is not much of an economic impact one way or another. But we ought to get on with it, and we ought to normalize our relationships with Romania, and I support this piece of legislation.

□ 1515

Mr. CRANE. Mr. Speaker, I yield 2 minutes to my distinguished colleague, the gentleman from New York [Mr. GILMAN].

(Mr. GILMAN asked and was given permission to revise and extend his remarks.)

Mr. GILMAN. Mr. Speaker, I join my colleagues on the Ways and Means Committee and the International Relations Committee who support the passage of H.R. 3161, making Romania permanently eligible for United States most-favored-nation trade benefits.

I want to commend Chairman CRANE and the sponsors of this measure for working to bring it to the floor today.

Romania currently enjoys MFN status, since it has been deemed to be in compliance with the underlying provisions of United States trade law.

This measure simply allows Romania to receive such trade benefits on a permanent basis—which should help promote American investment in that important country.

Passage of this measure would also recognize the improvements that have been made through political and economic reforms in Romania.

However, there needs to be further progress in such reforms.

With regard to its foreign policy, Romania must resolve its outstanding bilateral differences with neighbors like Ukraine and Hungary.

With regard to Hungary, in particular, we need to see further progress toward the historic reconciliation Romanian President Iliescu says he seeks.

Yes, there is still much that needs to be done, and I say to the Government of Romania—and to those who believe that passage of this measure is premature—that we will be looking for progress.

When the time comes that Romania seeks full membership in the European union and the NATO military alliance, we here in the United States and our allies in Europe will be looking closely to see what Romania has accomplished.

Mr. GIBBONS. Mr. Speaker, I yield 3 minutes to the gentleman from California [Mr. LANTOS].

Mr. LANTOS. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, this is a historic moment. We are witnessing the rite of passage of a formerly totally totalitarian and dictatorial country into the ranks of law-abiding international citizens, fully respecting human rights, and making significant progress toward democracy and free market systems.

For those of my colleagues who are new to this body, allow me to state that 4 years ago I led the successful fight to prevent Romania from getting MFN treatment. I did so against an incumbent administration and the leadership of both of our political parties, because 4 years ago conditions in Romania did not warrant such legislation.

Today they do. I recently visited Romania, which is one of many visits begun initially in the 1930s, and I was delighted to see the degree to which the Country has become normalized, both economically and politically.

I find it rather amusing that the gentleman from North Carolina who, as ambassador to Romania under the despicable dictatorship of Ceaucescu, year after year, in writing, certified that Romania should get most-favored-nation treatment, is now opposing the granting of permanent MFN status, which merely means normal trading relationships, for the people of Romania.

I think it is important to underscore, Mr. Speaker, that recently elections were held in Romania with a fairly good turnout, much better than ours, and two-thirds of the voters voted against the incumbent government. What better proof that there is at least a modicum of political democracy vibrant in that country?

Granting permanent MFN status to Romania will be a stepping stone to that country's entering the European Union and, eventually, NATO. As the founding Democratic chairman of the congressional Human Rights Caucus, I strongly urge all of my colleagues on both sides of the aisle to take this significant step.

The cold war is over. The Soviet Union no longer exists. The countries of Central and Eastern Europe gradually, haltingly, painfully are moving in the direction of democratic market economies.

Romania has now reached the stage that they need encouragement and support. Across the political spectrum, Romanian political parties are urging us to approve this legislation. Every religious minority in Romania does so, as well. We should not let down the people of Romania.

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

Mr. Speaker, when I was U.S. ambassador under the harsh days of Nicolai Ceausescu, I watched the gentleman from California [Mr. LANTOS], the great defender of human rights, come to Bucharest and personally praise and thank Ceausescu for the great job he was doing.

Mr. LANTOS. Mr. Speaker, what was the gentleman smoking?

Mr. FUNDERBURK. I did not interrupt you, but that is what you said, and it was written in the book.

In the CONGRESSIONAL RECORD, this same gentleman said ''To a very large extent, the basic power structure is unchanged in Romania today,'' He said this in 1992. This is the man to whom we now want to give the favor, so next Sunday in the elections he can tell his people, the Congress of the United States is supporting this regime. So he is talking about all this dramatic progress that has been made since 1992, but he was saying that this was a terrible regime in 1992.

And there has not been very much progress. In fact, when we use most indices, they have actually gone backwards since 1992. My argument is that this bill supports the old Communist bureaucracy nomenclature and elite. It does not support those people striving and seeking freedom and democratization in Romania.

I stay in touch with them every day, they come by my office every day.

People from here who go over there and invest small amounts of money, middle-size amounts of money, lose it because of the noninviolability of contracts. They find that bribery, corruption, black marketeering, lying, cheating, and stealing is a way of life that has been inherent from the Communist regime. This has been perpetuated.

It would be nice if, as the chairman of the Committee on International Relations said, we can go home and pray and wish that this regime in Romania will improve and will be nice to us, I mean, be nice to its people in the future. But the fact of the matter is that when we give up this last piece of leverage that we have, they will be able to do anything they want to their people at will, and I am sure that they will continue to regress in the areas of privatization and economic freedom, and press freedom.

If we want to stand on the side of those people truly seeking it, they call me every day. I do not think these hundreds of people are making this stuff up. It is not like we are dreaming it. It is coming into my office every day, because they know that no matter what, I will have the guts and courage enough to come out here and defend them and tell Members what is really happening over there, because I do not care what I lose from saying the truth here on this House floor.

But I could tell Members that people who want more democratization in Romania are being repressed, they are being hurt, put down by this regime, which laughs at democracy and does not have a democratic bone in their whole bodies.

We need to apply a little bit of pressure, get a little bit of leverage, try to get a quid pro quo somewhere before granting this. Certainly we do not need to hand this crown to the royalty, Ion Iliescu, at this point and say OK, you have done well with your dictatorship in Romania since Ceausescu's days, and now what we want to do is give you permanent MFN and reward you for this, so you will forever be able to do whatever you want to do.

If Romania is so great, if it has improved so much, why are Members not on the front line fighting for inclusion of Romania in NATO and the WTO and the EC and everything else? But the fact of the matter is, it is one of the worst regimes in Eastern Europe.

I am not fighting for the Government of Romania here today, I am speaking for the poor democrats in Romania who seek freedom. It is a shame that everybody else cannot go over there and see that reality. I have spent 6 years of my life in many different capacities living over there in the shoes of those people with families, and this is what they have shared with me. They expect me to be here to defend them and promote democracy and freedom, and that is what I am trying to do.

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

Mr. CRANE. Mr. Speaker, I yield 1½ minutes to my distinguished colleague, the gentleman from Wisconsin [Mr. ROTH].

Mr. ROTH. Mr. Speaker, I thank the gentleman from Illinois for yielding me this time.

Mr. Speaker, I know there are strong arguments on both sides of this issue. I am in favor of this legislation. I think it is time for permanent most-favored-nation status to Romania, because basically they have embraced democracy.

When we talk about a most-favored-nation status, I think we again have to reiterate that it is really a misnomer. When we talk about most-favored-nation status, all we are talking about, we are not talking about any special privilege, we are just talking about normal trade relations. We give MFN status to most countries around the globe except for a small number. I quite frankly do not think that Romania belongs in that category.

Third, granting permanent MFN status will help Romania, I think, stay on the path to market economics, democracy, and freedom; and basically that is why I am for this legislation, because I think they are going down the right path, and I think we want to encourage them to keep going down that path.

Our two-way trade is very small, it is barely $500 million a year with Romania, so it is not much. But the potential is there to expand our trade with Romania. Expanding trade will strengthen the Romanian economy, allowing it to grow. As Romanian people prosper and reap the fruits of open markets, the future of democracy, I feel, in Romania will be stronger, because free markets and democracy go hand in hand.

Therefore, granting MFN status for Romania is really in our interests as much as it is in their interests. If we want free markets to take hold in Eastern and Central Europe, then we think this is good legislation, and I thank the gentleman from Illinois for yielding me the time.

Mr. FUNDERBURK. Mr. Speaker, I yield 4 minutes to the gentleman from New Jersey [Mr. SMITH].

(Mr. SMITH of New Jersey asked and was given permission to revise and extend his remarks.)

Mr. SMITH of New Jersey. Mr. Speaker, I think it is very unfortunate

the House is voting today to extend permanently MFN for Romania. Just as a preface, let me remind Members that throughout the 1980's when the gentleman from Florida and others continually pushed for most-favored-nation status for Romania, the gentleman from Ohio [Mr. HALL] the gentleman from Virginia [Mr. WOLF], and myself were in the vanguard and fought to withdraw MFN status.

I led three human rights missions to Romania. Under the Ceausescu regime, we fought to take MFN from Romania because of the brutal dictatorship that existed there. Therefore, I think I have some standing before this body on this issue.

I care deeply about the Romanian people. I think the question before us is a matter of when. This is the wrong time. There is an important national election that will be held in November. There have been very serious allegations of media abuse, especially access to the media, by members of the opposition parties who find it increasingly difficult to get their message out. We all know as politicians, and as candidates, that if the media is biased and if it is somewhat government-controlled, particularly the television outlets, you do not get your message out to the voters.

I respectfully submit that Members should be mindful that MFN is in place right now. Iliescu, the Romanian Government, the people of Romania have most-favored-nation status. The question is whether or not we make it permanent. I think that question should be settled after this very, very important national election that is scheduled for November.

There were recent local elections held. We heard from objective observers that there were problems, problems with the accuracy of the voter lists in particular, problems with inconsistent interpretation of the election law, and those kinds of irregularities raise the stakes for the upcoming elections.

If we now say, you have MFN, we are not going to review this anymore, I think we take away that pressure, that vigilance which that review, connected with most-favored-nation status will give us.

Finally, Mr. Speaker, there are laws on the books in Romania, and I think this is a very disturbing trend, that will put journalists into prison if they criticize or speak out against the government.

If we had these laws in this country, that would be a gross violation of First Amendment rights, of freedom of speech and freedom of the press. Yet, we see this disturbing trend occurring in Bucharest which will bring to bear the full weight of the law, with terms from 3-months to 3-years in prison for those tenacious, objective, and unbiased reporters who are willing to take on the government.

□ 1530

All of us get bad editorials. We all get frustrated at times with the way that our own media handles what we consider to be the truth or the accuracy of our opinions, but we do not criminalize their actions. But, in Romania there is this disturbing trend which we need to speak out against. Again, the annual review gives us that ability to say, Wait a minute, let's look at the record and then let's look whether or not we want to confer for another year most-favored-nation status on Romania.

Let us not remove that little bit of pressure which we have at this stage. I sincerely hope that Members will vote this down with the clear understanding when the 105th Congress meets, we will look again at this issue in light of the national elections that will have taken place in November 1996.

Also, we are hoping that there will be domestic observers on the ground observing the upcoming elections. Little notice has been given to the fact that in 1992 there were domestic observers, but that provision will not be made this November unless there is a change.

All of us know that, even in our own elections, if we do not have poll watchers standing by, checking those voter lists, fraud is a real potential. Provision for domestic observers is not available for this upcoming election. We know there will not be enough international observers to go around and the possibilities are ripe for election fraud.

Mr. Chairman, I urge that the issue before the House be deferred. Let us look at the full record of the 1996 national elections and then make an informed and hopefully prudent decision on Romania's permanent MFN status.

Mr. CRANE. Mr. Speaker, I yield 30 seconds to the gentleman from New York [Mr. HOUGHTON], my distinguished colleague on the Committee on Ways and Means.

(Mr. HOUGHTON asked and was given permission to revise and extend his remarks.)

Mr. HOUGHTON. Mr. Speaker, I have only asked for 30 seconds because I think this is a very straightforward message. We can wring our hands, analyze, reanalyze, and re-reanalyze why Romania should not get annual MFN status. But the facts are that this is a 23-million person nation. They are the only member of the World Trade Organization who is not afforded this status. They are supportive of the United States. They have gone through a wrenching 50 years. They are struggling to become a responsible nation. We should encourage this. I urge Members to support H.R. 3161.

Mr. GIBBONS. Mr. Speaker, I yield 3 minutes to the gentleman from New Mexico [Mr. RICHARDSON].

(Mr. RICHARDSON asked and was given permission to revise and extend his remarks.)

Mr. RICHARDSON. Mr. Speaker, I will include for the RECORD two letters from two distinguished United States ambassadors to Romania who served under Republican administrations strongly supporting this MFN issue.

Mr. Speaker, I would hope that at the end of the debate our good friend and now colleague answers the question of the gentleman from California [Mr. LANTOS]. That is, while he was ambassador to Romania, is it not correct that he signed and supported the MFN to Romania under Ceausescu?

I think that the gentleman deserves an answer. We should not personalize these issues nonetheless because what we have here is bipartisan leaders from the Committee on International Relations, the Subcommittee on International Economic Policy and Trade, and the minority members all supporting what we need to do.

I think we have to ask ourselves two questions: The first is, why is this in the interest of the United States? And, second, what happens if this MFN does not take place? Well, we cannot say we are going to postpone it or do it after the elections. That would be a terrible signal. For all practical purposes, this MFN issue would not happen unless we voted today, and we should.

First, Romania has met permanent MFN tests under United States law. It has been certified numerous times as meeting the Jackson-Vanik requirements on immigration. The administration is going to certify it again this June. Second, there is progress on human rights and democracy. Ilie Nastase, the tennis player, ran for mayor of Bucharest. He did not make it. It is not a perfect democracy, as many have said, but there is progress. Also, in the treatment of Gypsies and many other minorities, the progress has been continuing.

Romania in 1992 signed and complied with the requisite trade and commercial agreements. It is a founding member of the World Trade Organization. It is a member of GATT. Romania has voted with us close to 80 percent of the time at the U.N. It has sent troops to Bosnia. It has helped us in Angola. They have been there when we need it.

What kind of a signal are we going to send Poland, Romania, and Czechoslovakia, all of whom could and should enter NATO if we say all of a sudden: Well, we're not going to let you in? What are the consequences of not acting today? First of all, we will lose leverage. How can we go to Romania and say: Look, you guys have done what you've done. Progress in human rights, progress on elections, market economy. And then all of a sudden the United States is asked to reciprocate and suddenly we say no. That would lose us leverage. That would be unfortunate. It would be a terrible signal.

This also would annul America's commercial opportunities in Romania. We have got businesses there. They are starting to trade. I think, admittedly, as the gentleman from Florida [Mr. GIBBONS] said, there is not much trade, but it is growing. Let us not send that signal. Radical elements in Romania will say, See the United States doesn't deliver.

Mr. Speaker, we should do this. It is bipartisan. It makes sense. Romania

deserves it. And it is in the best interests of the United States.

Mr. Speaker, I include the following material for the RECORD.

PORTLAND, OR, *April 26, 1996.*

Re H.R. 3161.

Hon. PHILIP CRANE,
U.S. House of Representatives,
Washington, DC.

DEAR MR. CHAIRMAN: I had the honor of being the United States Ambassador to Romania. My wife and I arrived at post December 1, 1989, and we formally returned to Oregon January 31, 1992. As you can readily see, I was privileged to participate and watch a wonderful people return to freedom.

This writer was one of the very last Ambassadors to present this official credentials to the dictator Nicolae Ceausescu. I think it fair to say we did not like one another. On May 25, 1995, my wife and I visited Romania with a Stanford Travel party. Our group met with President Ion Iliescu for approximately two hours. It is difficult for me to put in writing the total contrast between the two individuals. The hospitality, friendship, and good will I witnessed from President Iliescu to our private group was outstanding.

It is my understanding you will be receiving other correspondence advocating the granting of permanent Most Favored Nation status to Romania. Believe me, Sir, my wife, Joan, and I have lived through the start and gradual maturing of these people towards democracy and a free market economy. I am very proud of any small role I had in helping the United States gain a friend in this tough world.

As a retired business man, I would like to point out that our annual trade is growing, and our side has a surplus. It is difficult to do business in this world and the need for permanent M.F.N. status is the guarantee of stability for all parties. This improvement of reliability will work to the benefit of the U.S.A. and Romania.

If there is anything reasonable I can do to help Romania obtain permanent Most Favored Nation status, please let me know. I rely on your good judgment.

Very Sincerely,

ALAN GREEN, JR.,
Ambassador—United States, Retired.

STATEMENT IN SUPPORT OF PERMANENT MFN FOR ROMANIA

I wish to support the granting of permanent MFN for Romania at the earliest possible date. As Ambassador to Romania from November 1985 until July 1989, I am very familiar with the sufferings of the Romanian people under the abominable regime of then-dictator Nicolae Ceausescu. Denial of permanent MFN to Romania was, during those years, a valuable means of exerting some pressure on that regime.

Romania has made significant progress since the revolution of 1989 toward democracy, respect for human rights, the rule of law and a free market. Its cooperation with United States foreign policy initiatives has been noteworthy. It seems to me, therefore, no longer justifiable for Romania to be one of the few countries denied permanent MFN. I thus urge that Romania be granted such status.

I make these comments on my own behalf, not on behalf of any other person or organization.

ROGER KIRK,
U.S. Ambassador to Romania, 1985–1989.

THE CASE FOR PERMANENT MFN FOR ROMANIA

1. ROMANIA HAS EARNED PERMANENT MFN

Romania has met the permanent MFN tests under U.S. law. It has been certified numerous times as meeting the Jackson-Vanik criteria. The Administration will certify it again this June.

Romania is on a course of political and economic reform that is in full accord with U.S. goals—a pluralistic democracy, a free market economy, a respect for human rights and a free and fully functioning press. Its progress has been continual.

It signed in 1992 the requisite bilateral trade and commercial agreements. It is a founding member of the WTO and a member of GATT before that.

Romania has been a steadfast ally of the U.S. in seeking solutions to the war in Bosnia and on other issues, contributing troops as part of its international peacekeeping duties, some of which serve alongside U.S. forces. It is committed to full political and military integration with the West and its military to military program has been hailed by the U.S. as one of the best.

2. ROMANIA HAS EARNED PERMANENT MFN NOW

As a founding member of the WTO, and as a nation that has been certified as meeting the Jackson-Vanik requirements, Romania should have been graduated months ago, perhaps as early as January, 1995.

Delaying consideration of MFN sends a wrong signal to Romania, especially in light of expected congressional approval of permanent MFN for Bulgaria and possibly Cambodia—who have not progressed as much as Romania and are not members of the WTO.

The U.S. has an opportunity to help Romania solidify its economic and political gains. Granting MFN now puts the U.S. in a position to best work in Romania to shape its future progress.

Both houses of the Romanian parliament have passed resolutions endorsing the policy of extending permanent MFN to Romania now, indicating a broad national consensus in Romania about both the issue and timing of its consideration.

3. THE CONSEQUENCES OF NOT ACTING HARMS THE UNITED STATES

Granting MFN is a recognition of past progress and the expectation of future development. Romania's elections are not expected to reverse its progress. However, by not acting, or more correctly, halting a process which has been on-going, the U.S. injects itself into the Romanian domestic political debate—something it has tried hard not to do. This hurts U.S. and lessens its future leverage over Romania.

Not acting now undercuts U.S. commercial opportunities since U.S. firms cannot take full advantage of WTO protections. U.S. firms broadly support permanent MFN and with it, are poised to play an increasingly important role in Romania's economic development.

Radical elements in Romania will be able to argue that the U.S. demands a lot, but gives nothing in return.

On a practical basis, delaying action now minimally means no consideration for at least one year given the U.S. political schedule.

CONGRESS OF THE UNITED STATES,
Washington, DC, July 12, 1996.

SUPPORT ROMANIA MFN

DEAR COLLEAGUE: On Tuesday, the House is expected to consider H.R. 3161, a bill to grant permanent Most Favored Nation (MFN) status to Romania under suspension of the rules. It is a bill that is long overdue. Romania has made tremendous strides over the past several years in adopting and implementing political and economic reforms. Romania has met all of the U.S. legal criteria for MFN, namely the free emigration of its citizens, as called for in the Jackson-Vanik provision. It has clearly taken strong measures to institute a democratic form of government.

While the bill enjoys broad support, we respect the concerns expressed by several Members who would like to postpone the vote until after Romania's December elections. To address these concerns, we would like to highlight the views of two former U.S. Ambassadors to Romania who have written in support of granting MFN to Romania.

''I have lived through the start and gradual maturing of these [Romanians] people towards democracy and a free market economy. I am proud of any small role I had in helping the United States gain a friend in this tough world.

''As a retired business man, I would like to point out that our annual trade is growing, and our side has a surplus. It is difficult to do business in this world and the need for permanent M.F.N. status is the guarantee of stability for all parties. This improvement of reliability will work to the benefit of the U.S.A. and Romania.''

ALAN GREEN, JR.,
U.S. AMBASSADOR TO ROMANIA,
December 1989 to January 1992.

''I wish to support the granting of permanent MFN for Romania at the earliest possible date. As Ambassador to Romania from November 1985 until July 1989, I am familiar with the sufferings of the Romanian people under the abominable regime of then-dictator Nicolae Ceausescu. Denial of permanent MFN to Romania was, during those years, a valuable means of exerting some pressure on that regime.

''Romania has made significant progress since the revolution of 1989 toward democracy, respect for human rights, the rule of law, and a free market. Its cooperation with the United States foreign policy initiatives has been noteworthy. It seems to me, therefore, no longer justifiable for Romania to be one of the few countries denied permanent MFN. I thus urge that Romania be granted such status.''

ROGER KIRK,
U.S. AMBASSADOR TO ROMANIA,
1985–89.

We would like to note that a third former U.S. Ambassador to Romania, Mr. John Davis, has also communicated to the Ways and Means Trade Subcommittee his strong support for granting MFN to Romania.

We believe it is in the interest of the United States to encourage Romania's development and to help it secure a place in the community of democracies. Passage of this legislation is a tangible recognition of our approval for all of the efforts Romania has made. Support Romania MFN.

DOUG BEREUTER,
Member of Congress.
BILL RICHARDSON,
Member of Congress.

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

When I was a United States ambassador, I did what I could in letters and in personal meetings with President Reagan and the State Department in opposition to what was going on inside of Romania. Then I resigned and I protested against U.S. policy and I gave up the position. I do not know of anybody else here who would have or who did give up any such position because of their beliefs or because of their positions. If it is time for permanent MFN

for the butchers of Beijing, mainland China, North Korea, Vietnam and Cuba, sure it is time for Bucharest and everybody in the world. But the best way to effect long-term democratization in Romania is to oppose H.R. 3161 at this time. Otherwise we are rewarding Iliescu and his old Communist buddies and we are hurting the Democrats and one day we will all be held accountable for that.

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

Mr. CRANE. Mr. Speaker, I yield 1½ minutes to our distinguished colleague, the gentleman from Nebraska [Mr. BEREUTER].

(Mr. BEREUTER asked and was given permission to revise and extend his remarks.)

Mr. BEREUTER. Mr. Speaker, this Member speaks today in favor of H.R. 3161, which would extend permanent MFN, or normal trade status, to Romania.

In order to save time, I certainly associate myself with the rationale offered by the gentlemen from California, New Mexico, and New York. I have been a skeptic and a critic of Romania for quite some time since I first visited in 1984 to see what Ceausescu was doing. No apologist, always a severe critic. In fact I voted against MFN in the past. When I went to Romania again last year, I was the critic asking tough questions to our ambassador to Romania. The reasons for doing so are compelling. First and foremost, Romania has made substantial and important progress on a variety of fronts since the fall of communism in 1989. This Member had the pleasure of personally observing this transformation in progress when this Member traveled to the country 2 years ago.

Today the Romanian Government has made important efforts to resist extremism by expelling political players with radical views from its ruling coalition. Romania now boasts an extensive free press, with more than 1,000 newspapers and periodicals and several hundred television and radio stations, many of which routinely criticize the Government without fear of persecution.

Romania's economic progress has been propelled by its considerable privatization efforts. Nearly 50 percent of the country's GDP now comes from the private sector, which employs about half of the country's workforce. This figure represents more than 500,000 small and medium-sized companies created since 1990 and more than 2,000 former state companies that are now private. When this privatization program is complete, about 70 percent of Romania's GDP will derive from this area, a figure comparable to other Central European nations. Other economic reforms have included the elimination of price setting and of most subsidies.

Extension of permanent MFN status to Romania undoubtedly would provide a significant boost to United States business interests there. United States investment in Romania totaled $151 million in 1995. This figure represents over 2,000 United States investors, including such diverse names as Amoco, Coca Cola, Colgate Palmolive, IBM, and the numerous smaller companies that comprise the bulk of Romania's joint venture partners. The United States is the sixth largest exporter of products and services to Romania selling to $392 million in 1995. Our two-way trade can be expected to rise substantially if we grant permanent MFN to Romania's exports to this country.

Perhaps most important of all, permanent MFN treatment of Romania will solidify a blossoming bilateral relationship and serve as a powerful inducement for continuing Romanian cooperation on a range of political, economic, and security-related issues. Mr. Speaker, it is now time to normalize trade relations with Romania for the benefit of the United States as much as for Romania. Romania's request for NATO membership will provide the United States, Canada, and European NATO members strong leverage to encourage even greater democracy and reforms by Romania. Similar leverage exists for the current members of the European Union as Romania seeks membership in that union. This Member strongly urges his colleagues to support H.R. 3161.

Mr. FUNDERBURK. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, I urge opposition to H.R. 3161 and to reiterate that it is simply asking for a 4-month deferral. They already have annual MFN. What we are saying is do not disadvantage the Democrats in the upcoming election any more than they already are disadvantaged. That is the one country that has not proven that they can elect a Democrat yet. We want to give them one more chance to try for that in this fall's election. What would it hurt for the next 4 months for all the good that it could do if the Democrats are successful in November?

I urge voting against H.R. 3161 to delay consideration of permanent MFN for Romania at this time.

Mr. Speaker, I yield back the balance of my time.

Mr. GIBBONS. Mr. Speaker, I yield the balance of my time to the gentlewoman from Connecticut [Mrs. KENNELLY].

Mrs. KENNELLY. Mr. Speaker, for the last 5 years I have stood on this floor at various times sponsoring legislation with several of my colleagues, with the gentleman from Illinois [Mr. CRANE], the chairman of the subcommittee, and the gentleman from Florida [Mr. GIBBONS], the ranking member and at one time chairman of the subcommittee. Each time we have had this debate about MFN for Romania, it has been a rocky road. We have had discussions, we have had delays, we have had changes in what was going to happen. But each year we have given temporary MFN to Romania.

The reason why that is is that, from the time of revolution and struggle in 1989, this nation and its people have moved at a concerted pace to bring about change. Reform has been slow, but it has been steady. In that 5 years, we have seen a new constitution in Romania. We have seen a parliament elected. We have seen elections.

What are we talking about here today? We are talking about past elections. We are talking about future elections. Democracy is in action in Romania. We have seen some improvement in human rights, slow but sure. We have seen some improvement in free speech if we just follow Romanian history or what is happening there. We can see there is a great deal of free speech in Romania. And there has been increased respect for private property.

As we look at Romania, we see that Romania is not just asking for something. Romania has tried to help itself. Romania has taken steps to join the world democracies and other democratic institutions. We have seen Romania become an associate member of the European Union, a member of the World Trade Organization, and Romania has also formally applied to join NATO just like the other Eastern European countries want to very much belong to this organization.

Extending MFN can be seen as part of a nation's commitment to strengthening trading relationships. That is what it has come to be. It used to be Jackson-Vanik. Now it is a Good Housekeeping stamp of approval. I am pleased to say today that there has been progress. But I listened to the gentleman from New York [Mr. HOUGHTON]. He had only 30 seconds but he said it so succinctly. The gentleman from New York has had incredible success in business. He understands that a country like Romania cannot do better unless it is in the world trading market.

So, I look at Romania today and I listened to the debate. As usual it is a difficult debate. Is Romania a model of democracy? No. But when one remembers what Romania was like before 1989, and this is now only 1996, Romania has done very well when one thinks of the way the people had to live.

In this body just a few weeks ago or last week, we passed MFN for China. We know this nation has huge human rights problems, but we gave it to China. The situation is different today. This is a small country, full of good people. They want MFN, they want to trade, they want to be among nations that can be proud. Let them have MFN. Let them do better.

Mr. CRANE. Mr. Speaker, I yield 2½ minutes to the gentleman from New York [Mr. FORBES].

(Mr. FORBES asked and was given permission to revise and extend his remarks.)

Mr. FORBES. Mr. Speaker, I rise today to align myself with the comments of those who believe in unconditional, or permanent, most-favored-nation status for Romania.

Mr. Speaker, Romania, which now does enjoy the conditional MFN status, has a trade agreement with the United States and has been certified twice in the past year as meeting the tenets of freedom, of immigration, human rights, and democratization required under this legislation.

For a nation to gain that permanent MFN status, however, Congress needs to enact this kind of a legislation, and I rise in strong support of enactment of H.R. 3161.

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Mr. Speaker, it is clear that there have been dramatic changes in Central and Eastern Europe in the last 7 years, and as my distinguished colleague, the gentlewoman from Connecticut [Mrs. KENNELLY], just referenced, Romania has moved in a marked way toward a greater democracy and away from communism.

There is proof of that progress. The privatization efforts of the industrial and agricultural sectors are already showing great results. Recent figures show that the gross domestic product in Romania has moved in the private sector to 45 percent, a significant increase over where it was just a year ago.

Obviously we are seeing examples of democracy building all across Romania, and they hold their second nationwide Presidential election later this fall. Under the World Trade Organization and GATT, the United States is obligated to extend unconditional or permanent MFN status to our trading partners who are parties to that agreement and we should do no less with Romania, Romania being the only member of WTO with whom the United States has a trading relationship but who is still subject to the conditional MFN relationship.

Mr. Speaker, almost every State of the United States has a trading relationship with Romania. My own State of New York, for example, is the fifth largest exporter in 1995, and I believe as we work clearly to build democracy in Central and Eastern Europe, we must extend this permanent status to our friends in Romania.

Is the situation perfect? No, it is not perfect, but it is moving in a very dramatic and correct direction. Romania is a nation of more than 23 million people, the second largest market in Eastern Europe representing rich opportunities to creating American jobs for United States companies and, more than that, Romania's 23 million people deserve the opportunity to succeed economically, and for the prospering of and ensuring a stable democracy in the region, I ask that this legislation be enacted.

Mr. PALLONE. Mr. Speaker, I rise today in opposition to granting permanent most-favored-nation status to Romanio. H.R. 3161 would allow Romania to reap the benefits of MFN while its regime continues to ignore its dire human rights situation.

Romania's large Hungarian minority needs to be recognized when debating MFN trade status. As a congressman representing a sizable Hungarian constituency, and as a member of the Human Rights Caucus, I know the importance of ensuring that national minorities have the right to speak and do commerce in their native language. This is a fundamental human right that cannot be ignored. However, if we vote in favor of H.R. 3161, we would strip the Hungarians living within Romanian borders of their right to education in their native tongue.

Although Romania and Hungary are both former Warsaw Pact nations, their differences in politics are overwhelming. While Romania represses its freedom of speech and does not guarantee free and fair elections, Hungary was the leader among Central European nations in establishing a democratic system, even before the fall of the Berlin Wall. In the last 7 years, Hungary has steadily transformed itself into an independent, democratic, market-oriented society, integrated into Europe and the international trading network. Hungary, in particular among its neighbors, has shown an impressive degree of stability. Even during the cold war, Hungary worked hard against tough odds to establish itself as a society independent of Soviet domination in certain key political and economic spheres, and was granted most-favored-nation status by the United States in 1978.

If we are to grant Romania permanent MFN trading status, we must first insist that it follows the democratic paths of its European neighbors such as Hungary. The United States must grant preferential trading agreements only to those nations willing to uphold basic human and political rights.

Before granting most-favored-nation trading status to Romania, we must ensure that its government: improves its freedom of the press, freedom of speech and public assembly, a faster rate of privatization and restoration of private property, protects its human rights, and guarantees free and fair elections.

We need to wait for the results of the upcoming national elections before we should even consider granting permanent MFN status to Romania. If we vote in favor of H.R. 3161 today, we would only help propel neo-Communist President Ion Iliescu to victory and a continuation of policies that have been contrary to American values. Let us, instead, use MFN as a form of leverage to move Romania in the direction of true democracy.

Mr. HAMILTON. Mr. Speaker, I rise in strong support of H.R. 3161 to authorize the President to extend permanent most-favored-nation trading status to Romania.

Romania has made strong progress in the direction of democracy and free market reforms. It is in full compliance with the criteria of Jackson-Vanik on free emigration.

Romania has also made progress on rule of law, and on human rights. However, I do share the views of my colleagues on both sides of the aisle—and on both sides of this bill—when they state that we want to see Romania make more progress in both these areas.

The critical question before us is how to maximize U.S. influence on behalf of those values that we all support.

At this time, I believe that the best way to foster United States influence in Romania is to authorize the President to extend permanent MFN status for Romania.

Through actions to enhance the climate for United States-Romanian trade and investment, we enhance the voice of the United States in support of Romania's reform process.

I urge my colleagues to support permanent MFN status for Romania.

Mr. MANZULLO. Mr. Speaker, this debate is about normal trade status with Romania. We are not providing any favorable benefits to Romania from this action. It simply authorizes the President to determine when the United States should treat Romania on equal trade terms with all other nations.

The most-favored-nation law was written to deal with freedom of emigration from East bloc Communist nations. These governments do not even exist anymore. It's time to update our trade legislation to reflect the realities of the times. In fact, I wish we were here today granting permanent MFN or normal trade status with all other former East bloc countries still on the list. Times have changed. While the rest of the world trades normally with these countries, including Romania, we're still wrestling with these issues.

All political parties in Romania support permanent MFN or normal trade status with the United States. Holding this bill up will only embolden the hard-line nationalistic elements in Romania who do not want foreign influences inside their country. And, there will be no time later this session to vote on this issue if permanent normal trade status in held up for Romania's fall elections. We'll be back at this issue during the next Congress, and there will probably some other excuse devised so that normal trade status is held up another 2 years.

It's in America's interest to provide permanent normal trade status because without this designation, the United States cannot take trade disputes with Romania to the World Trade Organization. It will also solidify our bilateral economic relationship to ensure that Romania continues on the path of free market reform.

Mr. Speaker, I urge my colleagues to focus on the issue at hand—support normal trade relations for Romania.

Ms. EDDIE BERNICE JOHNSON of Texas. Mr. Speaker, I rise in support of H.R. 3161, which authorizes the President to extend permanent most-favored-nation treatment to Romania. The bill recognizes that Romania is making progress toward democracy and a free market economy, and the extension of MFN will encourage that process to continue.

Additionally, Mr. Speaker, Romania is an important trading partner for my home State of Texas. Texas ranks No. 2 among the 50 States in exports to Romania, and in the period from 1992 to 1994, Texas exported more than $110 million worth of products to Romania. The products Texas exports to Romania are many, and they range from energy development products to transportation equipment and paper products.

After the recent debate over extending MFN to China, it is easy to see the benefits of permanently extending MFN to an emerging democracy like Romania.

Romania has adopted a new constitution since overthrowing its Communist dictatorship in 1989, and is improving in the areas of human rights, freedom of expression, and economic reforms.

Romania is also a member of the World Trade Organization, and extending MFN allows the United States to have our full rights under the terms of the GATT with respect to Romania.

The extension of MFN to other Eastern European nations has already occurred, and it is time for us to extend MFN to Romania as well.

I yield back the balance of my time.

Mr. LAUGHLIN. Mr. Speaker, following 3 years generations of Communist regime, Romania for the last 5 years has struggled to implement a deliberate program of converting to a free market system. Its new democratic government realizes that critical to reaching that goal is the privatization of its industry through passage of new laws, broadened investment policies, and proliferation of international economic partnerships. U.S. businesses can and should be significant in this economic transformation now in progress.

The result of Romania privatization is the systematic updating and upgrading of all its productive means, from the farm yards to the steel mills; and each industrial change presents opportunity for American engineering, technology, and management to become ingrained in that new system. Most-favored-nation status for Romania flashes to American business that final unmistakable signal of governmental encouragement for participation in and development of this burgeoning new market for United States products.

Additionally, Romania realizes that its new found industrial emphasis will require significant infrastructural modernization and a number of new facilities. These projects will demand large infusions of outside professional and technical services, materials, equipment, and technology, as well as realistic financing innovations. Until now, American efforts in these areas have been overshadowed by European and Asian companies; however, that is beginning to change. Most-favored-nation status is the final step in demonstrating deep American interest in Romania.

Today, a consortium of United States firms named Motorways U.S.A., which includes several Texas enterprises, is in direct negotiations with the Government of Romania for design, construction, operation and maintenance of its first toll road facility. Romania has enthusiastically welcomed this initially attempt by United States companies to provide by partnership dramatically different approaches for solving its most pressing needs.

This willingness to venture out and to rely on what, by Romanian standards, are novel and innovative free market techniques as impetus for its new market economy, exemplifies that certain willingness and dedication which will make Romania a long-term trading partner with the United States. This has been key in convincing me that now is the time to give Romania permanent most-favored-nation status and urge you to join me in doing so. A vote for this resolution is a vote for American jobs, favorable balance of trade, and increased American economic presence in Central and Eastern Europe.

Mr. TORRICELLI. Mr. Speaker, I rise today in strong opposition to H.R. 3161 which would confer permanent most favored-nation [MFN] status on the country of Romania. A vote on this critical piece of legislation now would seriously hamper any efforts by the prodemocratic forces in Romania to continue to reform the Government and improve Romania's human rights record.

Among all of the former Communist bloc countries in Eastern Europe, Romania has made the fewest advances toward greater liberty and openness since the transition period began. The Hungarian minority, for example, suffers immensely from limited freedoms and constant discrimination. Today, a new education law has been implemented which prohibits the teaching of most subjects in minority languages. In addition, an ethnic Hungarian citizen, Paul Cseresznyes, has been in prison for 6 consecutive years on political grounds with no hope of release in the near future.

The preservation of basic human rights, which we take for granted here in the United States, has not received due respect in Romania. Freedom of speech is constrained as journalists work under the ever-present shadow of harassment by the Romanian intelligence service. And, during the recent local elections, objective observers expressed some concern about the administrative competence of election officials.

Much of the blame for this delay can be laid at the feet of the regime currently in power. In voting for permanent MFN status today, we, as a leader of the Western World, are also ratifying the Romanian Government's actions to date. We cannot allow ourselves to be oblivious to the broader message that approval of H.R. 3161 sends. A decision is best made only after Romania's presidential and parliamentary elections in December, when it reaffirms its commitment to democratic reform. Romania should be given credit for beginning the transformation to an open society in the wake of its Communist past, but permanent MFN status from this country is not the best means of doing so.

The SPEAKER pro tempore (Mr. GUTKNECHT). The question is on the motion offered by the gentleman from Illinois [Mr. CRANE] that the House suspend the rules and pass the bill, H.R. 3161.

The question was taken.

Mr. FUNDERBURK. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 5, rule I, and the Chair's prior announcement, further proceedings on this motion will be postponed.

GENERAL LEAVE

Mr. FUNDERBURK. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 3161.

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

There was no objection.

FEDERAL OIL AND GAS ROYALTY SIMPLIFICATION AND FAIRNESS ACT OF 1996

Mr. CALVERT. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1975) to improve the management of royalties from Federal and Outer Continental Shelf oil and gas leases, and for other purposes, as amended.

The Clerk read as follows:

H.R. 1975

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Federal Oil and Gas Royalty Simplification and Fairness Act of 1996''.

SEC. 2. DEFINITIONS.

Section 3 of the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1701 et seq.) is amended—

(1) by amending paragraph (7) to read as follows:

''(7) 'lessee' means any person to whom the United States issues an oil and gas lease or any person to whom operating rights in a lease have been assigned;''; and

(2) by striking ''and'' at the end of paragraph (15), by striking the period at the end of paragraph (16) and inserting a semicolon, and by adding at the end the following:

''(17) 'adjustment' means an amendment to a previously filed report on an obligation, and any additional payment or credit, if any, applicable thereto, to rectify an underpayment or overpayment on an obligation;

''(18) 'administrative proceeding' means any Department of the Interior agency process in which a demand, decision or order issued by the Secretary or a delegated State is subject to appeal or has been appealed;

''(19) 'assessment' means any fee or charge levied or imposed by the Secretary or a delegated State other than—

''(A) the principal amount of any royalty, minimum royalty, rental bonus, net profit share or proceed of sale;

''(B) any interest; or

''(C) any civil or criminal penalty;

''(20) 'commence' means—

''(A) with respect to a judicial proceeding, the service of a complaint, petition, counterclaim, cross claim, or other pleading seeking affirmative relief or seeking credit or recoupment: *Provided*, That if the Secretary commences a judicial proceeding against a designee, the Secretary shall give notice of that commencement to the lessee who designated the designee, but the Secretary is not required to give notice to other lessees who may be liable pursuant to section 102(a) of this Act, for the obligation that is the subject of the judicial proceeding; or

''(B) with respect to a demand, the receipt by the Secretary or a delegated State or a lessee or its designee (with written notice to the lessee who designated the designee) of the demand;

''(21) 'credit' means the application of an overpayment (in whole or in part) against an obligation which has become due to discharge, cancel or reduce the obligation;

''(22) 'delegated State' means a State which, pursuant to an agreement or agreements under section 205 of this Act, performs authorities, duties, responsibilities, or activities of the Secretary;

''(23) 'demand' means—

''(A) an order to pay issued by the Secretary or the applicable delegated State to a lessee or its designee (with written notice to the lessee who designated the designee) that has a reasonable basis to conclude that the obligation in the amount of the demand is due and owing; or

''(B) a separate written request by a lessee or its designee which asserts an obligation due the lessee or its designee that provides a reasonable basis to conclude that the obligation in the amount of the demand is due and owing, but does not mean any royalty or production report, or any information contained therein, required by the Secretary or a delegated State;

''(24) 'designee' means the person designated by a lessee pursuant to section 102(a) of this Act, with such written designation effective on the date such designation is received by the Secretary and remaining in effect until the Secretary receives notice in writing that the designation is modified or terminated;

''(25) 'obligation' means—

''(A) any duty of the Secretary or, if applicable, a delegated State—

''(i) to take oil or gas royalty in kind; or

''(ii) to pay, refund, offset, or credit monies including (but not limited to)—

''(I) the principal amount of any royalty, minimum royalty, rental, bonus, net profit share or proceed of sale; or

''(II) any interest; and

''(B) any duty of a lessee or its designee (subject to the provision of section 102(a) of this Act)—

''(i) to deliver oil or gas royalty in kind; or

''(ii) to pay, offset or credit monies including (but not limited to)—

''(I) the principal amount of any royalty, minimum royalty, rental, bonus, net profit share or proceed of sale;

''(II) any interest;

''(III) any penalty; or

''(IV) any assessment,

which arises from or relates to any lease administered by the Secretary for, or any mineral leasing law related to, the exploration, production and development of oil or gas on Federal lands or the Outer Continental Shelf;

''(26) 'order to pay' means a written order issued by the Secretary or the applicable delegated State to a lessee or its designee (with notice to the lessee who designated the designee) which—

''(A) asserts a specific, definite, and quantified obligation claimed to be due, and

''(B) specifically identifies the obligation by lease, production month and monetary amount of such obligation claimed to be due and ordered to be paid, as well as the reason or reasons such obligation is claimed to be due, but such term does not include any other communication or action by or on behalf of the Secretary or a delegated State;

''(27) 'overpayment' means any payment by a lessee or its designee in excess of an amount legally required to be paid on an obligation and includes the portion of any estimated payment for a production month that is in excess of the royalties due for that month;

''(28) 'payment' means satisfaction, in whole or in part, of an obligation;

''(29) 'penalty' means a statutorily authorized civil fine levied or imposed for a violation of this Act, any mineral leasing law, or a term or provision of a lease administered by the Secretary;

''(30) 'refund' means the return of an overpayment;

''(31) 'State concerned' means, with respect to a lease, a State which receives a portion of royalties or other payments under the mineral leasing laws from such lease;

''(32) 'underpayment' means any payment or nonpayment by a lessee or its designee that is less than the amount legally required to be paid on an obligation; and

''(33) 'United States' means the United States Government and any department, agency, or instrumentality thereof, the several States, the District of Columbia, and the territories of the United States.''.

SEC. 3. DELEGATION OF ROYALTY COLLECTIONS AND RELATED ACTIVITIES.

(a) GENERAL AUTHORITY.—Section 205 of the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1735) is amended to read as follows:

''SEC. 205. DELEGATION OF ROYALTY COLLECTIONS AND RELATED ACTIVITIES.

''(a) Upon written request of any State, the Secretary is authorized to delegate, in accordance with the provisions of this section, all or part of the authorities and responsibilities of the Secretary under this Act to:

''(1) conduct inspections, audits, and investigations;

''(2) receive and process production and financial reports;

''(3) correct erroneous report data;

''(4) perform automated verification; and

''(5) issue demands, subpoenas, and orders to perform restructured accounting, for royalty management enforcement purposes,

to any State with respect to all Federal land within the State.

''(b) After notice and opportunity for a hearing, the Secretary is authorized to delegate such authorities and responsibilities granted under this section as the State has requested, if the Secretary finds that—

''(1) it is likely that the State will provide adequate resources to achieve the purposes of this Act;

''(2) the State has demonstrated that it will effectively and faithfully administer the rules and regulations of the Secretary under this Act in accordance with the requirements of subsections (c) and (d) of this section;

''(3) such delegation will not create an unreasonable burden on any lessee;

''(4) the State agrees to adopt standardized reporting procedures prescribed by the Secretary for royalty and production accounting purposes, unless the State and all affected parties (including the Secretary) otherwise agree;

''(5) the State agrees to follow and adhere to regulations and guidelines issued by the Secretary pursuant to the mineral leasing laws regarding valuation of production; and

''(6) where necessary for a State to have authority to carry out and enforce a delegated activity, the State agrees to enact such laws and promulgate such regulations as are consistent with relevant Federal laws and regulations

with respect to the Federal lands within the State.

''(c) After notice and opportunity for hearing, the Secretary shall issue a ruling as to the consistency of a State's proposal with the provisions of this section and regulations under subsection (d) within 90 days after submission of such proposal. In any unfavorable ruling, the Secretary shall set forth the reasons therefor and state whether the Secretary will agree to delegate to the State if the State meets the conditions set forth in such ruling.

''(d) After consultation with State authorities, the Secretary shall by rule promulgate, within 12 months after the date of enactment of this section, standards and regulations pertaining to the authorities and responsibilities to be delegated under subsection (a), including standards and regulations pertaining to—

''(1) audits to be performed;

''(2) records and accounts to be maintained;

''(3) reporting procedures to be required by States under this section;

''(4) receipt and processing of production and financial reports;

''(5) correction of erroneous report data;

''(6) performance of automated verification;

''(7) issuance of standards and guidelines in order to avoid duplication of effort;

''(8) transmission of report data to the Secretary; and

''(9) issuance of demands, subpoenas, and orders to perform restructured accounting, for royalty management enforcement purposes.

Such standards and regulations shall be designed to provide reasonable assurance that a uniform and effective royalty management system will prevail among the States. The records and accounts under paragraph (2) shall be sufficient to allow the Secretary to monitor the performance of any State under this section.

''(e) If, after notice and opportunity for a hearing, the Secretary finds that any State to which any authority or responsibility of the Secretary has been delegated under this section is in violation of any requirement of this section or any rule thereunder, or that an affirmative finding by the Secretary under subsection (b) can no longer be made, the Secretary may revoke such delegation. If, after providing written notice to a delegated State and a reasonable opportunity to take corrective action requested by the Secretary, the Secretary determines that the State has failed to issue a demand or order to a Federal lessee within the State, that such failure may result in an underpayment of an obligation due the United States by such lessee, and that such underpayment may be uncollected without Secretarial intervention, the Secretary may issue such demand or order in accordance with the provisions of this Act prior to or absent the withdrawal of delegated authority.

''(f) Subject to appropriations, the Secretary shall compensate any State for those costs which may be necessary to carry out the delegated activities under this Section. Payment shall be made no less than every quarter during the fiscal year. Compensation to a State may not exceed the Secretary's reasonably anticipated expenditure for performance of such delegated activities by the Secretary. Such costs shall be allocable for the purposes of section 35(b) of the Act entitled 'An act to promote the mining of coal, phosphate, oil, oil shale, gas and sodium on the public domain', approved February 25, 1920 (commonly known as the Mineral Leasing Act) (30 U.S.C. 191 (b)) to the administration and enforcement of laws providing for the leasing of any onshore lands or interests in land owned by the United States. Any further allocation of costs under section 35(b) made by the Secretary for oil and gas activities, other than those costs to compensate States for delegated activities under this Act, shall be only those costs associated with onshore oil and gas activities and may not include any duplication of costs allocated pursuant to the previous sentence. Nothing in this section affects the Secretary's authority to make allocations under section 35(b) for non-oil and gas mineral activities. All moneys received from sales, bonuses, rentals, royalties, assessments and interest, including money claimed to be due and owing pursuant to a delegation under this section, shall be payable and paid to the Treasury of the United States.

''(g) Any action of the Secretary to approve or disapprove a proposal submitted by a State under this section shall be subject to judicial review in the United States district court which includes the capital of the State submitting the proposal.

''(h) Any State operating pursuant to a delegation existing on the date of enactment of this Act may continue to operate under the terms and conditions of the delegation, except to the extent that a revision of the existing agreement is adopted pursuant to this section.''.

(b) CLERICAL AMENDMENT.—The item relating to section 205 in the table of contents in section 1 of the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1701) is amended to read as follows:

''Sec. 205. Delegation of royalty collections and related activities.''.

SEC. 4. SECRETARIAL AND DELEGATED STATES' ACTIONS AND LIMITATION PERIODS.

(a) IN GENERAL.—The Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1701 et seq.) is amended by adding after section 114 the following new section:

''SEC. 115. SECRETARIAL AND DELEGATED STATES' ACTIONS AND LIMITATION PERIODS.

''(a) IN GENERAL.—The respective duties, responsibilities, and activities with respect

to a lease shall be performed by the Secretary, delegated States, and lessees or their designees in a timely manner.

''(b) LIMITATION PERIOD.—

''(1) IN GENERAL.—A judicial proceeding or demand which arises from, or relates to an obligation, shall be commenced within seven years from the date on which the obligation becomes due and if not so commenced shall be barred. If commencement of a judicial proceeding or demand for an obligation is barred by this section, the Secretary, a delegated State, or a lessee or its designee (A) shall not take any other or further action regarding that obligation, including (but not limited to) the issuance of any order, request, demand or other communication seeking any document, accounting, determination, calculation, recalculation, payment, principal, interest, assessment, or penalty or the initiation, pursuit or completion of an audit with respect to that obligation; and (B) shall not pursue any other equitable or legal remedy, whether under statute or common law, with respect to an action on or an enforcement of said obligation

''(2) RULE OF CONSTRUCTION.—A judicial proceeding or demand that is timely commenced under paragraph (1) against a designee shall be considered timely commenced as to any lessee who is liable pursuant to section 102(a) of this Act for the obligation that is the subject of the judicial proceeding or demand.

''(3) APPLICATION OF CERTAIN LIMITATIONS.—The limitations set forth in sections 2401, 2415, 2416, and 2462 of title 28, United States Code, and section 42 of the Mineral Leasing Act (30 U.S.C. 226–2) shall not apply to any obligation to which this Act applies. Section 3716 of title 31, United States Code, may be applied to an obligation the enforcement of which is not barred by this Act, but may not be applied to any obligation the enforcement of which is barred by this Act.

''(c) OBLIGATION BECOMES DUE.—

''(1) IN GENERAL.—For purposes of this Act, an obligation becomes due when the right to enforce the obligation is fixed.

''(2) ROYALTY OBLIGATIONS.—The right to enforce any royalty obligation for any given production month for a lease is fixed for purposes of this Act on the last day of the calendar month following the month in which oil or gas is produced.

''(d) TOLLING OF LIMITATION PERIOD.—The running of the limitation period under subsection (b) shall not be suspended, tolled, extended, or enlarged for any obligation for any reason by any action, including an action by the Secretary or a delegated State, other than the following:

''(1) TOLLING AGREEMENT.—A written agreement executed during the limitation period between the Secretary or a delegated State and a lessee or its designee (with notice to the lessee who designated the designee) shall toll the limitation period for the amount of time during which the agreement is in effect.

''(2) SUBPOENA.—

''(A) The issuance of a subpoena to a lessee or its designee (with notice to the lessee who designated the designee, which notice shall not constitute a subpoena to the lessee) in accordance with the provisions of subparagraph (B)(i) shall toll the limitation period with respect to the obligation which is the subject of a subpoena only for the period beginning on the date the lessee or its designee receives the subpoena and ending on the date on which (i) the lessee or its designee has produced such subpoenaed records for the subject obligation, (ii) the Secretary or a delegated State receives written notice that the subpoenaed records for the subject obligation are not in existence or are not in the lessee's or its designee's possession or control, or (iii) a court has determined in a final decision that such records are not required to be produced, whichever occurs first.

''(B)(i) A subpoena for the purposes of this section which requires a lessee or its designee to produce records necessary to determine the proper reporting and payment of an obligation due the Secretary may be issued only by an Assistant Secretary of the Interior or an Acting Assistant Secretary of the Interior who is a schedule C employee (as defined by section 213.3301 of title 5, Code of Federal Regulations), or the Director or Acting Director of the respective bureau or agency, and may not be delegated to any other person. If a State has been delegated authority pursuant to section 205, the State, acting through the highest State official having ultimate authority over the collection of royalties from leases on Federal lands within the State, may issue such subpoena, but may not delegate such authority to any other person.

''(ii) A subpoena described in clause (i) may only be issued against a lessee or its designee during the limitation period provided in this section and only after the Secretary or a delegated State has in writing requested the records from the lessee or its designee related to the obligation which is the subject of the subpoena and has determined that—

''(I) the lessee or its designee has failed to respond within a reasonable period of time to the Secretary's or the applicable delegated State's written request for such records necessary for an audit, investigation or other inquiry made in accordance with the Secretary's or such delegated State's responsibilities under this Act; or

''(II) the lessee or its designee has in writing denied the Secretary's or the applicable delegated State's written request to produce such records in the lessee's or its designee's possession or control necessary for an audit, investigation or other inquiry made in accordance with the Secretary's or such delegated State's responsibilities under this Act; or

''(III) the lessee or its designee has unreasonably delayed in producing records necessary for an audit, investigation or other inquiry made in accordance with the Secretary's or the applicable delegated State's responsibilities under this Act after the Secretary's or delegated State's written request.

''(C) In seeking records, the Secretary or the applicable delegated State shall afford the lessee or its designee a reasonable period of time after a written request by the Secretary or such delegated State in which to provide such records prior to the issuance of any subpoena.

''(3) MISREPRESENTATION OR CONCEALMENT.—The intentional misrepresentation or concealment of a material fact for the purpose of evading the payment of an obligation in which case the limitation period shall be tolled for the period of such misrepresentation or such concealment.

''(4) ORDER TO PERFORM RESTRUCTURED ACCOUNTING.—A)(i) The issuance of a notice under subparagraph (D) that the lessee or its designee has not substantially complied with the requirement to perform a restructured accounting shall toll the limitation period with respect to the obligation which is the subject of the notice only for the period beginning on the date the lessee or its designee receives the notice and ending 120 days after the date on which (I) the Secretary or the applicable delegated State receives written notice that the accounting or other requirement has been performed, or (II) a court has determined in a final decision that the lessee is not required to perform the accounting, whichever occurs first.

''(ii) If the lessee or its designee initiates an administrative appeal or judicial proceeding to contest an order to perform a restructured accounting issued under subparagraph (B)(i), the limitation period in subsection (b) shall be tolled from the date the lessee or its designee received the order until a final, nonappealable decision is issued in any such proceeding.

''(B)(i) The Secretary or the applicable delegated State may issue an order to perform a restructured accounting to a lessee or its designee when the Secretary or such delegated State determines during an audit of a lessee or its designee that the lessee or its designee should recalculate royalty due on an obligation based upon the Secretary's or the delegated State's finding that the lessee or its designee has made identified underpayments or overpayments which are demonstrated by the Secretary or the delegated State to be based upon repeated, systemic reporting errors for a significant number of leases or a single lease for a significant number of reporting months with the same type of error which constitutes a pattern of violations and which are likely to result in either significant underpayments or overpayments.

''(ii) The power of the Secretary to issue an order to perform a restructured accounting may not be delegated below the most senior career professional position having responsibility for the royalty management program, which position is currently designated as the 'Associate Director for Royalty Management', and may not be delegated to any other person. If a State has been delegated authority pursuant to section 205 of this Act, the State, acting through the highest ranking State official having ultimate authority over the collection of royalties from leases on Federal lands within the State, may issue such order to perform, which may not be delegated to any other person. An order to perform a restructured accounting shall—

''(I) be issued within a reasonable period of time from when the audit identifies the systemic, reporting errors;

''(II) specify the reasons and factual bases for such order;

''(III) be specifically identified as an 'order to perform a restructured accounting';

''(IV) provide the lessee or its designee a reasonable period of time (but not less than 60 days) within which to perform the restructured accounting; and

''(V) provide the lessee or its designee 60 days within which to file an administrative appeal of the order to perform a restructured accounting.

''(C) An order to perform a restructured accounting shall not mean or be construed to include any other action by or on behalf of the Secretary or a delegated State.

''(D) If a lessee or its designee fails to substantially comply with the requirement to perform a restructured accounting pursuant to this subsection, a notice shall be issued to the lessee or its designee that the lessee or its designee has not substantially complied with the requirements to perform a restructured accounting. A lessee or its designee shall be given a reasonable time within which to perform the restructured accounting. Such notice may be issued under this section only by an Assistant Secretary of the Interior or an acting Assistant Secretary of the Interior who is a schedule C employee (as defined by section 213.3301 of title 5, Code of Federal Regulations) and may not be delegated to any other person. If a State has been delegated authority pursuant to section 205, the State, acting through the highest State official having ultimate authority over the collection of royalties from leases on Federal lands within the State, may issue such notice, which may not be delegated to any other person.

''(e) TERMINATION OF LIMITATIONS PERIOD.—An action or an enforcement of an obligation

by the Secretary or delegated State or a lessee or its designee shall be barred under this section prior to the running of the seven-year period provided in subsection (b) in the event—

''(1) the Secretary or a delegated State has notified the lessee or its designee in writing that a time period is closed to further audit; or

''(2) the Secretary or a delegated State and a lessee or its designee have so agreed in writing.

For purposes of this subsection, notice to, or an agreement by, the designee shall be binding on any lessee who is liable pursuant to section 102(a) for obligations that are the subject of the notice or agreement.

''(f) RECORDS REQUIRED FOR DETERMINING COLLECTIONS.—Records required pursuant to section 103 of this Act by the Secretary or any delegated State for the purpose of determining obligations due and compliance with any applicable mineral leasing law, lease provision, regulation or order with respect to oil and gas leases from Federal lands or the Outer Continental Shelf shall be maintained for the same period of time during which a judicial proceeding or demand may be commenced under subsection (b). If a judicial proceeding or demand is timely commenced, the record holder shall maintain such records until the final nonappealable decision in such judicial proceeding is made, or with respect to that demand is rendered, unless the Secretary or the applicable delegated State authorizes in writing an earlier release of the requirement to maintain such records. Notwithstanding anything herein to the contrary, under no circumstance shall a record holder be required to maintain or produce any record relating to an obligation for any time period which is barred by the applicable limitation in this section. In connection with any hearing, administrative proceeding, inquiry, investigation, or audit by the Secretary or a delegated State under this Act, the Secretary or the delegated State shall minimize the submission of multiple or redundant information and make a good faith effort to locate records previously submitted by a lessee or a designee to the Secretary or the delegated State, prior to requiring the lessee or the designee to provide such records.

''(g) TIMELY COLLECTIONS.—In order to most effectively utilize resources available to the Secretary to maximize the collection of oil and gas receipts from lease obligations to the Treasury within the seven-year period of limitations, and consequently to maximize the State share of such receipts, the Secretary should not perform or require accounting, reporting, or audit activities if the Secretary and the State concerned determine that the cost of conducting or requiring the activity exceeds the expected amount to be collected by the activity, based on the most current 12 months of activity. This subsection shall not provide a defense to a demand or an order to perform a restructured accounting. To the maximum extent possible, the Secretary and delegated States shall reduce costs to the United States Treasury and the States by discontinuing requirements for unnecessary or duplicative data and other information, such as separate allowances and payor information, relating to obligations due. If the Secretary and the State concerned determine that collection will result sooner, the Secretary or the applicable delegated State may waive or forego interest in whole or in part.

''(h) APPEALS AND FINAL AGENCY ACTION.—

''(1) 33-MONTH PERIOD.—Demands or orders issued by the Secretary or a delegated State are subject to administrative appeal in accordance with the regulations of the Secretary. No State shall impose any conditions which would hinder a lessee's or its designee's immediate appeal of an order to the Secretary or the Secretary's designee. The Secretary shall issue a final decision in any administrative proceeding, including any administrative proceedings pending on the date of enactment of this section, within 33 months from the date such proceeding was commenced or 33 months from the date of such enactment, whichever is later. The 33-month period may be extended by any period of time agreed upon in writing by the Secretary and the appellant.

''(2) EFFECT OF FAILURE TO ISSUE DECISION.—If no such decision has been issued by the Secretary within the 33-month period referred to in paragraph (1)—

''(A) the Secretary shall be deemed to have issued and granted a decision in favor of the appellant as to any nonmonetary obligation and any monetary obligation the principal amount of which is less than $10,000; and

''(B) the Secretary shall be deemed to have issued a final decision in favor of the Secretary, which decision shall be deemed to affirm those issues for which the agency rendered a decision prior to the end of such period, as to any monetary obligation the principal amount of which is $10,000 or more, and the appellant shall have a right to judicial review of such deemed final decision in accordance with title 5 of the United States Code.

''(i) COLLECTIONS OF DISPUTED AMOUNTS DUE.—To expedite collections relating to disputed obligations due within the seven-year period beginning on the date the obligation became due, the parties shall hold not less than one settlement consultation and the Secretary and the State concerned may take such action as is appropriate to compromise and settle a disputed obligation, including waiving or reducing interest and allowing offsetting of obligations among leases.

''(j) ENFORCEMENT OF A CLAIM FOR JUDICIAL REVIEW.—In the event a demand subject to this section is properly and timely commenced, the obligation which is the subject of the demand may be enforced beyond the seven-year limitations period without being barred by this statute of limitations. In the event a demand subject to this section is properly and timely commenced, a judicial proceeding challenging the final agency action with respect to such demand shall be deemed timely so long as such judicial proceeding is commenced within 180 days from receipt of notice by the lessee or its designee of the final agency action.

''(k) IMPLEMENTATION OF FINAL DECISION.—In the event a judicial proceeding or demand subject to this section is timely commenced and thereafter the limitation period in this section lapses during the pendency of such proceeding, any party to such proceeding shall not be barred from taking such action as is required or necessary to implement a final unappealable judicial or administrative decision, including any action required or necessary to implement such decision by the recovery or recoupment of an underpayment or overpayment by means of refund or credit.

''(1) STAY OF PAYMENT OBLIGATION PENDING REVIEW.—Any person ordered by the Secretary or a delegated State to pay any obligation (other than an assessment) shall be entitled to a stay of such payment without bond or other surety instrument pending an administrative or judicial proceeding if the person periodically demonstrates to the satisfaction of the Secretary that such person is financially solvent or otherwise able to pay the obligation. In the event the person is not able to demonstrate, the Secretary may require a bond or other surety instrument satisfactory to cover the obligation. Any person ordered by the Secretary or a delegated State to pay an assessment shall be entitled to a stay without bond or other surety instrument''.

(b) CLERICAL AMENDMENT.—The table of contents in section 1 of the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1701) is amended by inserting after the item relating to section 114 the following new item:

''Sec. 115. Secretarial and delegated States' actions and limitation periods.''.

SEC. 5 ADJUSTMENT AND REFUNDS.

(a) IN GENERAL.—The Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1701 et seq.) is amended by inserting after section 111 the following:

''SEC. 111A. ADJUSTMENTS AND REFUNDS.

''(a) ADJUSTMENTS TO ROYALTIES PAID TO THE SECRETARY OR A DELEGATED STATE.—

''(1) If, during the adjustment period, a lessee or its designee determines that an adjustment or refund request is necessary to correct an underpayment or overpayment of an obligation, the lessee or its designee shall make such adjustment or request a refund within a reasonable period of time and only during the adjustment period. The filing of a royalty report which reflects the underpayment or overpayment of an obligation shall constitute prior written notice to the Secretary or the applicable delegated State of an adjustment.

''(2)(A) For any adjustment, the lessee or its designee shall calculate and report the interest due attributable to such adjustment at the same time the lessee or its designee adjusts the principle amount of the subject obligation, except as provided by subparagraph (B).

''(B) In the case of a lessee or its designee who determines that subparagraph (A) would impose a hardship, the Secretary or such delegated State shall calculate the interest due and notify the lessee or its designee within a reasonable time of the amount of interest due, unless such lessee or its designee elects to calculate and report interest in accordance with subparagraph (A).

''(3) An adjustment or a request for a refund for an obligation may be made after the adjustment period only upon written notice to and approval by the Secretary or the applicable delegated State, as appropriate, during an audit of the period which includes the production month for which the adjustment is being made. If an overpayment is identified during an audit, then the Secretary or the applicable delegated State, as appropriate, shall allow a credit or refund in the amount of the overpayment.

''(4) For purposes of this section, the adjustment period for any obligation shall be the six-year period following the date on which an obligation became due. The adjustment period shall be suspended, tolled, extended, enlarged, or terminated by the same actions as the limitation period in section 115.

''(b) REFUNDS.—

''(1) IN GENERAL.—A request for refund is sufficient if it—

''(A) is made in writing to the Secretary and, for purposes of section 115, is specifically identified as a demand;

''(B) identifies the person entitled to such refund;

''(C) provides the Secretary information that reasonably enables the Secretary to identify the overpayment for which such refund is sought; and

''(D) provides the reasons why the payment was an overpayment.

''(2) PAYMENT BY SECRETARY OF THE TREASURY.—The Secretary shall certify the amount of the refund to be paid under paragraph (1) to the Secretary of the Treasury

who shall make such refund. Such refund shall be paid from amounts received as current receipts from sales, bonuses, royalties (including interest charges collected under this section) and rentals of the public lands and the Outer Continental Shelf under the provisions of the Mineral Leasing Act and the Outer Continental Shelf Lands Act, which are not payable to a State or the Reclamation Fund. The portion of any such refund attributable to any amounts previously disbursed to a State, the Reclamation Fund, or any recipient prescribed by law shall be deducted from the next disbursements to that recipient made under the applicable law. Such amounts deducted from subsequent disbursements shall be credited to miscellaneous receipts in the Treasury.

''(3) PAYMENT PERIOD.—A refund under this subsection shall be paid or denied (with an explanation of the reasons for the denial) within 120 days of the date on which the request for refund is received by the Secretary. Such refund shall be subject to later audit by the Secretary or the applicable delegated State and subject to the provisions of this Act.

''(4) PROHIBITION AGAINST REDUCTION OF REFUNDS OR CREDITS.—In no event shall the Secretary or any delegated State directly or indirectly claim or offset any amount or amounts against, or reduce any refund or credit (or interest accrued thereon) by the amount of any obligation the enforcement of which is barred by section 115 of this Act.''.

(b) CLERICAL AMENDMENT.—The table of contents in section 1 of the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1701) is amended by inserting after the item relating to section 111 the following new item:

''Sec. 111A. Adjustments and refunds.''.

SEC. 6. ROYALTY TERMS AND CONDITIONS, INTEREST, AND PENALTIES.

(a) LESSEE OR DESIGNEE INTEREST.—Section 111 of the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1721) is amended by adding after subsection (g) the following:

''(h) Interest shall be allowed and paid or credited on any overpayment, with such interest to accrue from the date such overpayment was made, at the rate obtained by applying the provisions of subparagraphs (A) and (B) of section 6621(a)(1) of the Internal Revenue Code of 1986, but determined without regard to the sentence following subparagraph (B) of section 6621(a)(1). Interest which has accrued on any overpayment may be applied to reduce an underpayment. This subsection applies to overpayments made later than six months after the date of enactment of this subsection or September 1, 1996, whichever is later. Such interest shall be paid from amounts received as current receipts from sales, bonuses, royalties (including interest charges collected under this section) and rentals of the public lands and the Outer Continental Shelf under the provisions of the Mineral Leasing Act, and the Outer Continental Shelf Lands Act, which are not payable to a State or the Reclamation Fund. The portion of any such interest payment attributable to any amounts previously disbursed to a State, the Reclamation Fund, or any other recipient designated by law shall be deducted from the next disbursements to that recipient made under the applicable law. Such amounts deducted from subsequent disbursements shall be credited to miscellaneous receipts in the Treasury.''.

(b) LIMITATION ON INTEREST.—Section 111 of the Federal Oil and Gas Royalty Management Act of 1982, as amended by subsection (a), is further amended by adding at the end the following:

''(i) Upon a determination by the Secretary that an excessive overpayment (based upon all obligations of a lessee or its designee for a given reporting month) was made for the sole purpose of receiving interest, interest shall be paid on the excessive amount of such overpayment. For purposes of this Act, an 'excessive overpayment' shall be the amount that any overpayment a lessee or its designee pays for a given reporting month (excluding payments for demands for obligations determined to be due as a result of judicial or administrative proceedings or agreed to be paid pursuant to settlement agreements) for the aggregate of all of its Federal leases exceeds 10 percent of the total royalties paid that month for those leases.''.

(c) ESTIMATED PAYMENT.—Section 111 of the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1721), as amended by subsections (a) and (b), is further amended by adding at the end the following:

''(j) A lessee or its designee may make a payment for the approximate amount of royalties (hereinafter in this subsection 'estimated payment') that would otherwise be due for such lease by the rate royalties are due for that lease. When an estimated payment is made, actual royalties are payable at the end of the month following the month in which the estimated payment is made. If the estimated payment was less than the amount of actual royalties due, interest is owned on the underpaid amount. If the estimated payment exceeds the actual royalties due, interest is owned on the overpayment. If the lessee or its designee makes a payment for such actual royalties, the lessee or its designee may apply the estimated payment to future royalties. Any estimated payment may be adjusted, recouped, or reinstated at any time by the lessee or its designee.''.

(d) VOLUME ALLOCATION OF OIL AND GAS PRODUCTION.—Section 111 of the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1721), as amended by subsections (a) through (c), is amended by adding at the end the following:

''(k)(1) Except as otherwise provided by this subsection—

''(A) a lessee or its designee of a lease in a unit or communitization agreement which contains only Federal leases with the same royalty rate and funds distribution shall report and pay royalties on oil and gas production for each production month base on the actual volume of production sold by or on behalf of that lessee;

''(B) a lessee or its designee of a lease in any other unit or communitization agreement shall report and pay royalties on oil and gas production for each production month based on the volume of oil and gas produced from such agreement and allocated to the lease in accordance with the terms of the agreement; and

''(C) a lessee or its designee of a lease that is not contained in a unit or communitization agreement shall report and pay royalties on oil and gas production for each production month based on the actual volume of production sold by or on behalf of that lessee.

''(2) This subsection applies only to requirements for reporting and paying royalties. Nothing in this subsection is intended to alter a lessee's liability for royalties on oil or gas production based on the share of production allocated to the lease in accordance with the terms of the lease, a unit or communitization agreement, or any other agreement.

''(3) For any unit or communitization agreement if all lessees contractually agree to an alternative method of royalty reporting and payment, the lessees may submit such alternative method to the Secretary or the delegated State for approval and make payments in accordance with such approved alternative method so long as such alternative method does not reduce the amount of the royalty obligation.

''(4) The Secretary or the delegated State shall grant an exception from the reporting and payment requirements for marginal properties by allowing for any calendar year or portion thereof royalties to be paid each month based on the volume of production sold. Interest shall not accrue on the difference for the entire calendar year or portion thereof between the amount of oil and gas actually sold and the share of production allocated to the lease until the beginning of the month following such calendar year or portion thereof. Any additional royalties dues or overpaid royalties and associated interest shall be paid, refunded, or credited within six months after the end of each calendar year in which royalties are paid based on volumes of production sold. For the purpose of this subsection, the term 'marginal property' means a lease that produces on average the combined equivalent of less than 15 barrels of oil per well per day or 90 thousand cubic feet of gas per well per day, or a combination thereof, determined by dividing the average daily production of crude oil and natural gas from producing wells on such lease by the number of such wells, unless the Secretary, together with the State concerned, determines that a different production is more appropriate.

''(5) Not later than two years after the date of the enactment of this subsection, the Secretary shall issue any appropriate demand for all outstanding royalty payment disputes regarding who is required to report and pay royalties on production from units and communitization agreements outstanding on the date of the enactment of this subsection, and collect royalty amounts owed on such production.''.

(e) PRODUCTION ALLOCATION.—Section 111 of the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1721), as amended by subsections (a) through (d), is amended by adding at the end the following:

''(l) The Secretary shall issue all determinations of allocations of production for units and communitization agreements within 120 days of a request for determination. If the Secretary fails to issue a determination within such 120-day period, the Secretary shall waive interest due on obligations subject to the determination until the end of the month following the month in which the determination is made.''.

(f) NEW ASSESSMENT TO ENCOURAGE PROPER ROYALTY PAYMENTS.—

(1) IN GENERAL.—The Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1721), as amended by section 4(a), is further amended by adding at the end the following:

''SEC. 116. ASSESSMENTS.

''Beginning eighteen months after the date of enactment of this section, to encourage proper royalty payment the Secretary or the delegated State shall impose assessments on a person who chronically submits erroneous reports under this Act. Assessments under this Act may only be issued as provided for in this section.''.

(2) CLERICAL AMENDMENT.—The table of contents in section 1 of such Act (30 U.S.C. 1701) is amended by adding after the item relating to section 115 the following new item:

''Sec. 116. Assessments.''.

(g) LIABILITY FOR ROYALTY PAYMENTS.—Section 102(a) of the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1712(a)) is amended to read as follows:

''(a) In order to increase receipts and achieve effective collections of royalty and other payments, a lessee who is required to make any royalty or other payment under a lease or under the mineral leasing laws, shall make such payments in the time and manner

as may be specified by the Secretary or the applicable delegated State. A lessee may designate a person to make all or part of the payments due under a lease on the lessee's behalf and shall notify the Secretary or the applicable delegated State in writing of such designation, in which event said designated person may, in its own name, pay, offset or credit monies, make adjustments, request and receive refunds and submit reports with respect to payments required by the lessee. Notwithstanding any other provision of this Act to the contrary, a designee shall not be liable for any payment obligation under the lease. The person owning operating rights in a lease shall be primarily liable for its pro rata share of payment obligations under the lease. If the person owning the legal record title in a lease is other than the operating rights owner, the person owning the legal record title shall be secondarily liable for its pro rata share of such payment obligations under the lease.''.

(h) CLERICAL AMENDMENTS.—(1) The heading of section 111 of the Federal Oil and Gas Royalty management Act of 1982 (30 U.S.C. 1721) is amended to read as follows:

''ROYALTY TERMS AND CONDITIONS, INTEREST, AND PENALTIES''.

(2) The item relating to section 111 in the table of contents in section 1 of such Act (30 U.S.C. 1701) is amended to read as follows:

''Sec. 111. Royalty terms and conditions, interest, and penalties.''.

SEC. 7. ALTERNATIVES FOR MARGINAL PROPERTIES.

(a) IN GENERAL.—The Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1701 et seq.), as amended by section 6 of this Act, is further amended by adding at the end the following:

''SEC. 117. ALTERNATIVES FOR MARGINAL PROPERTIES.

''(a) DETERMINATION OF BEST INTERESTS OF STATE CONCERNED AND THE UNITED STATES.—The Secretary and the State concerned, acting in the best interests of the United States and the State concerned to promote production, reduce administrative costs, and increase net receipts to the United States and the States, shall jointly determine, on a case by case basis, the amount of what marginal production from a lease or leases or well or wells, or parts thereof, shall be subject to a prepayment under subsection (b) or regulatory relief under subsection (c). If the State concerned does not consent, such prepayments or regulatory relief shall not be made available under this section for such marginal production: *Provided*, That if royalty payments from a lease or leases, or well or wells are not shared with any State, such determination shall be made solely by the Secretary.

''(b) PREPAYMENT OF ROYALTY.—

''(1) IN GENERAL.—Notwithstanding the provisions of any lease to the contrary, for any lease or leases or well or wells identified by the Secretary and the State concerned pursuant to subsection (a), the Secretary is authorized to accept a prepayment for royalties in lieu of monthly royalty payments under the lease for the remainder of the lease term if the affected lessee so agrees. Any prepayment agreed to by the Secretary, State concerned and lessee which is less than an average $500 per month in total royalties shall be effectuated under this section not earlier than two years after the date of enactment of this section and, any prepayment which is greater than an average $500 per month in total royalties shall be effectuated under this section not earlier than three years after the date of enactment of this section. The Secretary and the State concerned may condition their acceptance of the prepayment authorized under this section on the lessee's agreeing to such terms and conditions as the Secretary and the State concerned deem appropriate and consistent with the purposes of this Act. Such terms may—

''(A) provide for prepayment that does not result in a loss of revenue to the United States in present value terms;

''(B) include provisions for receiving additional prepayments or royalties for developments in the lease or leases or well or wells that deviate significantly from the assumptions and facts on which the valuation is determined; and

''(C) require the lessee or it designee to provide such periodic production reports as may be necessary to allow the Secretary and the State concerned to monitor production for the purposes of subparagraph (B).

''(2) STATE SHARE.—A prepayment under this section shall be shared by the Secretary with any State or other recipient to the same extent as any royalty payment for such lease.

''(3) SATISFACTION OF OBLIGATION.—Except as may be provided in the terms and conditions established by the Secretary under subsection (b), a lessee or its designee who makes a prepayment under this section shall have satisfied in full the lessee's obligation to pay royalty on the production stream sold from the lease or leases or well or wells.

''(c) ALTERNATIVE ACCOUNTING AND AUDITING REQUIREMENTS.—Within one year after the date of the enactment of this section, the Secretary or the delegated State shall provide accounting, reporting, and auditing relief that will encourage lessees to continue to produce and develop properties subject to subsection (a): *Provided*, That such relief will only be available to lessees in a State that concurs, which concurrence is not required if royalty payments from the lease or leases or well or wells are not shared with any State. Prior to granting such relief, the Secretary and, if appropriate, the State concerned shall agree that the type of marginal wells and relief provided under this paragraph is in the best interest of the United States and, if appropriate, the State concerned.''.

(b) CLERICAL AMENDMENT.—The table of contents in section 1 of such Act (30 U.S.C. 1701) is amended by adding after the item relating to section 116 the following new item:

''Sec. 117. Alternatives for marginal properties.''.

SEC. 8. APPLICABILITY.

(a) FOGRMA.—With respect to Federal lands, sections 202 and 307 of the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1732 and 1755), are no longer applicable. The applicability of those sections to Indian leases is not affected.

(b) OCSLA.—Effective on the date of the enactment of this Act, section 10 of the Outer Continental Shelf Lands Act (43 U.S.C. 1339) is repealed.

SEC. 9. INDIAN LANDS.

The amendments made by this Act shall not apply with respect to Indian lands, and the provisions of the Federal Oil and Gas Royalty Management Act of 1982 as in effect on the day before the date of enactment of this Act shall continue to apply after such date with respect to Indian lands.

SEC. 10. PRIVATE LANDS.

This Act shall not apply to any privately owned minerals.

SEC. 11. EFFECTIVE DATE.

Except as provided by section 115(h), section 111(h), section 111(k)(5), and section 117 of the Federal Oil and Gas Royalty Management Act of 1982 (as added by this Act), this Act, and the amendments made by this Act, shall apply with respect to the production of oil and gas after the first day of the month following the date of the enactment of this Act.

SEC. 12. SAVINGS CLAUSE.

Nothing in this Act shall be construed to give a State a property right or interest in any Federal lease or land.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from California [Mr. CALVERT] and the gentleman from Hawaii [Mr. ABERCROMBIE] will each be recognized for 20 minutes.

The Chair recognizes the gentleman from California [Mr. CALVERT].

(Mr. CALVERT asked and was given permission to revise and extend his remarks.)

Mr. CALVERT. Mr. Speaker, I yield myself such time as I may consume. Mr. Speaker, I rise in strong support of H.R. 1975, the Federal Oil and Gas Royalty Simplification and Fairness Act of 1996. The purpose of this bill is to improve the management of royalties from Federal oil and gas leases onshore and on the Outer Continental Shelf, as well. H.R. 1975 does this by establishing clear an equitable provisions for the effective and efficient administration of leases by the Secretary of the Interior to further exploration and development of oil and gas resources.

Mr. Speaker, our existing laws, regulations, policies, and procedures related to oil and gas leasing lack clarity and consistency and impose unnecessary and unreasonable costs and burdens on lessees and the Government alike. Because the Federal Royalty Program is so complex and unfair a damper is placed upon competition for these leases—especially among the smaller independent producers.

This complexity is an outgrowth of reforms mandated by conditions in the late 1970's when States and Indian tribes which share in these leasing receipts charged that the Federal agency then responsible for collecting royalties could not adequately track payments against obligations. The Commission on Fiscal Accountability of the Nation's energy resources was chartered to study possible reforms, and made 60 recommendations for improvements. Nearly 14 years ago, Congress passed the Federal Oil and Gas Royalty Management Act to implement many of the panel suggestions, which, indeed, has clearly improved Federal royalty management with increased revenues to the U.S. Treasury, and to the States via the net receipts sharing formula for onshore leases and certain OCS leases.

However, further improvements are necessary. For example, multiple conflicting laws and recent lower court decisions holding that no statute of limitations applies for royalty purposes have created uncertainty and unfairness for lessees subject to indefinite audit exposure.

Mr. Speaker, unlike the situation for taxpayers and the IRS, the royalty books are never closed for a lessee of the Interior Department—and because of this the Government doesn't act timely to make payment demands of lessees. It simply is not a priority of the Feds because the Department of the Interior can go back decades later

to audit and if necessary demand further payment. But, what kind of way is this to run a multibillion dollar program? Money has a time value and the Secretary's levy of interest on royalty underpayments does not fully offset the many years delay in collecting what may be owed.

Furthermore, current law severely restricts Outer Continental Shelf Lands Act lessees access to overpayments made to the Federal Government, and does not provide for the time value of lessees' overpayments, while at the same time underpayors definitely owe interest. In other words, the playing field is so far tilted it's a wonder anybody plays the game.

But, Mr. Speaker, the most overlooked reform recommended by the Commission was to further involve the States in Federal royalty collections. We must not forget that many States have auditors who are ready, willing, and able to do the job, as well as the motivation to go after each and every penny or royalty owed. Because for every dollar collected from an onshore Federal lessee 50 cents will come back to the State's treasury. For most of the States where the Federal acreage is concentrated this revenue stream is a significant part of their operating budgets for schools, roads, or other programs. For such States, the lack of aggressive efforts by the Feds to collect these moneys to be shared is very frustrating. And to top it all off, since fiscal year 1991 the States have had to pay one-fourth of the Feds costs to manage the mineral leasing program—from the land-use planning stage through leasing, permitting, and, if the leases are productive, the collection of royalties.

Mr. Speaker, in truth, this is why we are here today. Our States are demanding a larger role in policing what they are owed from lessees and H.R. 1975 will provide them such opportunity. The Vice President proposed 1 year ago to totally devolve the royalty program to the States. Although that proposal was pulled back after a few months, the administration fully supports the State delegation language we are voting upon today, indeed, the entire bill has the President's backing. Quite frankly, I would have liked a stronger delegation provision requiring the Secretary of the Interior to give primacy for royalty collection to those States which are able to demonstrate an efficient program, but that was not achievable this year. Instead, the Secretary will have discretion to hand down these duties to States or maintain the current Federal role. Given the realities of the Federal budget, I believe enactment of H.R. 1975 will ultimately lead to expanded delegation to the States simply because staffing in the Interior Department will for all practical purposes dictate this result.

In conclusion, Mr. Speaker, the Congressional Budget Office estimates this bill would increase revenues to the U.S. Treasury by $36 million over 6 years, and cumulatively to the States by $9 million during the same interval. This bill is good Government, pure and simple, and I ask my colleagues for their support.

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

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

Mr. Speaker, I rise in support of the manager's amendment to H.R. 1975, the Federal Oil and Gas Royalty Fairness and Simplification Act. May I say in that regard that I want to thank my colleague and friend, the gentleman from California, Chairman KEN CALVERT, and the staff on his side for their fairness in helping to make this as simple a process as possible.

As he has indicated in his remarks, this is an issue with which not everyone may be familiar but which is fundamental to the sound fiscal policy with respect to Federal oil and gas royalty fees.

I also note the presence on the floor of the chairman of our Committee on Resources, Mr. YOUNG, and I am very pleased to see him here and I appreciate his kindness and fairness. I can no doubt add a few other adjectives, depending on how much I sense from him that he appreciates the same in me. I can see from his body language that he understand the full import of my remarks.

Mr. Speaker, the manager's amendment will substitute the language written by the Senate Committee on Energy and Natural Resources for the language reported by the House Committee on Resources. The primary difference between the House and Senate language is that the Senate language authorizes but does not mandate the Secretary of the Interior to delegate certain royalty management functions to willing and qualified States.

This issue has been gone over in detail by the gentleman from California [Mr. CALVERT], so I will not repeat it.

This would resolve my major problem with the bill and removes the President's veto threat on the bill. I would note that during committee consideration of H.R. 1975 I offered an amendment which the majority did not accept at that time that would have made this very change. I am pleased to see that they now concur with me and that there is no reason to require the Secretary of the Interior to transfer the royalty functions to the States.

But while there are many positive features in the manager's amendment, it still contains, in my estimation, some flaws. For example, I continue to believe that is no reason to require the Federal Government to pay interest on oil companies' overpayments to the Federal Treasury, especially when these mistakes occur as a result of sloppy accounting or possible sloppy accounting by oil and gas companies. This new benefit for oil and gas corporations will create, again in my estimation, a new Federal debt and possibly cost taxpayers an estimated $44 million between 1997 and 2002 and possibly an additional $10 million in direct spending each year thereafter.

However, in the interest of comity, I am willing to take the majority at its word, particularly that of the gentleman from California, Chairman CALVERT, and the gentleman from Alaska, Chairman YOUNG, and accept the administration's assurance that this provision will not be allowed to be abused by the oil and gas lessees. Knowing the gentleman from Alaska [Mr. YOUNG] as I do, I doubt that anybody can get away with anything.

Improvement is always in order, and the majority has worked diligently with the Clinton administration to effect this compromise and, I would like to reiterate, has worked diligently with the minority on the committee as well. If we are to govern, then we must be willing to accept compromises. I do so with this bill, and in this context and in this spirit of comity, we do not object to the passage of H.R. 1975, as amended by the bill's manager, and recommend its acceptance.

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

□ 1600

Mr. CALVERT. Mr. Speaker, I yield 2 minutes to the gentleman from Alaska [Mr. YOUNG], chairman of the committee.

Mr. YOUNG of Alaska. Mr. Speaker, I thank the gentleman for yielding me this time, and I thank the gentleman from Hawaii [Mr. ABERCROMBIE] for his kind words.

This is an ability here to work together, and I can assure the gentleman we will be watching this very closely to make sure what we have stated on the floor today. The gentleman from California [Mr. CALVERT] has done an excellent job, and of course the ranking member has also done the job.

I would suggest respectfully that this is long overdue in the energy field. It does in fact, as has been mentioned before, create $36 or $37 million for the Federal Government and $9 million for the State. And may I suggest one thing. It is a level playing field with the IRS.

I want to suggest one thing I do agree with. If there is bad accounting on the oil company's side, we will be watching this very closely. But equally if there is bad accounting on the Interior side, we will be watching that very closely. So no one should be to blame. We should solve this problem, and that is what we are trying to do with this legislation.

I would suggest though, Mr. Speaker, that we have a letter from a bipartisan group of Governors, including my Governor, Tony Knowles, and Gov. Pete Wilson, Gov. Philip Batt, Gov. Bill Graves, Gov. Marc Raciot, Gov. Benjamin Nelson, Gov. Gary Johnson, Gov. Edward Schafer, Gov. Frank Keating, Gov. George Bush, Gov. Michael Leavitt, and Gov. Jim Geringer supporting this.

And, by the way, it says: ''This legislation provides the best opportunities for Federal and State cooperation and partnerships in natural resources policy that has ever emerged from this Congress.'' So I want to suggest this is strongly supported by Governors and should be supported, and I do welcome the support from the gentleman from Hawaii.

This ability, as he mentioned, to govern, is by doing the art of possible, by coming to a solution, and I do support this legislation.

Mr. ABERCROMBIE. Mr. Speaker, could you kindly inform me of the time remaining?

The SPEAKER pro tempore (Mr. GUTKNECHT). The gentleman from Hawaii [Mr. ABERCROMBIE] has 16 minutes remaining, and the gentleman from California [Mr. CALVERT] has 13 minutes remaining.

Mr. ABERCROMBIE. Mr. Speaker, I yield 5 minutes to the gentleman from New Mexico [Mr. RICHARDSON].

(Mr. RICHARDSON asked and was given permission to revise and extend his remarks.)

Mr. RICHARDSON. Mr. Speaker, let me just say that this is a good bipartisan bill, and there are five fundamental reasons why this is a good bill.

First, it clarifies a collection time frame by establishing a 7-year statute of limitations allowing for certain extensions by the Secretary.

Second, it levels the playing field, provides for interest at equivalent IRS rates to be paid on royalty overpayments and continues interest payments on underpayments.

Third, it empowers the States. This gives the States a more rightful role in the delegation of royalty functions that choose to perform the duties. It gives the States, many oil and gas States, many in the West, more involvement in collection, and that is critically important.

It scores positive. What we have is CBO estimating $36 million to the Federal Government and an additional $9 million to the States over 6 years.

Last, the administration supports the bill. And because of the changes coming from the Senate, I am informed that the ranking member of our committee, the distinguished Member from California, GEORGE MILLER, is in support of the bill.

What we have is a piece of legislation that will allow individual States to take over the responsibility of collecting royalty payments for oil, gas and coal leases on Federal lands.

Needless to say, in my State of New Mexico this is critically important. This is not, and I repeat ''not'' an environmentally controversial bill, rather it corrects and updates accounting practices for Federal oil and gas royalty collections. Current laws and rules protecting land, air and water resources are not changed in any way by this measure. The only thing green about H.R. 1975 is the color of the money that will be going to Federal and State governments. This is important.

As I mentioned before, the White House supports this measure, but also the Department of the Interior, the Department of Energy, and a bipartisan coalition of 14 Governors, including my own in New Mexico. And, incidentally, 100 percent of Federal onshore royalties are collected from the States of these 14 Governors.

As many know, my congressional district includes some of the highest oil and natural gas production in the United States. Because my State of New Mexico is the fourth largest natural gas producer and the seventh largest oil producer, it is directly affected by how the Federal Government collects royalty on that production. This will have a positive impact.

Let me just relate an incident, a little story on why we need this legislation. Several years ago a New Mexico independent producer was wrongly and unfairly assessed $7,650 by the Minerals Management Service, MMS.

This assessment related to the company's September 1991 royalty report. The report was due by 4 p.m. on October 31, 1991. Due to a crippling snow storm in Denver that day, Federal Express could not deliver the report until November 1 at 10:05 a.m. More than 100 other companies experienced this same problem. Unbelievably, all were penalized with similar assessments.

Even though the New Mexico producer appealed his case to MMS, Minerals Management Service, and argued that the snow storm was out of control, he was still assessed $7,650. Unfortunately, a lot of time and money was wasted in an effort to rectify the situation, but this agency, Minerals Management Service, would not change its decision.

What this bill does, H.R. 1975, is that it addresses the problem by implementing a more reasonable system for the imposition of agency assessment. This is a reform bill. It is long overdue. We need to govern the laws that govern the collection of oil and gas royalties.

This is not just an oil and gas giveaway or a giveaway to western States. We make money. It is a bill that also makes the collection more efficient. It is reform. It improves the bureaucracy.

If there are oil and gas producers in States, many of them are hurting, they are talking about production problems and the price of oil. They are not doing well. They are not those big oil and gas guys that we think of in Cadillacs running around spending money. They are men and women that are trying to make a living. And in my State, I can tell my colleagues, it has been tough lately. This will be a slight improvement. In passing this bill we will keep them from getting snowballed like this constituent of mine in 1991.

In summary, this is a good bill. This is a bill that make sense. First, the administration supports the bill, it is a good piece of legislation and I urge its passage.

Mr. CALVERT. Mr. Speaker, I yield 3 minutes to the gentleman from Texas [Mr. THORNBERRY].

Mr. THORNBERRY. Mr. Speaker, I thank the gentleman for yielding me this time and I rise in support of this legislation.

Mr. Speaker, my constituents believe we need to be trying to move the Federal Government in two directions; one to make the Federal Government smaller, get it out of many of the aspects of our lives where it has placed itself; and the second is to try to make the Federal Government work smarter, to put a little dose of common sense into many of the things that the Federal Government does.

That is exactly where this piece of legislation fits in because it will simplify and streamline, and make more certain royalty collections off of Federal lands and lands off the outer Continental Shelf. That process today is an endless morass that I find very few people completely understand and it costs an enormous amount of money to comply with, both from the taxpayers' standpoint and from small independent oil and gas companies.

As a result of simplifying and streamlining these procedures, we can actually save the Federal Government a little money as well as the States which are involved. We are not talking about a tremendous amount of money, it is several million dollars, but it is a step in the right direction and it seems to me we should do it. It gets the States more involved in royalty collection, and I think that is a step in the right direction.

Personally, I would like to go further in that respect. I would be very interested in exploring a royalty in-kind program where the States could actually get the crude oil or the gas as it is produced, but at least this moves in the direction of having more State participation and I think that is good.

The other thing this bill does is it provides opportunity to diminish some of the regulatory burdens which are such a problem with oil and gas business across the country at this point. We are in a situation where the price of oil or gas is not terribly high and yet the cost of production is terribly high. And the Federal Government adds to that cost of production through taxes and regulations and paperwork such as are involved in this bill. If we can reduce the cost of production, we can prevent the thousands of wells from being shut in and that is happening today.

The United States continues to grow more dependent upon foreign sources of oil because we cannot economically produce oil in this country. To the extent this bill takes a small but significant step towards reducing the regulatory burdens that drive up the costs, we can encourage exploration and hopefully encourage the production of domestic oil and gas upon which our security is based.

Mr. Speaker, I think we need to do that not just on Federal lands but

throughout all of the private sector in oil and gas production to increase our energy independence, but, again, this bill takes a step in the right direction and, therefore, I urge its adoption.

Mr. ABERCROMBIE. Mr. Speaker, I yield 3 minutes to the gentleman from California [Mr. DOOLEY], and in the process thank him for his assistance with this bill. Without his cooperation, insight and input, I do not think we would have reached such as successful conclusion.

(Mr. DOOLEY of California asked and was given permission to revise and extend his remarks.)

Mr. DOOLEY of California. Mr. Speaker, first off, I would like to thank both the gentleman from Hawaii [Mr. ABERCROMBIE] and the gentleman from California [Mr. CALVERT] for their hard work. Certainly I think it was their dedication to trying to move forward in a responsible manner on this issue that has allowed us to end at this point, where we have such strong bipartisan support for this legislation, where we have the President and the administration in support of this legislation, and where we have 14 Governors, bipartisan in their composition, representing 99 percent of the oil which is produced onshore which will be subject to these regulations, that are also supporting it.

The reasons for their support, I think, are very clear and they have been enunciated by I think all the speakers that have spoken up to this time. This bill obviously is a good bill for producers and provides greater certainty. It is a good bill for taxpayers and will generate additional revenues. It is a good bill for both the State and the Federal Government because with delegating some of this authority to the States we have then an entity which has a vested interest and an incentive to move forward in a very expedited fashion to collect the royalties which are due both to them and to the Federal Government.

Now, there might be some criticism that might be voiced, and it will be very limited in nature, where some people will be concerned that this measure is going to have the impact of perhaps limiting the ability of the Federal Government to collect on past royalties. That is not the case. This bill will only apply to royalties collected in the future.

There is also perhaps going to be some reservations expressed with the statute of limitations, that this will impede the ability of the State and the Federal Government to collect those royalties. That is not true either. We are placing a 7-year time limit. There is absolutely no reason why the State or the Federal Government and those officials which are responsible for collecting those royalties cannot do so within 7 years.

In those instances where a company might be guilty of fraud, that exemption in that statute of limitations of 7 years does not apply. Furthermore, if the State or the Federal Government or those officials assess a royalty and make a claim, that also then is not subject to that 7-year statute of limitations from that time forward.

I think we have a bill which again provides protections to the taxpayers. It is a responsible bill. It is in the best interest of all parties involved.

Once again I want to commend the bipartisan effort on behalf of the two subcommittee chairmen that really led to the development of this legislation.

Mr. CALVERT. Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. LAUGHLIN].

(Mr. LAUGHLIN asked and was given permission to revise and extend his remarks.)

Mr. LAUGHLIN. Mr. Speaker, this bill should be noncontroversial. It corrects and updates accounting practices for Federal oil and gas royalty collections. After more than 1 year of intense detailed negotiations we have an agreement on the legislative language before us today.

Many Republicans and many democrats, in fact, 50 House Democrats, have signed a letter of support. The President of the United States, the Department of the Interior, the Department of Energy and 14 Governors, as the gentleman from Alaska [Mr. YOUNG] read to us.

This is a bill that has national impact because when we look at the map to my immediate left we can see all but about 10 of our States colored in red.

□ 1615

Those States colored in red are those States with Federal oil and gas leases. I heard the gentleman from New Mexico speak about the State of New Mexico. I just wish some of that or more of that were in my district in the Gulf Coast of Texas.

The President of the United States has sent a letter stating strong support for enactment of H.R. 1975. In fact the Clinton Gore campaign has sent a letter signed by Ann Lewis, Deputy Campaign Manager, stating the legislation simplifies the royalty collection process for onshore and offshore natural gas and oil production.

She says in her letter: The President supports it because he believes that it provides fairer rules governing the relationship between the Federal Government and leaseholders on Federal lands. Getting all these people to agree was not easy. But we have an agreement, and now is the time to support the agreement.

Pass it today.

Members should not be confused or misinformed by rhetoric about the environment. Our friend, the gentleman from new Mexico, spoke about why this is not harmful to the environment. He had some phrase about green. The only thing I can see green about this is the eyeshades of the Government accountants who are cutting checks payable to the Federal Government. That is the accountants from the oil companies.

This cannot be confused with the rhetoric we sometimes hear on the House floor about corporate welfare. The most important part of this is being fair to the corporate citizens just like individuals citizens of our country.

An important part of the bill new to royalty policy is the requirement that the Federal Government pay interest on royalty overpayments.

There are two reasons to put this requirement into law. First, our royalty reporting deadline requires companies to pay royalties within 30 days of production. In today's natural gas marketplace, a producer frequently will not have the data he or she needs to accurately report royalties.

That is just a function of the marketplace. Gas has moved to hub centers where marketeers, usually third parties, sell the gas and report back the precise sales price and volumes to the producer. This can take months, but producers facing the 30-day deadline have to make payments on the production. So they estimate price and volumes and make payments on those estimates, usually adding additional funds to avoid making underpayments, which are subject to automatic penalty and interest payments. Unfortunately, producers have been discouraged from this practice because the bureaucracy does not promptly process their refunds, even though the Government is earning interest from day one on their overpayments.

It is not a case of producers making mistakes or overpayment of royalties. It is, rather, a case where the regulatory deadlines do not give producers enough time to gather the accurate data they need to make correct payments at the outset.

Now, the gentleman from Hawaii raised a valid point that this could be misused. For that reason, the interest rate is fair to everyone involved. In fact, there is a cap on the interest rate that was designed to prevent companies from gaming the system. That cap provides that in this bill no more payment could be paid on overpayment in excess of 10 percent of the overpayment by the company. This is really not any different than we do citizens of this country when they overpay the IRS.

I well remember the days when the IRS charged penalty and interest but, if you overpaid them and they owed you money, they did not pay you any interest. Thank God that has been changed, and that is what we are trying to do here.

Finally, Mr. Speaker, the interest provisions coupled with the statute of limitations and litigation reform contribute to the Congressional Budget Office determination that the Federal Treasury will receive an additional $51 million and States will receive an additional $33 million over 7 years. That indicates many reasons, Mr. Speaker, why this bill should receive the strong support of Members of the House. I urge its passage. I thank the gentleman very much for yielding time to me.

Mr. ABERCROMBIE. Mr. Speaker, I yield 5 minutes and 15 seconds to the gentlewoman from New York [Mrs. MALONEY].

Mrs. MALONEY. Mr. Speaker, I rise in opposition to H.R. 1975, the Federal Oil and Gas Royalty Simplification and Fairness Act.

I do so reluctantly because there is much to be said for many parts of this measure.

The States have demonstrated that they are committed to collecting the full and fair value of Federal royalty producting revenues which by Federal law they share.

Unfortunately, while the Minerals Management Service has made several cosmetic improvements to their program, my information suggests that they are not as avid in assuring that the public receives its fair due from the oil and gas industry's privilege of exploitation of public resources.

The only reform enacted by this bill is a stranglehold on the Federal Government's ability to collect money owed on oil and gas royalties. H.R. 1975 would impose a 7-year statute of limitations on the Federal Government and the States for all judicial proceedings and audits regarding oil and gas royalties.

So, if we uncover evidence of money owed the Federal Government from undervalued oil and gas in the future, our hands our tied—we would not be able to collect money owed the American taxpayer.

This bill will enhance the oil industry's position at the public cost.

My opposition is directed at those portions of the bill which establish new provisions on a statute of limitations and the ability of the Government to obtain needed records for the conduct of audits.

These provisions may preclude the Federal Government from collecting millions of dollars in past due royalties owed.

The Subcommittee on Government Management, Information and Technology of the House Government Reform and Oversight Committee recently concluded hearings that showed that $856 million is owed in past due royalties in the State of California alone.

I would like to be able to say that such uncollected debt will not happen again.

Disregarding warnings that these royalties were outstanding, the Minerals Management Service entered into agreements with several of the companies that may preclude and will at least complicate any full collection.

Only after I released a report with the project on Government oversight pointing out the problem and after an Interior interagency task force issued a detailed study did the department reluctantly acknowledge the underpayment in California.

Without an adequate understanding of how the department has managed the royalty program under present law and a complete explanation of how it managed to overlook hundreds of millions of dollars,

I believe it reckless to change the law.

The hearings also indicated that the problem of undervaluation is not confined to California alone and that there is good cause to believe that even more money is owed from Federal public leases throughout and offshore the Nation.

It is important to understand that half of the royalties collected by the department from onshore oil production go to the States.

In California this revenue is used only for education.

Chairman CALVERT of the Subcommittee on Energy and Mineral Resources of the House Resources Committee has taken some laudatory steps to resolve some ambiguous language in the bill through technical amendments to the effective date provisions of H.R. 1975, and has assured me that it is the intent of the drafters to apply only the provisions specified in the effective date provision retroactively.

I remain concerned, however, that language in the bill may still provide fodder for creative lawyers to delay collection of the royalties owed because the industry's undervaluation even further.

One source of my concern is in section 115(f) of the bill which states:

> Notwithstanding anything herein to the contrary, under no circumstance shall a record holder be required to maintain or produce any record relating to an obligation for any time period which is barred by the applicable limitation in this section.

The reference to ''for any period'' is language reasonably construed to call for retroactivity and, if so construed, would disable the Department of the Interior from obtaining the information necessary to proceed on an undervaluation claim.

At a minimum—to clearly avoid the retroactivity issue that Chairman CALVERT has assured me was not intended—this language should be deleted.

Its deletion would not undercut the bill's remaining objectives.

In other words, this language is moving more toward proprietary protection of these records.

More broadly, my investigation indicates that it is not the right time for us to be placing time and records limitations on the Department of the Interior.

Indeed, industry's highly questionable claims of confidentiality and repeated litigation over document access has and will continue to unduly delay any efforts by Interior to collect on undervaluation claims.

Provisions in this bill will only serve to strengthen industry's lack of cooperation.

Finally, transfer of more authority to the States, while laudatory, will take its own toll on the timing and completion of the audits and investigations that are a prerequisite for bringing claims of underpaid royalties.

Certainly the Federal Government and State delegates should be encouraged to conduct audits in a prompt manner.

For the time being, however, I believe that this should be pursued administratively rather than legislatively.

And, the Department has taken steps to increase the timeliness of the audit process.

We should be encouraging the Department to keep abreast of changes in industry structure and operations that impact royalty collections in order to adequately respond.

At this time, however, the Department is simply not capable of collecting the royalties actually owed on Federal production.

It has not demonstrated an understanding of the very industry it regulates.

And, it is forced to use after the fact audits to uncover basic structural data concerning the industry.

Putting additional restraints on the Department, through time and record access limitations, will only bring more of the same losses in royalty revenues.

We should be looking at whether there are obstacles under existing law that are hampering the Department's ability to do its job the right way.

In sum, my investigations have shown that at this time we simply do not have sufficient information concerning the difficulties of collecting royalties faced by diligent auditors and administrators, and the problems the Department of the Interior faces that are hampering its ability to do what we instructed it to do—collect the full fair market value in royalties owed the public.

We owe it to the public to conduct a more thorough inquiry into these matters before we leap to make changes which, in my view, will lead to further losses of needed revenues for the citizens and the States.

I want to ask the chairman from California if he will hold to his testimony in front of my committee when he said,

> In no way is the Federal Government barred from pursuing demands for payment of royalties owed on oil and gas produced prior to the enactment of my bill. The seven-year statute of limitations affects only production post-enactment.

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

Mr. Speaker, I want to reiterate, my bill expressly provides that the statute of limitations created herein is prospective only and, of course, in cases of fraud and concealment of records, it is void anyway. The leases at issue in the interagency task force report involved production from 1980 through 1993 or so. H.R. 1975 will in no way bar the Federal Government from pursuing the allegations of underpayment if that is what the Secretary of Interior decides to do.

My bill says, act in a timely manner, Mr. Secretary, the taxpayers deserve no less or, alternatively, delegate your responsibility for royalty collection to those States that wish to do the job more efficiently and more timely.

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

Mr. ABERCROMBIE. Mr. Speaker, I yield 2 minutes to the gentleman from Texas [Mr. BENTSEN].

(Mr. BENTSEN asked and was given permission to revise and extend his remarks.)

Mr. BENTSEN. Mr. Speaker, I strongly support H.R. 1975, the Federal Oil and Gas Royalty Simplification and Fairness Act. H.R. 1975 would streamline our Federal royalty collection system by improving the management of royalties from Federal and outer continental shelf oil and gas leases.

Currently, about $4.2 billion is collected annually by the Federal Government in mineral receipts—our Nation's third largest revenue source. However, reform of our Nation's royalty collection system has been needed for some time. H.R. 1975 achieves the goals set out by the administration, the States, and industry to provide simplicity and fairness in the partnership between the Federal Government and the leaseholders of Federal lands.

Specifically, this legislation would establish a clear statute of limitations on royalty collection, expand existing delegation to States provisions, and set time limits on administrative appeal decisions. This legislation also provides marginal well relief by reforming royalty collections for low-production wells—an issue of great importance to my home State of Texas.

At a time when we continue to see increasing reliance on oil imports, this legislation provides the necessary relief to enhance domestic production in both an economically efficient and environmentally sound way. In addition, H.R. 1975 would help Congress in its efforts to balance the budget by providing an additional $51 million in royalties over the next 7 years.

H.R. 1975 is supported by the administration, a bipartisan delegation of Members from Congress as well as 14 of our Nation's Governors who represent most of our Federal onshore production. It is also supported by the Interstate Oil and Gas Compact Commission and industry trade associations representing our Nation's Federal lessees. I urge my colleagues to support royalty simplification and fairness by voting in favor of H.R. 1975.

Mr. CALVERT. Mr. Speaker, I reserve the balance of my time.

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

I include for the RECORD a letter from the White House addressed to me and signed by the Chief of Staff, Mr. Leon Panetta, in support of the bill:

THE WHITE HOUSE,
Washington, DC, May 30, 1996.

Hon. NEIL ABERCROMBIE,
House of Representatives,
Washington, DC.

DEAR MR. ABERCROMBIE: I am writing to inform you of the Administration's position regarding the pending Oil and Gas Royalty Simplification and Fairness legislation (S. 1014). Let me assure you that the Administration remains committed to ensuring the efficient management of Federal lands and finding new ways for the States to work cooperatively and creatively with the Federal Government. The President shares your hope that an agreement can be reached on the State delegation issue.

In an effort to resolve this issue, Administration representatives, working with the staff of the Senate Energy Committee, were successful in reaching an agreement on language that would expand the list of delegable royalty management authorities, without reducing the Secretary of the Interior's responsibility with respect to the management of Federal lands. That language was included in S. 1014, which was reported out of the Senate Energy Committee on May 1st. The Administration supports S. 1014 as reported out of committee, but will seek a minor technical amendment. The Administration believes this bill's State delegation language is acceptable, unlike the language included in H.R. 1975, the House Resources Committee bill on Royalty Simplification.

The Administration will continue to work with Congress as the legislative process moves forward, and stands ready to work in support of the language included in the Senate Energy Committee bill. I appreciate your interest and support in this important legislation.

Sincerely,

LEON E. PANETTA,
Chief of Staff.

□ 1630

Mr. Speaker, I yield back the balance of my time.

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

Mr. Speaker, in closing I would like to first thank the gentleman from Hawaii [Mr. ABERCROMBIE], my good friend. We worked through this bill over the last year and had many occasions to go back and forth, but in the end I think we ended up with a good piece of legislation which is supported by most everyone here, and I certainly am appreciative of the time and effort that both him and his staff have put into this, and I thank him and look forward to other legislation in the future; and also to the gentleman from California [Mr. MILLER], the ranking member of the subcommittee, for all of his, and the overall committee, for all his help.

Mr. Speaker, this bill, in closing, will raise money for the Feds and the States. It certainly has bipartisan support in the House, the Senate and 14 Governors. It has the administration support from the White House; the Secretary of Interior, Bruce Babbit. It enacts clear and equitable reform, gives more power to the States. It establishes a certain statute of limitation period.

It is a good bill, and I urge its passage.

Mr. MARKEY. Mr. Speaker, I rise in opposition to H.R. 1975. This ill-named royalty fairness bill is yet another example of corporate welfare for well-heeled oil and gas producers operating on public lands.

Just 2 months ago, press reports reveals that 10 oil companies may have underpaid royalties and interest to the Federal Government by as much as $856 million on land in California they lease from the Federal Government to drill for oil.

What has the Republican-controlled Congress proposed in response to this royalty rip-off?

First, the Republican majority in the House voted to repeal the gas tax, a move that most economists agree the oil companies will quickly pocket for themselves. Consumers are unlikely to actually see any of this cut reflected in lower prices at the pump, as the Republicans rejected all Democratic efforts to assure the savings would actually be rebated to consumers.

And now today, with this bill, we will be providing the big oil and gas companies with yet another windfall. H.R. 1975 will:

Result in more than $200 million being paid out to oil and gas companies over the next 20 years by requiring the taxpayers to pay interest payments to oil companies who—through their own stupidity, mismanagement, or incompetent accounting—have overpaid royalties to the Federal Government; and

Establish a 7-year statute of limitations that will undermine the Federal Government's ability to collect moneys owed it by huge oil and gas companies.

I think it's time we stopped providing Federal freebies to deadbeat drillers. We should defeat this bill. It is bad energy policy and bad fiscal policy. Thank you, and I yield back the balance of my time.

Mr. CALVERT. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. GUTKNECHT). The question is on the motion offered by the gentleman from California [Mr. CALVERT] that the House suspend the rules and pass the bill, H.R. 1975, as amended.

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

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. CALVERT. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days to revise and extend their remarks and include extraneous material on H.R. 1975, the bill just passed.

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

There was no objection.

MINING AND MINERAL RESOURCES INSTITUTES ACT

Mr. CALVERT. Mr. Speaker, I ask unanimous consent for the immediate consideration in the House of the bill (H.R. 3249) to authorize appropriations for a mining institute to develop domestic technological capabilities for the recovery of minerals from the Nation's seabed, and for other purposes.

The Clerk read the title of the bill.

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

Mr. ABERCROMBIE. Mr. Speaker, reserving the right to object, and I will not object, I would like to have time to speak under the reservation.

Mr. Speaker, under my reservation, I yield to the gentleman from Mississippi [Mr. WICKER].

Mr. WICKER. Mr. Speaker, I thank my colleague and friend from Hawaii, Mr. ABERCROMBIE, for yielding me this time, and I shall not take much time, but I am pleased to speak in support of

H.R. 3249 and to thank the gentleman for his leadership in working with me on this legislation which will continue a valuable marine minerals resource program.

Since its inception in 1988 this program has had as its primary goal the environmentally responsible exploration and development of mineral resource found within our Nation's exclusive economic zone. For a relatively small input of Federal money a strong relationship has been forged between Federal, academic, and industry teams to address problems in marine resources and the environment.

I ask my colleagues to join me in supporting the reauthorization of this exceptional program. I thank the leadership of the committee in this regard.

Today, I am pleased to speak in support of H.R. 3249, legislation to continue a valuable, marine minerals resource program. Since its inception in 1988, this program has had as its primary goal the environmentally responsible exploration and development of mineral resources found within our Nation's Exclusive Economic Zone [EEZ].

This region covers more area than the United States proper and contains a resource base estimated in the trillions of dollars. By successfully merging the skills of academia and the talents of industry, this program is working to place the United States well above its international competitors in underwater technology development. At the same time, this program invests in the future by providing graduate students with firsthand training in marine mineral development.

At present, the United States is in danger of being surpassed by other nations that are aggressively pursuing the development of environmentally friendly ocean mining technology. Japan, the United Kingdom, France, and China, in particular, have devoted considerable time and money toward developing such technologies and promoting industry support. This program directs successful applied research efforts with numerous concrete accomplishments. To meet future challenges, researchers are working to develop surveying and sampling systems for use in locating important mineral deposits. The systems can be used for locating sand resources for coastline stabilization and beach replenishment. In addition, they are essential in assessing and monitoring pollutants in river and oceanic sediments. Researchers are also working to develop an acoustical filter system to control dredging turbidity and to process industry waste.

For a relatively small input of Federal money, a strong relationship has been forged between Federal, academic, and industry teams to address problems in marine resources and the environment. I ask my colleagues to join me in supporting the reauthorization of this exceptional program.

Mr. ABERCROMBIE. Mr. Speaker, continuing under my reservation of objection, I would like to say that I am also pleased to rise in strong support of H.R. 3249, the Mining and Mineral Resources Institutes Act.

This legislation, as indicated, was drafted and introduced in the true spirit of bipartisanship by the gentleman from Mississippi [Mr. WICKER] and myself. We have had the extensive cooperation and support again of the gentleman from California [Mr. CALVERT], our able chair, and of the chairman of the full committee, the gentleman from Alaska [Mr. YOUNG], for which I am very appreciative.

H.R. 3249 would extend authorization for the Mining Institute to promote environmentally responsible mining technology development for the recovery of the minerals from our Nation's seabed. This type of technology, Mr. Speaker, is critical to the future of mining in the United States, and I am very pleased that this is recognized, again on a bipartisan basis, and am very thankful for the individual encouragement from the chairman of the full committee and the gentleman from California [Mr. CALVERT].

Mr. Speaker, I am pleased to rise in strong support of H.R. 3249, the Mining and Mineral Resources Institutes Act. This is legislation that was drafted and introduced in the true spirit of bipartisanship by the gentleman from Mississippi [Mr. WICKER] and myself.

H.R. 3249 would extend authorization for a mining institute to promote environmentally responsible technology development for the recovery of minerals from the Nation's seabed. This type of technology is critical to the future of mining in the United States.

H.R. 3249 is not a new Government program. Previously, the marine mining program was carried out under the Mineral Institutes Program within the Bureau of Mines. Last year the decision was made to terminate the Bureau of Mines. Yet, worthwhile functions of this agency still deserve and need support. One such example is in the Marine Mineral Technology Center of the Mineral Institutes Program. The executive branch, recognizing the value of this program, transferred this program to the Minerals Management Service.

The Marine Mining Technology Center program is a unique cooperative program involving leading universities with expertise in applied problems in marine resources and the marine environment. The program is singular because for a relatively small sum of Federal seed money to State institutions and small research organizations, we have seen a prodigious amount of practical research and development accomplished. Additionally, as a byproduct, a number of high-quality graduate students have gained practical hands-on experience. The center's program of research, technology development, and education is multidisciplinary and international in scope.

Currently, the marine mining program is carried out by the Continental Shelf Division, located at the University of Mississippi, and the Oceans Basins Division at the University of Hawaii. The University of Hawaii program has been assisted by matching funds from the State of Hawaii because of its critical input to State cooperative development programs, as well as university research and education. Practical aspects of the program have included major inputs to an environmental impact statement on cobalt crusts in the exclusive economic zone [EEZ] of the Hawaiian and Johnston Islands, State programs on sand for the preservation of Hawaii's beaches and coastal environment, and the cleanup of military ordinance from the offshore areas of Kaho'olawe Island, recently returned to the native Hawaiian people by the Navy.

This program merits continued Federal support. I am hopeful that we will see this legislation proceed expeditiously through the Senate so that President Clinton can sign it into law this year.

In that light, Mr. Speaker, I withdraw my reservation of objection.

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

There was no objection

The Clerk read the bill, as follows:

H.R. 3249

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

SECTION 1. SEABED MINERALS.

(a) AUTHORIZATION OF APPROPRIATIONS.—Section 2(a) of Public Law 98–409 (30 U.S.C. 1222(a)) is amended by adding the following at the end thereof: ''There is authorized to be appropriated to the Secretary not more than $1,200,000 for each of the fiscal years after fiscal year 1996 to be made available by the Secretary to an institute experienced in investigating the shallow and deep seabed as a source for nonfuel minerals to be used by the institute to assist in developing domestic technological capabilities required for the location of, and the efficient and environmentally sound recovery of, minerals (other than oil and gas) from the nation's shallow and deep seabed.''.

(b) SHORT TITLE.—Section 11 of Public Law 98–409 (30 U.S.C. 1201 note) is amended to read as follows:

''SEC. 11. SHORT TITLE.

This Act may be cited as the ''Mining and Mineral Resources Institutes Act.''.

COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

The SPEAKER pro tempore. The Clerk will report the committee amendment in the nature of a substitute.

The Clerk read as follows:

Committee amendment in the nature of a substitute:

SECTION 1. SEABED MINERALS.

(A) AUTHORIZATION OF APPROPRIATIONS.—Section 2(a) of the Mining and Mineral Resources Research Institute Act of 1984 (30 U.S.C. 1222(a)) is amended by adding the following at the end thereof:

''There is authorized to be appropriated to the Secretary not more than $1,800,000 for each of the fiscal years after fiscal year 1996 to be made available by the Secretary to an institute or institutes experienced in investigating the continental shelf regions of the United States, the deep seabed and near shore environments of islands, and the Arctic and cold water regions as a source for nonfuel minerals. Such funds are to be used by the institute or institutes to assist in developing domestic technological capabilities required for the location of, and the efficient and environmentally sound recovery of, minerals (other than oil and gas) from the Nation's shallow and deep seabed.''.

(b) SHORT TITLE.—Section 11 of such Act (30 U.S.C. 1201 note) is amended to read as follows:

''SEC. 11. SHORT TITLE

''This Act may be cited as the 'Mining and Mineral Resources Institutes Act'.''.

Mr. CALVERT. (during the reading). Mr. Speaker, I ask unanimous consent that the committee amendment in the

nature of a substitute be considered as read and printed in the RECORD.

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

There was no objection.

The SPEAKER pro tempore. The question is on the committee amendment in the nature of a substitute.

The committee amendment in the nature of a substitute was agreed to.

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

The title of the bill was amended so as to read: ''A bill to authorize appropriations for a mining institute or institutes to develop domestic technological capabilities for the recovery of minerals from the Nation's seabed, and for other purposes.''.

MOLLIE BEATTIE WILDERNESS AREA ACT

Mr. YOUNG of Alaska. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 1899) entitled the ''Mollie Beattie Wilderness Area Act,'' and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

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

Mr. STUDDS. Mr. Speaker, reserving the right to object, and I shall of course not object, and I would be pleased to yield to the gentleman from Alaska [Mr. YOUNG].

Mr. YOUNG of Alaska. Mr. Speaker, I am pleased the House today will consider S. 1899. This bill honors the dedicated service of the late Mollie Beattie, former Director of the U.S. Fish and Wildlife Service. This bill designates an 8-million-acre wilderness area in the Arctic National Wildlife Refuge as the Mollie Beattie Wilderness Area. That is in my State, it is an area that is just above my home.

I feel fortunate to have been one of the few people who had the opportunity to work with Mollie on both a personal and professional basis. While she left this world much too soon, she truly achieved a lifetime worth of accomplishments.

Her dedication to upgrading the Fish and Wildlife Service resulted in a much more efficient and responsible agency. Her rational approach to her job led to many bipartisan accomplishments. She was able to bring all sides of an issue to the table in order to reach commonsense agreements. Because of this, she was respected by all of those who knew and worked with her.

While Mollie and I often differed on legislative issues, we were able to work closely together because she was a person of the utmost integrity and professionalism. I respected the fact that when she took a position on an issue it was because she truly believed it was the right thing to do. She was a straight shooter who earned the respect of all of us in Congress.

Mollie was the one person directly responsible for upgrading the Fish and Wildlife Service. She instilled a public service attitude among her employees and brought a more compassionate approach to her agency because she personally believed that the needs of people were important in the administration of Federal regulations.

Mollie is also to be commended for the positive approach she brought to Government. She was the least adversarial and least confrontational Director I have ever worked with during my 24 years in Congress. Because of this, she was able to accomplish a lot of bipartisan goals when others would have failed.

I believe her legacy will be one of the most unwavering commitments to preserve and protect the animals, birds, and fish of our Nation. Her compassionate devotion to this cause will not be forgotten.

Mr. Speaker, may I suggest one thing? She did go to Alaska, she visited Alaska, worked with Alaskans. She did know the area which I am speaking of.

It is difficult for me to have this area, but no better person could be nominated to have the name the Mollie Beattie Wilderness Area in the Arctic Wildlife Range. I am very acquainted with the area. I myself have traveled the area, trapped the area, hunted the area, mined in the area, worked in the area, and she did know the beauty and grandeur of the area, so at this time I am very pleased to say that this is a good piece of legislation.

Mr. STUDDS. Further reserving the right to object, Mr. Speaker, today we pause briefly from our business of passing legislation and debating the issues of the day to honor the memory of a person who reminds us why we all came here in the first place. Mollie Beattie did not come to Washington for love of politics or power. She would have much rather been tending her bees and flowers in the peace and quiet of her rural Vermont home. Rather, she came because she had a message and a mission, and Washington, DC, was where she had to go to get the job done.

Mollie assumed the directorship of the U.S. Fish and Wildlife Service a little over 3 years ago at a time when many of the fundamental missions of that agency were under fire. Never comfortable in the harsh glare of the limelight, she nevertheless conducted herself with dignity and grace even in the most difficult situations, and worked determinedly for what she believed was right.

The controversy surrounding endangered species, wetlands, and other conservation issues continues, but Mollie never lapsed into cynicism or partisanship. To her, the conservation of fish and wildlife and their habitat was not a policy decision, it was not a political stick with which to thrash opponents, it was simply a moral imperative. ''I believe there's only one conflict,'' she told an interviewer, ''and that's between the short-term and the long-term thinking. In the long term, the economy and the environment are the same thing.''

Firm but not rigid, morally grounded but never self-righteous, and astute without being cunning, Mollie in her short and productive life had a lot to teach us about how to live our own lives. She always thought in the long term and her death is our loss in the long term.

It is fitting that the bill before us today would rename a mountain wilderness after Mollie. Their untamed nature and quiet strength are reflective of those qualities that we will miss most in Mollie. Long after we are gone, these mountains will stand as a tribute to Mollie Beattie. Long after her untimely passing, her indomitable spirit and quiet commitment will infuse and invigorate wildlife conservation. And for Mollie, that will be the greatest tribute of all.

Mr. Speaker, she loved this Earth and its creatures. She was utterly without pretense, and unlike so many of us who come to this city, she never once confused herself with the monuments, and as my colleagues can see, she took the already unspeakably mellow gentleman from Alaska and mellowed him even further.

Mr. YOUNG of Alaska. Mr. Speaker, will the gentleman yield?

Mr. STUDDS. I yield to the gentleman from Alaska.

Mr. YOUNG of Alaska. Mr. Speaker, I have worked with many people in my life, and one thing about Mollie Beattie, she and I had our differences at one of our hearings, and she came to my office the day after the hearing and apologized to me for not having all her information correct and saying, in fact, that will never happen again, Congressman. And I have always respected her from that moment on, and we had this working relationship. The only thing I can suggest is it is just unknown in this town for many, many years. I just wish that other Federal agency heads that are appointed would understand one thing: This is a legislative branch and executive branch, and the ability to achieve goals is what we should be seeking. I cannot say that for everyone else that works in the Department of the Interior, but I could say it for her, and I said it prior to her demise, in fact, while she was still in office I spoke to her on occasion in my State, which was not too popular, I know, with this administration. But the truth of the matter, she always was there in a straightforward position, presented her view as she saw it without being arrogant or without being abrasive and was always being honest, and to me that meant a great deal.

Mr. STUDDS. Further reserving the right to object, I yield to the gentleman from New Mexico [Mr. RICHARDSON].

Mr. RICHARDSON. Mr. Speaker, I rise in support of the two very gracious

gentlemen and their effort to honor Mollie Beattie and her legacy and her name by naming this wilderness area in Alaska, the Brooks Range, after her.

Mr. Speaker, I did not know her as well as these two gentlemen, but I watched the struggle that she undertook with her cancer on the national media and how, despite her illness, she continued to come into work and try to protect her endangered species, and I think that this is a very gracious and noble effort, and I commend the two gentlemen, and I hope that we remember what her legacy was, and that is the protection of our species as we move ahead on legislative efforts in the future.

Mr. MILLER of California. Mr. Speaker, it was with great sadness that we learned of the untimely passing of Mollie Beattie on June 27. The many accomplishments of her too brief tenure as Director of the United States Fish and Wildlife Service were indicative of her approach to life. She led the Service at a time when many of our fundamental protections for wildlife and the environment were under attack. But Mollie always seized life by the horns and took the rough ride without complaint, even to the end.

She dealt with friend and foe alike with an honesty and straightforwardness that was unusual and refreshing. In fact, I don't believe she regarded those who challenged the conservation policies of her agency as foes, but as people who could see it her way if she just had a chance to talk it over with them. Her vision of wildlife conservation was crystal clear and far-reaching, and came not from political calculation, but from moral conviction.

The bill we are passing today will rename the Arctic National Wildlife Refuge Wilderness, the largest in the refuge system, after Mollie Beattie. The mountains of Alaska's Brooks Range are an appropriate tribute to Mollie. Their quiet beauty should not lead us to underestimate their inner strength. Mollie showed this kind of strength as she continued to lead the Fish and Wildlife Service despite worsening health problems in recent months. When we look at these mountains in the future we will be reminded of her spirit, her vision, and most of all her quiet strength.

Mr. SANDERS. Mr. Speaker, I rise in support of this legislation, a fitting tribute to Mollie Beattie, a leader in wilderness protection.

This legislation is especially important to me because Mollie Beattie was a Vermonter and the State of Vermont was lucky enough to benefit from her work long before she became the first woman to direct the U.S. Fish and Wildlife Service. Her extensive list of accomplishments has benefited wildlife habitat areas, State parks, wetlands, and forests in Vermont and across the Nation.

This legislation recognizes the contribution that Mollie Beattie made to the environment and the pristine wilderness that graces our Nation. The designation will remind all of us of her strong defense of the environment and remind us that we need to do our own part in protecting it.

It was a great loss when Mollie Beattie was taken from this earth she loved so much when she died of brain cancer on June 27, 1996. I urge your support for this bill that provides a suitable tribute to her work.

Mr. STUDDS. Mr. Speaker, once again we honor a very decent and very gentle woman, and, I might add, a very brave woman.

Mr. Speaker, I withdraw my reservation of objection.

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

There was no objection.

The Clerk read the Senate bill, as follows:

S. 1899

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 702(3) of Public Law 96–487 is amended by striking ''Arctic National Wildlife Refuge Wilderness'' and inserting ''Mollie Beattie Wilderness''. The Secretary of the Interior is authorized to place a monument in honor of Mollie Beattie's contributions to fish, wildlife, and waterfowl conservation and management at a suitable location that he designates within the Mollie Beattie Wilderness.

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

□ 1645

GENERAL LEAVE

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

The SPEAKER pro tempore (Mr. GUTKNECHT). Is there objection to the request of the gentleman from Alaska?

There was no objection.

PROVIDING FOR CONSIDERATION OF H.R. 3756, TREASURY, POSTAL SERVICE, AND GENERAL GOVERNMENT APPROPRIATIONS ACT, 1997

Mr. DIAZ-BALART. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 475 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 475

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 1(b) of rule XXIII, declare the House resolved into the Committee of the Whole House on the State of the Union for consideration of the bill (H.R. 3756) making appropriations for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain Independent Agencies, for the fiscal year ending September 30, 1997, and for other purposes. The first reading of the bill shall be dispensed with. Points of order against consideration of the bill for failure to comply with section 302(f), 308(a), or 401(b) of the Congressional Budget Act of 1974 are waived. General debate shall be confined to the bill and shall not exceed one hour equally divided and controlled by the chairman and ranking minority member of the Committee on Appropriations. After general debate the bill shall be considered for amendment under the five-minute rule. The amendment printed in part 1 of the report of the Committee on Rules accompanying this resolution shall be considered as adopted in the House and in the Committee of the Whole. Points of order against provisions in the bill, as amended, for failure to comply with clause 2 or 6 or rule XXI are waived except as follows: page 53, line 15, through page 55, line 12; and page 56, line 13, through page 57, line 3. Before consideration of any other amendment it shall be in order to consider the amendments printed in part 2 of the report of the Committee on Rules. Each amendment printed in part 2 of the report may be considered only in the order printed, may be offered only by a Member designated in the report, shall be considered as read, shall be debatable for the time specified in the report equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question in the House or in the Committee of the Whole. All points of order against the amendments printed in part 2 of the report are waived. During consideration of the bill for further amendment, the Chairman of the Committee of the Whole may accord priority in recognition on the basis of whether the Member offering an amendment has caused it to be printed in the portion of the Congressional Record designated for that purpose in clause 6 of rule XXIII. Amendments so printed shall be considered as read. The Chairman of the Committee of the Whole may postpone until a time during further consideration in the Committee of the Whole a request for a recorded vote on any amendment. The Chairman of the Committee of the Whole may reduce to not less than five minutes the time for voting by electronic device on any postponed question that immediately follows another vote by electronic device without intervening business, provided that the time for voting by electronic device on the first in any series of questions shall not be less than fifteen minutes. After the reading of the final lines of the bill, a motion that the Committee of the Whole rise and report the bill to the House with such amendments as may have been adopted shall, if offered by the majority leader or a designee, have precedence over a motion to amend. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER pro tempore. The gentleman from Florida [Mr. DIAZ-BALART] is recognized for 1 hour.

Mr. DIAZ-BALART. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to the gentleman from California [Mr. BEILENSON], pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for purposes of debate only.

(Mr. DIAZ-BALART asked and was given permission to extend his remarks and to include extraneous matter.)

Mr. DIAZ-BALART. Mr. Speaker, House Resolution 475 is an open rule, providing for the consideration of H.R. 3756, the Treasury, Postal Service and General Government Appropriations bill for fiscal year 1997. H.R. 3756 provides funds for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain independent agencies.

The rule waives three provisions of the Congressional Budget Act of 1974

against consideration of the bill. These provisions include section 302(f), prohibiting consideration of legislation providing new entitlement authority in excess of a committee's allocation; section 308(a), requiring a CBO cost estimate in the committee report on legislation containing new entitlement spending; and section 401(b), prohibiting consideration of legislation providing new entitlement authority which becomes effective during the fiscal year which ends in the calendar year in which the bill is reported.

In addition, the rule provides one hour of general debate equally divided and controlled by the chairman and ranking minority member of the Committee on Appropriations.

The rule also provides for the adoption in the House and in the Committee of the Whole of the amendment printed in part 1 of the Rules Committee report relating to certain expedited procedures under the Rules Committee's jurisdiction. This clarifies that certain expedited procedures apply only to the Senate for resolutions of disapproval with respect to extensions of loans or credit to foreign governments.

The rule waives clause 2—prohibiting unauthorized and legislative provisions—and clause 6—prohibiting reappropriations—of rule XXI against provisions of the bill, except as otherwise specified in the rule.

Further, the rule provides for consideration before any other amendment of those amendments printed in part 2 of the Rules Committee report, which shall be considered as read, shall be debatable for the time specified in the report equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for a division of the question in the House or the Committee of the Whole.

In addition, the Chair is authorized to accord priority in recognition to Members who have preprinted their amendments in the CONGRESSIONAL RECORD.

Also, the rule allows the chairman of the Committee of the Whole to postpone votes during consideration of the bill, and to reduce voting time to 5 minutes on a postponed question if the vote follows a 15-minute vote.

Furthermore, the rule provides that a motion to rise and report the bill to the House with such amendments as may have been adopted shall have precedence over a motion to amend, if offered by the majority leader or a designee after the reading of the final lines of the bill.

And finally, the rule provides for one motion to recommit with or without instructions.

Mr. Speaker, I would like to stress that House Resolution 475 is an open rule, and was reported out of the Rules Committee without opposition. The Budget waivers are technical in nature, dealing primarily with entitlement program changes regarding retirement benefits.

Mr. Speaker, in addition to being an open rule that allows any Member who chooses to offer an appropriate amendment to cut or reallocate spending priorities the ability to do so, the rule allows for consideration of three additional amendments which are legislative in nature but have no objections by the authorizing committees of jurisdiction. These amendments allow members to consider, first, restoring employees at the Office of National Drug Control Policy; second, freezing the pay of Members of Congress and senior officials of the executive and judicial branches of government; and third, requiring the President, through OMB, to cap the number of political appointees in the executive branch.

Mr. Speaker, I urge my colleagues to support this rule as well a the bill. H.R. 3756 is a fiscally responsible bill, achieving deficit savings of $513 million from 1996 enacted levels. Although there are some controversial areas within this bill, such as cuts to the Internal Revenue Service's troubled Computer Modernization Program, the Treasury Department's law enforcement functions have enjoyed broad bipartisan support. In addition, the bill provides $12 million in supplemental appropriations for the Bureau of Alcohol, Tobacco and Firearms to investigate church fires. The House has overwhelmingly voted to condemn church arson and I commend the appropriations committee for providing financial resources to help fight this atrocity.

Although there may be some differences of opinion on the bill itself, I believe that the rule is fair and should easily be adopted.

I would like to commend subcommittee Chairman LIGHTFOOT, ranking member HOYER, Chairman LIVINGSTON, and the ranking member, the gentleman from Wisconsin, Mr. OBEY, for their hard work on this bill. I urge my colleagues to support House Resolution 475.

Mr. Speaker, I include for the RECORD the following tables.

The material referred to is as follows:

THE AMENDMENT PROCESS UNDER SPECIAL RULES REPORTED BY THE RULES COMMITTEE,[1] 103D CONGRESS V. 104TH CONGRESS

[As of July 11, 1996]

Rule type	103d Congress		104th Congress	
	Number of rules	Percent of total	Number of rules	Percent of total
Open/Modified-Open [2]	46	44	78	60
Structured/Modified Closed [3]	49	47	35	27
Closed [4]	9	9	17	13
Total	104	100	130	100

[1] This table applies only to rules which provide for the original consideration of bills, joint resolutions or budget resolutions and which provide for an amendment process. It does not apply to special rules which only waive points of order against appropriations bills which are already privileged and are considered under an open amendment process under House rules.

[2] An open rule is one under which any Member may offer a germane amendment under the five-minute rule. A modified open rule is one under which any Member may offer a germane amendment under the five-minute rule subject only to an overall time limit on the amendment process and/or a requirement that the amendment be preprinted in the Congressional Record.

[3] A structured or modified closed rule is one under which the Rules Committee limits the amendments that may be offered only to those amendments designated in the special rule or the Rules Committee report to accompany it, or which preclude amendments to a particular portion of a bill, even though the rest of the bill may be completely open to amendment.

[4] A closed rule is one under which no amendments may be offered (other than amendments recommended by the committee in reporting the bill).

SPECIAL RULES REPORTED BY THE RULES COMMITTEE, 104TH CONGRESS

[As of July 11, 1996]

H. Res. No. (Date rept.)	Rule type	Bill No.	Subject	Disposition of rule
H. Res. 38 (1/18/95)	O	H.R. 5	Unfunded Mandate Reform	A: 350–71 (1/19/95).
H. Res. 44 (1/24/95)	MC	H. Con. Res. 17	Social Security	A: 255–172 (1/25/95).
		H.J. Res. 1	Balanced Budget Amdt	
H. Res. 51 (1/31/95)	O	H.R. 101	Land Transfer, Taos Pueblo Indians	A: voice vote (2/1/95).
H. Res. 52 (1/31/95)	O	H.R. 400	Land Exchange, Arctic Nat'l. Park and Preserve	A: voice vote (2/1/95).
H. Res. 53 (1/31/95)	O	H.R. 440	Land Conveyance, Butte County, Calif	A: voice vote (2/1/95).
H. Res. 55 (2/1/95)	O	H.R. 2	Line Item Veto	A: voice vote (2/2/95).
H. Res. 60 (2/6/95)	O	H.R. 665	Victim Restitution	A: voice vote (2/7/95).
H. Res. 61 (2/6/95)	O	H.R. 666	Exclusionary Rule Reform	A: voice vote (2/7/95).
H. Res. 63 (2/8/95)	MO	H.R. 667	Violent Criminal Incarceration	A: voice vote (2/9/95).
H. Res. 69 (2/9/95)	O	H.R. 668	Criminal Alien Deportation	A: voice vote (2/10/95).
H. Res. 79 (2/10/95)	MO	H.R. 728	Law Enforcement Block Grants	A: voice vote (2/13/95).
H. Res. 83 (2/13/95)	MO	H.R. 7	National Security Revitalization	PQ: 229–199; A: 227–197 (2/15/95).
H. Res. 88 (2/16/95)	MC	H.R. 831	Health Insurance Deductibility	PQ: 230–191; A: 229–188 (2/21/95).
H. Res. 91 (2/21/95)	O	H.R. 830	Paperwork Reduction Act	A: voice vote (2/22/95).
H. Res. 92 (2/21/95)	MC	H.R. 889	Defense Supplemental	A: 282–144 (2/22/95).
H. Res. 93 (2/22/95)	MO	H.R. 450	Regulatory Transition Act	A: 252–175 (2/23/95).
H. Res. 96 (2/24/95)	MO	H.R. 1022	Risk Assessment	A: 253–165 (2/27/95).
H. Res. 100 (2/27/95)	O	H.R. 926	Regulatory Reform and Relief Act	A: voice vote (2/28/95).
H. Res. 101 (2/28/95)	MO	H.R. 925	Private Property Protection Act	A: 271–151 (3/2/95).

SPECIAL RULES REPORTED BY THE RULES COMMITTEE, 104TH CONGRESS—Continued

[As of July 11, 1996]

H. Res. No. (Date rept.)	Rule type	Bill No.	Subject	Disposition of rule
H. Res. 103 (3/3/95)	MO	H.R. 1058	Securities Litigation Reform	
H. Res. 104 (3/3/95)	MO	H.R. 988	Attorney Accountability Act	A: voice vote (3/6/95).
H. Res. 105 (3/6/95)	MO			A: 257–155 (3/7/95).
H. Res. 108 (3/7/95)	Debate	H.R. 956	Product Liability Reform	A: voice vote (3/8/95).
H. Res. 109 (3/8/95)	MC			PQ: 234–191 A: 247–181 (3/9/95).
H. Res. 115 (3/14/95)	MO	H.R. 1159	Making Emergency Supp. Approps	A: 242–190 (3/15/95).
H. Res. 116 (3/15/95)	MC	H.J. Res. 73	Term Limits Const. Amdt	A: voice vote (3/28/95).
H. Res. 117 (3/16/95)	Debate	H.R. 4	Personal Responsibility Act of 1995	A: voice vote (3/21/95).
H. Res. 119 (3/21/95)	MC			A: 217–211 (3/22/95).
H. Res. 125 (4/3/95)	O	H.R. 1271	Family Privacy Protection Act	A: 423–1 (4/4/95).
H. Res. 126 (4/3/95)	O	H.R. 660	Older Persons Housing Act	A: voice vote (4/6/95).
H. Res. 128 (4/4/95)	MC	H.R. 1215	Contract With America Tax Relief Act of 1995	A: 228–204 (4/5/95).
H. Res. 130 (4/5/95)	MC	H.R. 483	Medicare Select Expansion	A: 253–172 (4/6/95).
H. Res. 136 (5/1/95)	O	H.R. 655	Hydrogen Future Act of 1995	A: voice vote (5/2/95).
H. Res. 139 (5/3/95)	O	H.R. 1361	Coast Guard Auth. FY 1996	A: voice vote (5/9/95).
H. Res. 140 (5/9/95)	O	H.R. 961	Clean Water Amendments	A: 414–4 (5/10/95).
H. Res. 144 (5/11/95)	O	H.R. 535	Fish Hatchery—Arkansas	A: voice vote (5/15/95).
H. Res. 145 (5/11/95)	O	H.R. 584	Fish Hatchery—Iowa	A: voice vote (5/15/95).
H. Res. 146 (5/11/95)	O	H.R. 614	Fish Hatchery—Minnesota	A: voice vote (5/15/95).
H. Res. 149 (5/16/95)	MC	H. Con. Res. 67	Budget Resolution FY 1996	PQ: 252–170 A: 255–168 (5/17/95).
H. Res. 155 (5/22/95)	MO	H.R. 1561	American Overseas Interests Act	A: 233–176 (5/23/95).
H. Res. 164 (6/8/95)	MC	H.R. 1530	Nat. Defense Auth. FY 1996	PQ: 225–191 A: 233–183 (6/13/95).
H. Res. 167 (6/15/95)	O	H.R. 1817	MilCon Appropriations FY 1996	PQ: 223–180 A: 245–155 (6/16/95).
H. Res. 169 (6/19/95)	MC	H.R. 1854	Leg. Branch Approps. FY 1996	PQ: 232–196 A: 236–191 (6/20/95).
H. Res. 170 (6/20/95)	O	H.R. 1868	For. Ops. Approps. FY 1996	PQ: 221–178 A: 217–175 (6/22/95).
H. Res. 171 (6/22/95)	O	H.R. 1905	Energy & Water Approps. FY 1996	A: voice vote (7/12/95).
H. Res. 173 (6/27/95)	C	H.J. Res. 79	Flag Constitutional Amendment	PQ: 258–170 A: 271–152 (6/28/95).
H. Res. 176 (6/28/95)	MC	H.R. 1944	Emer. Supp. Approps	PQ: 236–194 A: 234–192 (6/29/95).
H. Res. 185 (7/11/95)	O	H.R. 1977	Interior Approps. FY 1996	PQ: 235–193 D: 192–238 (7/12/95).
H. Res. 187 (7/12/95)	O	H.R. 1977	Interior Approps. FY 1996 #2	PQ: 230–194 A: 229–195 (7/13/95).
H. Res. 188 (7/12/95)	O	H.R. 1976	Agriculture Approps. FY 1996	PQ: 242–185 A: voice vote (7/18/95).
H. Res. 190 (7/17/95)	O	H.R. 2020	Treasury/Postal Approps. FY 1996	PQ: 232–192 A: voice vote (7/18/95).
H. Res. 193 (7/19/95)	C	H.J. Res. 96	Disapproval of MFN to China	A: voice vote (7/20/95).
H. Res. 194 (7/19/95)	O	H.R. 2002	Transportation Approps. FY 1996	PQ: 217–202 (7/21/95).
H. Res. 197 (7/21/95)	O	H.R. 70	Exports of Alaskan Crude Oil	A: voice vote (7/24/95).
H. Res. 198 (7/21/95)	O	H.R. 2076	Commerce, State Approps. FY 1996	A: voice vote (7/25/95).
H. Res. 201 (7/25/95)	O	H.R. 2099	VA/HUD Approps. FY 1996	A: 230–189 (7/25/95).
H. Res. 204 (7/28/95)	MC	S. 21	Terminating U.S. Arms Embargo on Bosnia	A: voice vote (8/1/95).
H. Res. 205 (7/28/95)	O	H.R. 2126	Defense Approps. FY 1996	A: 409–1 (7/31/95).
H. Res. 207 (8/1/95)	MC	H.R. 1555	Communications Act of 1995	A: 255–156 (8/2/95).
H. Res. 208 (8/1/95)	O	H.R. 2127	Labor, HHS Approps. FY 1996	A: 323–104 (8/2/95).
H. Res. 215 (9/7/95)	O	H.R. 1594	Economically Targeted Investments	A: voice vote (9/12/95).
H. Res. 216 (9/7/95)	MO	H.R. 1655	Intelligence Authorization FY 1996	A: voice vote (9/12/95).
H. Res. 218 (9/12/95)	O	H.R. 1162	Deficit Reduction Lockbox	A: voice vote (9/13/95).
H. Res. 219 (9/12/95)	O	H.R. 1670	Federal Acquisition Reform Act	A: 414–0 (9/13/95).
H. Res. 222 (9/18/95)	O	H.R. 1617	CAREERS Act	A: 388–2 (9/19/95).
H. Res. 224 (9/19/95)	O	H.R. 2274	Natl. Highway System	PQ: 241–173 A: 375–39–1 (9/20/95).
H. Res. 225 (9/19/95)	MC	H.R. 927	Cuban Liberty & Dem. Solidarity	A: 304–118 (9/20/95).
H. Res. 226 (9/21/95)	O	H.R. 743	Team Act	A: 344–66–1 (9/27/95).
H. Res. 227 (9/21/95)	O	H.R. 1170	3-Judge Court	A: voice vote (9/28/95).
H. Res. 228 (9/21/95)	O	H.R. 1601	Internatl. Space Station	A: voice vote (9/27/95).
H. Res. 230 (9/27/95)	C	H.J. Res. 108	Continuing Resolution FY 1996	A: voice vote (9/28/95).
H. Res. 234 (9/29/95)	O	H.R. 2405	Omnibus Science Auth	A: voice vote (10/11/95).
H. Res. 237 (10/17/95)	MC	H.R. 2259	Disapprove Sentencing Guidelines	A: voice vote (10/18/95).
H. Res. 238 (10/18/95)	MC	H.R. 2425	Medicare Preservation Act	PQ: 231–194 A: 227–192 (10/19/95).
H. Res. 239 (10/19/95)	C	H.R. 2492	Leg. Branch Approps	PQ: 235–184 A: voice vote (10/31/95).
H. Res. 245 (10/25/95)	MC	H. Con. Res. 109	Social Security Earnings Reform	PQ: 228–191 A: 235–185 (10/26/95).
		H.R. 2491	Seven-Year Balanced Budget	
H. Res. 251 (10/31/95)	C	H.R. 1833	Partial Birth Abortion Ban	A: 237–190 (11/1/95).
H. Res. 252 (10/31/95)	MO	H.R. 2546	D.C. Approps.	A: 241–181 (11/1/95).
H. Res. 257 (11/7/95)	C	H.J. Res. 115	Cont. Res. FY 1996	A: 216–210 (11/8/95).
H. Res. 258 (11/8/95)	MC	H.R. 2586	Debt Limit	A: 220–200 (11/10/95).
H. Res. 259 (11/9/95)	O	H.R. 2539	ICC Termination Act	A: voice vote (11/14/95).
H. Res. 262 (11/9/95)	C	H.R. 2586	Increase Debt Limit	A: 220–185 (11/10/95).
H. Res. 269 (11/15/95)	O	H.R. 2564	Lobbying Reform	A: voice vote (11/16/95).
H. Res. 270 (11/15/95)	C	H.J. Res. 122	Further Cont. Resolution	A: 249–176 (11/15/95).
H. Res. 273 (11/16/95)	MC	H.R. 2606	Prohibition on Funds for Bosnia	A: 239–181 (11/17/95).
H. Res. 284 (11/29/95)	O	H.R. 1788	Amtrak Reform	A: voice vote (11/30/95).
H. Res. 287 (11/30/95)	O	H.R. 1350	Maritime Security Act	A: voice vote (12/6/95).
H. Res. 293 (12/7/95)	C	H.R. 2621	Protect Federal Trust Funds	PQ: 223–183 A: 228–184 (12/14/95).
H. Res. 303 (12/13/95)	O	H.R. 1745	Utah Public Lands	PQ: 221–197 A: voice vote (5/15/96).
H. Res. 309 (12/18/95)	C	H. Con. Res. 122	Budget Res. W/President	PQ: 230–188 A: 229–189 (12/19/95).
H. Res. 313 (12/19/95)	O	H.R. 558	Texas Low-Level Radioactive	A: voice vote (12/20/95).
H. Res. 323 (12/21/95)	C	H.R. 2677	Natl. Parks & Wildlife Refuge	Tabled (2/28/96).
H. Res. 366 (2/27/96)	MC	H.R. 2854	Farm Bill	PQ: 228–182 A: 244–168 (2/28/96).
H. Res. 368 (2/28/96)	O	H.R. 994	Small Business Growth	Tabled (4/17/96).
H. Res. 371 (3/6/96)	C	H.R. 3021	Debt Limit Increase	A: voice vote (3/7/96).
H. Res. 372 (3/6/96)	MC	H.R. 3019	Cont. Approps. FY 1996	PQ: voice vote A: 235–175 (3/7/96).
H. Res. 380 (3/12/96)	C	H.R. 2703	Effective Death Penalty	A: 251–157 (3/13/96).
H. Res. 384 (3/14/96)	MC	H.R. 2202	Immigration	PQ: 233–152 A: voice vote (3/19/96).
H. Res. 386 (3/20/96)	C	H.J. Res. 165	Further Cont. Approps	PQ: 234–187 A: 237–183 (3/21/96).
H. Res. 388 (3/21/96)	C	H.R. 125	Gun Crime Enforcement	A: 244–166 (3/22/96).
H. Res. 391 (3/27/96)	C	H.R. 3136	Contract w/America Advancement	PQ: 232–180 A: 232–177, (3/28/96).
H. Res. 392 (3/27/96)	MC	H.R. 3103	Health Coverage Affordability	PQ: 229–186 A: Voice Vote (3/29/96).
H. Res. 395 (3/29/96)	MC	H.J. Res. 159	Tax Limitation Const. Amdmt.	PQ: 232–168 A: 234–162 (4/15/96).
H. Res. 396 (3/29/96)	O	H.R. 842	Truth in Budgeting Act	A: voice vote (4/17/96).
H. Res. 409 (4/23/96)	O	H.R. 2715	Paperwork Elimination Act	A: voice vote (4/24/96).
H. Res. 410 (4/23/96)	O	H.R. 1675	Natl. Wildlife Refuge	A: voice vote (4/24/96).
H. Res. 411 (4/23/96)	C	H.J. Res. 175	Further Cont. Approps. FY 1996	A: voice vote (4/24/96).
H. Res. 418 (4/30/96)	O	H.R. 2641	U.S. Marshals Service	PQ: 219–203 A: voice vote (5/1/96).
H. Res. 419 (4/30/96)	O	H.R. 2149	Ocean Shipping Reform	A: 422–0 (5/1/96).
H. Res. 421 (5/2/96)	O	H.R. 2974	Crimes Against Children & Elderly	A: voice vote (5/7/96).
H. Res. 422 (5/2/96)	O	H.R. 3120	Witness & Jury Tampering	A: voice vote (5/7/96).
H. Res. 426 (5/7/96)	O	H.R. 2406	U.S. Housing Act of 1996	PQ: 218–208 A: voice vote (5/8/96).
H. Res. 427 (5/7/96)	O	H.R. 3322	Omnibus Civilian Science Auth	A: voice vote (5/9/96).
H. Res. 428 (5/7/96)	MC	H.R. 3286	Adoption Promotion & Stability	A: voice vote (5/9/96).
H. Res. 430 (5/9/96)	S	H.R. 3230	DoD Auth. FY 1997	A: 235–149 (5/10/96).
H. Res. 435 (5/15/96)	MC	H. Con. Res. 178	Con. Res. on the Budget, 1997	PQ: 227–196 A: voice vote (5/16/96).
H. Res. 436 (5/16/96)	C	H.R. 3415	Repeal 4.3 cent fuel tax	PQ: 221–181 A: voice vote (5/21/96).
H. Res. 437 (5/16/96)	MO	H.R. 3259	Intell. Auth. FY 1997	A: voice vote (5/21/96).
H. Res. 438 (5/16/96)	MC	H.R. 3144	Defend America Act	
H. Res. 440 (5/21/96)	MC	H.R. 3448	Small Bus. Job Protection	A: 219–211 (5/22/96).
	MC	H.R. 1227	Employee Commuting Flexibility	
H. Res. 442 (5/29/96)	O	H.R. 3517	Mil. Const. Approps. FY 1997	A: voice vote (5/30/96).
H. Res. 445 (5/30/96)	O	H.R. 3540	For. Ops. Approps. FY 1997	A: voice vote (6/5/96).
H. Res. 446 (6/5/96)	MC	H.R. 3562	WI Works Waiver Approval	A: 363–59 (6/6/96).
H. Res. 448 (6/6/96)	MC	H.R. 2754	Shipbuilding Trade Agreement	A: voice vote (6/12/96).
H. Res. 451 (6/10/96)	O	H.R. 3603	Agriculture Appropriations, FY 1997	A: voice vote (6/11/96).
H. Res. 453 (6/12/96)	O	H.R. 3610	Defense Appropriations, FY 1997	A: voice vote (6/13/96).
H. Res. 455 (6/18/96)	O	H.R. 3662	Interior Approps, FY 1997	A: voice vote (6/19/96).

SPECIAL RULES REPORTED BY THE RULES COMMITTEE, 104TH CONGRESS—Continued

[As of July 11, 1996]

H. Res. No. (Date rept.)	Rule type	Bill No.	Subject	Disposition of rule
H. Res. 456 (6/19/96)	O	H.R. 3666	VA/HUD Approps	A: 246–166 (6/25/96).
H. Res. 460 (6/25/96)	O	H.R. 3675	Transportation Approps	A: voice vote (6/26/96).
H. Res. 472 (7/9/96)	O	H.R. 3755	Labor/HHS Approps	PQ: 218–202 A: voice vote (7/10/96).
H. Res. 473 (7/9/96)	MC	H.R. 3754	Leg. Branch Approps	A: voice vote (7/10/96).
H. Res. 474 (7/10/96)	MC	H.R. 3396	Defense of Marriage Act	A: 290–133 (7/11/96).
H. Res. 475 (7/11/96)	O	H.R. 3756	Treasury/Postal Approps	

Codes: O-open rule; MO-modified open rule; MC-modified closed rule; S/C-structured/closed rule; A-adoption vote; D-defeated; PQ-previous question vote. Source: Notices of Action Taken, Committee on Rules, 104th Congress.

Mr. DIAZ-BALART. Mr. Speaker, I would beg indulgence of the Chair to simply at this point convey my sincere and heartfelt condolences to our colleague, the gentleman from Ohio [TONY HALL] for the passing of his beloved son. Our thoughts are with him and his family, and our prayers are for his family and for the soul of her dear son at this time.

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

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

Mr. Speaker, I too, join with my friend, the gentleman from Florida, Mr. DIAZ-BALART, in his kind and generous words of concern about our colleague and friend, the gentleman from Ohio, TONY HALL and his entire family.

Mr. Speaker, we do not object to the rule for the consideration of H.R. 3756, the Treasury, Postal Service, and general government appropriations bill for fiscal year 1997. However, I must say that for an open rule, it looks and sounds very complicated. It does waive several House rules, as the gentleman has said, that are violated by provisions of the bill, including the prohibitions against unauthorized and legislative provisions in an appropriations bill, and against reappropriations.

As we have been with other legislation, we are especially concerned about the waivers the rule provides of points of order for the bill's failure to comply with sections of the Congressional Budget Act. The three important provisions of the Budget Act being waived are section 302(f), which prohibits consideration of legislation that exceeds the committee's allocations of new entitlement authority, section 308(a), which requires a cost estimate in the committee report on legislation containing new entitlement spending, and section 401(b), which prohibits consideration of legislation providing new entitlement authority that becomes effective before the start of a new fiscal year.

The waivers appear to be technical in nature and the provisions in the bill that are being protected are, we are told, minor. For instance, they make changes in certain voluntary separation incentives and retirement and annuity requirements and permit the U.S. Mint to set up a demonstration project.

However, we bring this up again because the Budget Act waivers are appearing more frequently in the rules we being to the floor. We strongly urge committees to be more careful in including provisions in bills that require Budget Act waivers. They should make every effort to comply with the provisions of the Budget Act and the rules of the House. And we would hope, Mr. Speaker, that the majority would be careful about the practice of continuing the waiving of these important safeguards on an almost routing basis.

The rule also self-executes and amendment striking certain expedited procedures that are under the jurisdiction of the Committee on Rules. In addition, it makes in order, as the gentleman stated, three amendments, and protects them against points of order. Some of us feel, not the gentleman from Florida, but some of us, that two of these amendments, one dealing with the drug czar's' office and another capping the number of so-called political appointees in the executive branch, are purely political in nature and really do not belong in this debate.

The fact that the majority has seen fit to allow and protect those amendments is a certain and inescapable sign that this is an election year. The same observation holds for the third protected amendment, which continues the freeze on cost of living adjustments for Members of Congress and other Government officials.

We know how difficult it is to oppose the COLA freeze, but I would caution my colleagues about being so intent on denying modest cost of living adjustments, they are not raises, they are cost of living adjustments to people who, the great majority of them at least, work very hard for long hours and are committed public servants.

The wisdom of this parsimony is questionable and may come back to haunt this body and this Government. We ought to question seriously whether the minuscule savings from this pay freeze are worth the effects. The level of pay is no doubt a serious disincentive to potential candidates who are well qualified for this and other jobs. We need to be concerned about the relatively low level of pay and the level of competence of the people who are both attracted to run for office and to accept appointments for jobs in the executive and judiciary branches as well.

This is fortunately an open rule, because we strongly oppose many portions of the bill itself. The bill represents a continuation of the majority's belief that Government needs to be downsized. Frankly, we are concerned that the appropriations in the bill inadequately fund some of the most basic functions of our Government, including tax collection and compliance, both of which are, of course, essential to our effort to balance the budget.

Especially egregious are the unwise and unprecedented funding for the Internal Revenue Service and the legislative initiatives in this appropriations bill that would gravely affect the IRS. We are puzzled by the inadequate level of funding, which is $1.4 billion below the President's request and a cut of $776 million from last year's appropriation, for an already fiscally strapped agency. The bipartisan leadership of the Committee on Ways and Means, in fact, has joined the administration in expressing serious opposition to those cuts, which they say, and I quote a letter from the gentleman from Texas, Chairman ARCHER, ''seriously impair the IRS's ability to perform its core responsibilities.''

It is difficult to understand why the Committee on Appropriations would so drastically cut funding for the very agency that is responsible for bringing in the revenue that will help reduce the deficit and balance the budget. No matter what the concerns are about the features of the computer system the IRS has admittedly been struggling to set up, this damaging cut, along with the requirement that the Department of Defense, the military, handle the new computer system for the IRS, is no solution at all to the problems many Members do believe exist there.

We ought to be finding ways to help the IRS enforce our tax laws in a fairer and more efficient manner instead of so severely underfunding the very agency that Congress expects to collect taxes to fund every other program we approve.

Mr. Speaker, many of us are also deeply disappointed that H.R. 3756 continues the prohibition on Federal employees choosing a health care plan that provides a full range of reproductive health services, including abortion. In 1993 we wisely, I think, reversed that policy that had been in place for about a decade. The continuation of last year's prohibition threatens the right of Federal employees to choose to have an abortion, a right that has, after all, been guaranteed by the Supreme Court, and discriminates against women in public service.

Abortion is not illegal. Congress should not be taking action to make it more difficult to obtain or more dangerous to obtain. I regret that we are taking one more step against assuring all women the right to a safe and legal abortion.

We are also disturbed, Mr. Speaker, by the level of funding for the Federal

Election Commission, the agency that is responsible for enforcing our campaign finance laws, and what that will mean to improving the current inadequate enforcement of our campaign finance laws. The FEC is already operating under severe budgetary constraints and this bill will severely hamper its ability to carry out its responsibilities to assure the integrity of elections in this country. It should be obvious that the FEC is understaffed and needs far more resources than it currently has. That is especially true in this presidential election year.

It seems especially ironic that in the same week we will take up so-called campaign finance reform legislation, we shall also apparently deny the FEC the type of increase in funding that it needs.

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In fact, the Committee on Appropriations has directed a reduction of three employees from the FEC press office which now only has five full-time employees. This move will obviously cut the FEC's press office which is in charge of the Commission's disclosure role by more than half. It seems to us that the last thing we should be doing during this highly ballyhooed reform week is making it more difficult to get information out to the public about campaign spending.

We should, in short, be very concerned about how the bill treats the FEC, Mr. Speaker. We talk constantly about the need to protect our process and keep it as free as possible of outside special interests, but the provisions of the bill that affect the FEC are clearly attempts to reduce the effectiveness of the one agency that has the responsibility for overseeing in some objective fashion the election process.

Mr. Speaker, the bill has a number of other questionable provisions, including the restrictions on the operations of what we hope to be a newly invigorated Office of National Drug Control Policy, the provisions that will permit certain convicted felons to sue to regain their firearm privileges, and overall the inadequate level of funding for some of the most basic functions of our Government.

Because of the urgency many feel to balance the budget, some of the agencies funded in this bill simply will not have enough money, we fear, to carry out their responsibilities in a proper manner.

In any event, Mr. Speaker, and as I said at the outset, we do not oppose the rule. We welcome the opportunity it gives us to address some of the more unacceptable provisions of the bill.

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

Mr. DIAZ-BALART. Mr. Speaker, we on the majority side believe that the functions funded by this bill are sufficiently supported. At the same time we are very proud of the fact that we have achieved a savings of over $500 million from last year's bill alone.

Mr. Speaker, I yield such time as he may consume to my friend and fellow Floridian on the Rules Committee, Mr. GOSS.

(Mr. GOSS asked and was given permission to revise and extend his remarks.)

Mr. GOSS. Mr. Speaker, I thank my friend and Florida colleague, Mr. DIAZ-BALART for yielding me this time. I rise in support of this rule, which allows the House to consider the fiscal year 1997 Treasury/Postal spending bill. This rule provides an opportunity for Members to offer any germane amendment under the standing rules of the House, and allows for reasonable debate on three important amendments that otherwise could not have been considered. It is a good rule and we should adopt it.

Mr. Speaker, I would like to address a particular issue of real concern to me and to many Americans, relating to the White House Office of Personnel Security. This office is funded under this legislation as is the entire White House operation. In recent weeks, the Nation has learned about a serious breach of policy and potential violations of the law with regard to the Personnel Security Office and the improper request and review of sensitive FBI background information on hundreds of former administration employees. I know that the Appropriations Committee had some discussion about this, and I am pleased that this legislation includes language tightening up the process by which information is requested from and provided by the FBI.

But I do not think we can let this matter go at that. In addition to making sure such a breach never recurs, we must continue to seek answers from this administration about how it happened in the first place. I applaud the two congressional committees that have been holding hearings to examine this episode. Unfortunately, it seems that each attempt by the White House to lay the issue to rest raises more questions than are answered. Well, Mr. Speaker, I have some questions of my own, sparked by a retrospective review of a little-noticed GAO investigation. Members may remember that in 1994 I and two of our colleagues asked the GAO to investigate the security pass procedures of the very same personnel office now under scrutiny. We were concerned at the time because many Clinton administration officials had not received permanent access passes and had not yet undergone the necessary security clearance procedures. We now know that, at the very time it was having such trouble completing its proper work in providing access passes to current employees, the Security Office was wrongly in possession of and improperly reviewing files it had no business having in the first place. Recent news reports suggest that there may be some direct connection between the Security Office's interest in former officials' files and problems current officials were having in meeting the rigorous requirements of background security checks.

Recently we read that there was ''an aggressive effort by the two men [in the Security Office] to help prospective appointees overcome serious legal obstacles and other problems that had impeded their security clearances during the first year of the administration.''

Still, key administration officials have sought to assure the American people that there was no agenda for having those files, that they were unaware that the files were in that office—that it was nothing more than an innocent mistake. But given the fact that a GAO investigation was underway into the practices of the Security Office at the very same time, it is simply not believable that those responsible for internal control over that office would not have discovered the files as they prepared to cooperate with the GAO. It is equally hard to believe that, even if they missed the files during the review, the administration would not have discovered them had they followed up on the GAO's recommendations to consider additional controls on the security process. Mr. Speaker, given what we now know was occurring in the Office of Personnel Security, before spending one more dime of taxpayers' money there, I would like to know more about what the administration was doing behind the scenes to prepare for, supposedly cooperate with and follow up on this GAO investigation. I think the Members who requested this investigation, the Congress that received it, and the taxpayers who paid for it have a right to know. It is time for the Clinton White House to provide some solid answers to justify taxpayer support for certain of their activities. This is a good rule to get that debate to the floor. I urge support for this rule.

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

Mr. DIAZ-BALART. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. LIGHTFOOT. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill (H.R. 3756) making appropriations for the Department of Treasury, the U.S. Postal Service, the Executive Office of the President, and certain independent agencies, for the fiscal year ending September 30, 1997, and for other purposes, and that I may be permitted to include tabular and extraneous material.

The SPEAKER pro tempore (Mr. GUTKNECHT). Is there objection to the request of the gentleman from Iowa?

There was no objection.

TREASURY, POSTAL SERVICE, AND GENERAL GOVERNMENT APPROPRIATIONS ACT, 1997

The SPEAKER pro tempore. Pursuant to House Resolution 475 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 3756.

□ 1709

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3756) making appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain independent agencies, for the fiscal year ending September 30, 1997, and for other purposes, with Mr. DREIER in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the bill is considered as having been read the first time.

Under the rule, the gentleman from Iowa [Mr. LIGHTFOOT] and the gentleman from Maryland [Mr. HOYER] each will control 30 minutes.

The Chair recognizes the gentleman from Iowa [Mr. LIGHTFOOT].

Mr. LIGHTFOOT. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I am pleased to present H.R. 3756, the fiscal year 1997 Treasury Appropriations bill. As reported, this bill achieves deficit savings of $513 million from the 1996 enacted levels. Combined with savings from last year's bill, the Treasury-Postal Subcommittee has saved the American taxpayers $1.2 billion since January of 1995. I believe this is a record that we all can be very proud of.

I am also pleased to report to my colleagues that although there were significant objections to this bill from the Committee on Ways and Means and from members of the Task Force on National Drug Policy, we have been able to work through these issues. While we cannot, at this stage, address all the objections raised by the Committee on Ways and Means, I am committed to working out the differences as we move toward conference with the Senate.

With regard to the IRS for fiscal year 1997, the subcommittee proposes several bold initiatives. Let there be no mistake about it. This is a tough bill for the IRS. But for 8 years, the IRS has been struggling to get on track a $20 billion computer modernization program. They have spent approximately $4 billion to date, and while there are some modest successes, we do not have 4 billion dollars' worth of goods that work. In my mind, the American taxpayer has been getting ripped off.

For the past 60 years, the IRS has had its budget cut only once, and that was last year when I took over as chairman of this subcommittee. We nicked them by a big 2 percent and told them to get the TSM project on track. Unfortunately, IRS did not heed this advice. They proceeded as if it were business as usual. Not surprisingly, last month the subcommittee got yet another report on TSM that said, as currently structured, TSM is doomed to fail.

So this year we've taken the bull by the horns. This bill takes IRS out of the business of building its own computer modernization system and puts that system in the hands of people who build these systems for a living, the private sector.

I recognize this is a dramatic departure from where we are today, and I know that the bill cuts IRS funding by 11 percent and that, at a minimum, 2,000 IRS employees may lose their jobs. But in my mind there is simply no other way to get this program on track. IRS has proven to us time and time again that they simply cannot get this program up and running.

Mr. Chairman, I have heard a lot of concerns about this bill that it is so dramatic, that it is going to affect the tax filing season next year, that we're shutting off funding for electronic filing, that we seriously impair the IRS' ability to perform its core responsibilities. Well, that is simply not true.

In a few moments, I suspect my distinguished friend and colleague, the ranking member of the subcommittee, will stand up and read to you a letter written by the Committee on Ways and Means as well as letters from the administration that, in a nutshell, suggest IRS will come to a screeching halt under this bill. Some have also suggested this bill is outright irresponsible. Well, if I may use an old Iowa saying, horsefeathers.

I too would like to share some facts with my colleagues.

Last week the GAO issued a report on its audit of IRS' financial statements. I think my colleagues, as well as the American public, should pay particular attention to this. GAO could not provide an opinion on IRS' financial statements because the IRS could not back up major portions of these statements, and when they did, the information was wrong. That is amazing.

The GAO could not verify that IRS' own internal record keeping is accurate. GAO also found that the total revenue collected and tax refunds paid could not be verified, that the amounts reported, various types of taxes collected, could not be verified, and that IRS' $3 billion in nonpayroll operating expenses could not be verified.

The bottom line, IRS' weakness in internal controls, means we cannot verify compliance with laws governing the use of budget authority. That is right. We cannot verify that IRS is using the dollars that we give them in accordance with the law.

This is not something new. It has been going on for some time. But to me this is significant. GAO has been identifying these weaknesses for years. They made 59 recommendations aimed at solving these financial management problems. To date, the IRS has completed 17 of these recommendations. We gave IRS $7.3 billion last year and IRS cannot verify how they are spending the taxpayers' dollars.

So, as I hear complaints about how the funding levels proposed for the IRS are too low and the taxpayers will not be able to file their taxes this year, I can only say this: I do not buy it for a minute and my colleagues and the American public should not either.

□ 1715

These are the facts. The IRS cannot justify their appropriations because they cannot reconcile their expenditures. That means that they cannot balance their own checkbook. Their records do not allow them to do it. IRS requires every single taxpayer to justify every dime on their tax return when they are audited, and yet the IRS cannot do it for themselves. I think taxpayers should be outraged at this incredible double standard and they should demand accountability from the IRS.

The funding levels proposed for IRS are not irresponsible. What is irresponsible is giving them everything they ask for without the appropriate justifications and backup. We view that as our job. If we are going to give you the money, you tell us why you need it and how you are going to use it.

So the message to the IRS is simply this. Come sit at the table with me as we prepare to go to conference with the Senate. Sit down and show me how and why and where you need this $7.3 billion next year. Show me what you plan to buy, what you plan to spend, and what you plan to change in this failing $8 billion computer modernization program. I am willing to negotiate and compromise, but not until the numbers are scrubbed and they are backed up with supportable facts.

Just as the IRS demands that the American taxpayer justify every penny on their tax returns, I am demanding the IRS justify every penny of their appropriation. It is only fair. To do anything else would be totally irresponsible.

I am optimistic IRS will heed the message. The days of automatic increases are over, but until the IRS can justify their budget, we should not give them a blank check. Instead, we fund the programs that work. We increase funding for the various law enforcement programs under our jurisdiction by $410 million from the 1996 levels. We are providing in this bill $24 million for the ATF to investigate church fires, provide $65 million for Customs to get tough along our borders and stop drugs from coming in and reaching our children. We provide $4.2 million for investigations of missing and exploited children, including funds to establish aggressive investigations of child pornography.

Mr. Chairman, this is a good bill for Americans. We achieve deficit savings of $513 million, we demand accountability from a failing $8 billion computer program, and we start an aggressive campaign against drugs coming in along our borders. I urge my colleagues to support this bill.

Mr. Chairman, before turning to the gentleman from Maryland [Mr. HOYER] for his comments, let me say a brief word in appreciation of the fine work that the staff has done. Jennifer Mummert, Dan Cantu, Betsy Phillips, Bill Deere and our subcommittee clerk, Michelle Mrdeza on the majority side, and Seith Statler and Pat Schlueter on the minority side have put in a lot of time and a lot of hard work to get us here today. It has been a tough bill to put together. I asked the subcommittee to take us in a new direction this year. They have done so and, in my opinion, in a thoroughly professional manner. I would also like to thank the gentleman from Maryland [Mr. HOYER] for working with us on the bill.

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

Mr. HOYER. Mr. Chairman, I yield myself 18 minutes.

Mr. Chairman, before launching into a statement on the Treasury-Postal appropriations, I want to pay tribute to my friend and colleague, the gentleman from Iowa [Mr. LIGHTFOOT], the chairman of the subcommittee. As all of us know, he is running for the Senate and will not be with us next year in the House. I would like to thank him and the staff for the diligent work that they have done on this bill.

I also want to reiterate what I said in committee. I want to thank the chairman and the committee for the openness with which they have dealt with us on the legislation before us, particularly as it relates to preceding the initial subcommittee markup. I appreciate it and it was helpful.

Mr. Chairman, the Treasury-Postal bill has been a hard bill to put together for fiscal year 1997, based in part on the deck we have been dealt by the budget resolution and the committee's 602(b) allocation, or more plainly, the money that we were given by the full Committee on Appropriations to carry out our responsibilities.

For fiscal year 1997, the 602(b) allocation requires an overall reduction of $130 million in budget authority and a half a billion dollars in outlays from the 1996 appropriation level, a half a billion dollars below what was a very tight budget in 1996. We simply do not have enough money to fund all the requirements of this bill. Once again, there is another illustration of why we should have adopted the coalition budget.

Overall, this bill provides $11.1 billion in discretionary funding, which is about $130 billion below the amount we appropriated last year and $1.7 billion below the amount requested by the administration.

On the good side, Mr. Chairman, within the limit of resources available, this committee's commitment to law enforcement is evident. Funding for law enforcement agencies totals $3.5 billion, an increase of $408 million, or 14 percent, over the 1996 levels and $155 million above the administration's request.

We have funded law enforcement initiatives, including $800,000 for the Treasury Recipient Integrity Program, the TRIP Program, the Secret Service Program to stop fraud in benefit payments so that the beneficiaries are protected and the taxpayer is protected; $12 million supplemental this year and $12 million in 1997 to help ATF stop arson at American churches and do research on arson; continued full funding for Hill Intensity Drug Trafficking Areas, HIDTA's, and the addition of three new HIDTA's; $28 million for Custom's Operation Gateway to cut drug traffic through the Caribbean; $300,000 for FINCEN, the Financial Crimes Enforcement Network, a critically important agency to enhance interaction and effectiveness between law enforcement agencies to stop money laundering and the use of billions of dollars for criminal enterprise and the profits of criminal enterprise.

Programs like these provide a secure environment for the vast majority of Americans who are law-abiding citizens. Ongoing initiatives like HIDTA and the Gang Resistance Education and Training Program, the GREAT Program, make our streets safer for those who would work at school and at home. Just as ATF and the Secret Service provide vital protection in communities across the country, the Customs Service secures our borders from those who would seek to bring harm to our citizens, especially from the ongoing threat of illegal drugs.

In addition to law enforcement, this bill fully funds the Archives and OPM and includes very limited buyout authorities for Customs, ATF, and the IRS. I should note that this buyout authority must be significantly adjusted if it is to save the taxpayers money in avoiding RIF's, as GAO has indicated.

On the negative side, these increases in law enforcement have been made at the expense of the Internal Revenue Service, a critically important agency when it comes to deficit reduction and funding every priority of this Government. This bill cuts over $800 million from the amounts IRS needs just to maintain current levels of taxpayer service and revenue collection. Overall funding cuts to IRS would result in a decrease of some 7,500 FTE's and, to the extent these reductions cannot be accomplished by October 1, even more FTE's would have to be cut.

The reductions in this bill to the IRS are so unwise that the Committee on Ways and Means concluded in its June 26, 1996 letter to Chairman LIVINGSTON that this bill will not work for the IRS.

Specifically, Mr. Chairman, the bill will impair the IRS' ability to perform its core responsibilities. Its cuts to information systems will endanger IRS' ability to collect taxes and process returns in 1997 as well as provide efficient customer services to the Nation's taxpayers.

These budget cuts could create a very significant risk that substantial Federal revenues could be lost, thereby exacerbating our Federal budget deficit problems. That comes from the letter signed by the gentleman from Texas, Mr. ARCHER, and the gentlewoman from Connecticut, Mrs. JOHNSON, not by a Democrat, not by STENY HOYER, a ranking Member, but by the Republican oversight leaders of this House.

Specifically, Mr. Chairman, the bill will impair the IRS's ability to perform its core responsibilities; cuts in information systems will hurt their ability to collect taxes and process returns in 1997, as well as provide efficient customer services to the Nation's taxpayers. We all lament when our taxpayers complain that they do not get speedy response. They cannot get such response if the ability to do so is not funded.

These budget cuts could, and I think will, pose a risk of creating a very significant risk that substantial Federal revenues could be lost, thereby exacerbating our Federal budget deficit problems.

Mr. Chairman, this third conclusion of the Committee on Ways and Means should not, cannot be ignored by those Members of this House who take deficit reduction seriously. In other words, supporting this bill with its cuts to the IRS means you are putting at risk a balanced budget.

The problem is really very simple. This bill cuts IRS funding and staffing so much that it will not be able to collect the revenue that the rest of the Government depends upon and that deficit reduction depends upon.

If this bill were to become law, the 1997 filing season would be impacted adversely with taxpayer services jeopardized, revenue losses of over $1 billion would occur, adding to the Federal deficit, and IRS' computer modernization efforts would be crippled, leading to significant problems in the near future.

Not only does this bill halt the compliance initiative found to enhance revenues so successfully in prior years, but it cuts into the base funding of IRS' tax enforcement program, reducing tax law enforcement to $44.7 million below the current level, and would result in an estimated annual revenue loss of well over $640 million. Cuts like this will cost, not save, money in the long run.

With respect to TSM, let me call attention to the provisions of the June 26 letter, which says, and I would quote, ''We strongly oppose a number of TSM management actions recommended by the subcommittee, in particular the fencing of all TSM funds, until the IRS establishes a restructured contractual arrangement with the private sector to develop and deliver effective TSM programs.''

They do so because on page 5 of that letter, Mr. Chairman, they say ''The IRS on TSM is clearly moving in the right direction.'' In other words, what the gentleman from Texas [Mr. ARCHER], the gentlewoman from Connecticut [Mrs. JOHNSON], the gentleman from Florida [Mr. GIBBONS], and the gentleman from California [Mr. MATSUI] are saying is that from 1988, under President Reagan, from 1989 to 1992 under President Bush, from 1993 to 1996 under President Clinton, there were very substantial problems in the tax systems modernization program. I agree with that. Our committee agrees with that.

Our committee has taken action to try to correct that, and in fact we have been heard because the Treasury Department, under Secretary Rubin, has taken action to ensure that TSM is done and done right.

Now, Mr. Chairman, we do not have an alternative but to do tax systems modernization as we look into the next century. The committee clearly believes, again I say not the Democrats looking at a Democratic administration, but the gentleman from Texas [Mr. ARCHER] and the gentlewoman from Connecticut [Mrs. JOHNSON] in their letter clearly says, ''The IRS is clearly moving in the right direction.'' Therefore, this action is a dollar short and a day late because we have gotten a handle on the program.

□ 1730

But it does make, I suppose, for good debate.

This bill would, in addition, Mr. Chairman, set aside $26 million of IRS's limited funds to double the scope of the current pilot project on using private collection agencies to collect overdue taxes. I personally believe that, until the results of the first project are complete, this $26 million would be better spent in IRS telephone collection systems which could generate an additional $665 million in revenue.

This bill, in addition, cuts in half funding for tax systems modernization and ties the hands of the Treasury Department such that even the operational projects that GAO believes should be funded are halted. I am pleased that we are going to speak to that issue, and I want to say that the chairman, as he said in his opening statement, has been very willing to discuss problems that might exist and to indicate a willingness to look at these and try to correct them.

I think that is a very positive step and it does not surprise me, because that has been the Chairman's continuing pattern throughout my relationship with him. He is a person who wants to make sense and to do the right thing.

The bill zero funds, in addition, the automated underreporter document matching systems, which will result in the loss of jobs for 88 people, a savings of $9.4 million in budget costs, but the potential loss of a billion dollars. Saving $9.4 million and putting at risk a billion dollars does not seem to me to make common sense.

Zero funding of the electronic filing operating systems that were used by over 14,000,000 taxpayers in 1996 will cost 251 people their jobs and set back all filing to pen and paper operations. Zero funding for corporate files on line will make resolving taxpayer inquiries much more difficult. I do not think that is what we want to do for our taxpayers.

Zero funding for the print systems that generate millions of taxpayer notices each year would create chaos, frankly, in the revenue system. Even the Detroit computing center, which processes all currency transaction reports and administration information, would be zero funded as well.

The committee has simply gone too far, in my opinion, Mr. Chairman, in its zeal to punish the IRS for its lack of success with tax systems modernization. We all recognize that this broad effort to update all aspects of IRS' computer and processing systems, known as TSM, is a high priority that is critical as the agency prepares for the 21st century. We are also concerned about the lack of results from IRS' efforts on TSM.

TSM has had problems for many years, through three administrations, as I previously said. I am glad that Secretary Rubin agrees that we are on the right track and that the gentleman from Texas [Mr. ARCHER] agrees with the Secretary.

The Committee on Ways and means, as I quoted before, on page 5 of its letter said, and I quote, ''We believe it makes little sense, at a time when the IRS is finally making progress in its efforts to implement necessary changes in its TSM management processes, to hamstring the IRS's ability to complete its task.''

My colleagues, particularly on the other side of the aisle, the majority side of the aisle, the Committee on Ways and Means leadership, the gentleman from Texas [Mr. ARCHER] and the gentlewoman from Connecticut [Mrs. JOHNSON] say we strongly encourage the Committee on Appropriations to delete the funding restrictions on TSM and allow responsibility for execution of problems by micromanaging the Department and using DOD as a procurement agent for all TSM contractors.

The fact of the matter is neither the Department of Defense nor the Committee on Ways and Means nor the Treasury Department nor IRS agree with that proposal.

Mr. Chairman, I disagree with the bill's restrictive TSM language, as does the Committee on Ways and Means. The IRS is not, Mr. Chairman, and never has been and probably never will be a popular agency. We all know that. but it has a job that must be done, and this bill does not provide the IRS with adequate tools to accomplish its mission. It is a pyrrhic position, I believe, to stand and say we want to cut the deficit, cut spending, but to cut IRS spending to the extent that the deficit will be made higher.

Now, Mr. Chairman, in conclusion, moving on to the Postal Service, I am disappointed we are not fulfilling our agreement with the U.S. Postal Service which we agreed to some years ago and fully funding what we owe them. Now, it is a very small portion of the postal budget, but we ought to meet our own responsibilities. We are not doing it in this bill.

Finally, Mr. Chairman, this bill unduly restricts the operations of our newly invigorated office of National Drug Control Policy. I know my friend, the gentleman from Illinois [Mr. HASTERT], has discussed this with the chairman and will be speaking to this issue.

The President has appointed, in my opinion, a true leader in Gen. Barry McCaffrey. Here is a man who began his distinguished career as a 17-year-old cadet at West Point and retired from active duty as the most highly decorated officer and the youngest four-star general in the U.S. Army. Most recently he was the commander in chief of the U.S. military's Southern Command, from which a lot of our drugs come, where he saw firsthand the efforts of all U.S. agencies involved in counternarcotics.

As President Clinton said when he announced General McCaffrey's nomination, ''I am asking that he lead our Nation's battle against drugs at home and abroad.'' To succeed, Mr. Chairman, he needs a force far larger than he has ever commanded before. He needs all of us. Every one of us has to play a role.

I believe we ought to give General McCaffrey the staff he needs and the opportunity to lead this Nation in our battle against drugs.

The good news is I understand that we are going to be doing that and I will certainly support that.

The bill before us demonstrates the continuing balance between personal and governmental responsibility. Yes, we each must pay taxes to the IRS, but, in turn, we expect good service and timely refund checks. The committee's bill cuts so much from IRS that I question whether or not the IRS can meet its basic responsibility as does the gentleman from Texas, Chairman ARCHER.

On a much more macro level, every American must be involved in stopping gang violence, ending illegal drug use, and halting the burning of churches, black and white. Yet this bill reminds us that Government can and does play a role in many of these important fights. Those that choose to level criticism on the Government and on those they call bureaucrats ought to review the important work and incredible accomplishments of the men and women that work at the Department of the Treasury and other agencies included in this bill.

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

Mr. LIGHTFOOT. Mr. Chairman, I yield such time as he may consume to the gentleman from Illinois [Mr. HASTERT] so that we may enter into a colloquy.

Mr. HASTERT. Mr. Chairman, I rise for the purpose of entering into a colloquy with the gentleman from Iowa. I want to clarify the purpose of the gentleman's amendment.

Does the gentleman intend to provide sufficient resources for the Office of National Drug Council Policy to hire a staff of 154, including 30 military detailees?

Mr. LIGHTFOOT. Mr. Chairman, will the gentleman yield?

Mr. HASTERT. I yield to the gentleman from Iowa.

Mr. LIGHTFOOT. Mr. Chairman, I would say to the gentleman, the answer is yes.

This amendment will provide for full funding of the President's request for a staff of 154. I think it is important that the director of ONDCP have enough people, and of the right kind, to fight the war on drugs.

Mr. HASTERT. Mr. Chairman, reclaiming my time, as the gentleman knows, I object to the second part of the amendment, which would prevent ONDCP from spending $2.5 million until the House and Senate Committee on Appropriations and ONDCP reach agreement on a revised staffing plan.

At what point would the gentleman from Iowa propose to lift that restriction?

Mr. LIGHTFOOT. If the gentleman will continue yielding, as the gentleman knows, I support the mission of ONDCP. I believe that General McCaffrey has made great strides in turning around an agency that has been long neglected by the Clinton administration.

I want to be clear my concern is not with the leadership of ONDCP or with its mission but with the draft staffing plan that funds too many support staff at the expense of people who can actually coordinate the war on drugs and evaluate programs. I think we owe it to the taxpayer to ensure that ONDCP gives us the biggest bang for the buck, so to speak.

Let me also say to the gentleman that ONDCP has already made some important strides in addressing our concerns over its staffing plan since the subcommittee initially marked up this bill. I fully expect we will have an acceptable staffing plan before we begin the House-Senate conference on this legislation. Once we have that agreement, it is my intention to withdraw a provision restricting the use of the funds from the bill at conference.

Mr. HASTERT. Mr. Chairman, we all support the $1 million allocated for the State Model Drug Law Conferences. We understand the gentleman is open to considering in conference where this funding may be most appropriately obtained to ensure the implementation of an aggressive antidrug strategy.

Mr. LIGHTFOOT. The gentleman is correct.

Mr. HASTERT. Mr. Chairman, I want to express my concerns with the strong language contained in the committee report regarding the ONDCP staffing levels and the ONDCP in general. I would hope the gentleman's intent is to reverse this language in the conference report once he has agreement on a staffing plan, and I understand that everyone is committed to reaching swift agreement on that plan.

Many of us have strong expectations that this will happen very soon and the monies will be released by the time this bill goes to conference.

Mr. LIGHTFOOT Again, the gentleman from Illinois is correct. Once we have agreement, the strong language will no longer apply. At that time I will recommend to the conference committee that it be reversed. I fully expect and wish to drop the harsh report language in conference, and also to drop all restrictions on spending so ONDCP, under its new and more effective leadership, has our strong support for its mission and has the resources necessary to reduce drug abuse in this country.

I would also like to compliment the gentleman from Illinois for his hard work on this issue.

Mr. HASTERT. Mr. Chairman, I appreciate the gentleman from Iowa yielding on this and, as always, for his hard work and diligence and excellent craftsmanship.

Mr. HOYER. Mr. Chairman, may we have the time remaining on each side?

The CHAIRMAN. The gentleman from Maryland [Mr. HOYER] has 12 minutes remaining and the gentleman from Iowa [Mr. LIGHTFOOT] has 18¼ minutes remaining.

Mr. LIGHTFOOT. Mr. Chairman, I yield such time as he may consume to the gentleman from Georgia [Mr. DEAL] to discuss his concerns about the post office in Dalton, GA.

Mr. DEAL of Georgia. Mr. Chairman, as the gentleman just mentioned, I rise to engage the distinguished chairman of the subcommittee in a colloquy with regard to the postal facility in Dalton, GA.

Mr. Chairman, I want to bring to the gentleman's attention again the consideration of the situation in the postal facility in Dalton, GA. Dalton has become recognized internationally as the home of the carpet industry. As a result, tremendous growth in recent years has placed an enormous burden on the local post office. Traffic along South Thorton Avenue is often congested due to the overwhelming number of consumers that are lacking adequate parking spaces there.

Automobile accidents have become a weekly occurrence. Not only is parking limited but also are the post office boxes. Currently, there is an unacceptable number of citizens and businesses on waiting lists that are in need of postal boxes.

Much has changed in Dalton, GA, since 1966 when this postal facility was established. I would appreciate the committee's support in urging the U.S. Postal Service to consider building a new postal facility that provides safe, accessible, postal services which meet the needs of the Dalton community.

Mr. LIGHTFOOT. Mr. Chairman, will the gentleman yield?

Mr. DEAL of Georgia. I yield to the gentleman from Iowa.

Mr. LIGHTFOOT. Mr. Chairman, I understand the gentleman's concern and also that the citizens of Dalton are in need of a new post office. Although this appropriations bill does not fund the construction of new post offices, the committee supports the proposed project and encourages the Postal Service to continue working with the residents of Dalton to ensure that a new postal facility is constructed.

□ 1745

Mr. LIGHTFOOT. Mr. Chairman, I yield 4 minutes to the gentleman from Oklahoma [Mr. ISTOOK], a distinguished member of our committee.

Mr. ISTOOK. Mr. Chairman, I thank the gentleman for the time.

I rise in support of this appropriations measure, Mr. Chairman. The gentleman from Iowa [Mr. LIGHTFOOT] has taken on some exceedingly difficult tasks. I know there has been a lot of work by all the members of the subcommittee. I appreciate the ranking member, the gentleman from Maryland [Mr. HOYER], formerly chairman of the subcommittee.

This has been a most difficult measure, especially because of the situation regarding the Internal Revenue Service, Mr. Chairman. The IRS, as a body, is one about which we all make jokes. We talk about the problems it inflicts upon us. We do not like it. We mail in checks to it. We do not like how much we have to send. Yet we realize that people that work within the service are frequently our friends and neighbors, people with whom our kids go to church. I am sorry, people with whom our kids go to school, people with whom we go to church, or should be.

But it is an agency with a great many problems. Especially the chairman and the members of the subcommittee have made a quite difficult decision with not providing some $700 million or so that the IRS said it wanted to help in upgrading its computer systems.

This has been a multiyear project, Mr. Chairman. It has already involved spending billions of dollars of taxpayers' money, but the system is not working properly. It is not designed. There is not an overall plan. The IRS does not have sufficient expertise. It has not delegated responsibility to contractors and vendors who had that expertise.

As a result, we have had hundreds of millions of taxpayers' dollars wasted. Until the IRS is in control of that situation and has it moving on target, where it can provide better services to the taxpayers, where it can give the efficiency, the up-to-date information

that taxpayers expect and deserve regarding the payment of their taxes, until that time we should not be giving the IRS the leeway which it desires. So the money that is in this bill is fenced. There are hundreds of employees in the Internal Revenue Service that will no longer be employed upon that project. Some may find work elsewhere within the agency. Others will not.

It is a difficult decision. The subcommittee, however, has come down with a decision that it must be done because we cannot countenance the continued waste of taxpayers' money through the inefficiency of the IRS. Especially the higher the tax rates have become in recent years, the more natural opposition there is for taxpayers to comply voluntarily with the tax laws.

Therefore, if we expect the taxpayers to submit their money to the Federal Government, we had better be making sure that that money is properly spent, especially within the agency that collects it.

I applaud the chairman for his efforts on this. I know there will be further revisions to how we are handling that as the process moves through the House and the Senate.

Especially, Mr. Chairman, within the context of this overall bill, we realize the importance of holding the line in reducing Federal spending. I wish that I could say that this bill overall represents an actual reduction in overall spending. Within the context of a $23 billion spending measure, the increase from last year's authorized spending is $51 million. Frankly, it would not even be that were it not for mandatory payments to Federal retirement accounts. If we left out the Federal retirements, we would actually have an $80 million reduction in this bill from last year's spending.

So it is certainly holding the line and we wanted to be able to go even further so that when taxpayers have to send in their hard-earned money, at least they will recognize that somebody here is trying to make sure that it does more good for them.

I ask Members' support of the bill.

Mr. LIGHTFOOT. Mr. Chairman, I yield 4 minutes to the gentlewoman from Maryland [Mrs. MORELLA].

(Mrs. MORELLA asked and was given permission to revise and extend her remarks.)

Mrs. MORELLA. Mr. Chairman, the provisions in the Treasury-Postal fiscal year 1997 appropriations bill directly impact my constituents. I represent tens of thousands of Federal employees, many of whom work at the Treasury Department, IRS, U.S. Customs Service, Bureau of Alcohol, Tobacco and Firearms, Secret Service, Postal Service, General Services Administration, and Executive Office of the President—all funded by the Treasury-Postal appropriations bill. This bill affects all of our constituents—America's taxpayers—in many ways. While this bill contains many provisions that will improve the way in which the Government operates, it also contains some very troubling cuts to the IRS and restrictions on a woman's right to choose.

Mr. Chairman, I strongly oppose the IRS cuts contained in this bill. This legislation appropriates $776 million less for the Internal Revenue Service than the fiscal year 1996 appropriation. Most of these reductions are in the IRS information systems account; it is cut by 29 percent from last year's appropriation. This legislation will restrict the expenditure of virtually all IRS tax systems modernization [TSM] funding and will require the IRS to immediately eliminate all but 150 of its 2,016 tax systems modernization employees—all from the D.C. area. These TSM employees' knowledge and expertise are critical to the success of the TSM system. The bill provides that the Defense Department will contract out the tax systems modernization functions, despite the fact that DOD does not want this function and would need to hire and train new employees. Furthermore, the buyout authority in this bill will provide little or no benefit for TSM employees because they will lose their jobs immediately upon enactment of this bill. This bill is devastating to my constituents who are employed by the IRS, but the real losers are the taxpayers who will become increasingly frustrated in dealing with the IRS if it does not have the resources to operate efficiently and correct its flaws.

This bill also calls for an additional $26 million to be appropriated to private contractors for a second debt collection pilot program. Last year's Treasury-Postal appropriations bill called for a $13 million pilot project to assess private debt collectors' ability to protect taxpayers privacy and fairness. This project has only been operating for just over a month, and it is far too early to assess its success. The Ways and Means Committee opposes appropriating this $26 million for a second pilot project before we can evaluate this year's project. Before we invest additional tax dollars in contracting out programs, existing programs should be carefully analyzed.

Despite these serious concerns, I want to commend Mr. LIGHTFOOT for addressing the year 2000 computer issue.

The year 2000 is rapidly approaching and the next millennium is expected to be a time of great change. Unfortunately, a vast majority of our Nation's computer systems are not equipped to handle the simple change of date initiated by the turn of the century. Most of the computer software in use today employ two-digit date fields. Consequently, at the turn of the century, computer software will be unable to differentiate between the years 1900 and 2000. If this software problem is not addressed promptly, it will render the vast majority of date sensitive computer information unusable.

I am pleased that Chairman LIGHTFOOT has agreed to my recommendation and included language on the year 2000 problem in the report to accompany H.R. 3756, the Treasury, Postal Service Appropriations Act for fiscal year 1997. The report language directs the Office of Management and Budget to assess the risk Government computer systems are facing from the turn of the century. OMB is required to survey all Federal Government agencies and submit a report to Congress which first, includes a cost estimate to ensure software code date fields are converted by the year 2000; second, delineates a planned strategy to ensure that all information technology, as defined by the Information Technology Management Reform Act of 1996, purchased by an agency will operate in 2000 without technical modifications; and third, outlines a timetable for implementation of the planned strategy. The report will be submitted to the House Committee on Appropriations, House Committee on Government Reform and Oversight, and the House Science Committee no later than November 1, 1996.

As chairwoman of the Technology Subcommittee of the House Science Committee, I convened a hearing on the year 2000 computer problem on May 14, 1996. At that hearing, computer expert, Peter DeJager, testified that it will cost the Federal Government $30 billion to correct the year 2000 problem in all of its computer systems. He also indicated in his testimony that each agency will have to review every line of its software code, a process that could take years to complete.

The deadline, January 1, 2000, connot be postponed. If Federal Government computer systems are not corrected by that time, our national security and Federal services affecting the well-being of millions of individuals will be jeopardized. The Department of Defense has testified that a majority of its weapons systems depend on date-sensitive computer software that must be upgraded. In addition, the Social Security Administration, Veterans' Administration, Department of Health and Human Services, and Agriculture Department all use date-sensitive computer software to provide benefits. These computer programs must be corrected before the end of the century or vital services will be disrupted.

The Treasury, Postal Service Appropriations Act requires Federal agencies to develop a comprehensive plan to address the problem and ensure that a solution will be in place by January 1, 2000. I commend Chairman LIGHTFOOT and the members of the Appropriations Committee for their cooperation in addressing the year 2000 problem.

The Federal Government is only one piece of the puzzle. This fall, I intend to convene a second hearing on the impact of the year 2000 on State government and private sector computer systems. Estimates to correct the year 2000 problem in the private sector alone are as high as $600 billion. While the challenge ahead is daunting, Chairman LIGHTFOOT has taken a significant first step in addressing the year 2000 computer dilemma.

This legislation makes important improvements in the way the Government operates. It enhances taxpayer rights through an IRS training program. It closes a loophole to prevent felons from applying to the BATF in order to have their right to own a firearm restored. This bill provides up to $500,000 to reimburse former White House Travel Office employees for any attorney fees they incurred in defending themselves against false allegations made at

the time they were fired. It also bans the use of funds by the Executive Office of the President to request any FBI investigation report unless that individual gives his or her consent or when such a request is required for national security reasons.

This legislation includes buyouts for IRS, BATF, and the U.S. Customs Service to facilitate downsizing. Federal employee buyouts have been the subject of many hearings in the Civil Service subcommittee on which I serve. If properly administered, buyouts can help ease the pain of downsizing for both employees and their agencies, and I strongly support the inclusion of this buyout authority. It is important, however, that employees have enough time to make informed choices based on both their personal situation and the agency's situation and that employees who are retirement eligible may also take buyouts. I will be supporting an amendment that will allow employees to use the buyout authority through March 31, 1997.

Despite the important additions to this year's Treasury-Postal bill that I have mentioned, I regret the inclusion of the draconian cuts to the IRS. I fear they have damaged an important piece of legislation with many critical provisions.

Mr. LIGHTFOOT. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Florida [Mr. MCCOLLUM], chairman of the Subcommittee on Crime.

Mr. MCCOLLUM. Mr. Chairman, I want to thank the gentleman for yielding me the time.

I want to use this opportunity, first of all, to congratulate the gentleman from Iowa [Mr. LIGHTFOOT] on a good product that he has produced here today that we are considering. From the standpoint of the law enforcement end of this and that which I deal with a great deal over on the authorizing side, I believe that this is a very, very commendable bill.

The bill increases law enforcement programs, as I understand it, by some $410 million over fiscal year 1996, specifically for drug interdiction, tracing explosives, combating illegal interstate gun trafficking, fighting child pornography, and gang-related activities.

The bill also provides an additional $24 million to supplement the Bureau of Alcohol, Tobacco, and Firearms' investigation of the recent church arsons. Overall, the bill provides $23.2 billion in budget authority for the Treasury Department, Postal Service, and other government operations. It is $1.6 billion less than the President requested, but $51.5 million more than last year.

The bottom line is that in this big humongous piece of legislation that deals with this sector of appropriations that is under the subcommittee presenting this bill, we have got a really good shake for the Bureau of Alcohol, Tobacco, and Firearms and those that are under Treasury that have a connection with law enforcement. Those agencies are vital agencies to the protection of the American citizenry. We have seen in recent weeks how vital those are.

The Bureau of Alcohol, Tobacco, and Firearms has the responsibility for all of the arson work in this country, for all of the explosive concerns that we have, for all of the gun issues that are so volatile out there in the countryside. While they can be a very controversial agency and we have had times when we have criticized them for their actions in certain instances, such as Waco and Ruby Ridge, the truth of the matter is that day in and day out they are a law enforcement agency protecting public safety, and they need the support of this Congress. They need the resources that are involved in the very items that I named a moment ago that this bill would provide for them.

In addition to that, I know that Mr. LIGHTFOOT has worked hard with the court systems as well and, to the degree it is under his jurisdiction, he has supported it. I am very glad to be here to urge adoption of this bill.

Mr. HOYER. Mr. Chairman, I yield 4 minutes to the gentleman from Indiana [Mr. VISCLOSKY], a member of the subcommittee.

(Mr. VISCLOSKY asked and was given permission to revise and extend his remarks.)

Mr. VISCLOSKY. Mr. Chairman, I thank the gentleman for yielding time to me.

I want to draw particular attention to one provision of the bill that I strongly support, and that is the inclusion of $24 million for the Bureau of Alcohol, Tobacco and Firearms to expand their ongoing investigation of the recent wave of church burnings occurring across the United States. Since January of last year, 36 African-American churches have been burned to the ground by arsons. These burnings have destroyed important sources of American history and left small rural communities gripped by an epidemic of terror and fear unknown since the days when marauding Klansmen destroyed lives and property at will.

I am saddened to witness a climate in which many of America's most sacred institutions can be subjected to such abuse. Currently an estimated 1,000 Federal and State investigators are involved in the ongoing investigations, and ATF alone is spending more than $1 million a month for these investigations.

I applaud Chairman LIGHTFOOT for the leadership he has shown in his decision to include $24 million for ATF to expend in their investigations of these arsons. I also applaud his decision to create a joint Treasury-Justice Department task force whose investigation will be national in scope.

This action by the chairman compliments legislation recently signed into law by the President, the Church Arson Prevention Act.

These new laws make it easier for Federal authorities to investigate crimes against places of worship and broadens jurisdictional authority in church arson cases. I applaud the new law, but I feel the action taken by the committee is of immediate importance. Clearly funds for additional personnel and resources will ultimately prove to be the difference between success and failure in the investigations.

This Congress must send a strong message that hate and intolerance will no longer be tolerated in any sector of our society.

Mr. Chairman, I would also be remiss if I did not commend the chairman of the committee, the gentleman from Iowa [Mr. LIGHTFOOT], for his outstanding service to his country and to this institution. The chairman and I are classmates, and he is a gentleman in every sense of the word. And I think Charles Dickens, in ''A Christmas Carol,'' said it best, he is as a good a friend, as good a master and as good a man as this institution has ever known.

His dedication to his family has never been in doubt, and his dedication to his country has never been questioned.

Every night I tell my two sons to have happy dreams and a good life. As you continue your life and career, I hope that you may live your dream. As you continue your very good life, good luck, my friend.

□ 1800

Mr. HOYER. Mr. Chairman, I yield 3½ minutes to the distinguished gentlewoman from the District of Columbia [Ms. NORTON].

Ms. NORTON. Mr. Chairman, I thank the gentleman from Maryland [Mr. HOYER] for yielding this time to me. I appreciate the gentleman's work and the work of the chairman of the committee and wish to say as well that on this side of the aisle we will miss the chairman as he retires from the Congress.

We are at the end of the toughest year in memory for Federal employees and for Federal agencies. It can only get better, and I know this has been a tough bill to work on, in part for that reason. I would like to call the attention of the House to a few issues that give me particular concern.

The Office of National Drug Control Policy now has a new director, and then we tie his hands. At the very least it seems to me as he deserves the right to start without staff reductions. On that side of the aisle a major issue has been made of the increase in some sectors of drug use, especially among young people. The way to send a message we are serious about curtailing that use would be to allow the Office of National Drug Control Policy to proceed without undue cuts.

There is no time to waste on this issue. It is enveloping us again; it rises, it falls, it rises again.

I also regret that there has been competition for funding between the IRS

and the Treasury, the IRS making money, the Treasury making peace. I commend the committee that there is $24 million in this bill for the ATF to combat torching of churches. I appreciate, and I am sure America appreciates, the sensitivity of the subcommittee on this matter.

But there is a false tradeoff here. If we are going to lay off thousands upon thousands of IRS employees—and that could happen—who can make money and therefore reduce the deficit, we are making false choices. We have cut into not only the compliance initiative, but the existing operations of the IRS, an unwise decision if ever there was one. This is no time to slow up on collecting revenue.

I just want to say a word about the Postal Service because the story there has been the story of broken promises since we have spun the Service off. I do regret that the Workman's Compensation matter remains unresolved. We promised the former Post Office employees that that matter would be dealt with by this body, not by the new Service.

It reminds me of the unfunded pension liability issue in the District of Columbia. We now are fully funding pensions, but the House has transferred to the city unfunded pension liability from when the city was on its watch. We are doing the same thing to the Postal Service. In this jurisdiction the ranking member knows that we have had difficult problems with Service. We do not need to have the Postal Service take that money out of services.

Finally, we are once again here with no Federal funding for abortions for Federal employees who happen to be women. We are talking about a million women of reproductive age. We have done the same thing to military women and to women in the Federal service, alone among American women. We choose them out for special insult. They are bunched only with the women of the District of Columbia, poor women, who cannot have abortions paid for by our own funds.

Mr. LIGHTFOOT. Mr. Chairman, I would like to thank the gentleman from Indiana [Mr. VISCLOSKY] for his fine words and glad I had a few minutes to gather my composure to say that, and also the gentlewoman from the District of Columbia [Ms. NORTON] as well.

Mr. Chairman, I yield 1 minute to the gentleman from Virginia [Mr. DAVIS].

Mr. DAVIS. Mr. Chairman, I just want to associate myself with the words previously of the gentlewoman from Maryland [Mr. MORELLA], my friend, the gentleman from Maryland [Mr. HOYER], and my colleague from the District of Columbia in talking about some of the cuts that are going to be felt by the IRS central office this year, the cuts in the TSM information systems.

The gentleman from Texas [Mr. ARCHER] from the Committee on Ways and Means has written the chairman of the Committee on Appropriations writing about the inadvisability of these cuts. As someone who has served for many years in local government, we found out many ways the best way to get revenue is the taxpayers who owe the money is to insure that they pay it. This Congress, the previous Congress, embarked on a very ambitious way to go about collecting this, and it was reversed last year, and now we are cutting back even further the IRS central headquarters in the way we are going to go about collecting these taxes that are due.

The best thing we should do before we start raising taxes from other people and looking around for other cuts is to make sure the people who owe the revenue pay it, and that is all this system does.

Now, it has had some problems from time to time, but I think the chairman's words in this case are very, very well chosen. The gentleman from Texas [Mr. ARCHER] encourages the Committee on Appropriations to restore funding of the important TSM information systems and the nonsystems collection, so on that part of this bill I hope we can amend it.

Mr. HOYER. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Virginia [Mr. MORAN].

Mr. MORAN. Mr. Chairman, I am going to have to vote against this bill. I do not think it is a responsible bill in a number of areas. The one that disturbs me the most is one that is clearly not even penny wise and pound foolish; it is even penny foolish and pound unwise, if there is such an expression. I cannot imagine why we would cut so deeply in the IRS operations.

As my colleagues know, from the time of Jesus Christ, tax collectors have been beaten up on. Nobody likes tax collectors. They have one of the worst jobs in the world. But when we compare our tax collection system with any other country, we do a better job. We collect a higher proportion of revenue. We do it in a far less corrupt way than any other country, and the fact is there is no corruption in the Internal Revenue Service. These are good, professional people.

We ought not be eliminating 7,500 full-time permanent people, and this idea to take the tax system's modernization program and give it to the Defense Department? The Defense Department has written us a letter. Here is the Undersecretary of Defense. He does not want it. He says we cannot operate this, we do not collect taxes, we do not know what we would be doing. In fact, it says if we were to implement the direction that was given us, it is very unlikely to be successful. And yet this bill gives this tax system modernization responsibility to the Department of Defense. No, thank you; I am sure that is not what the taxpayers want, and the taxpayers do not want cuts that are going to result in a billion dollars less revenue, because that is what the estimate would be. It will increase the Federal budget deficit by a billion dollars.

Mr. Chairman, as the previous speaker, the gentleman from Virginia [Mr. DAVIS] said, ''You know the first thing we ought to do is to collect the revenue that is due us.'' How can we do that by cutting back on the Internal Revenue Service?

This is not a good bill; it is not a responsible bill. It think we ought to give more consideration to the American taxpayer than this bill does.

Mr. LIGHTFOOT. Mr. Chairman, I yield such time as he may consume to the gentleman from Nevada [Mr. ENSIGN] for a colloquy.

Mr. ENSIGN. Mr. Chairman, I rise to engage the chairman of the subcommittee, Mr. LIGHTFOOT, in a colloquy.

I want to thank the gentleman for crafting a bill which addresses some of the most urgent infrastructure needs in the U.S. Court system. Under the legislation before us today, $540 million is available for constructing and acquiring Federal buildings, one of which is the Las Vegas, NV, U.S. Courthouse.

I am sure the gentleman is aware of the urgent need for a new courthouse in Las Vegas, NV. My congressional district is by far the fastest growing urban area in the Nation. The existing court facilities are unable to meet the caseload resulting from this growth. Recognizing the needs of the Nevada courts, the Judicial Conference of the United States has listed the Las Vegas Courthouse as its fifth highest priority in fiscal 1997.

Last year, in the House version of the fiscal 1996 Treasury-Postal appropriations bill, $38.4 million was provided to begin construction of a new U.S. Courthouse in Las Vegas. However, due to negotiations involving the acquisition of land from the city of Las Vegas, the General Services Administration reported that the project would not be eligible to proceed until early fiscal 1997, and therefore, would not require an appropriation in fiscal 1996. Accordingly, House and Senate conferees agreed to postpone an appropriation in fiscal 1996. In lieu of funding, conferees agreed to language clarifying that the Las Vegas Courthouse is ''one of the highest priorities in fiscal year 1997'' and directing GSA to continue to proceed with design work. In an effort to move this project along, the city of Las Vegas has since taken the step of donating a construction site to the Federal Government.

In essence, the construction of the Las Vegas Courthouse is awaiting an appropriation in fiscal 1997 and action by the Transportation and Infrastructure Committee.

At this time, I wanted to clarify if it is the gentleman's intent to work on behalf of the Las Vegas U.S. Courthouse, consistent with last year's conference report language, during conference committee negotiations with the other body.

Mr. LIGHTFOOT. Mr. Chairman, will the gentleman yield?

Mr. ENSIGN. I yield to the gentleman from Iowa.

Mr. LIGHTFOOT. Mr. Chairman, it would be my intent to continue working on behalf of the Las Vegas, NV, courthouse because it is a high priority project. GSA and the courts have identified the need for this building, and I personally believe we should move forward with its construction. I also appreciate the gentleman's efforts in getting the city of Las Vegas to donate a construction site for this building. This will help reduce the overall cost of construction, and something that we should see more of, I think, the combination of Federal and local cooperation on these kinds of projects.

Mr. ENSIGN. Mr. Chairman, I thank the gentleman for his support of courts in southern Nevada.

Mr. HOYER. Mr. Chairman, I yield myself the balance of the time.

The CHAIRMAN. The gentleman from Maryland is recognized for 4 minutes.

Mr. HOYER. Mr. Chairman, this debate as we open consideration of the Treasury-Postal bill has centered on the Internal Revenue Service. We have done well by law enforcement, and I support them. We have done well by some other portions of the bill, and I am appreciative of the fact that we did not have the conflict which was political, in my opinion, last year with reference to the operations of the President of the United States, the White House, which we fund. I think that is appropriate in the comity between the legislative and executive branches.

Mr. Chairman, we have focused on IRS because it is central to the operations of government. We have come together as a people to perform certain functions. We argue about those functions. That is the purpose of this body and the body across the way, the Congress of the United States sent here to make determinations as to how this Government ought to be operated and what it ought to do.

In the process, we have taxed ourselves, we have said we will commit a certain portion of our resources to public efforts. All societies do that, and all societies have arguments about how much those taxes ought to be and what ought to be the purposes for which they are spent.

But I say to my colleagues, if you are a proponent of education, this bill puts your objective at risk. I say to my colleagues, if you are a proponent of the defense of this Nation, this bill puts that at risk. I say to my colleagues, if you are in favor of the Federal Bureau of Investigation having the resources to carry out its responsibilities to fight crime and make America a safer, better place in which to live, this bill puts that objective at risk.

Mr. Chairman, I will not catalog the endless number of priority projects and purposes in the 12 other appropriation bills which are overwhelmingly supported not only by the Members of this House but by the American public. But in order to accomplish those objectives, and I know my friend, the chairman, is a strong supporter of a strong defense. I supported, as he did, increasing substantially the dollars for defense over the President's budget. But if we are going to do that, if we are going to meet our responsibilities to this generation and generations yet to come, it will be because we fairly and efficiently and effectively collect revenues to accomplish those purposes.

□ 1815

This bill puts that at risk. That is not, as I said earlier, the gentleman from Maryland, STENY HOYER, alone saying that. That is not STENY HOYER who, like my colleagues from the Washington metropolitan area, represents a lot of the people who will be fired because of the lack of resources in this bill.

It is the chairman of the Committee on Ways and Means, the gentleman from Texas [Mr. ARCHER], not perceived to be a liberal left-wing Democrat who wants to throw money at problems, saying that this bill will not work, this bill puts at risk deficit reduction, this bill does not allow the IRS to function as it is required to by law. That is the chairman of the Committee on Ways and Means, the gentleman from Texas [Mr. ARCHER], and the chairwoman, the gentlewoman from Connecticut [Mrs. JOHNSON], speaking. I hope my colleagues will oppose this bill.

Mr. LIGHTFOOT. Mr. Chairman, I yield myself the balance of my time.

The CHAIRMAN. The gentleman from Iowa [Mr. LIGHTFOOT] is recognized for 3½ minutes.

Mr. LIGHTFOOT. Mr. Chairman, before we get into the debate further on the bill, there are a couple of things that were said earlier I would like to correct. Our friend, the gentleman from Virginia [Mr. MORAN], left the House with impression that the Department of Defense would be operating the tax systems modernization program. That is not correct.

What we are asking the Department of Defense to do is merely write the contract for putting together tax systems modernization. In no way, shape, or form would we have the Department of Defense involved in tax collection. That just does not make sense. We would not do it. This is a very complex system that has to be developed. We were trying to keep from reinventing the wheel. We looked at the various government agencies that have expertise with writing big contracts, and the Department of Defense rose to the top. Basically, DOD would be hired to only write the contract. The management of TSM would be retained at all times within the IRS.

Additionally, as the gentleman from Maryland [Mr. HOYER] said, and I agree, there are not any major political disagreements in this bill as it relates to ideologies between parties. We do have a difference of opinion on what the bill will or will not do. I personally do not feel funding levels in this bill will jeopardize our tax collecting capabilities. Those particular accounts have been funded at the President's request or above for the most part, and our whole intent here is to get tax systems modernization on line and doing what it should do.

Additionally, Mr. Speaker, we have focused on IRS. As has been mentioned, there are other things in the bill on which there seems to be a good deal of agreement, particularly the beefing up we have done in the law enforcement area as it relates to drugs, missing and exploited children, the Office of National Drug Control Policy.

We have, since becoming chairman, made requirements of agencies, if they are going to buy something, we have to have a justification for that. The FEC has provided us justification on a new computer system they are interested in. We have fenced a little money from the White House for a computer system they are asking for because we do not have that justification yet, but I think that is just doing our job and protecting the taxpayers' dollars. We are sent here to do that. If somebody wants something, let them justify it to us. All of us certainly have to do that in our private lives. If you are going to borrow money for a car, the banker wants to know why; how are you going to pay for it, and when are you going to pay it back? I do not think the IRS should be exempt from that kind of thinking as well.

Mr. Chairman, I think it is a tough bill, but we are in tough times. We have saved something in the neighborhood of over $1 billion if we pass this bill, combining the fiscal year 1996 and fiscal year 1997 Treasury-Postal bills together. I certainly would urge my colleagues to support its final passage.

Mr. SPRATT. Mr. Chairman, I rise in support of the textile enforcement initiative contained in the Treasury-Postal Service appropriations bill for fiscal year 1997.

This bill includes $18 million earmarked to the Customs Service for enforcement of textile and apparel trade laws, along with other trade enforcement measures. Customs is to use these funds to pay for 186 full-time-equivalent employees, 100 of whom are dedicated to the enforcement of textile and apparel trade laws. Both the fiscal year 1995 and fiscal year 1996 appropriations bills contained the same textile enforcement initiative.

This funding keeps faith with a pledge the Clinton administration made to 12 Representatives 2 years ago. We asked the President to commit these resources because textile and apparel trade restrictions seem to be honored more in the breach than in the enforcement. Customs has estimated that as much as $4 billion in textile/apparel imports may enter this country each year illegally, as a result of transshipping. This is a multibillion dollar problem which may mean a loss of up to 100,000 textile and apparel jobs.

President Clinton pledged in a letter of November 16, 1993, that Customs will hire 50 additional employees to work exclusively, to the extent practical on non-NAFTA textile enforcement and 50 employees to work on

NAFTA-related textile enforcement. The President also pledged that Customs' commercial program, associated with both the enforcement of NAFTA and other textile an apparel enforcement, ''will be held harmless from our governmentwide effort to reduce employment levels.''

The Government Operation's Subcommittee on Commerce, Consumer and Monetary Affairs, which I chaired in the last Congress, held hearings to assess Customs' resources to deal with the textile transshipment problem, and to enforce in particular NAFTA's rule of origin with respect to textile and apparel products. Our hearing record showed that as many as 33.5 million textile articles are transshipped to this country each year. Our record also showed that Customs needs more manpower and resources to combat effectively this sort of fraud and evasion. With inadequate resources to police existing laws, Customs can hardly be expected to take on this additional burden. That is why this initiative is so important.

I am, aware of the tight funding constraints in which the Appropriations Committee operated this year. But I believe that the committee has made a wise long-term investment. If past experience is any guide, this small increment of extra money will more than pay for itself in additional tariffs, fees, penalties, and other revenues for the Government. I wish to compliment both Chairman LIGHTFOOT and ranking Democrat HOYER for their foresight in supporting the initiative.

These extra resources will not put an end to the problems of evasion, circumvention, and transshipment in textile and apparel trade, but they will help. I urge support for this initiative.

All time for debate has expired.

Pursuant to the rule, the bill shall be considered for amendment under the 5-minute rule.

The amendment printed in part 1 of House Report 104–671 is adopted.

Before consideration of any other amendment, it shall be in order to consider the amendments printed in part 2 of the report. Each amendment may be considered only in the order printed, may be offered only by a Member designated in the report, shall be considered read, shall be debatable for the time specified in the report, equally divided, and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question.

During consideration of the bill for further amendment, the Chair may accord priority in recognition to a Member offering an amendment that he has printed in the designated place in the CONGRESSIONAL RECORD. Those amendments will be considered read.

The Chairman of the Committee of the Whole may postpone until a time during further consideration in the Committee of the Whole a request for a recorded vote on any amendment and may reduce to not less than 5 minutes the time for voting by electronic device on any postponed question that immediately follows another vote by electronic device without intervening business, provided that the time for voting by electronic device on the first in any series of questions shall not be less than 15 minutes.

After the reading of the final lines of the bill, a motion that the Committee of the Whole rise and report the bill to the House with such amendments as may have been adopted shall, if offered by the majority leader or a designee, have precedence over a motion to amend.

The Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain Independent Agencies, for the fiscal year ending September 30, 1997, and for other purposes, namely:

The CHAIRMAN. It is now in order to consider amendment No. 1 printed in House Report 104–671.

AMENDMENT OFFERED BY MR. LIGHTFOOT

Mr. LIGHTFOOT. Mr. Chairman, I offer amendment No. 1.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 1 offered by Mr. LIGHTFOOT: On page 39, line 8 through line 10, strike the phrase ''and of which $1,268,000 shall be obligated for drug prevention public service announcements, and''

On page 39, line 18, insert after the colon: ''*Provided further,* That $2,500,000 of the funds available for the salaries and expenses of the Office of National Drug Control Policy may not be obligated until the Director reaches agreement with the House and Senate Committees on Appropriations on a final fiscal year 1997 organizational plan:''

The CHAIRMAN. Pursuant to House Resolution 475, the gentleman from Iowa [Mr. LIGHTFOOT] and a Member opposed will each control 5 minutes.

The Chair recognizes the gentleman from Iowa [Mr. LIGHTFOOT].

Mr. LIGHTFOOT. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the amendment that we are talking about restores a total of $2,268,000 for salaries and expenses of the Office of National Drug Control Policy, which would be sufficient to come up to the 154 FTE proposed by the President.

It deletes funding for drug prevention public service announcements, it shifts $1 million in funding for conference on model State drug laws from salaries and expenses to the Counter-drug Technology Assessment Center. It fences $2.5 million of the amounts available for salaries and expenses pending receipt of an acceptable 1997 organizational plan, which the gentleman from Illinois [Mr. HASTERT] and I have discussed earlier. I am also proposing this amendment to reflect some of the progress we have made with the drug czar's office in the past 5 years.

As many Members were aware, I was very disappointed with the drug czar's first organization chart. It kind of looked like empire building, to be quite blunt about it. It had a lot of boxes on it and a lot of names, and it really did not make a lot of sense. As many Members are aware, I was very disappointed with the chart and there were too many highly paid special assistants, executive secretaries, deputy office directors, and in my opinion not enough people doing the basic work of the drug czar's office. To me that was a recipe for an institution that would spend a lot of time making itself look good but will not get any real work done.

My goal has been to replace $80,000 correspondence specialists with $80,000 law enforcement officers and researchers. In that area I think we have made very good progress. The drug czar has worked hard to address my concerns. He submitted several revised plans, and each one was better, and they continue to get better. There is less overlap. There are more people in positions that count, fighting drugs on the street. There is less overhead. I would like to compliment General McCaffrey for his efforts in that area, and I think we are certainly headed in the right direction.

In fact, last week staff sat down with the drug czar's very able chief of staff to go over specific concerns of our committee. The meeting was very constructive, and just as the drug czar is committed to addressing our concerns, I am committed to helping him in any way possible to come up with a staffing structure that will work the best for him. We are not there yet, and that is why I have included language that holds back some money until we have a plan that is acceptable to all of us, both the drug czar and the Congress.

We all win with this amendment. The drug czar gets the money he needs to build his office. The American taxpayer gets the assurance that they need that their money will be used effectively and efficiently to fight the war on drugs.

Again, Mr. Chairman, I would like to thank everyone who has worked very hard to make this come together. We all, I think, have the same goal in mind, and now we have ironed out a lot of the differences that were there, and some misunderstandings that were there. I think we are on the right track. I would urge the adoption of the amendment.

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

The CHAIRMAN. Is there a Member who wishes to speak in opposition to the amendment?

Mr. HOYER. Mr. chairman, I am not opposed to the amendment, but I ask unanimous consent to control half the time.

The CHAIRMAN. Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. HOYER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise on behalf of this amendment, as I just said. I think it is a recognition by the committee, which I support, of the appropriateness of the organization being constructed by General McCaffrey. I would say to my

friend, the chairman, that the Office of National Drug Control Policy, created by the Congress for the purposes of overseeing and coordinating our fight against drugs, is a critically important office. The scourge of drugs that invades our community and undermines the health of our people and puts at risk our children is a very high priority for the country to combat, and, if at all possible, eliminate.

I would say to my friend, the gentleman from Iowa, that he misperceives, I think, what the Office of National Drug Control Policy is all about. In his comments with reference to the personnel here, he suggests that we have a lot of people who are not policy people. Perhaps he believes this is top-heavy, as I think one of his contentions was.

But we must remember what this office is. This adds $2.5 million, but Mr. Chairman, we spend somewhere in the neighborhood of $11 billion to $13 billion on the drug fighting program in America. I do not have the figure off the of my head, but it is billions and billions and billions of dollars, and thousands and thousands and thousands of people.

We knew that Justice, with the DEA, we knew that Treasury, with Customs, ATF, other law enforcement agencies, including even Secret Service, FINCEN on money laundering, FBI back in Justice, the Health and Human Services agency in terms of drug rehabilitation and other efforts to try to combat the demand side of this cancer that afflicts America, we knew there were an awful lot of agencies involved in this fight against drugs. The drug office, the Office of National Drug Control Policy, was created to oversee and organize this battle.

The 154 people is a drop in the bucket, an infinitesimal amount of the number of people who are engaged in this battle against drugs.

I said in my opening statement that General McCaffrey could not have been, in my opinion, a better selection by the President of the United States, President Clinton. The organizational structure that he presented to the committee and to all of us was one that said ''I want to get a handle on what we are doing'', for exactly the reason that he was selected, because he is used to being the head of an effort to combat an enemy that would destroy us, and to bring together the disparate elements into a unified, victorious, successful force.

I suggest to my friend, the chairman, that is what this is about. I am very pleased, as I said, Mr. Chairman, that the chairman of the subcommittee's amendment will effect the adoption of General McCaffrey's proposal. I think that was good policy when it was proposed. I think it is good policy now. I am pleased, Mr. Chairman, to join the chairman, the gentleman from Iowa [Mr. LIGHTFOOT], in the support of General McCaffrey's proposal.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from Iowa. [Mr. LIGHTFOOT].

The amendment was agreed to.

The CHAIRMAN. It is now in order to consider amendment No. 2 printed in House Report 104–671.

AMENDMENT NO. 2 OFFERED BY MR. METCALF

Mr. METCALF. Mr. Chairman, I offer amendment No. 2.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 2 offered by Mr. METCALF: Page 118, after line 16, insert the following new section:

SEC. 637. For purposes of each provision of law amended by section 704(a)(2) of the Ethics Reform Act of 1989 (5 U.S.C. 5318 note), no adjustment under section 5303 of title 5, United States Code, shall be considered to have taken effect in fiscal year 1997 in the rates of basic pay for the statutory pay systems.

The CHAIRMAN. Pursuant to House Resolution 475, the gentleman from Washington [Mr. METCALF] and a Member opposed will each control 15 minutes.

Mr. HOYER. Mr. Chairman, I rise to claim the time in opposition.

The CHAIRMAN. The gentleman from Maryland [Mr. HOYER] will control 15 minutes in opposition.

The Chair recognizes the gentleman from Washington [Mr. METCALF].

Mr. METCALF. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I am joined by the gentleman from Kansas [Mr. TIAHRT] and the gentleman from Minnesota [Mr. LUTHER] in a bipartisan proposal to freeze the pay of the Members of Congress.

□ 1830

As my colleagues are aware, the cost-of-living adjustment for Congress is a permanent law and it will take place automatically. Without our amendment, Members of Congress will receive more than a $3,000 raise.

The Metcalf-Tiahrt-Luther amendment is exactly the same as the amendment passed last year. It will freeze the pay of the Members of Congress, the Vice President, Members of the Cabinet, Federal judges, and senior administrative heads in the Executive Schedule pay levels 1 through 5.

It is my understanding that the individuals covered in this amendment make more than $100,000 a year. In fact, Members of Congress, as we know, make $133,600 per year.

We all know that there are unique financial demands made on Members of Congress. We have to maintain a place to stay in the Nation's Capital and a residence in our home State. But many American families have to make do with a far smaller salary.

It is our No. 1 job to save this Nation from bankruptcy by balancing the budget. I believe that Members of Congress should not get any pay raise, at least until the budget is balanced.

We are working hard to save money wherever we can. This pay freeze will save $7 million the first year and $10 million every year thereafter. This is $47 million in savings by the year 2001 just from this 1 year's pay freeze, even if it is not next year. Frankly, we must do this during this Nation's budget crisis. Congress must lead by example.

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

Mr. HOYER. Mr. Chairman, I yield 5 minutes to my colleague, the gentleman from Louisiana [Mr. LIVINGSTON], the distinguished chairman of the Committee on Appropriations.

(Mr. LIVINGSTON asked and was given permission to revise and extend his remarks.)

Mr. LIVINGSTON. Mr. Chairman, I rise in strong opposition to the amendment and with great regret that the very distinguished gentleman from Washington chose to come forward with this amendment.

We gave up honoraria a number of years ago because, in fact, that was a practice that had escaped reason and common sense. In an effort to make an even trade, because Members were always reluctant to vote for pay raises, it was deemed that we would get a smaller increase from time to time, a smaller COLA, than would the general Federal employee. However, at least from time to time, we would expect to get an increase.

The fact is that that plan broke down. Members of Congress have not gotten a raise in fiscal year 1994 or in the calendar year 1994 or in the calendar year 1995 and now again in the calendar year 1996. In fact, adding it up, going back to the years 1970 to date, we see that the Federal employees got a total of 221.4 percent in pay raises, inclusive of pay raises in the last 3 years; Federal retirees got a pay raise of 305.6 percent since 1970, inclusive of pay raises in those last 3 years; and the Social Security recipients got a total of 393.9 almost 394 percent, inclusive of those for the last 3 years. The Members of Congress since that time are among the lowest increase. They got a 214.4-percent increase, which is well below most of the others.

Members' pay is $133,600, compared to a Supreme Court Associate Justice, who makes $164,100. A U.S. Cabinet Secretary makes $148,400; the county executive of Fairfax County, Virginia makes $145,916; the superintendent of schools of Dade County, FL, makes $220,400; the superintendent of schools in Los Angeles makes $141,271; the Federal Reserve Regional President in Chicago makes $193,000; various CEO's of various companies make anywhere from $600,000 to $800,000 to a few million dollars.

The chief administrator, Riverside County, CA, makes $149,406; the fire chief of Los Angeles County makes $144,000; the city manager of Dallas, TX, makes $150,165. Members of Congress are, whether you like it or not, the board of directors of the United States of America and again we make $133,600.

Some people say, ''That is too much. They haven't been doing their job.'' I would suggest in the last year and a half we have saved $80 billion in the discretionary appropriations process. We are doing our job.

The deficit is now the lowest it has been in 10 or 20 years. We are doing our job. Inflation is low. The stock market is not doing great the last couple of weeks, but otherwise it has been on a perpetual increase.

We are doing our job. The American people do not complain when Michael Jordon gets paid $25 million for the next year or Juwan Howard gets between $95 and $125 million over the next 7 years, but they do complain when Members of Congress try to seek a pay raise in excess of $133,600.

I would suggest that in view of all these statistics, Members of Congress are not overpaid. Members of Congress give up the prime years of their lives to come here. They run for office. It is a competitive job. They could do other things. And, yes, they do it primarily because they are interested in public service. Most Members of Congress, be they Democrat or Republican or conservative or liberal, believe in serving the people that elected them. Otherwise they would not be here.

But there is an increasing problem. With the continuing attitude that Members of Congress do not deserve raises. We are finding that more and more well qualified people who cannot afford to run for office or hold office are declining to do so. Increasingly, in the Senate, I think that now 75 percent of the Members are worth in excess of $1 million; and increasingly in this House, perhaps anywhere from 30 to 50 percent of the Members are worth in excess of $1 million. When the day comes that we cannot have an average man on the street holding himself up for public office, get elected and serve, and we can only have millionaires serve in this body, America will be a poorer place for it.

I urge defeat of this amendment.

Mr. METCALF. Mr. Chairman, I yield 2 minutes to my good friend and colleague, the gentleman from Kansas [Mr. TIAHRT], who presented the pay raise with me at the Rules Committee meeting.

(Mr. TIAHRT asked and was given permission to revise and extend his remarks.)

Mr. TIAHRT. Mr. Chairman, I thank the gentleman from Washington [Mr. METCALF] for yielding me this time.

Mr. Chairman, last year Congress acted to freeze the salaries of Members of Congress by disallowing the automatic pay raise. The Metcalf-Tiahrt amendment would continue this freeze for an additional year.

The message of our amendment sends to the American people is simple and straightforward. This Congress has decided to deal with pay raises in the open and in the light of day. Even though this amendment will save over $7 million next year alone, it is less about saving money for the American taxpayer than it is about doing the right thing. This issue should be conducted in an up or down vote in the open. The American people deserve no less than that.

When this country has a $5 trillion debt and when we are struggling to balance the Federal budget, I do not believe it is prudent for this Congress or high-ranking Government officials within the administration to accept a pay raise.

We have repeatedly asked the American people to tighten their belts and help us balance the budget. We all know we must lead by example and prove that we are here to serve the people and make America better. This Congress has already demonstrated its commitment to integrity and maintaining the trust of the American people. Congressional reform is a top priority, from adopting strong internal reforms to enacting lobbying reform and taking up campaign finance later this week. This Congress has done more to return openness and honesty to this institution than any other Congress in recent history.

Mr. Chairman, I am not a man of much wealth, I am not a mean-spirited millionaire trying to pull a ploy on the Members of Congress. This job is not about a paycheck for me. I am here to serve the people in the Fourth District of Kansas. They want a balanced budget and a bright future for their kids. Until we are able to achieve that, I cannot ask them for a raise.

Mr. Chairman, I urge my colleagues to act and maintain that commitment, to balance the budget first by voting for this amendment.

Mr. HOYER. Mr. Chairman, will the gentleman yield?

Mr. TIAHRT. I yield to the gentleman from Maryland.

Mr. HOYER. I understand the gentleman's premise with respect to Members of Congress. I do not agree with it, but I understand the premise. How does the gentleman justify freezing judges and SES's in the same process, however?

Mr. TIAHRT. I believe we all have a commitment to balance the budget, even those in the administration.

Mr. HOYER. The judges are not in the administration.

Mr. Chairman, I yield 1½ minutes to the gentleman from Pennsylvania [Mr. GEKAS].

Mr. GEKAS. I thank the gentleman for yielding me this time.

Mr. Chairman, if I had the time I would ask for a parliamentary rule as to whether or not I can by unanimous consent call for a division of the question, but it counts against my time so I am not going to do that.

PARLIAMENTARY INQUIRY

Mr. HOYER. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HOYER. Does a parliamentary inquiry count against the time that is allotted to a speaker?

The CHAIRMAN. It does if the gentleman has yielded on his time for that inquiry.

The gentleman from Pennsylvania [Mr. GEKAS] controls 1½ minutes.

Mr. GEKAS. Mr. Chairman, I am in the uncomfortable position of supporting part of the amendment and opposing another part.

The gentleman from Maryland in his little colloquy just a moment ago indicated that there is a difference between raises requested for Members of Congress, the Cabinet and for judicial raises, and that is the honest truth. Members of Congress and the members of the Cabinet are passing through the Nation's capital, as it were, in their life's work. They are passing through for the short time that they have been elected or appointed to their respective positions. So we can justify no cost-of-living arrangement for these individuals. But the judges are appointed for life and they serve in a continuous fashion, not subject to the whim of the electorate, and their life's work is involved on the bench on a daily basis.

In short, the question as to judicial raises is totally different from that for congressional raises and for Cabinet raises. They deserve, the judges do, a confidence and a reliance on an increase in the cost of living so that they can continue their work on the bench unimpeded by the yearly annual budget fights that will or will not, depending on the whims of the Congress, yield a cost-of-living arrangement for the judges.

PARLIAMENTARY INQUIRIES

Mr. WICKER. Mr. Chairman, parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. WICKER. Mr. Chairman, following up on the point that the gentleman from Pennsylvania made, is it possible under the rule to separate the issue and allow the Federal judges to have a raise while denying the COLA to Members of the Congress?

The CHAIRMAN. The rule adopted by the House states that this was handled separately, but it is not possible for the gentleman from Mississippi to make that request in Committee of the Whole. The amendment of the gentleman from Washington is not divisible or amendable.

Mr. GEKAS. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. GEKAS. Mr. Chairman, is it possible for the gentleman from Washington [Mr. METCALF], the chief proponent of the amendment, to himself ask for unanimous consent to divide the question?

The CHAIRMAN. The author of the amendment could make the request to modify the amendment.

Mr. GEKAS. Does the author of the amendment, seeing some of the sentiment——

The CHAIRMAN. Does the gentleman from Pennsylvania seek a parliamentary inquiry?

Mr. GEKAS. Yes, Mr. Chairman. The parliamentary inquiry is, How can I pose the question to the gentleman from Washington?

The CHAIRMAN. That would be during debate time. The Chair has to recognize the gentleman from Washington.

Mr. GEKAS. Parliamentary inquiry. Through the Chair I could not ask the gentleman from Washington if he would entertain thoughts of asking unanimous consent on his own to divide the question?

The CHAIRMAN. The time for debate on this amendment is controlled by the rule and the gentleman from Washington and the gentleman from Maryland control the time.

Mr. METCALF. Mr. Chairman, I do not choose to divide the question.

Mr. Chairman, I yield 5 minutes to my Democratic colleague, the gentleman from Minnesota [Mr. LUTHER], who joined in the bipartisan effort.

Mr. LUTHER. Mr. Chairman, I rise today as a cosponsor of this bipartisan amendment to prevent an automatic increase in the salaries of Members of Congress and top executive and judicial branch personnel.

Last year the House overwhelmingly voted in favor of an identical measure and I believe we should do so again to avoid allowing our own pay to increase as we reduce spending in other areas of the Federal Government.

Under current law, each Member of Congress receives an automatic cost-of-living adjustment, or pay raise, each year. That provision was part of an agreement to end the old system of Members accepting honoraria.

□ 1845

I respect the thoughtful efforts of House Members at that time to clean up Congress and to ensure a fair level of compensation for Members. But much has changed since the Ethics Reform Act was passed in 1989. Our national debt is now $5 trillion, and we must take strong action to reach a balanced budget in order to secure a sound future for our children and our grandchildren.

As we debate our spending priorities, I believe everything must be on the table for discussion. Congress cannot and must not exempt itself from the tough choices we need to make as a nation. If we in Congress would benefit through a series of automatic pay increases while at the same time we ask the rest of our country to suffer reductions in Government spending, we will lost credibility with America's taxpayers and voters.

I recognize that, over time, compensation must be sufficient to encourage the best possible citizens to serve in the U.S. Congress, but this Congress has only just begun the important job of making the tough decisions necessary for the future of our country. We have not accomplished enough this session to justify a pay raise.

Mr. Chairman, one of the strongest aspects of the American tradition has been the willingness of our entire country to step up and share the sacrifice during the times of emergency or need. At this time, our national debt endangers opportunities of future generations. I believe supporting this amendment will demonstrate our intent to lead by example and ask of ourselves what we ask of others.

Mr. HOYER. Mr. Chairman, I yield 1 minute to the gentleman from Mississippi [Mr. WICKER], a member of the Committee on Appropriations.

Mr. WICKER. Mr. Chairman, I thank my colleague from Maryland for yielding me the time. I certainly intend to support the amendment of the gentleman from Washington.

I simply rise for the purpose of echoing what the gentleman from Pennsylvania [Mr. GEKAS] said earlier, that it is a shame that the Federal judges must be linked to the cost of living proposal with regard to Members of this Congress. Members of Congress are responsible for legislation dealing with the Federal debt. The same can be said for the President and the Vice President. We are all in this battle. The deficit has nothing to do with Federal judges. So we have a situation where their salaries are held hostage to our salaries.

I think the vast majority of Americans agree with the comments made by my colleague from Washington and my colleague from Minnesota. I think the vast majority of House Members will vote with them, as I will. I would simply just submit that it is a shame that under the rule we cannot divide the question, go ahead and give a raise to Federal judges. We have districts where the U.S. attorney makes more than the judge, the public defender makes more than the judge, the clerk makes more than the judge. It is just a shame that we cannot raise their salaries because they deserve it.

Mr. METCALF. Mr. Chairman, I yield 30 seconds to the gentleman from Georgia [Mr. DEAL], my good friend, who also testified at the Committee on Rules to protect this amendment from a point of order.

(Mr. DEAL of Georgia asked and was given permission to revise and extend his remarks.)

Mr. DEAL of Georgia. Mr. Chairman, I think the ultimate mandate of this Congress has been to try to balance the budget. I commend the chairman of the Committee on Appropriations and all of those others who have made Herculean efforts in that regard. We have done so in this body by reducing our staffs by a third. We have made other efforts.

I would support this amendment. I remind my colleagues that no one who is affected by this amendment is an indentured servant. There are choices that all of us have the right to make. I would urge the adoption of the amendment.

Mr. HOYER. Mr. Chairman, how much time is remaining?

The CHAIRMAN. The gentleman from Maryland [Mr. HOYER] has 7½ minutes remaining and the gentleman from Washington [Mr. METCALF] has 8¼ minutes remaining.

Mr. METCALF. Mr. Chairman, I yield 1 minute to the gentleman from Kansas [Mr. BROWNBACK].

Mr. BROWNBACK. Mr. Chairman, I rise in support of the amendment. We cannot allow this automatic pay raise to take effect. I want to recognize and thank all the people that have done so much to work hard to move us towards balancing the budget. But this amendment and this issue is not about pay and it is not about the salary, it is about leadership.

We must balance the budget, and we must lead by example. If we accept the pay increase, it will be interpreted that we have given up on balancing the budget or, worse yet, that we can afford and we can cut other things but we cannot cut Congress or we cannot deal with ourselves or our own salary. People are going to follow much more our actions over our words, and they are going to see what our deeds say versus what our words act.

We have worked very long and hard in this Congress to balance the budget, and it is important to do that. We stay on the glide path to balance the budget over a period of 7 years. Let us stay on that and show the commitment to the American people that we have by this action of leadership. It is an important action for us as Members at this time when we have crushing debt on our Nation that we say to our future and we say to our children we are going to deal with this and we are going to lead by example.

Mr. HOYER. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, there is no more vexing an issue for any public figure than voting on his or her own salary. There have been many comments that we ought to do this on the record, we ought to do it not in secret. In point of fact, if those who were debating this had bothered to look at the record, we did exactly that in the Pay Reform Act of 1989. We changed the law and said, for a raise, we have to vote in the public's view. And, in point of fact, I tell my friends, all of the freshmen who were not here and who have spoken on this bill, the House of Representatives did in fact vote on the record during the daytime with full public scrutiny on the issue of pay reform for Members. Now, I will not speak about the other body of what they did.

In the course of the reform, we said this makes no sense. What made no sense? We would go, as we are proposing to do today, 4, 5, 6, 7 years with no raise. So what happened? The same thing that would happen in everybody's family in America, whatever they were making. They would say: Hey, dad or mom, you know, groceries are getting more expensive, cars are more expensive. Our car is 6 years old, we have to replace it. Hey, the rent has gone up or the mortgage has gone up. We want to buy another house because our family

is expanding, all sorts of things. As the cost of living goes up, your resources are squeezed if you freeze them.

So we said it was not automatic, I tell my friend from Washington State. We said specifically, Congress gets no raise if the fellow Federal employees did not get a raise. There was no justification, we said, for Members of Congress taking a raise if Federal employees did not get a raise. But if they got a raise and only if they got a raise, then we would take a cost of living less a half a point, less than the cost of living. That was hailed by Common Cause and other groups around the country as a step forward in rationalizing a way to affect the pay of Members of Congress.

Yes, a vexing issue for those of us in public life, and every one of us who gets up and says cost of living is justified for Federal employees, for judges, for SES's and, yes, even for Members of Congress are subject obviously to 30-second ads. It is a sexy political issue, we all know that. I am sure that the gentlemen who raised it are going to make it very clear to their constituents how they did this.

There has been a lot of talk about cutting the deficit. All right, for the first time in history, we have cut the deficit 4 years running. For the first time in may be not history, for the first time in this century, 4 years running, the deficit is down and is now half what it was just 4 years ago.

So, very frankly, we are on the right track, we are doing the right thing. We are performing our duties as we were sent here to do.

If we do what the gentleman suggests and, Mr. Chairman, everybody knows we are going to do what the gentleman suggests so everybody can go home and beat their chests and say, I was against raising my pay.

Let me tell you what is going to happen. A year from now or 2 years from now or 3 years from now, Members of Congress are going to get together and say, you know, for 5 or 6 or 7 years we have been zero, and we ought to raise it by $10,000.

We have done that before for exactly the same reason. Eleven out of 20 years it was frozen, just as we are doing now; and what happened? The American public said: What do you mean you are raising your salary by $10,000? They understand cost-of-living adjustment. Social Security recipients understand that, veteran retirees understand that.

I do not know that the gentleman is opposed to those. They understand cost-of-living adjustments. What they do not understand, properly so, and what we tried to avoid was large raises that gave the public the impression that we thought we ought to get more than somebody else, so we keyed it to Federal employees and we keyed it to cost-of-living increases.

That is what we should have done, and I urge my colleagues to vote against this amendment with little hope that that will occur.

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

Mr. METCALF. Mr. Chairman, I yield 30 seconds to the gentleman from Ohio [Mr. CHABOT].

(Mr. CHABOT asked and was given permission to revise and extend his remarks.)

Mr. CHABOT. Mr. Chairman, I rise in strong support of the amendment to freeze COLA pay for Members of Congress. When I ran for Congress, I pledged to do my best to bring Federal spending under control, to balance the budget, and to support tax relief for working families. This new majority in Congress has made progress but because of President Clinton's vetoes we still have a long way to go.

Accepting a cost-of-living pay increase at this time, I believe, would send the wrong message to the American taxpayers. Until we complete the job that we were elected to do, we have no business talking about pay raises. I urge adoption of the amendment.

The CHAIRMAN. The gentleman from Maryland [Mr. HOYER] has the right to close on this amendment.

Mr. HOYER. Mr. Chairman, I yield 1 minute to my very distinguished colleague, the gentleman from California [Mr. LEWIS], the chairman of the Subcommittee on VA, HUD and Independent Agencies and the leader of reform efforts in Congress.

(Mr. LEWIS of California asked and was given permission to revise and extend his remarks.)

Mr. LEWIS of California. Mr. Chairman, I appreciate my colleague yielding me the time for just a moment.

I must say that the courage my colleague is demonstrating here is very important for the House to note. I am not surprised that our new Members are here opposing even a cost-of-living adjustment, for they have not been through the process of compromise and very, very difficult effort that was put together to make sense out of Members having to vote one way or another on their own pay. But I can tell my colleagues what they do not realize is that they really are cutting off the future opportunity of their families to have a decent standard of living over a significant period of time as they serve in the House.

Above and beyond that, I think it is very fundamental for us all to understand this is a leadership issue. The gentleman from Louisiana [Mr. LIVINGSTON] rose and spoke on this issue on the floor, the only Member of the leadership. The members need from time to time to be protected against themselves. Indeed, even the author of this amendment did not know the other day that we had not had a cost-of-living adjustment for 4 years in a row with this amendment. He was unaware of the impact that this is already having upon families across the place.

Indeed we are leaving the House to people who are either born with a silver spoon in their mouth and they have got their own millions or people who could not get better jobs in the first place. That is not the direction the House needs to go in. I urge the Members to vote no on this amendment.

Mr. METCALF. Mr. Chairman, I yield 1 minute to the gentleman from Florida [Mr. MILLER].

Mr. MILLER of Florida. Mr. Chairman, as we talk about reforming Congress, we need to reflect back on all the reforms we have already conducted this year. When we first took office in January 1995, we passed the Congressional Accountability Act. We applied 11 laws of the land on Congress, from OSHA, to the Wage and Hour, to the Civil Rights Act.

□ 1900

After that we went about cutting the costs of Congress, really reforming the way we do business. We cut over 10 percent of the budget of Congress, real costs in our spending. We privatized functions. We got rid of 25 committees, we cut committee staff by one-third.

After we did that we changed the procedures of running Congress. We opened up Congress so we are not a closed institution. We got rid of proxy voting. Then we passed a gift ban, basically a total ban on gifts in Congress. And now we have passed lobby reform.

This is the most reform-minded Congress that we have had in generations, and I am proud to be part of all the reforms taking place in this Congress.

Mr. HOYER. Mr. Chairman, I yield such time as he may consume to the gentleman from Florida [Mr. HASTINGS].

(Mr. HASTINGS of Florida asked and was given permission to revise and extend his remarks.)

Mr. HASTINGS of Florida. Mr. Chairman, I rise in very strong opposition to the amendment.

Mr. METCALF. Mr. Chairman, I yield 1 minute to the gentleman from North Carolina [Mr. COBLE].

Mr. COBLE. Mr. Chairman, some years ago a Federal judge appeared before our House Committee on the Judiciary and he said he was earning less money than any of his classmates from law school. I said, Judge, why do you not resign your job from the bench and start practicing law? My suggestion, Mr. Chairman, did not appeal to him.

My point is very simple, Mr. Chairman. I represent people in my district who earn 25, 30, $35,000 a year and they are barely making it. Now, if we, on the other hand, tonight extend a generous cost of living allowance to the Vice President, to the Executive Schedule levels 1 through 5, to the members of the Federal Judiciary to the Members of Congress, I think it would be an obvious slap in the faces of these people who are barely hanging on.

Now, all of us knew what the pay way when we signed on, Members of Congress and Federal judges as well. The time to address the matter of COLAs is not this night, and it is not on this floor.

Mr. METCALF. Mr. Chairman, I yield 1 minute to the gentleman from Nebraska [Mr. CHRISTENSEN].

Mr. CHRISTENSEN. Mr. Chairman, I rise today in strong support of the amendment of the gentleman from Washington and the Tiahrt amendment.

I want to point out that today's debate is a little ironic, since many of us who support freezing our pay and have never, never voted for a congressional pay raise are the very ones being wrongfully attacked in the big labor television ads' claim that we voted to raise our pay.

In fact, I can think of nothing that typifies the previous Democratic Congresses more than the fact that they wrote themselves into a law, a law which automatically annually increases their pay. As a matter of principle, this body should not be giving itself a pay raise until we have balanced the budget. Moms and dads at home, businesses do not write themselves into their budgets automatic pay raises if their books are out of balance. This Congress should not either. We should set the example.

Mr. Chairman, I strongly urge my colleagues vote to pass this amendment and lead by doing the right thing.

Mr. METCALF. Mr. Chairman, I yield 1 minute to the gentleman from Kansas [Mr. TIAHRT].

Mr. TIAHRT. Mr. Chairman, this amendment is something that I think the American public has wanted to open up in the light of day. It does include members of the administration, the judicial branch, as well as Members of Congress.

They were all tied together because I think there was a commitment that was desired by the America public that we all work for a balanced budget; that we do not pass on to the next generation the type of debt that this country has incurred, over $5 trillion.

It is going to take a considerable amount of time to pay this off. So until we get that accomplished, get on the glidepath, get to a balanced budget, we should make a commitment as Members of Congress that should include all of the upper branches of this Government, including the judicial branch, to focus on getting this accomplished, balancing the budget, restoring the hope for the future.

Mr. Chairman, I think that is why this has been grouped together and why it will stay together.

Mr. METCALF. Mr. Chairman, may I inquire who is entitled to close this debate?

The CHAIRMAN. The gentleman from Maryland [Mr. HOYER], representing the committee position, is entitled to close debate.

Mr. METCALF. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I want to conclude by attempting to put this amendment in perspective. At 3:30 this afternoon the national debt of the United States was $5,155,309,827,707.59. The debt owed per person is $19,400. I have to point out that this figure is already outdated because it increases every few seconds.

I know the savings achieved by freezing the congressional pay and the judges and the administrative officers is only a drop in the bucket of our staggering national debt. I know that we have tried hard to make progress in reducing the deficit and we have done some work on that. We have won some and we have lost some, but we have an awful long ways to go.

I think that the opposition just does not feel to the depth that I feel that we have a real emergency in balancing this budget and we have to take very definite action.

As we prioritize our spending and make the tough choices that affect millions and millions of American people, Members of Congress should stand shoulder to shoulder with those people and share the burden.

Mr. Chairman, it is time for Congress to lead by example. I urge my colleagues to vote for the amendment.

Mr. Chairman, I yield back the balance of my time.

Mr. HOYER. Mr. Chairman, I yield 30 seconds to the gentleman from New York [Mr. BOEHLERT], my good friend and one of the senior Members of this House.

(Mr. BOEHLERT asked and was given permission to revise and extend his remarks.)

Mr. BOEHLERT. Mr. Chairman, as I rise in opposition to this amendment, I would say to my colleagues that this is just pandering to base instincts. Quite frankly, what we should learn from the lessons of the past is that we should treat ourselves and treat judges and Cabinet-level and senior executive service members and other high-level officials of the Government the same way we treat the custodians of the building, the custodians of every other building. We should have the same cost of living adjustments on a regular basis as they do.

What we do, we defer it year after year after year, thinking we are appealing to everybody, and then we say we are going to play catch-up ball and we propose 15- or 20-percent increases and everybody gets upset about it and rightly so. This is an ill-advised amendment. We have already saved $53 billion in spending, $53 billion in a year and a half in this Congress. That is movement in the correct direction.

Mr. HOYER. Mr. Chairman, I yield myself 1 minute.

Let me tell my colleagues what I think the American public appreciates: Honesty and candor. I have been on this committee since 1983. I cannot tell my friends how many hundreds of Members have come to me to say I cannot vote for it but I sure need that cost of living adjustment.

Mr. Chairman, I yield 20 seconds to the gentleman from Illinois [Mr. HYDE], the distinguished chairman of the Committee on the Judiciary, one of the most respected Members in this House.

Mr. HYDE. Mr. Chairman, I thank the gentleman for that extravagant introduction.

I just want to say we do no service to the people of America, we do no service to the quality of justice or the quality of government by treating everybody with the same flagellation, the same masochism that we treat ourselves with.

If we want good people to administer justice, we have to stop penalizing them. This is the fifth year they will not even have a cost of living. We can do what we want to us, take away our bathroom privileges, but for God sakes, we should at least give a cost of living increase to the judges and the Cabinet.

Mr. HOYER. Mr. Chairman, I yield myself the balance of my time, 10 seconds.

Mr. Chairman, honesty and candor will be appreciated by the American public.

Mr. KLUG. Mr. Chairman, I rise in support of the Metcalf-Tiahrt-Luther amendment which will freeze the cost-of-living adjustment [COLA] for members of this body, judicial branch, and senior executive branch officials.

When we, as Members of Congress, make more than three-fourths of this country's workforce, there is absolutely no reason to give ourselves a raise. We took the first steps towards a fiscally sound Nation last fall by passing a budget that would bring us into balance in 7 years. I believe we can and should show the American people that we mean business by voting to hold our own salaries at 1993 levels. As we ask all other Federal departments to tighten their belts, we should do our part by not accepting this COLA.

I just cannot see, nor can I justify, giving myself a raise in the midst of a $5 trillion national debt. Voting to freeze our pay at 1993 levels will have a direct effect on the debt because it will lower our pension burden on the American taxpayer.

Members of this body, Mr. Chairman, voted in 1989 to give themselves this COLA. Had I been a Member of Congress at that time I would not have supported a pay raise then and I will not support a pay raise now.

I urge my colleagues to support the amendment.

Mr. HEINEMAN. Mr. Chairman, I rise in strong support of the Metcalf amendment to freeze the pay of Members of Congress. I ran for Congress because I was upset with the direction our Nation was heading. Year after year, Congress has continued to run up large annual budget deficits, causing our national debt to explode—now more than $5 trillion.

We cannot continue to rob from our children and our children's children to pay for wasteful government spending. All of us must make sacrifices if we are going to balance the budget. Today, families are working harder and longer, with more of their earnings going toward paying taxes. I do not believe the cost-of-living adjustment for Members of Congress should be put on autopilot.

I support the Metcalf amendment because it is a necessary measure and I urge my colleagues to do the same. The only concern I have with the Metcalf amendment is that it freezes the cost-of-living adjustment [COLA] for the judiciary. I am an original cosponsor of legislation—H.R. 2701—which would separate out the judicial pay process from the issue of pay raises for members of Congress or pay raises for Members of the executive branch.

The salaries of our Nation's Federal judges should not be a political issue and should not be included in this amendment. Federal judges are lifetime employees and should be treated the same as career Federal employees when it comes to COLA adjustments. It is my hope that as this legislation moves forward, it can be amended by taking that part out concerning the judicial pay process. This Congress should act on H.R. 2701, which was introduced by my colleague, Representative ROGER WICKER, as soon as possible.

I urge my colleagues to support this amendment because it is the right thing to do and it is supported by the American people. Along with most Americans, my constituents agree that the pay raise Congress gave itself earlier this decade was wrong and any increase at this time would also be wrong. If Congress wants to give itself a pay raise or a COLA increase it should be voted on out in the open and in front of the American people.

Mr. SCARBOROUGH. Mr. Chairman, I am distressed to vote in such a way that would deny U.S. Federal judges the COLA's that I believe that they deserve. Unfortunately, because judges have been lumped together with politicians on Capitol Hill, I have no other choice but to vote for the measure lest I appear to be self-serving. It is my hope that Federal judges' pay will be separated from politicians' pay scales in the future.

Mrs. LOWEY. Mr. Chairman, I rise in support of the Metcalf-Luther amendment to deny Members of Congress a cost-of-living adjustment. Given our current deficit, I do not believe that this is the appropriate time for Members to receive a pay raise.

I am concerned, however, that this amendment will keep Federal judges from receiving a cost-of-living adjustment. I do not think that it is appropriate for the salaries of Federal judges to be tied to the salaries of Members of Congress.

This Nation has the premier justice system in the world. We rely on judges to make some of the most important decisions in our democracy—decisions that determine the reach of our Constitution, and decisions that are literally a matter of life or death.

Given the fact that judges sit at the pinnacle of our justice system, it is outrageous that judicial salaries are held back by congressional politics. Judicial salaries are completely overshadowed by salaries in the private sector. Many of our judges are forced to take a sizable pay cut to serve on the bench. Many other highly qualified individuals walk away from public service because the financial sacrifice is too great. Our Nation is the poorer for that loss.

I am a cosponsor of H.R. 2701, a bill that will separate judicial salaries from congressional salaries and will put in place an automatic annual increase for judges. Our Federal judges deserve no less. After all, they are the keepers of our democracy.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Washington [Mr. METCALF].

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. LIVINGSTON. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to House Resolution 475, further proceedings on the amendment offered by the gentleman from Washington [Mr. METCALF] will be postponed.

It is now in order to consider amendment No. 3 printed in House Report 104–671.

AMENDMENT OFFERED BY MR. GUTKNECHT

Mr. GUTKNECHT. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. GUTKNECHT: Page 118, after line 16, insert the following new section:

SEC. 637. (a) For purposes of this section, the term ''political appointee'' means any individual who—

(1) is employed in a position listed in sections 5312 through 5316 of title 5, United States Code (relating to the Executive Schedule);

(2) is a limited term appointee, limited emergency appointee, or noncareer appointee in the Senior Executive Service, as defined under section 3132(a) (5), (6), and (7) of title 5, United States Code, respectively; or

(3) is employed in a position in the executive branch of the Government under schedule C of subpart C of part 213 of title 5 of the Code of Federal Regulations.

(b) The President, acting through the Office of Management and Budget and the Office of Personnel Management, shall take such actions as necessary (including reduction-in-force actions under procedures consistent with those established under section 3595 of title 5, United States Code) to ensure that the number of political appointees shall not, during any fiscal year beginning after September 30, 1997, exceed a total of 2,300 (determined on a full-time equivalent basis).

The CHAIRMAN. Pursuant to House Resolution 475, the gentleman from Minnesota [Mr. GUTKNECHT] and a Member opposed each will control 10 minutes.

Mr. HOYER. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The gentleman from Maryland [Mr. HOYER] will control 10 minutes.

The Chair recognizes the gentleman from Minnesota [Mr. GUTKNECHT].

Mr. GUTKNECHT. Mr. Chairman, I yield myself such time as I may consume.

First, Mr. Chairman, I want to thank the members of the Committee on Rules for their work as well as the members of the subcommittee for bringing to the floor, I think, a good bill, but today I want to offer an amendment which I hope will make this bill even better, perhaps what I would describe as a perfecting amendment.

Mr. Chairman, I rise today with my friend and colleague from Minnesota to offer a fairly simple amendment to this bill. Our amendment would place a cap of 2,300 on the number of executive branch political appointees that can be named. This figure would be down from approximately 2,800 now, but has been even higher in past administrations.

Mr. Chairman, this is not a new idea. In fact, the Vice President of the United States made a similar suggestion in his National Performance Review. And the National Commission on the Public Service called for an even lower cap of 2,000 political appointees. Furthermore, Citizens Against Government Waste and the Concord Coalition have endorsed this proposal, and we have gathered broad bipartisan support within this House.

But Mr. Speaker, most importantly, a savings resulting from this cap has already been assumed in the Fiscal Year 1997 Budget Resolution Conference Report. A similar suggestion was made in last year's budget resolution as well. Our amendment would simply follow through on this language.

Some interesting facts—in 1960, there were 17 layers of management at the top of the Federal Government; by 1992, there were 32. During that period, the number of senior executives and political appointees grew from 451 to 2,393—a 430 percent increase. Now ask yourselves, Is the Federal Government more responsive—more responsible—more efficient?

Mr. Chairman, report after report shows that greater quantities of such political appointees does not bring about a more responsive government, but actually confuses the communication channels and adds unnecessary layers of bureaucracy. We can make important progress toward balancing the Federal Budget by eliminating a few hundred of these positions, which average $86,000 per year in salary.

The public believes that our Government is too large. This amendment begins to address this situation. This is not a drastic reduction, but a good first step toward operating a leaner and more efficient government. Last year we here in Congress reduced our staffs by a third, and many private-sector businesses have eliminated bureaucratic layers in the last several years to become more responsive and effective in a very competitive economic environment. It seems only right that we should suggest the executive branch do the same, and it's my guess that any President can get along just fine with 2,300 political appointees.

Mr. Chairman, this is a bipartisan amendment. This is a good amendment. I urge a ''yes'' vote.

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

Mr. HOYER. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, I rise in opposition to this amendment and let me tell my colleagues why, basically. There are 2 million Federal employees. They work essentially from administration to administration. Every President, every administration will tell any one of us that one of the problems they have is making the Government work to its policies.

□ 1915

That is understandable, understandable from the standpoint of those who

have been there, who want to consistently follow the policies they have been following. And the frustration of getting the government to conform to the policies of the President is also understandable.

Now, the political appointees are committed to the President of the United States, whoever he might be, to carry out the policies of the administration. Frankly, that is what the electorate expects. Now, to pretend that political appointees are not necessary or that we can cut them down to an ever-increasing smaller number is to simply take from our Presidents the ability to effect their policies.

Now, George Bush in 1992, had 3,290 political appointees or 1,000 more than this amendment affects. President Clinton has less appointees than President Bush, not by a whole lot, 3,147, 150 or 5 percent less than President Bush had. Those folks are for the purposes of ensuring the President of the United States with the ability to carry out policy.

When the people vote for President in 1992 or 1996, they expect their President to be able to effect the policies in concert or in cooperation with and in concert with the Congress. Political appointees are not good or bad. They are necessary. They are essential in a democratic system for a democratically elected official to carry out their policies.

On the other hand, in the 1930's, we said, look, 100-percent patronage is wrong. It is debilitating. It leads to very bad policies. So we adopted a Civil Service system. Actually, we had adopted it long before that, about, I suppose, in the latter part of the last century. And we said, we are going to give to the overwhelming majority of employees Civil Service protection, because what we ask them to do is not to make policy but to carry it out in a ministerial function. Some of them obviously are very high level and they obviously have decisions to make. But the fact of the matter is, they are professional employees, expected by their government to carry out the policies of Republicans and Democrats irrespective of administrations. I suggest to my colleagues that they do just that.

This amendment undermines the ability of a President to effect policies and is, therefore, wrong. I will speak to it again.

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

Mr. GUTKNECHT. Mr. Chairman, I yield 3 minutes to my friend and colleague, the gentleman from Minnesota [Mr. LUTHER].

Mr. LUTHER. Mr. Chairman, I am joining with my colleague, the gentleman from Minnesota [Mr. GUTKNECHT], in offering this amendment to reduce and cap the number of political appointees in the executive branch at 2,300 effective September 30, 1997. The term ''political appointee'' refers to those employees of the Federal Government who are appointed by the President, some with and some without confirmation by the Senate, and to certain policy advisors hired at lower levels.

It includes Cabinet secretaries, agency heads, and other executive schedule employees at the very top ranks of Government. It includes managers and supervisors who are noncareer members of the Senior Executive Service, and it includes confidential aides and policy advisors who are referred to as schedule C employees.

In a recently published book titled ''Thickening Government,'' the Federal Government and the diffusion of accountability, author Paul Light reports a startling 430 percent increase in the number of political appointees and senior executives in Federal Government from 1960 to 1992.

While the number of political appointees rose significantly from 200 in 1940 to 500 in 1960, it mushroomed from 500 in 1960 to 3,200 in 1992. In the most recent 12 years between 1980 and 1992, the number of political appointees rose over three times as fast as the total number of executive branch employees.

Our amendment's primary intent is to reduce the number of lower level political appointees, known as schedule C appointees, who represent nearly half of the current number of political appointees. Our amendment is estimated to save American taxpayers between $228 million and $363 million over 5 years. This amendment is consistent with the recommendation of the Vice President's National Performance Review, which called for reductions in the number of Federal managers and supervisors

It is also consistent with the work of the National Commission on the Public Service, chaired by former Federal Reserve Chairman Paul Volcker, which stated in its 1989 report that the growing number of Presidential appointees may actually undermine effective Presidential control of the executive branch.

For this reason, the Volcker commission recommended limiting the number of political appointees to 2,000. The other body included a similar amendment in last year's bill, although it was dropped in conference. The authors plan to offer that amendment again this year.

The gentleman from Minnesota [Mr. GUTKNECHT] and I have sponsored a bill in this body to limit the number of political appointees, and we have a number of Democrat and Republican cosponsors.

I want to stress that both in the other body and here this amendment is a bipartisan effort to get our fiscal house in order. It recognizes that the sacrifices required to meet our collective goal of balancing the Federal budget must begin at the top and be spread among all levels of Government. My colleagues, please join us in supporting this amendment.

Mr. HOYER. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, the National Performance Review, which was referred to by the previous speaker, specifically does not do what he says it does. Yes, they have effectively accomplished the desired effect of reducing the cost of Government while providing quality higher services. The proposed amendment singles out only political appointees. Many of these appointees, by the way, are only mid-level or junior staffers. The National Performance Review plan instead focuses on all employees by removing layers of management.

Political appointees, as I said earlier, play a critical role in carrying out policy. The proposed cap would limit political appointees to 2,300. President Clinton has created the National Performance Review to promote Federal Government that works better and costs less. But if you cut the folks committed to that objective, you are going to do less, not cost less.

Presidents Reagan and Bush saw an increase of 67,000 in the Federal work force while Clinton, let me indicate to my colleague, under President Bush and President Reagan, 67,000 additional employees. Under President Clinton, 225,000 fewer employees.

This small nick is political, not policy. It undermines policy. The last time the levels of Federal employment were this low was during the Kennedy administration. So this is not an issue about reducing numbers of employees. This is an issue about reducing the accountability of the administration to the American people for the carrying out of policy through people it puts in place to oversee policy.

Mr. Chairman, I would hope that we would reject this amendment. If the gentlemen are sincere, then I think that we ought to ask the White House and perhaps even the Republican candidate for President, whoever that might be after the convention, what do you think are the appropriate levels so that you can carry out your policies? It seems to me than and only then will we have an ability to make a substantive, appropriate judgment. I do not know that any such study, maybe the sponsors came up with 2,300 out of some study or some management knowledge that I do not have. Maybe they would like to tell me where 2,300 came from.

Apparently not.

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

Mr. GUTKNECHT. Mr. Chairman, I yield 2 minutes to the gentlewoman from Kansas [Mrs. MEYERS].

(Mrs. MEYERS of Kansas asked and was given permission to revise and extend her remarks.)

Mrs. MEYERS of Kansas. Mr. Chairman, I cosponsored the Political Appointee Reduction Act, now being offered as an amendment, because I support reducing the size of our Federal Government. This amendment will reduce the size of ''The Plum Book'' and

rightly so. I know everyone here is familiar with the Plum Book. It is published by the Government Printing Office and lists all of the positions available throughout the executive branch which are filled by Presidential and department or agency head appointment. The Plum Book which list all executive positions available, which are filled by President or agency head, used to be the size of the Johnson County KS, phone book. Now it is the size of the Manhattan phone book.

Although some progress has been made in reducing executive branch employment. Most of these reductions have been made in the Department of Defense a result of base closings, reduced funding, and so forth.

As we make the necessary reductions throughout the Federal Government, we should look beyond reducing the number of midlevel managers and support staff. Reductions should also be made at the top levels—and that is what this amendment will do.

In December 1991, there were approximately 1,975 full time political appointee positions. In the past 4 years that number has grown to 2,800, growth of 40 percent. Ironically, this growth has occurred at a time when we are all committed to reducing the cost and size of Government. This amendment caps the number of political appointee positions at 2,300, which still represents an increase over 1991. I urge my colleagues to support this commonsense amendment.

Mr. HOYER. Mr. Chairman, I reserve the balance of my time.

Mr. GUTKNECHT. Mr. Chairman, I yield 1 minute to the gentlewoman from Oregon [Ms. FURSE].

Ms. FURSE. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I rise in support of the Luther-Gutknecht amendment. Last year, I introduced H.R. 1671, which would have capped the number of political appointees at 2,000 and would have saved $36 million. Vice President GORE's National Performance Review recommended putting a cap on the number of political appointees, as did one of its predecessors, the Volcker commission.

Neither of those commissions set an actual cap number, but I believe the amendment before us today of 2,300 is a very reasonable compromise. I urge my colleagues today to think about how we can save money so that we can make sure that the money that the taxpayers send us is spent properly.

I would urge that they join with Citizens Against Government Waste to cut out wasteful bureaucracy and save the taxpayer money. I support this very commonsense amendment.

Mr. GUTKNECHT. Mr. Chairman, I would just say that the genesis of this number is the fact that we reduced our staffs by one-third. We think this is a corresponding number.

Mr. Chairman, I yield the balance of my time to the gentleman from Wisconsin [Mr. NEUMANN].

Mr. NEUMANN. Mr. Chairman, I rise in strong support of this amendment. As was just mentioned by my colleague from Minnesota, around this place we reduced committee staff by one-third. The very first day of Congress, the first thing we did is we said, we are going to get by on less. Our Nation is $5 trillion in debt. The Federal checkbook is $150 billion overdrawn; that is, we are spending $150 billion more than we are taking in.

Congress acted. They reduced committee staff by one-third on the first day, and now it is time to take the next step. This is not going to solve all our budget problems, but it is certainly a good step in the right direction.

□ 1930

There is no reason we need 2,800 political appointees returning around here. They can certainly get by on 2,300 political appointees, and I am glad the gentleman from Minnesota drafted this because, if I had drafted it, we would have reduced this number even further.

I would like to point out that the House Committee on the Budget, on which I am a member, recommended this reduction from 2,800 to 2,300, so the House Committee on the Budget has made this recommendation. Last year the Senate made this recommendation by unanimous consent. The Senate was actually ahead of us on this, and there is no excuse for us not going ahead and following that lead.

So I strongly support this amendment. I would add that Vice President GORE's National Performance Review also suggested capping the number of political appointees. Citizens Against Government Waste, Concord Coalition, my colleagues, virtually everybody in this city knows that we can survive with 500 fewer political appointees in the executive branch in this city.

I strongly support this amendment.

Mr. HOYER. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, I have already said what I have to say on this, and let me say it one more time for just a minute.

The Federal Government has about 2 million civilian employees. We are bringing that down. It is going to be about 1.9 million, 1.8 million when we finish. That is to serve the 270 million Americans, Federal level.

Contrary to the demagoguery that goes on, the growth in government has not occurred at the Federal level. It has occurred in the State and local government since the 1960's. That is where the real growth in government has occurred. The Federal Government has been relatively stable, and, as I said, we are currently at about 1960 levels.

So this is not a question of an exploding work force. This is a question, my colleagues in the House, as to whether or not this administration or any administration will have sufficient numbers of people to place in the 13 agencies of government and the departments of government and the other agencies and independent organizations, not in this country alone, but around the world, who will be there to carry out administration policy.

Now, George Bush, as I said, had almost 3,300, 3,297 I think it was. I do not have it right in front of me. But this President has 150 less, or about 5 percent less than President Bush.

This amendment reduce that another thousand, essentially, and contrary to what some of the speakers said and the previous speaker, ''Oh, well, the government can operate.'' Of course it can operate and will operate. The irony, I tell my friends on the majority side of the aisle, is that they are constantly concerned that Federal employees are not carrying out policies they believe are appropriate. If that is the case, then this is opposite of the objective they want to seek and that they talk about.

Now this affects both administrations. We are going to have a new administration next year. I believe my President is going to win; they believe their candidate is going to win. This is not a partisan issue. This is whether either of the candidates have the ability to function effectively as the principal policymakers in America.

That is what this is all about, and I suggest to my colleagues that I do not know that 3,297 is a correct number or that 3,290, or that 3,147 is a correct number. That is the number we budget for: 3,290 was under President Bush, 3,147 under President Clinton; both of them have about the same complement of people.

Now, the President has reduced 225,000 people, which is a good number, and therefore he has less people, 150 less than he has overseeing the implementation of his policy. I have said that a hundred times. I do not know that it is going to make any more effect.

Mr. Chairman, I would hope—this was never considered in committee, never debated, no testimony on it, no independent analysis as to whether the numbers proposed or some other number was appropriate. In light of that, I would ask that we reject this amendment.

Mr. CAMP. Mr. Chairman, I rise in support of the Gutknecht amendment which saves taxpayers $211 million.

Mr. Chairman, each child born last year will owe approximately $187,000 in debt because of Congress' excessive spending. The national debt already exceeds $5 trillion.

The amendment currently before us requires the Federal Government to share in the burden of deficit reduction. For too long, the Federal Government turned to the pockets of taxpayers to fund excessive and wasteful spending.

Now, the Federal Government must look to itself. Deficit reduction begins at home and the Congress must reign in wasteful Government spending. Over my 5 years in Congress, I have not spent $565,000 of my office funds.

We have also demonstrated our commitment to deficit reduction by reducing Federal spending by $43 billion last year. We continue

our efforts this year by doing more with less. We continue to review each and every Federal program for its efficiency and effectiveness and explore alternatives to get the most out of each tax dollar.

I urge my colleagues to support the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. GUTKNECHT].

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. GUTKNECHT. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to House Resolution 475, further proceedings on the amendment offered by the gentleman from Minnesota [Mr. GUTKNECHT] will be postponed.

The Clerk will read.

The Clerk read as follows:

TITLE I—DEPARTMENT OF THE TREASURY

DEPARTMENTAL OFFICES

SALARIES AND EXPENSES

For necessary expenses of the Departmental Offices including operation and maintenance of the Treasury Building and Annex; hire of passenger motor vehicles; maintenance, repairs, and improvements of, and purchase of commercial insurance policies for, real properties leased or owned overseas, when necessary for the performance of official business; not to exceed $2,900,000 for official travel expenses; not to exceed $150,000 for official reception and representation expenses; not to exceed $258,000 for unforeseen emergencies of a confidential nature, to be allocated and expended under the direction of the Secretary of the Treasury and to be accounted for solely on his certificate; $108,447,000: *Provided,* That up to $500,000 shall be made available to implement section 528 of this Act.

AUTOMATION ENHANCEMENT

INCLUDING TRANSFER OF FUNDS

For the development and acquisition of automatic data processing equipment, software, and services for the Department of the Treasury, $27,100,000, of which $15,000,000 shall be available to the United States Customs Service for the Automated Commercial Environment project, and of which $5,600,000 shall be available to the United States Customs Service for the International Trade Data System. *Provided,* That these funds shall remain available until September 30, 1999: *Provided further,* That these funds shall be transferred to accounts and in amounts as necessary to satisfy the requirements of the Department's offices, bureaus, and other organizations: *Provided further,* That this transfer authority shall be in addition to any other transfer authority provided in this Act: *Provided further,* That none of the funds shall be used to support or supplement Internal Revenue Service appropriations for Information Systems and Tax Systems Modernization: *Provided further,* That none of the funds available for the Automated Commercial Environment or the International Trade Data System may be obligated without the advance approval of the House and Senate Committees on Appropriations.

OFFICE OF INSPECTOR GENERAL AND INTERNAL AUDIT OF THE INTERNAL REVENUE SERVICE

SALARIES AND EXPENSES

For necessary expenses of the Office of Inspector General and the internal audit functions of the Internal Revenue Service, $135,925,000; of which, $28,689,000 shall be made available for the necessary expenses of the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended, not to exceed $2,000,000 for official travel expenses; including hire of passenger motor vehicles; and not to exceed $100,000 for unforeseen emergencies of a confidential nature, to be allocated and expended under the direction of the Inspector General of the Treasury; and of which $106,606,000 shall be available for the internal audit functions of the Internal Revenue Service: *Provided,* That the chief of internal audit for the Internal Revenue Service shall report directly to the Deputy Secretary of the Treasury.

Mrs. JOHNSON of Connecticut. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise to engage the chairman in a colloquy with regard to items contained in the bill which affect the Internal Revenue Service.

I want to take this opportunity though to commend Chairman LIGHTFOOT for his hard work and diligent efforts to provide effective oversight of the IRS. With an annual budget of $7.3 billion, the IRS consumes nearly 60 percent of all of the funding under his subcommittee's jurisdiction and touches the lives of Americans more directly than any other Federal agency. I appreciate the chairman's dedication to making the IRS a more effective and efficient agency, and to improve the IRS's accountability in its handling of the massive tax systems modernization program.

Having said that, there are a number of provisions in this bill which give me cause for concern, and I hope that the gentleman can clarify several points for me.

First, I note that there is a large reduction made to the account which funds IRS Information Systems. While much of this is to the TSM Program, there appears to be a significant reduction to Legacy systems which are needed to support IRS returns processing and compliance functions. Total funding for non-TSM information systems appears to be $179.2 million below fiscal year 1996 operating levels. I am concerned that reductions of this magnitude could have a negative effect on the IRS's ability to efficiently manage the 1997 return filing season. What is the rationale behind reducing this account?

Mr. LIGHTFOOT. Mr. Chairman, will the gentlewoman yield?

Mrs. JOHNSON of Connecticut. I yield to the gentleman from Iowa.

Mr. LIGHTFOOT. Mr. Chairman, under the subcommittee's assumptions, we believe there will be sufficient funds provided for all of the IRS' current computer systems. Our bill assumes significant savings in this account, for instance, by reducing funds for travel, supply costs, and telephone costs. I also note that, since the bill reduces IRS employment by over 2,000 TSM employees, we assume this will save $149 million next year. These savings are applied to operating IRS computer systems, so our cuts are made to salary and overhead costs, not to computer systems.

Mrs. JOHNSON of Connecticut. Reclaiming my time, I appreciate that the bill's funding for Information Systems rests on the assumption that significant salary and overhead savings can be achieved next year, but I am concerned that it will be very difficult to actually realize those savings within the fiscal year. If this concern is verified as the bill moves forward, can the gentleman assure me that he will work in conference to restore full funding for IRS's operational computer systems?

Mr. LIGHTFOOT. If the gentlelady will yield, let me assure her that in the event that there are some Legacy systems which are funded below the level that IRS may need to operate them in the upcoming year, I am committed to increasing this number as the bill moves through conference with the Senate.

Mrs. JOHNSON of Connecticut. I thank the gentleman for that clarification. I also have several concerns about provisions in the bill relating to the Tax Systems Modernization Program. We all agree that the IRS has not adequately managed this program and that changes are needed to ensure that TSM is successful. However, the bill contains language fencing off all TSM funds until IRS establishes a restructured contractual arrangement with the private sector to deliver the balance of the program. Included within the fenced-off funds is nearly $170 million for currently operational TSM systems, such as Telefile and Electronic Fraud Detection. Since it is unlikely that these contractual arrangements will be in place by the beginning of the fiscal year, I am concerned that the fencing off language could have the effect of prohibiting IRS from using these operational TSM systems for some period of time next year.

Mr. LIGHTFOOT. If the gentlelady would yield, I want to assure her that this was not the subcommittee's intention. The fencing off language was included to ensure that IRS does not spend any more funds to continue development of TSM systems in-house. Assuming that IRS is able to provide us with a concrete list of those TSM systems which are up and running, we will clarify that the fencing off language will not affect funding for operational TSM systems.

Mrs. JOHNSON of Connecticut. Reclaiming my time, I very much appreciate that clarification. I am also concerned about the provision to transfer TSM procurement activities, including responsibility for writing the request for proposal to the Department of Defense. I question whether it will be helpful, at this point in the process, to put responsibility for contracting out TSM in the hands of DOD employees who have not had any previous experience with IRS computer systems or the agency's business needs.

While I agree with the gentleman that IRS' long-term track record on

TSM has not been good, the new management structure put into place by IRS and the Department of the Treasury has come a long way toward addressing the TSM problems that the gentleman has brought to light in his oversight of this program.

Mr. LIGHTFOOT. If the gentlewoman will yield, I agree that the new management structure is a step in the right direction. However, I am convinced that IRS does not have the in-house technical capability to complete the development and delivery of a successful TSM. The proposal to transfer writing of the RFP and other contract award activities to the Department of Defense was intended to demonstrate the depth of congressional intent that IRS must get out of the business of developing TSM and turn it over to experts in the private sector who develop computer systems for a living.

The CHAIRMAN. The time of the gentlewoman from Connecticut [Mrs. JOHNSON] has expired.

(On request of Mr. LIGHTFOOT, and by unanimous consent, Mrs. JOHNSON of Connecticut was allowed to proceed for 5 additional minutes.)

Mrs. JOHNSON of Connecticut. I yield to the gentleman from Iowa.

Mr. LIGHTFOOT. Mr. Chairman, I also believe IRS does not have the technical expertise to write the RFP and award the contract in the necessary time frame. However, we do not want to burden the Department of Defense with work that does not directly benefit national defense. As the bill moves through conference, I would be happy to work with Treasury and the IRS to address the issue of who should be responsible for writing the restructured RFP. While I am determined that IRS should be out of the business of writing the new contract, I am certainly ready and willing to negotiate on who has the best technical expertise to do the job.

Mrs. JOHNSON of Connecticut. Reclaiming my time, I thank the gentleman for his willingness to be flexible on this issue. My final point is with regard to provisions in the bill relating to tax debt collections. The bill transfers $13 million from the IRS to Treasury to initiate a second private sector debt collection program, and provides an additional $13 million for continuation of the current private debt collection IRS initiative established by the fiscal year 1996 Treasury, Postal Service, and General Government appropriation.

As my colleague knows, the Ways and Means Subcommittee on Oversight, which I chair, recently held a hearing earlier to explore the idea of using private firms to assist in collecting Federal tax debts. I supported the program you initiated last year so we can determine whether privatizing some tax debt collection functions is a good business decision for the Federal Government.

I also applaud the gentleman for the language he included last year to guarantee that taxpayers rights are fully protected under the 1996 program.

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The private contractors who were recently awarded contracts under the program are subject to the disclosure laws: The Privacy Act, the Taxpayer Bill of Rights, and applicable sections of the Fair Debt Collection Practices Act.

However, I do want to emphasize my belief that the use of private collection firms to collect Federal tax debts is something that needs to be fully and fairly tested before the program is greatly expanded. under current law, private contractors cannot be compensated out of the proceeds of amounts they assist in collecting, so the pilot is being conducted using appropriated funds.

Since this does not allow for the most efficient test of the effectiveness of private contractors, the Committee on Ways and Means is in the process of developing legislation which we hope to be able to consider in the near future to allow IRS to expand the use of private collection firms and test alternative compensation arrangements that are not permissible under present law.

Thus, I urge the gentleman to drop the $13 million that the bill transfers from IRS to Treasury to initiate a second private sector debt collection program.

Mr. LIGHTFOOT. Mr. Chairman, if the gentlewoman will continue to yield, I am very pleased to learn that the Committee on Ways and Means is developing legislation relating to private debt collection. I share the gentlewoman's goal of doing what is necessary to determine whether privatizing some tax collection functions is a good business decision.

As the Treasury appropriations bill moves through conference with the Senate, I am committed to addressing the gentlewoman's concerns regarding the second private sector debt collection program.

Mrs. JOHNSON of Connecticut. Mr. Chairman, I thank the chairman for his clarification on these important issues.

While I remain concerned about the adequacy of funding levels provided for the IRS, I recognize the challenges the gentleman faced in putting this bill together, and I am satisfied by the chairman's commitment that he will address these issues in conference with the Senate. I commend Chairman LIGHTFOOT for his responsiveness and willingness to listen to the concerns of the Committee on Ways and Means.

AMENDMENT OFFERED BY MRS. JOHNSON OF CONNECTICUT

Mrs. JOHNSON OF Connecticut. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mrs. JOHNSON of Connecticut: Page 4, beginning on line 1, strike ''and Internal Audit of the Internal Revenue Service.''

Page 4, line 5, strike ''and the internal'' and all that follows through ''Inspector General'' on line 8.

Page 4, line 14, strike ''and of which'' and all that follows through line 19, and insert ''$29,319,000.''.

Page 20, line 23, strike ''$1,616,379,000'' and insert ''$1,722,985,00''.

The CHAIRMAN. For what purpose does the gentleman from Iowa [Mr. LIGHTFOOT] rise?

Mr. LIGHTFOOT. Mr. Chairman, I ask unanimous consent that the remainder of title I be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

The text of the remainder of title I is as follows:

OFFICE OF PROFESSIONAL RESPONSIBILITY

SALARIES AND EXPENSES

INCLUDING TRANSFER OF FUNDS

For necessary expenses of the Office of Professional Responsibility, including purchase and hire of passenger motor vehicles, up to $3,000,000, to be derived through transfer from the United States Customs Service, salaries and expenses appropriation: *Provided*, That none of the funds shall be obligated without the advance approval of the House and Senate Committees on Appropriations.

TREASURY BUILDINGS AND ANNEX REPAIR AND RESTORATION

INCLUDING TRANSFER OF FUNDS

For the repair, alteration, and improvement of the Treasury Building and Annex, the Bureau of Alcohol, Tobacco and Firearms National Laboratory Center and the Fire Investigation Research and Development Center, and the Rowley Secret Service Training Center, $22,892,000, to remain available until expended: *Provided*, That funds for the Bureau of Alcohol, Tobacco and Firearms National Laboratory Center and the Fire Investigation Research and Development Center and the Rowley Secret Service Training Center shall not be available until a prospectus authorizing such facilities is approved by the House Committee on Transportation and Infrastructure: *Provided further*, That funds previously made available under this title for the Secret Service Headquarter's building shall be transferred to the Secret Service Acquisition, Construction, Improvement and Related Expenses appropriation.

FINANCIAL CRIMES ENFORCEMENT NETWORK

SALARIES AND EXPENSES

For necessary expenses of the Financial Crimes Enforcement Network, including hire of passenger motor vehicles; travel expenses of non-Federal law enforcement personnel to attend meetings concerned with financial intelligence activities, law enforcement, and financial regulation; not to exceed $14,000 for official reception and representation expenses; and for assistance to Federal law enforcement agencies, with or without reimbursement; $22,387,000: *Provided*, That notwithstanding any other provision of law, the Director of the Financial Crimes Enforcement Network may procure up to $500,000 in specialized, unique, or novel automatic data processing equipment, ancillary equipment, software, services, and related resources from commercial vendors without regard to otherwise applicable procurement laws and regulations and without full and open competition, utilizing procedures best suited under the circumstances of the procurement to efficiently fulfill the agency's requirements: *Provided further*, That funds appropriated in this account may be used to procure personal services contracts.

DEPARTMENT OF THE TREASURY FORFEITURE FUND

For necessary expenses of the Treasury Forfeiture Fund, notwithstanding any other provision of law, not to exceed $7,500,000 shall be made available for the development of a Federal wireless communication system, to be derived from deposits in the Fund: *Provided,* That the Secretary of the Treasury is authorized to receive all unavailable collections transferred from the Special Forfeiture Fund established by section 6073 of the Anti-Drug Abuse Act of 1988 (21 U.S.C. 1509) by the Director of the Office of Drug Control Policy as a deposit into the Treasury Forfeiture Fund (31 U.S.C. 9703(a)).

VIOLENT CRIME REDUCTION PROGRAMS

INCLUDING TRANSFER OF FUNDS

For activities authorized by Public Law 103–322, to remain available until expended, which shall be derived from the Violent Crime Reduction Trust Fund, as follows:

(a) As authorized by section 190001(e), $89,800,000, of which $15,005,000 shall be available to the United States Customs Service; of which $47,624,000 shall be available to the Bureau of Alcohol, Tobacco and Firearms, of which $2,500,000 shall be available for administering the Gang Resistance Education and Training program, of which $3,662,000 shall be available for ballistics technologies, and of which $41,462,000 shall be available to enhance training and purchase equipment and services; of which $5,971,000 shall be available to the Secretary as authorized by section 732 of Public Law 104–132; of which $1,000,000 shall be available to the Financial Crimes Enforcement Network; of which $20,200,000 shall be available to the United States Secret Service, of which no less than $1,000,000 shall be available for a grant for activities related to the investigations of missing and exploited children.

(b) As authorized by section 32401, $7,200,000, for disbursement through grants, cooperative agreements or contracts, to local governments for Gang Resistance Education and Training: *Provided,* That notwithstanding sections 32401 and 310001, such funds shall be allocated only to the affected State and local law enforcement and prevention organizations participating in such projects.

TREASURY FRANCHISE FUND

There is hereby established in the Treasury a franchise fund pilot, as authorized by section 403 of Public Law 103–356, to be available as provided in such section for expenses and equipment necessary for the maintenance and operation of such financial and administrative support services as the Secretary determines may be performed more advantageously as central services: *Provided,* That any inventories, equipment, and other assets pertaining to the services to be provided by such fund, either on hand or on order, less the related liabilities or unpaid obligations, and any appropriations made for the purpose of providing capital, shall be used to capitalize such fund: *Provided further,* That such fund shall be reimbursed or credited with the payments, including advanced payments, from applicable appropriations and funds available to the Department and other Federal agencies for which such administrative and financial services are performed, at rates which will recover all expenses of operation, including accrued leave, depreciation of fund plant and equipment, amortization of Automatic Data Processing (ADP) software and systems, and an amount necessary to maintain a reasonable operating reserve, as determined by the Secretary: *Provided further,* That such fund shall provide services on a competitive basis: *Provided further,* That an amount not to exceed 4 percent of the total annual income to such fund may be retained in the fund for fiscal year 1997 and each fiscal year thereafter, to remain available until expended, to be used for the acquisition of capital equipment and for the improvement and implementation of Treasury financial management, ADP, and other support systems: *Provided further,* That no later than 30 days after the end of each fiscal year, amounts in excess of this reserve limitation shall be deposited as miscellaneous receipts in the Treasury: *Provided further,* That such franchise fund pilot shall terminate pursuant to section 403(f) of Public Law 103–356.

FEDERAL LAW ENFORCEMENT TRAINING CENTER

SALARIES AND EXPENSES

For necessary expenses of the Federal Law Enforcement Training Center, as a bureau of the Department of the Treasury, including materials and support costs of Federal law enforcement basic training; purchase (not to exceed 52 for police-type use, without regard to the general purchase price limitation) and hire of passenger motor vehicles; for expenses for student athletic and related activities; uniforms without regard to the general purchase price limitation for the current fiscal year; the conducting of and participating in firearms matches and presentation of awards; for public awareness and enhancing community support of law enforcement training; not to exceed $9,500 for official reception and representation expenses; room and board for student interns; and services as authorized by 5 U.S.C. 3109; $51,681,000, of which $9,423,000 for materials and support costs of Federal law enforcement basic training shall remain available until September 30, 1999: *Provided,* That the Center is authorized to accept and use gifts of property, both real and personal, and to accept services, for authorized purposes, including funding of a gift of intrinsic value which shall be awarded annually by the Director of the Center to the outstanding student who graduated from a basic training program at the Center during the previous fiscal year, which shall be funded only by gifts received through the Center's gift authority: *Provided further,* That notwithstanding any other provision of law, students attending training at any Federal Law Enforcement Training Center site shall reside in on-Center or Center-provided housing, insofar as available and in accordance with Center policy: *Provided further,* That funds appropriated in this account shall be available for training United States Postal Service law enforcement personnel and Postal police officers, at the discretion of the Director; State and local government law enforcement training on a space-available basis; training of foreign law enforcement officials on a space-available basis with reimbursement of actual costs to this appropriation; training of private sector security officials on a space-available basis with reimbursement of actual costs to this appropriation; and travel expenses of non-Federal personnel to attend course development meetings and training at the Center: *Provided further,* That the Center is authorized to obligate funds in anticipation of reimbursements from agencies receiving training at the Federal Law Enforcement Training Center, except that total obligations at the end of the fiscal year shall not exceed total budgetary resources available at the end of the fiscal year: *Provided further,* That the Federal Law Enforcement Training Center is authorized to provide short term medical services for students undergoing training at the Center.

ACQUISITION, CONSTRUCTION, IMPROVEMENTS, AND RELATED EXPENSES

For expansion of the Federal Law Enforcement Training Center, for acquisition of necessary additional real property and facilities, and for ongoing maintenance, facility improvements, and related expenses, $18,884,000, to remain available until expended.

FINANCIAL MANAGEMENT SERVICE

SALARIES AND EXPENSES

For necessary expenses of the Financial Management Service, $191,799,000, of which not to exceed $14,277,000 shall remain available until expended for systems modernization initiatives. In addition, $90,000, to be derived from the Oil Spill Liability Trust Fund, to reimburse the Service for administrative and personnel expenses for financial management of the Fund, as authorized by section 1012 of Public Law 101–380: *Provided,* That none of the funds made available for systems modernization initiatives may not be obligated until the Commissioner of the Financial Management Service has submitted, and the Committees on Appropriations of the House and Senate have approved, a report that identifies, evaluates, and prioritizes all computer systems investments planned for fiscal year 1997, a milestone schedule for the development and implementation of all projects included in the systems investment plan, and a systems architecture plan.

BUREAU OF ALCOHOL, TOBACCO AND FIREARMS

SALARIES AND EXPENSES

For necessary expenses of the Bureau of Alcohol, Tobacco and Firearms, including purchase of not to exceed 650 vehicles for police-type use for replacement only and hire of passenger motor vehicles; hire of aircraft; and services of expert witnesses at such rates as may be determined by the Director; for payment of per diem and/or subsistence allowances to employees where an assignment to the National Response Team during the investigation of a bombing or arson incident requires an employee to work 16 hours or more per day or to remain overnight at his or her post of duty; not to exceed $12,500 for official reception and representation expenses; for training of State and local law enforcement agencies with or without reimbursement, including training in connection with the training and acquisition of canines for explosives and fire accelerants detection; provision of laboratory assistance to State and local agencies, with or without reimbursement; $389,982,000, of which $12,011,000, to remain available until expended, shall be available for arson investigations, with priority assigned to any arson involving religious institutions; which not to exceed $1,000,000 shall be available for the payment of attorneys' fees as provided by 18 U.S.C. 924(d)(2); and of which $1,000,000 shall be available for the equipping of any vessel, vehicle, equipment, or aircraft available for official use by a State or local law enforcement agency if the conveyance will be used in drug-related joint law enforcement operations with the Bureau of Alcohol, Tobacco and Firearms and for the payment of overtime salaries, travel, fuel, training, equipment, and other similar costs of State and local law enforcement officers that are incurred in joint operations with the Bureau of Alcohol, Tobacco and Firearms: *Provided,* That no funds made available by this or any other Act may be used to transfer the functions, missions, or activities of the Bureau of Alcohol, Tobacco and Firearms to other agencies or Departments in the fiscal year ending on September 30, 1997: *Provided further,* That no funds appropriated herein shall be available for salaries or administrative expenses in connection with consolidating or centralizing, within the Department of the Treasury, the records, or any portion thereof, of acquisition and disposition of firearms

maintained by Federal firearms licensees: *Provided further,* That no funds appropriated herein shall be used to pay administrative expenses or the compensation of any officer or employee of the United States to implement an amendment or amendments to 27 CFR 178.118 or to change the definition of ''Curios or relics'' in 27 CFR 178.11 or remove any item from ATF Publication 5300.11 as it existed on January 1, 1994: *Provided further,* That none of the funds appropriated herein shall be available to investigate or act upon applications for relief from Federal firearms disabilities under 18 U.S.C. 925(c) and the inability of the Bureau of Alcohol, Tobacco and Firearms to process or act upon such applications for felons convicted of a violent crime, firearms violations, or drug-related crimes shall not be subject to judicial review: *Provided further,* That such funds shall be available to investigate and act upon applications filed by corporations for relief from Federal firearms disabilities under 18 U.S.C. 925(c): *Provided further,* That no funds in this Act may be used to provide ballistics imaging equipment to State or local authorities who have obtained similar equipment through a Federal grant or subsidy: *Provided further,* That, notwithstanding any other provision of law, all aircraft owned and operated by the Bureau of Alcohol, Tobacco and Firearms shall be transferred to the United States Customs Service: *Provided further,* That no funds under this heading shall be available to conduct a reduction in force: *Provided further,* That no funds available for separation incentive payments as authorized by section 525 of this Act may be obligated without the advance approval of the House and Senate Committees on Appropriations: *Provided further,* That no funds under this Act may be used to electronically retrieve information gathered pursuant to 18 U.S.C. 923(g)(4) by name or any personal identification code.

UNITED STATES CUSTOMS SERVICE

SALARIES AND EXPENSES

INCLUDING TRANSFER OF FUNDS

For necessary expenses of the United States Customs Service, including purchase of up to 1,000 motor vehicles of which 960 are for replacement only, including 990 for police-type use and commercial operations; hire of motor vehicles; contracting with individuals for personal services abroad; not to exceed $20,000 for official reception and representation expenses; and awards of compensation to informers, as authorized by any Act enforced by the United States Customs Service; $1,489,224,000; of which $65,000,000 shall be available until expended for Operation Hardline; of which $28,000,000 shall be available until expended for expenses associated with Operation Gateway; of which up to $3,000,000 shall be available for transfer to the Office of Professional Responsibility; and of which such sums as become available in the Customs User Fee Account, except sums subject to section 13031(f)(3) of the Consolidated Omnibus Reconciliation Act of 1985, as amended (19 U.S.C. 58c(f)(3)), shall be derived from that Account; of the total, not to exceed $150,000 shall be available for payment for rental space in connection with preclearance operations, and not to exceed $4,000,000 shall be available until expended for research and not to exceed $1,000,000 shall be available until expended for conducting special operations pursuant to 19 U.S.C. 2081 and up to $6,000,000 shall be available until expended for the procurement of automation infrastructure items, including hardware, software, and installation: *Provided,* That uniforms may be purchased without regard to the general purchase price limitation for the current fiscal year: *Provided further,* That the United States Customs Service shall implement the General Aviation Telephonic Entry program within 30 days of enactment of this Act: *Provided further,* That no funds under this heading shall be available to conduct a reduction in force: *Provided further,* That no funds available for separation incentive payments as authorized by section 525 of this Act may be obligated without the advance approval of the House and Senate Committees on Appropriations: *Provided further,* That the Spirit of St. Louis Airport in St. Louis County, Missouri, shall be designated a port of entry: *Provided further,* that no funds under this Act may be used to provide less than 30 days public notice for any change in apparel regulations.

OPERATION AND MAINTENANCE, AIR AND MARINE INTERDICTION PROGRAMS

For expenses, not otherwise provided for, necessary for the operation and maintenance of marine vessels, aircraft, and other related equipment of the Air and Marine Programs, including operational training and mission-related travel, and rental payments for facilities occupied by the air or marine interdiction and demand reduction programs, the operations of which include: the interdiction of narcotics and other goods; the provision of support to Customs and other Federal, State, and local agencies in the enforcement or administration of laws enforced by the Customs Service; and, at the discretion of the Commissioner of Customs, the provision of assistance to Federal, State, and local agencies in other law enforcement and emergency humanitarian efforts; $83,363,000, which shall remain available until expended: *Provided,* That no aircraft or other related equipment, with the exception of aircraft which is one of a kind and has been identified as excess to Customs requirements and aircraft which has been damaged beyond repair, shall be transferred to any other Federal agency, Department, or office outside of the Department of the Treasury, during fiscal year 1997 without the prior approval of the House and Senate Committees on Appropriations.

AIR INTERDICTION PROCUREMENT

For the purchase and restoration of aircraft, marine vessels and air surveillance equipment for the Customs air and marine interdiction programs, $28,000,000: *Provided,* That such resources shall not be available until September 30, 1997, and shall remain available until expended.

CUSTOMS SERVICES AT SMALL AIRPORTS

(TO BE DERIVED FROM FEES COLLECTED)

Such sums as may be necessary for expenses for the provision of Customs services at certain small airports or other facilities when authorized by law and designated by the Secretary of the Treasury, including expenditures for the salary and expenses of individuals employed to provide such services, to be derived from fees collected by the Secretary pursuant to section 236 of Public Law 98–573 for each of these airports or other facilities when authorized by law and designated by the Secretary, and to remain available until expended.

HARBOR MAINTENANCE FEE COLLECTION

For administrative expenses related to the collection of the Harbor Maintenance Fee, pursuant to Public Law 103–182, $3,000,000, to be derived from the Harbor Maintenance Trust Fund and to be transferred to and merged with the Customs ''Salaries and Expenses'' account for such purposes.

BUREAU OF THE PUBLIC DEBT

ADMINISTERING THE PUBLIC DEBT

For necessary expenses connected with any public-debt issues of the United States; $169,735,000: *Provided,* That the sum appropriated herein from the General Fund for fiscal year 1997 shall be reduced by not more than $4,400,000 as definitive security issue fees and Treasury Direct Investor Account Maintenance fees are collected, so as to result in a final fiscal year 1997 appropriation from the General Fund estimated at $165,335,000.

INTERNAL REVENUE SERVICE

PROCESSING, ASSISTANCE, AND MANAGEMENT

For necessary expenses of the Internal Revenue Service, not otherwise provided for; including processing tax returns; revenue accounting; providing assistance to taxpayers, management services, and inspection; including purchase (not to exceed 150 for replacement only for police-type use) and hire of passenger motor vehicles (31 U.S.C. 1343(b)); and services as authorized by 5 U.S.C. 3109, at such rates as may be determined by the Commissioner; $1,616,379,000, of which up to $3,700,000 shall be for the Tax Counseling for the Elderly Program, and of which not to exceed $25,000 shall be for official reception and representation expenses.

TAX LAW ENFORCEMENT

For necessary expenses of the Internal Revenue Service for determining and establishing tax liabilities; tax and enforcement litigation; technical rulings; examining employee plans and exempt organizations; investigation and enforcement activities; securing unfiled tax returns; collecting unpaid accounts; statistics of income and compliance research; the purchase (for police-type use, not to exceed 850), and hire of passenger motor vehicles (31 U.S.C. 1343(b)); and services as authorized by 5 U.S.C. 3109, at such rates as may be determined by the Commissioner; $4,052,586,000.

INFORMATION SYSTEMS

INCLUDING TRANSFER OF FUNDS

For necessary expenses for data processing and telecommunications support for Internal Revenue Service activities, including tax systems modernization (modernized developmental systems), modernized operational systems, services and compliance, and support systems; the hire of passenger motor vehicles (31 U.S.C. 1343(b)); and services as authorized by 5 U.S.C. 3109, at such rates as may be determined by the Commissioner; $1,077,450,000, of which $424,500,000 shall be available for tax systems modernization program activities: *Provided,* That none of the funds made available for tax systems modernization shall be available until the Internal Revenue Service establishes a restructured contractual relationship with a commercial sector company to manage, integrate, test, and implement all portions of the tax systems modernization program, except that funds up to $59,100,000 may be used to support a Government Program Management Office, not to exceed a total staffing of 50 individuals, and other necessary Program Management activities: *Provided further,* That none of the funds made available for tax systems modernization may be used by the Internal Revenue Service to carry out activities associated with the development of a request for proposal and contract award, except that funds shall be available for the sharing of data and information and general oversight of the process by the Associate Commissioner of the Internal Revenue Service for Modernization, and such funds as may be necessary shall be transferred to the Department of Defense which will conduct all technical activities associated with the development of a request for proposal and contract award: *Provided further,* That none of these funds may be used to support in excess of 150 full-time equivalent positions in support of tax systems modernization: *Provided further,* That these funds shall remain available until September 30, 1999.

INFORMATION SYSTEMS

(RESCISSION)

Of the funds made available under this heading for Tax Systems Modernization in Public Law 104–52, $100,000,000 are rescinded, in Public Law 103–329, $51,685,000 are rescinded, in Public Law 102–393, $2,421,000 are rescinded, and in Public Law 102–141, $20,341,000 are rescinded.

ADMINISTRATIVE PROVISIONS—INTERNAL REVENUE SERVICE

SECTION 101. Not to exceed 5 percent of any appropriation made available in this Act to the Internal Revenue Service may be transferred to any other Internal Revenue Service appropriation upon the advance approval of the House and Senate Committees on Appropriations.

SEC. 102. The Internal Revenue Service shall maintain a training program to insure that Internal Revenue Service employees are trained in taxpayers' rights, in dealing courteously with the taxpayers, and in cross-cultural relations.

SEC. 103. The funds provided in this Act for the Internal Revenue Service shall be used to provide as a minimum, the fiscal year 1995 level of service, staffing, and funding for Taxpayer Services.

SEC. 104. No funds available in this Act to the Internal Revenue Service for separation incentive payments as authorized by section 525 of this Act may be obligated without the advance approval of the House and Senate Committees on Appropriations.

UNITED STATES SECRET SERVICE

SALARIES AND EXPENSES

For necessary expenses of the United States Secret Service, including purchase (not to exceed 702 vehicles for police-type use, of which 665 shall be for replacement only), and hire of passenger motor vehicles; hire of aircraft; training and assistance requested by State and local governments, which may be provided without reimbursement; services of expert witnesses at such rates as may be determined by the Director; rental of buildings in the District of Columbia, and fencing, lighting, guard booths, and other facilities on private or other property not in Government ownership or control, as may be necessary to perform protective functions; for payment of per diem and/or subsistence allowances to employees where a protective assignment during the actual day or days of the visit of a protectee require an employee to work 16 hours per day or to remain overnight at his or her post of duty; the conducting of and participating in firearms matches; presentation of awards; and for travel of Secret Service employees on protective missions without regard to the limitations on such expenditures in this or any other Act: *Provided*, That approval is obtained in advance from the House and Senate Committees on Appropriations; for repairs, alterations, and minor construction at the James J. Rowley Secret Service Training Center; for research and development; for making grants to conduct behavioral research in support of protective research and operations; not to exceed $20,000 for official reception and representation expenses; not to exceed $50,000 to provide technical assistance and equipment to foreign law enforcement organizations in counterfeit investigations; for payment in advance for commercial accommodations as may be necessary to perform protective functions; and for uniforms without regard to the general purchase price limitation for the current fiscal year: *Provided further*, That 3 U.S.C. 203(a) is amended by deleting ''but not exceeding twelve hundred in number''; $528,368,000, of which $1,200,000 shall be available as a grant for activities related to the investigations of missing and exploited children: *Provided further*, That resources made available as a grant for activities related to the investigations of missing and exploited children shall not be available until September 30, 1997, and shall remain available until expended.

ACQUISITION, CONSTRUCTION, IMPROVEMENT, AND RELATED EXPENSES

For necessary expenses of construction, repair, alteration, and improvement of facilities, $31,298,000, to remain available until expended: *Provided*, That funds previously provided under the title, ''Treasury Buildings and Annex Repair and Restoration,'' for the Secret Service's Headquarters Building, shall be transferred to this account.

GENERAL PROVISIONS—DEPARTMENT OF THE TREASURY

SECTION 111. Any obligation or expenditure by the Secretary in connection with law enforcement activities of a Federal agency or a Department of the Treasury law enforcement organization in accordance with 31 U.S.C. 9703(g)(4)(B) from unobligated balances remaining in the Fund on September 30, 1997, shall be made in compliance with the reprogramming guidelines contained in the House and Senate reports accompanying this Act.

SEC. 112. Appropriations to the Treasury Department in this Act shall be available for uniforms or allowances therefor, as authorized by law (5 U.S.C. 5901), including maintenance, repairs, and cleaning; purchase of insurance for official motor vehicles operated in foreign countries; purchase of motor vehicles without regard to the general purchase price limitations for vehicles purchased and used overseas for the current fiscal year; entering into contracts with the Department of State for the furnishing of health and medical services to employees and their dependents serving in foreign countries; and services authorized by 5 U.S.C. 3109.

SEC. 113. None of the funds appropriated by this title shall be used in connection with the collection of any underpayment of any tax imposed by the Internal Revenue Code of 1986 unless the conduct of officers and employees of the Internal Revenue Service in connection with such collection, including any private sector employees under contract to the Internal Revenue Service, compiles with subsection (a) of section 805 (relating to communications in connection with debt collection), and section 806 (relating to harassment or abuse), of the Fair Debt Collection Practices Act (15 U.S.C. 1692).

SEC. 114. The Internal Revenue Service shall institute policies and procedures which will safeguard the confidentiality of taxpayer information.

SEC. 115. The funds provided to the Bureau of Alcohol Tobacco and Firearms for fiscal year 1997 in this Act for the enforcement of the Federal Alcohol Administration Act shall be expended in a manner so as not to diminish enforcement efforts with respect to section 105 of the Federal Alcohol Administration Act.

SEC. 116. Paragraph (3)(C) of section 9703(g) of title 31, United States Code, is amended—

(1) by striking in the third sentence ''and at the end of each fiscal year thereafter'';

(2) by inserting in lieu thereof ''1994, 1995, and 1996''; and

(3) by adding at the end the following new sentence: ''At the end of fiscal year 1997, and at the end of each fiscal year thereafter, the Secretary shall reserve any amounts that are required to be retained in the Fund to ensure the availability of amounts in the subsequent fiscal year for purposes authorized under subsection (a).''

SEC. 117. Of the funds available to the Internal Revenue Service, $13,000,000 shall be made available to continue the private sector debt collection program which was initiated in fiscal year 1996 and $13,000,000 shall be transferred to the Departmental Offices appropriation to initiate a new private sector debt collection program: *Provided*, That the transfer provided herein shall be in addition to any other transfer authority contained in this Act.

PRIORITY PLACEMENT, JOB PLACEMENT, RETRAINING, AND COUNSELING PROGRAMS FOR U.S. TREASURY DEPARTMENT EMPLOYEES AFFECTED BY A REDUCTION IN FORCE

SEC. 118. (a) DEFINITIONS.—

(1) For the purposes of this section, the term ''agency'' means the United States Department of the Treasury.

(2) For the purposes of this section, the term ''eligible employee'' means any employee of the agency who—

(A) is scheduled to be separated from service due to a reduction in force under—

(i) regulations prescribed under section 3502 of title 5, United States Code; or

(ii) procedures established under section 3595 of title 5, United States Code; or

(B) is separated from service due to such a reduction in force, but does not include—

(i) an employee separated from service for cause on charges of misconduct or delinquency; or

(ii) an employee who, at the time of separation, meets the age and service requirements for an immediate annuity under subchapter III of chapter 83 or chapter 84 of title 5, United States Code.

(b) PRIORITY PLACEMENT PROGRAM.—Not later than 30 days after the date of the enactment of this Act, the U.S. Department of the Treasury shall establish a priority placement program for eligible employees.

(c) The priority placement program established under subsection (b) shall include provisions under which a vacant position shall not be filled by the appointment or transfer of any individual from outside of the agency if—

(1) there is then available any eligible employee who applies for the position within 30 days of the agency issuing a job announcement and is qualified (or can be trained or retrained to become qualified within 90 days of assuming the position) for the position; and

(2) the position is within the same commuting area as the eligible employee's last-held position or residence.

(d) JOB PLACEMENT AND COUNSELING SERVICES.—The head of the agency may establish a program to provide job placement and counseling services to eligible employees and their families.

(1) TYPES OF SERVICES.—A program established under subsection (d) may include, is not limited to, such services as—

(A) career and personal counseling;

(B) training and job search skills; and

(C) job placement assistance, including assistance provided through cooperative arrangements with State and local employment services offices.

(e) REFERRAL OF ELIGIBLE EMPLOYEES TO PRIVATE SECTOR CONTRACTORS.—Any contract related to the Internal Revenue Services' Tax Systems Modernization program shall contain a provision requiring that the contractor, in hiring employees for the performance of the contract, shall obtain referrals of eligible employees, who consent to such referral, from the priority placement or job placement programs established under this section.

This title may be cited as the ''Treasury Department Appropriations Act, 1997''.

Mr. LIGHTFOOT. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore [Mr. LAHOOD]

having assumed the chair, Mr. DREIER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 3756) making appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain independent agencies, for the fiscal year ending September 30, 1997, and for other purposes, pursuant to House Resolution 475, had come to no resolution thereon.

PROVIDING FOR FURTHER CONSIDERATION OF H.R. 3756, TREASURY, POSTAL SERVICE, AND GENERAL GOVERNMENT APPROPRIATIONS ACT, 1997

Mr. LIGHTFOOT. Mr. Speaker, I ask unanimous consent that during the further consideration of H.R. 3756, in the Committee of the Whole, pursuant to House Resolution 475:

First, the bill be considered as having been read; and

Second, no amendment shall be in order except for the following amendments, which shall be considered as read, shall not be subject to amendment or to a demand for a division of the question in the House or in the Committee of the Whole, and shall be debatable for the time specified, equally divided and controlled by the proponent and a Member opposed:

An amendment by Mr. KENNEDY of Massachusetts, regarding Customs Service, for 10 minutes;

An amendment by Mr. DURBIN, regarding firearms disabilities, for 30 minutes;

An amendment by Mrs. JOHNSON of Connecticut, regarding IRS funding for 10 minutes;

An amendment by Mr. TRAFICANT, for 10 minutes;

An amendment by Mr. HOYER or Mrs. LOWEY, to strike sections 518 and 519, for 30 minutes;

An amendment by Mr. HOYER, regarding buyouts, for 10 minutes;

An amendment by Mr. WOLF, regarding buyouts, for 10 minutes;

An amendment by Mr. KINGSTON, regarding customs ports of entry, for 9 minutes;

An amendment by Mr. GUTKNECHT, regarding an across-the-board cut, for 20 minutes;

An amendment by Mr. SANDERS, regarding health maintenance organizations, for 20 minutes;

An amendment by Ms. KAPTUR, regarding China tariffs, for 10 minutes;

An amendment by Mr. SOLOMON, regarding a limitation on the Comptroller of the Currency, for 10 minutes;

An amendment by Mr. SALMON, regarding the White House Travel Office, for 10 minutes;

An amendment by Mr. HOYER, for 10 minutes; and

An amendment by Mr. GEKAS, for 10 minutes.

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

Mr. HOYER. Reserving the right to object, Mr. Speaker, and I do not intend to object, this agreement is intending, as I understand it, to give all the amendments that we know about the opportunity to be offered.

In addition, it gives us an opportunity to further discuss the points raised by the gentlewoman from Connecticut [Mrs. JOHNSON] in my amendment, and will then provide for the consideration of the balance of the bill?

Mr. LIGHTFOOT. If the gentleman will yield, that is correct.

Mr. HOYER. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Without objection, the unanimous consent request offered by the gentleman from Iowa [Mr. LIGHTFOOT] is agreed to.

There was no objection.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 3814, COMMERCE, JUSTICE, STATE, AND RELATED AGENCIES APPROPRIATIONS ACT, 1997

Mr. SOLOMON, from the Committee on Rules, submitted a privileged report (Rept. No. 104–678) on the resolution (H. Res. 479) providing for consideration of the bill (H.R. 3814) making appropriations for the Departments of Commerce, Justice, and State, the Judiciary, and related agencies for the fiscal year ending September 30, 1997, and for other purposes, which was referred to the House Calendar and ordered to be printed.

PARLIAMENTARY INQUIRY

Mr. HOYER. Parliamentary inquiry, Mr. Speaker.

The SPEAKER pro tempore. The gentleman will state his parliamentary inquiry.

Mr. HOYER. Mr. Speaker, I presume the answer to my question, but the Chair did not say the unanimous-consent request was adopted.

The SPEAKER pro tempore. The Chair did say that. The Chair in a very soft voice said ''without objection.''

Mr. HOYER. If the Speaker said that, then we are confident that it is done.

TREASURY, POSTAL SERVICE, AND GENERAL GOVERNMENT APPROPRIATIONS ACT, 1997

The SPEAKER pro tempore. Pursuant to House Resolution 475 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 3756.

□ 1953

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 3756) making appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain independent agencies, for the fiscal year ending September 30, 1997, and for other purposes, with Mr. DREIER in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole rose just a few moments ago, pending was the amendment offered by the gentlewoman from Connecticut [Mrs. JOHNSON].

The bill had been read through page 31, line 14. At the conclusion of the Johnson amendment the Chair will announce the further procedures pursuant to the order of the House.

The Chair recognizes the gentlewoman from Connecticut [Mrs. JOHNSON] for 5 minutes in support of her amendment.

Mrs. JOHNSON of Connecticut. Mr. Chairman, this amendment strikes language in title I of the bill.

PARLIAMENTARY INQUIRY

Mr. HOYER. Parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. HOYER. Mr. Chairman, I want to know where we are now. I would not have agreed to the unanimous-consent request if I did not think we were going to terminate proceedings of the bill at this time. That was the understanding that I had, and that was the understanding under which I gave unanimous consent.

If that is not the case, I cannot withdraw my unanimous-consent agreement, but that was my understanding, and the bill would proceed much more slowly tonight if my understanding was incorrect.

The CHAIRMAN. The Johnson amendment was pending when the Committee rose.

Mr. HOYER. I understand that, Mr. Chairman.

Mr. LIGHTFOOT. There was so much confusion.

Mr. HOYER. Mr. Chairman, I ask unanimous consent to proceed for 1 minute out of order to determine what we are doing.

The CHAIRMAN. The gentlewoman from Connecticut [Mrs. JOHNSON] controls 5 minutes in support of her amendment. Does she wish to yield for the purpose of a colloquy?

Ms. JOHNSON of Connecticut. I am happy to yield to the gentleman from Iowa [Mr. LIGHTFOOT].

The CHAIRMAN. To whom does the gentlewoman from Connecticut [Mrs. JOHNSON] yield?

Mrs. JOHNSON of Connecticut. I yield to the gentleman from Iowa [Mr. LIGHTFOOT] for a colloquy with the gentleman from Maryland [Mr. HOYER].

The CHAIRMAN. Would the gentlewoman yield to the gentleman from Maryland?

Mr. HOYER. Mr. Chairman, will the gentlewoman yield?

Mrs. JOHNSON of Connecticut. I yield to the gentleman from Maryland [Mr. HOYER].

Mr. HOYER. Mr. Chairman, there has been a misunderstanding here. I want to ask the chairman a question, because apparently I misunderstood.

I was sitting over here, obviously trying to keep track of the debate while there were discussions about what we were doing on the bill. I was brought a paper with the amendments, and I know the gentleman added a couple, and that was fine, and I did not object. But very frankly, I did not object on the premise that we were going to suspend further proceedings of the bill at this time. I was told that. That may have been an error, but that is what I was told.

Mr. LIGHTFOOT. Mr. Chairman, will the gentlewoman yield?

Mrs. JOHNSON of Connecticut. I yield to the gentleman from Iowa.

Mr. LIGHTFOOT. Mr. Chairman, I think we can straighten this out. The gentlewoman from Connecticut [Mrs. JOHNSON] got on her feet to offer her amendment before I asked for the unanimous consent request. So therefore, when we came back, we came back to her amendment. I did include her amendment on that sheet that the gentleman has in front of him, so we can resolve this very quickly if the gentlewoman wants to go ahead and hold over her amendment until tomorrow, as it was in the unanimous consent request. I think that will solve the problem.

Mrs. JOHNSON of Connecticut. I could do that, but my amendment is very, very brief. It would save me coming back tomorrow.

Mr. HOYER. If the gentlewoman will continue to yield, Mr. Chairman, the problem is, I have a number of people on this side of the aisle who tell me their amendments are very, very brief.

Mrs. JOHNSON of Connecticut. I am happy to ask unanimous consent to withdraw my amendment, Mr. Chairman, without prejudice for tomorrow.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

The CHAIRMAN. Who seeks recognition? Does the chairman of the subcommittee seek recognition?

Mr. HOYER. Are we going to rise, Mr. Chairman?

The CHAIRMAN. For what purpose does the gentleman from Iowa rise?

Mr. LIGHTFOOT. Mr. Chairman, I move that the Committee do now rise.

Mr. HOYER. Mr. Chairman, is the question on the motion to rise?

The CHAIRMAN. Does the gentleman from Iowa [Mr. LIGHTFOOT] wish the Chair to resume consideration of the two postponed votes on the Gutknecht amendment and Metcalf amendment?

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(By unanimous consent, Mr. ARMEY was allowed to speak out to order.)

ORDER OF BUSINESS

Mr. ARMEY. Mr. Chairman, might I suggest that we take at this time the two votes that are ordered on amendments related to this bill and then perhaps if we have agreement with everyone, we would take the votes on the suspension calendar tomorrow morning.

Mr. LEWIS of California. Mr. Chairman, I reserve the right to object.

The CHAIRMAN. The Chair has the authority to put the postponed questions before the Committee.

Mr. ARMEY. Mr. Chairman, I was not making a unanimous-consent request. I do not know what the gentleman is objecting to. I am making a recommendation to the body. I think it would be helpful to take the two votes now on the two amendments. I think it would also be helpful to a lot of our Members if after we take those two amendment votes, we deferred voting on the suspensions until tomorrow.

Mr. OBEY. Mr. Chairman, will the gentleman yield on that suggestion?

Mr. ARMEY. I yield to the gentleman from Wisconsin.

Mr. OBEY. Mr. Chairman, let me simply say, I do not have a dog in this fight, and I do not care what we do on these amendments. All I know is that there are a considerable number of Members on both sides of the aisle who are very much pressing to have a time agreement tonight because they have serious scheduling problems. They were expecting, and indeed hoping, that all of the votes would be rolled until tomorrow.

I have no problems. I can stay here and vote on all of these. But I know a number of Members who are extremely exasperated about it and I wonder if the majority leader has any specific reason as to why we could not do that.

Mr. ARMEY. If the gentleman would allow me to reclaim my time, why do we not go ahead, take the two votes, and then we can maybe all of us who have a concern discuss this during the course of the time of those two votes?

Mr. OBEY. We are talking about the two votes in question that the gentleman is suggesting be voted on right now.

Mr. LEWIS of California. Mr. Chairman, will the gentleman yield?

Mr. ARMEY. I yield to the gentleman from California.

Mr. LEWIS of California. Mr. Chairman, the only reservation that I would have raised if I had an opportunity to raise a reservation was that one of these amendments apparently has a very significant impact upon the conference members who have not had an opportunity to discuss this in conference, and there are a number who feel very strongly they need an opportunity to discuss it with their leadership before they have this vote on the floor. If we now have the vote, we will go, but the leadership should hear from them before they have such a discussion.

Mr. ARMEY. I appreciate the gentleman's point and I have no doubt that the gentleman is absolutely correct. But, Mr. Chairman, again might I suggest that we take the two votes on the two amendments that are pending on this bill and then with the agreement of the Members I think we would be able then to roll the earlier ordered suspension votes until tomorrow. That is what I would recommend.

The CHAIRMAN. Unless there is a motion to rise, the Chair will put the question on the two amendments.

Mr. HASTINGS of Florida. Point of order, Mr. Chairman. The gentleman from Iowa will have to withdraw his motion to rise, Mr. Chairman. There was a motion to rise. Just to keep the process correct.

The CHAIRMAN. The gentleman from Iowa was seated and has not renewed his motion to rise. The gentleman is seated and the Chair has never put the question to the committee.

Mr. HASTINGS of Florida. I thank the Chairman.

PARLIAMENTARY INQUIRY

Mr. HOYER. Parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. HOYER. Mr. Chairman, as a precedent, if one makes a motion to adjourn and sits down, the motion to adjourn dies. Is that the ruling of the Chair?

The CHAIRMAN. The Chair has not recognized the gentleman from Iowa for the purpose of renewing his motion to rise after the intervening debate.

Mr. HOYER. That reason I understand and I will not press the issue.

SEQUENTIAL VOTES POSTPONED IN COMMITTEE OF THE WHOLE

The CHAIRMAN. Pursuant to House Resolution 475, proceedings will now resume on those amendments on which further proceedings were postponed in the following order: The amendment offered by the gentleman from Washington [Mr. METCALF] and the amendment offered by the gentleman from Minnesota [Mr. GUTKNECHT].

AMENDMENT OFFERED BY MR. METCALF

The CHAIRMAN. the pending business is the demand for a recorded vote on the amendment offered by the gentleman from Washington [Mr. METCALF] on which further proceedings were postponed and on which the ayes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The CHAIRMAN. The Chair will reduce to 5 minutes the time for a recorded vote after this vote.

The vote was taken by electronic device, and there were—ayes 352, noes 67, not voting 14, as follows:

[Roll No 317]

AYES—352

Abercrombie	Allard	Archer
Ackerman	Andrews	Armey

Bachus
Baesler
Baker (CA)
Baker (LA)
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Becerra
Bentsen
Bereuter
Bevill
Bilbray
Bilirakis
Bishop
Bliley
Blumenauer
Blute
Boehner
Bonilla
Bonior
Bono
Borski
Boucher
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Brownback
Bryant (TN)
Bryant (TX)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Cardin
Castle
Chabot
Chambliss
Chapman
Chenoweth
Christensen
Chrysler
Clement
Coble
Coburn
Collins (GA)
Combest
Condit
Cooley
Costello
Cox
Coyne
Cramer
Crane
Crapo
Cremeans
Cubin
Cunningham
Danner
Davis
Deal
DeFazio
DeLauro
DeLay
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Doggett
Dooley
Doolittle
Dornan
Doyle
Dreier
Duncan
Dunn
Durbin
Edwards
Ehlers
Ehrlich
English
Ensign
Eshoo
Evans
Everett
Ewing
Farr
Fawell
Fazio
Fields (LA)
Fields (TX)
Filner
Flanagan
Foley
Forbes
Fowler
Fox
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Frost
Funderburk
Furse
Gallegly
Ganske
Gejdenson
Gekas
Gephardt
Gilchrest
Gillmor
Gilman
Gonzalez
Goodlatte
Goodling
Gordon
Goss
Graham
Green (TX)
Greene (UT)
Greenwood
Gunderson
Gutierrez
Gutknecht
Hall (TX)
Hamilton
Hancock
Hansen
Harman
Hastert
Hastings (WA)
Hayworth
Hefley
Hefner
Heineman
Herger
Hilleary
Hilliard
Hinchey
Hobson
Hoekstra
Hoke
Holden
Horn
Hostettler
Hunter
Hutchinson
Inglis
Istook
Jackson-Lee (TX)
Jacobs
Johnson (SD)
Jones
Kaptur
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kim
Kingston
Kleczka
Klink
Klug
Kolbe
LaFalce
LaHood
Lantos
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Levin
Lewis (KY)
Lightfoot
Linder
Lipinski
LoBiondo
Lofgren
Longley
Lowey
Lucas
Luther
Maloney
Manton
Manzullo
Markey
Martini
Mascara
Matsui
McCarthy
McCollum
McCrery
McHale
McHugh
McInnis
McIntosh
McKinney
McNulty
Meek
Menendez
Metcalf
Meyers
Mica
Millender-McDonald
Miller (FL)
Minge
Mink
Moakley
Mollohan
Montgomery
Morella
Myers
Myrick
Nadler
Neal
Nethercutt
Neumann
Ney
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Oxley
Pallone
Parker
Pastor
Payne (VA)
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pombo
Pomeroy
Portman
Poshard
Pryce
Quinn
Radanovich
Rahall
Ramstad
Reed
Regula
Richardson
Riggs
Rivers
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Roybal-Allard
Royce
Salmon
Sanders
Sanford
Sawyer
Saxton
Scarborough
Schaefer
Schiff
Schroeder
Schumer
Scott
Seastrand
Sensenbrenner
Shadegg
Shaw
Shays
Shuster
Sisisky
Skaggs
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Spratt
Stearns
Stenholm
Stockman
Stump
Stupak
Talent
Tanner
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thornberry
Thornton
Thurman
Tiahrt
Torkildsen
Torres
Torricelli
Traficant
Upton
Velazquez
Vento
Visclosky
Volkmer
Walsh
Wamp
Ward
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wise
Wolf
Woolsey
Yates
Young (AK)
Zeliff
Zimmer

NOES—67

Beilenson
Berman
Boehlert
Brewster
Campbell
Clay
Clayton
Clinger
Clyburn
Coleman
Collins (IL)
Collins (MI)
Conyers
Cummings
Dellums
Dixon
Engel
Fattah
Flake
Foglietta
Frank (MA)
Geren
Gibbons
Hastings (FL)
Houghton
Hoyer
Hyde
Jackson (IL)
Jefferson
Johnson (CT)
Johnson, E. B.
Johnson, Sam
Johnston
Kanjorski
King
Knollenberg
Lewis (CA)
Lewis (GA)
Livingston
Martinez
McDermott
McKeon
Moorhead
Moran
Murtha
Packard
Payne (NJ)
Pelosi
Porter
Quillen
Rangel
Rush
Serrano
Stark
Stokes
Studds
Thomas
Thompson
Towns
Vucanovich
Walker
Waters
Watt (NC)
Waxman
Williams
Wilson
Wynn

NOT VOTING—14

de la Garza
Ford
Hall (OH)
Hayes
Lincoln
McDade
Meehan
Miller (CA)
Molinari
Paxon
Rose
Sabo
Slaughter
Young (FL)

□ 2023

Messrs. MOORHEAD, RANGEL, FRANK of Massachusetts, and STUDDS changed their vote from ''aye'' to ''no.''

Mr. BRYANT of Texas changed his vote from ''no'' to ''aye.''

So the amendment was agreed to.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. GUTKNECHT

The CHAIRMAN. The pending business is the demand for a recorded vote on the amendment offered by the gentleman from Minnesota [Mr. GUTKNECHT], on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The CHAIRMAN. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 267, noes 150, not voting 16, as follows:

[Roll No. 318]

AYES—267

Allard
Andrews
Archer
Armey
Bachus
Baesler
Baker (CA)
Baker (LA)
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Bentsen
Bereuter
Bilbray
Bilirakis
Bishop
Blute
Boehlert
Boehner
Bonilla
Bono
Brewster
Browder
Brown (OH)
Brownback
Bryant (TN)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Castle
Chabot
Chambliss
Chapman
Chenoweth
Christensen
Chrysler
Clement
Clinger
Coble
Coburn
Collins (GA)
Combest
Condit
Cooley
Cramer
Crane
Crapo
Cremeans
Cubin
Cunningham
Danner
Davis
Deal
DeLay
Deutsch
Diaz-Balart
Dickey
Doggett
Doolittle
Dornan
Doyle
Dreier
Duncan
Dunn
Ehrlich
English
Ensign
Eshoo
Everett
Ewing
Fawell
Fields (TX)
Flanagan
Foley
Forbes
Fowler
Fox
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Funderburk
Furse
Gallegly
Ganske
Gekas
Gephardt
Geren
Gilchrest
Gillmor
Gilman
Goodlatte
Goodling
Gordon
Goss
Graham
Green (TX)
Greene (UT)
Greenwood
Gunderson
Gutknecht
Hall (TX)
Hamilton
Hancock
Hansen
Harman
Hastert
Hastings (WA)
Hayworth
Hefley
Heineman
Herger
Hilleary
Hobson
Hoekstra
Hoke
Holden
Horn
Hostettler
Hunter
Hutchinson
Hyde
Inglis
Istook
Jacobs
Johnson (CT)
Johnson (SD)
Jones
Kaptur
Kasich
Kelly
Kildee
Kim
Kingston
Kleczka
Klug
Knollenberg
LaHood
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Lewis (KY)
Lightfoot
Linder
Lipinski
LoBiondo
Lofgren
Longley
Lucas
Luther
Manzullo
Martini
Mascara
McCollum
McCrery
McHale
McHugh
McInnis
McKeon
Meek
Menendez
Metcalf
Meyers
Mica
Millender-McDonald
Miller (FL)
Minge
Montgomery
Moorhead
Myers
Myrick
Nethercutt
Neumann
Ney
Norwood
Nussle
Orton
Packard
Pallone
Parker
Peterson (MN)
Petri
Pombo
Pomeroy
Porter
Portman
Poshard
Pryce
Quillen
Quinn
Radanovich
Ramstad
Reed
Regula
Riggs
Rivers
Roberts
Rogers
Ros-Lehtinen
Roth
Roukema
Royce
Salmon
Sanford
Saxton
Scarborough
Schaefer
Seastrand
Sensenbrenner
Shadegg
Shaw
Shays
Shuster
Skeen
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Stearns
Stenholm
Stockman
Stump
Talent
Tanner
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Thomas
Thurman
Tiahrt
Torkildsen
Torricelli
Traficant
Upton
Vucanovich
Walsh
Wamp
Ward
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wise
Young (AK)
Zeliff
Zimmer

NOES—150

Abercrombie
Ackerman
Baldacci
Becerra
Beilenson
Berman
Bevill
Bliley
Blumenauer
Bonior
Borski
Boucher
Brown (CA)
Brown (FL)
Bryant (TX)
Campbell
Cardin
Clay
Clayton
Clyburn
Coleman
Collins (IL)
Collins (MI)
Conyers
Costello
Cox
Coyne
Cummings
DeFazio
DeLauro
Dellums
Dingell
Dixon
Dooley
Durbin
Edwards

Ehlers
Engel
Evans
Farr
Fattah
Fazio
Fields (LA)
Filner
Flake
Foglietta
Frank (MA)
Frost
Gejdenson
Gibbons
Gonzalez
Gutierrez
Hastings (FL)
Hefner
Hilliard
Hinchey
Houghton
Hoyer
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson, E. B.
Johnson, Sam
Johnston
Kanjorski
Kennedy (MA)
Kennedy (RI)
Kennelly
King
Klink
Kolbe
LaFalce
Lantos
Levin
Lewis (CA)
Lewis (GA)
Livingston
Lowey
Maloney
Manton
Markey
Martinez
Matsui
McCarthy
McDermott
McIntosh
McKinney
McNulty
Mink
Moakley
Mollohan
Moran
Morella
Murtha
Nadler
Neal
Oberstar
Obey
Olver
Ortiz
Owens
Oxley
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Pickett
Rahall
Rangel
Richardson
Roemer
Rohrabacher
Roybal-Allard
Rush
Sanders
Sawyer
Schiff
Schroeder
Schumer
Scott
Serrano
Sisisky
Skaggs
Skelton
Smith (MI)
Spratt
Stark
Stokes
Studds
Stupak
Tejeda
Thompson
Thornberry
Thornton
Torres
Towns
Velazquez
Vento
Visclosky
Volkmer
Waters
Watt (NC)
Waxman
Williams
Wilson
Wolf
Woolsey
Wynn
Yates

NOT VOTING—16

de la Garza
Dicks
Ford
Hall (OH)
Hayes
Lincoln
McDade
Meehan
Miller (CA)
Molinari
Paxon
Rose
Sabo
Slaughter
Walker
Young (FL)

□ 2033

Mr. ROHRABACHER changed his vote from ''aye'' to ''no.''

Mr. PORTER changed his vote from ''no'' to ''aye.''

So the amendment was agreed to.

The result of the vote was announced as above recorded.

Mr. LIGHTFOOT. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. LONGLEY) having assumed the chair, Mr. DREIR, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 3756) making appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain independent agencies, for the fiscal year ending September 30, 1997, and for other purposes, had come to no resolution thereon.

REPORT ON H.R. 3816, ENERGY AND WATER DEVELOPMENT APPROPRIATIONS ACT, 1997

Mr. MYERS of Indiana, from the Committee on Appropriations, submitted a privileged report (Rept. No. 104–679), on the bill (H.R. 3816) making appropriations for energy and water development for the fiscal year ending September 30, 1997, and for other purposes, which was referred to the Union Calendar and ordered to be printed.

The SPEAKER pro tempore. All points of order are reserved on the bill.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The suspension votes postponed earlier today will be further postponed until tomorrow.

PRIVATE CALENDAR

The SPEAKER pro tempore. This is Private Calendar day. The Clerk will call the first individual bill on the Private Calendar.

NORTON R. GIRAULT

The Clerk called the bill (H.R. 2001) for the relief of Norton R. Girault.

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

H.R. 2001

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

SECTION 1. WAIVER OF TIME LIMITATIONS.

The time limitations set forth in section 3702(b) of title 31, United States Code, shall not apply with respect to a claim for the disbursement of pay due by the Department of the Navy to Norton R. Girault, United States Navy (retired), of Norfolk, Virginia. The amounts due are represented by the following checks that were received but not negotiated by Norton R. Girault:

(1) Treasury check number 3,825,188, dated August 14, 1964, in the amount of $497.00 for salary and expenses.

(2) Treasury check dated August 28, 1964, in the amount of $497,000 for salary and expenses.

(3) Treasury check number 3,920,649, dated September 25, 1964, in the amount of $507.00 for salary and expenses.

(4) Treasury check number 3,928,498, dated October 9, 1964, in the amount of $507.00 for salary and expenses.

(5) Treasury check number 3,936,639, dated October 23, 1964, in the amount of $507.00 for salary and expenses.

(6) Treasury check number 4,028,503, dated November 20, 1964, in the amount of $507.00 for salary and expenses.

(7) Treasury check number 4,026,315, dated December 4, 1964, in the amount of $507.00 for salary and expenses.

(8) Treasury check number 4,098,736, dated January 15, 1965, in the amount of $532.00 for salary and expenses.

(9) Treasury check number 4,153,425, dated February 12, 1965, in the amount of $453.00 for salary and expenses.

(10) Treasury check number 4,191,812, dated February 26, 1965, in the amount of $488.00 for salary and expenses.

(11) Treasury check number 4,247,128, dated March 12, 1965, in the amount of $558.00 for salary and expenses.

(12) Treasury check number 4,252,764, dated March 26, 1965, in the amount of $488.00 for salary and expenses.

(13) Treasury check number 4,655,442, dated May 7, 1965, in the amount of $488.00 for salary and expenses.

(14) Treasury check number 4,320,091, dated May 21, 1965, in the amount of $488.00 for salary and expenses.

(15) Treasury check dated August 26, 1965, in the amount of $506.00 for salary and expenses.

(16) Treasury check dated October 21, 1965, in the amount of $530.00 for salary and expenses.

(17) Treasury check dated November 18, 1965, in the amount of $529.00 for salary and expenses.

(18) Treasury check dated December 2, 1965, in the amount of $529.00 for salary and expenses.

(19) Treasury check dated July 28, 1966, in the amount of $544.00 for salary and expenses.

(20) Treasury check dated August 25, 1966, in the amount of $531.00 for salary and expenses.

(21) Treasury check number 6,368,406, dated January 25, 1968, in the amount of $525.00 for salary and expenses.

SEC. 2. DEADLINE.

Section 1 shall apply only if Norton R. Girault or his authorized representative submit a claim pursuant to such subsection before the expiration of the 1-year period beginning on the date of the enactment of this Act.

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

NATHAN C. VANCE

The Clerk called the Senate bill (S. 966) for the relief of Nathan C. Vance, and for other purposes.

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

S. 966

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

SECTION 1. PAYMENT TO NATHAN C. VANCE.

(a) PAYMENT.—Subject to subsection (b) and (c), the Secretary of Agriculture shall pay $4,850.00 to Nathan C. Vance of Wyoming for fire loss arising out of the Mink Area Fire in and around Yellowstone National Park in 1988.

(b) SOURCE OF FUNDS.—The Secretary of the Treasury shall pay the amount specified in subsection (a) from amounts made available under section 1304 of title 31, United States Code.

(c) CONDITION OF PAYMENT.—The payment made pursuant to subsection (a) shall be in full satisfaction of the claim of Nathan C. Vance against the United States, for fire loss arising out of the Mink Area Fire, that was received by the Forest Service in August 1990.

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

The SPEAKER pro tempore. This concludes the call of the Private Calendar.

SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

INTRODUCING THE YOUTH PROTECTION FROM TOBACCO ADDICTION ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Utah [Mr. HANSEN] is recognized for 5 minutes.

Mr. HANSEN. Mr. Speaker, today I am introducing the Youth Protection from Tobacco Addiction Act on behalf of this Nation's children, who have been fooled into believing that smoking is an appealing, appropriate, or even a healthy habit.

I want to make a simple fact very clear. Tobacco kills the people who use it, just like cocaine or heroin kills its users; however, more people die from tobacco caused diseases than from illegal drugs, alcohol, homicides, and suicides combined.

Nicotine is an ingredient in every cigarette, pouch or pipe tobacco, or can of chewing tobacco. Nicotine is an ingredient unlike any other ingredient you find in the kitchen pantry. It is dangerous and it is a deadly poison. In its liquid form, an injection of only one drop would be deadly. If anyone here likes to work outside in his vegetable garden, as I do, they know that there is not an insecticide on the market that is a more effective killer than nicotine.

The nicotine contained in the various tobacco products acts as an addictive poison, not only killing the product user but also creating a strong craving. After using tobacco for a length of time it is very difficult to stop. If you do not believe that tobacco is addictive, go outside any of the House Office Buildings on the coldest day of the year to see the people who brave the freezing temperatures to fulfill their poisonous craving for nicotine.

The bill I am introducing today is intended to protect the 3,000 children who began smoking today and the 3,000 who will start tomorrow and the 3,000 who will begin smoking every day after that. The time has come for this Congress to do something to prevent our children from being fooled by the crafty and wily masters of advertising who target our children as future users of this deadly product.

□ 1915

Because hundreds of thousands of people die from smoking-related causes each year, the tobacco industry must find replacements for these customers. The tobacco executives have an economic need to fool children to begin smoking early, just to stay even. Tobacco advertisers do not want you to know that over 80 percent of smokers become hooked when they are children. I think we all know a few of them.

It is not a mistake or unfortunate consequence that our children are becoming addicted to this poison. No, it is a deliberate attempt by deceptive tobacco advertisers in an effort to target future tobacco users. Only a fool with his head in the sand would suggest that Joe Camel or the Marlboro Man advertisements are not targeted to children and teenagers who want to be accepted and liked.

The advertisements falsely claim that smoking will increase self-esteem, popularity and performance. I am hard-pressed to think of a more outright falsehood so blatantly broadcast and accepted as is tobacco advertising.

Let me tell you about the self-esteem, popularity and performance of someone who was addicted to nicotine all his life, my neighbor, somebody by the name of Chuck Edwards. If you want to check with Chuck Edwards, he happens to be the foremost expert in the west in larynx cancer. He brings in things, and he takes somebody's face off. He lifts the face off. He then disconnects their jaw. He then cleans out their larynx and guess what happens to that person, he is a recluse the rest of his life. And Chuck always says to me, ''And following that, I go in after the operation and the hole that is in the trachea, they put a cigarette in it because they are so addicted they cannot leave it alone.''

I probably would not object to tobacco advertising so much if they showed the truth. I would like to see them show one of Chuck Edwards' operations. The fact is, tobacco kills the people who use it. Tobacco advertisers are trying to fool children into using it. And this Congress is allowing children to be fooled by the tobacco advertisers.

If you do not believe me, just look at how the cigarettes are packaged in the United States. Here is a package from the United States. It says on there, Surgeon General's warning, tobacco contains carbon monoxide. Here is the same pack from Canada. What do they say in Canada? A little more honest than we are. In Canada, it says, Cigarettes are addictive.

I doubt most adults, let alone children, understand the dangers of carbon monoxide. I doubt most adults can describe the color, taste or odor of carbon monoxide. However, that is the warning we have chosen to place on the side of cigarette packages in this very, very small print. Now you look at the one from Canada. In clear black and white language it says, Cigarettes are addictive. In my opinion, that is what any responsible legislature ought to warn people about. Cigarettes are addictive and they ought to put on the sides, ''These things will kill you, because that is what they do every day and thousands of people die.''

In fact, if I had it my way, I would require all cigarettes plainly to say, Cigarettes will kill you.

Mr. Speaker, I would urge Members to get on this bill, the Youth Protection Act. I personally think it is the thing we should do for our children.

The SPEAKER pro tempore (Mr. LONGLEY). Under a previous order of the House, the gentlewoman from North Carolina [Mrs. CLAYTON] is recognized for 5 minutes.

[Mrs. CLAYTON addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.]

CAMPAIGN FINANCE REFORM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. FARR] is recognized for 5 minutes.

Mr. FARR of California. Mr. Speaker, I rise tonight on the eve of this august body going into a debate on campaign finance reform. I think it is important in this hour of special orders to really discuss what is reform. The choice before this Congress is going to very clear. One bill will come before us that says we need to spend more money in campaigns. The other bill will be coming before us that says we have to spend less. I believe that less money is reform. More power to small contributors is reform. Preventing rich people from buying public office is reform. Eliminating soft money is reform. Leveling the playing field is reform. Limiting special influence in campaigns is reform.

The bill that I authored, called the Farr bill does all these things. The Farr bill is reform. The Farr bill imposes voluntary spending limits. It imposes aggregate PAC limits. It reduces the PAC's max out from $10,000 to $8,000. It imposes aggregate large donor limits. Large donor in my bill is defined as anyone who gives $200 or more. It provides public benefits to all candidates, challengers, and incumbents alike. It levels the playing field for those who abide by the spending limits. It curbs campaign persuasion mail that is sent out under the phony guise of educational information.

The American people want reform, not more of the same. For a Congress that despite its partisan differences has addressed the issue of reform, the gift ban, the lobbying reform, the congressional compliance, we should not let the opportunity for real campaign finance reform get away from us now. The American people want this.

In the past months my office has logged 368 constituent letters in support of limits on money in congressional raises. In that same period of time, my office has logged exactly two constituent letters against limits on money in congressional races. I submit to my colleagues, if they check their offices, I think they will find the same ratio.

My bill, which I hope to offer on Thursday during the floor debate, has one priority and one priority only: To control campaign spending. The money chase now in this country is out of control. In the past years, Congress has tried to put the break on the money chase. But each time the Republican leadership has prevented that from happening.

Let us look at the record. In 1987, the Republicans filibustered a camapaign fiance bill in the Senate. In 1989, the House passed a bill but the Republicans delayed action in 1990 and set it until it was too late to appoint the conferees.

In 1991, the House and Senate passed bills and later, in 1992, a final conference report was signed and sent to President George Bush and he vetoed it.

In 1993, the House and Senate passed bills but in 1994, the Republicans

blocked the appointment of conferees. Since 1987, Democrats have been in the forefront of moving campaign finance reform. Here we are again today. We have toiled at bringing campaign finance reform to American politics for nearly a decade. We will not rest until we get it.

The Democrat bill which I offer contains real reform that will make real changes to the electoral process in this country. My will seeks to reduce the power of money in elections and return that power to the people. Too much money too often decides who gets to Congress and who does not. Congress should be more reflective of the American population. Right now Congress is full of, and I must admit, white males like me. But my bill levels the playing field so that we will see more minorities, more women, more moderate income persons serving in the United States Congress, those who can run for office and be competitive.

If we do not stop the money chase, if we do not stop wealthy people from buying office, this Congress will be one big elitist white boys club. If we do not impose some limits, as my bill does, if we do not enhance disclosure requirements, as my bill does, if we do not level the playing field, as my bill does, the American people will continue to complain about the influence of money in elections, about not being able to trace where the money comes from, about Congress not doing what it is supposed to to clean up the system.

We have a chance this week on Thursday to clean up the system. I urge Members to take a look at my bill, take a look, and I speak to my colleagues on the other side of the aisle, take a look at H.R. 3505 and join me in voting for something that is really positive. Join me in showing the American people that like the gift ban, like lobbying reform, like the compliance act, this Congress can do what is right and enact serious reform to bring order out of chaos.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana [Mr. BURTON] is recognized for 5 minutes.

[Mr. BURTON of Indiana addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

KIRBY PUCKETT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota [Mr. GUTKNECHT] is recognized for 5 minutes.

Mr. GUTKNECHT. Mr. Speaker, shock waves reverberated through the sports world on Friday. Kirby Puckett told us what we did not want to hear, that this was the last day that he would wear Twins uniform No. 34.

Baseball is a game for optimists. ''We will get them tomorrow'' and ''wait until next year'' are examples created by baseball fans. We all wanted to believe that the doctors would perform magic and that Kirby would once again be patrolling the outfield and bedeviling American League pitchers. It was not to be.

If baseball is a game for optimists, Kirby Puckett was its best salesman. Maybe it was all that energy and enthusiasm trapped inside that teddy bear body that allowed him to defy the laws of gravity, the laws of physics. With leaps that would make Michael Jordan proud, Kirby robbed countless hitters of home runs.

In a sports world dominated today by megabuck contracts and even bigger egos, he was a throwback to an earlier day, to earlier day heroes. He did not believe in trash talk. He let his play speak for itself, and speak it did.

His record of excellence shouts at you. In his roughly 12 years in the major leagues, he appeared in 12 All Star games. He won six Golden Gloves. He hit 207 home runs, had a lifetime batting average of .318, and he has two World Series rings to show for it.

Not bad for a kid who almost spent his life at the Ford assembly plant on Terrance Avenue. He got laid off and returned to baseball, and we all are richer for it.

Kirby was the youngest of nine children, raised by two loving parents in the projects of Chicago's south side. We are all proud of Kirby but no one should be prouder than his mother. To paraphrase one fan, Kirby Puckett is a wonderful human being who just happened to be one of the greatest ball players of all time.

Every day he demonstrated one of the most important eternal truths, that the key to happiness is to be thankful. And so, Mr. Speaker, on behalf of Twins fans in the upper Midwest and sports fans all over the world, permit me to send this personal message: Thank you, thank you, Kirby Puckett. Good luck and may God bless you.

THE KELLWOOD CO. OF WEST VIRGINIA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from West Virginia [Mr. WISE] is recognized for 5 minutes.

Mr. WISE. Mr. Speaker, I first tonight want to commend the Kellwood plant in Spencer, WV. As garment manufacturers across the Nation are working to improve working conditions, I have today sent a letter to the Secretary of Labor, Robert Reich, praising the Kellwood Co. of Spencer as an innovative firm which is a step ahead in the push to eliminate abuse of labor laws.

Kellwood, which is the largest private label clothing supplier in the United States, employs 500 people at a major manufacturing and distribution facility in West Virginia. This facility has long been a stabilizing force in the community and is a respected and revered employer. In the summer of 1995, Kellwood began implementing a program requiring its contractors to submit to independent audits and, if needed, follow-up remediation efforts. The company is now in the process of completing audits of its contractors nationwide to make sure they are following the rules.

I believe these voluntary efforts by Kellwood track perfectly with the Labor Department's no-sweat initiative and they are successful in correcting the contractor problems that exist in the industry.

The U.S. Department of Labor no-sweat campaign is an effort to crack down on sweatshops and clothing contractors violating the Fair Labor Standards Act by using child labor that forces workers to put in excessive hours without adequate pay or operating unsafe shops.

The Kellwood Co. has become a corporate leader in eliminating these abuses. It is my hope, Mr. Speaker, that the Labor Department will recognize the leadership role that Kellwood has taken in regard to contractor compliance, particulary as Kellwood is one of a number of companies taking part in the upcoming Fashion Industry Forum at Marymount University where various parts of the apparel industry will meet to try to continue taking on the problem of sweatshops. Kellwood is to be commended.

CAMPAIGN FINANCE REFORM

Mr. WISE. I had wanted to talk about reform because this is reform week here. This is when the Republican leadership is to bring to the floor its campaign finance reform bill. The problem is, this is not campaign reform, it is campaign retreat. What this does is it does not get cash out of politics. It results in cashing in.

Mr. Speaker, I think it is important to note that this bill that will be brought to the floor, only this week a distinguished West Virginian, Rebecca Cain, the leader, president of the National League of Women Voters, criticized this bill as not being true reform.

I think it is important to point out that most Americans, most West Virginians when they talk to me, think the problem is money needs to be taken out of politics, not put into it.

Let us look at what this bill, if it passes, would do. It would permit the maximum amount that individuals can give to a candidate to go from $1,000 to $2,500 per election. That does not sound like reform to me. It would permit the cumulative amount that individuals can give to candidates and to political action committees to go from $25,000 to $72,500 per year. Does not sound like reform to me.

It would also permit the maximum amount that individuals can give to any one political party, committee, to go from $20,000 to $58,000 per year. Incidentally, that is on top of the $72,500 that is already permitted.

□ 2100

Now, this is a proposal I really find fascinating. In fact, under this proposal

a wealthy individual would now be able to give over $300,000 in hard-money contributions to affect Federal elections in their State, another $2.8 million in hard money to other State political action committees, for a total of $3.1 million in a single year. Now, that is real encouraging grassroots participation. That is up, incidentally, $3.1 million. Under the present law it is $25,000. We get much more reform like this, there is no need to have any law at all.

And, incidentally, the bill still would permit unlimited amounts of soft money, which is probably the greatest abuse of all.

Whom is this bill directed to, Mr. Speaker? Only 1 percent of Americans gave campaign contributions of $200 or more during the past election, and it is indisputable that raising these individual limits can only increase the influence of the wealthy. I thought the purpose was to get grassroots participation to encourage people to participate into elections, to get more volunteers. You pass something like this, and all you do is send a message we are only interested in a rich person's club, we are only interested in how much influence money can buy.

We want real campaign reform, and that can be done on a bipartisan basis. But this is not campaign reform, it is campaign retreat, Mr. Speaker, and this is a hypocrisy to bring this out or it is ludicrous to bring this out on the floor and call it campaign reform.

This bill should be limiting costs, not increasing them. It should be encouraging small donors, not discouraging them. It should be limiting outside expenditures by outside groups. It just does nothing to curb that. It does nothing to restrict independent expenditures in a campaign, or not accountable, and it does nothing to make incumbents any more easily challenged. In fact, this is an incumbent protection bill because 9 times out of 10 that incumbent can go get that big contribution much more easily than a challenger.

Not campaign reform, Mr. Speaker.

The SPEAKER pro tempore (Mr. LONGLEY). Under a previous order of the House, the gentleman from California [Mr. RIGGS] is recognized for 5 minutes.

[Mr. RIGGS addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

SOCIAL SECURITY PREDICAMENT: FEWER WORKERS, MORE RETIREES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan [Mr. SMITH] is recognized for 5 minutes.

Mr. SMITH of Michigan. Mr. Speaker, I want to talk about one of the better kept secrets in Washington, and that is the fact that the Social Security trust fund has no money in it. There is a lot of current retirees that would like to expect that the promises on Social Security are going to stay there for the rest of their life. There is a lot of individuals that are going to be retiring in the next several years, and certainly young workers today that hope that there is some way that Social Security that they are now paying for will have something to offer them when they retire.

The predicament is that Social Security is going broke. The recent Social Security Administration estimate that they are going to be out of money earlier than they expected should be a red flag, should alert, Mr. Speaker, not only the Members of this body, but certainly the American people that we need to deal with Social Security. No longer can we put our heads in the sand and pretend that this very serious problem does not exist.

I introduced a bill last week, H.R. 3758, that deals with the problem of Social Security solvency. This bill is the only bill that has been introduced in the House that has been scored by the Social Security Administration, and it has been scored in a way that Social Security will continue to exist at least for the next 75 years, and the way it is written, Mr. Speaker, Social Security will continue to survive.

Now let me first say what the predicament is that is causing the problem in Social Security. In the early 1940's there were 42 people working and paying for the retirement benefits of every one Social Security retiree. In 1950 there were 17 people working and paying in their Social Security tax to support each one retiree. today Mr. Speaker, here is the problem: There is only three people working, supporting, paying in for each retiree, and when the baby-boomers retire, there is only going to be two working people in this country supporting that retiree.

You know what we have done? With the fewer number of workers for the larger number of retirees, we have continued to increase their taxes. Since 1970 we have increased taxes on those workers 34 times. So we continue to increase the tax on a fewer and fewer number of those working, and in terms of the demographic problems, we have an aging population. When we started Social Security, the average age of mortality, the average life expectancy, was 63 years old. Today it is 72 for a man and 76 for women. If you are lucky enough to reach age 65, you can expect to live until you are 84.

So we have an aging population on the one hand, fewer people working, and, you know, there is no trust fund, there is no reserve, it is a pay-as-you-go program where the workers today pay their money in and immediately when the Social Security Administration gets that money, they pay it out to existing retirees. If there is anything left, the Federal Government grabs the rest of that money for general fund spending.

Some people would like to believe that, look, as long as government has got those IOU's in the trust fund that somehow government can come up with the money to pay that trust fund back. I do not know how they are going to do that. How would they do that? They do it either by increasing taxes on those working to increase the burden on those individuals, and, Mr. Speaker, do you know, do the American people realize, that 70 percent of the American people today pay more in the FICA tax than they do in the income tax?

And so I say tax increases are out, so I have gradually increased the retirement age 2 years beyond the existing 67, gradually decreased the benefits for those higher income people, and what it has done is increase the solvency of Social Security to the extent that we allow those surpluses to be invested by each individual worker. So that individual worker now can take some of that FICA tax, they can take that dollar; it is going to be their own dollars, it is not going to be somebody else's dollars, and they can say, look, I am investing this in my fund, in my passbook savings account so I am assured of that money. And when you consider the fact that Treasury has had a real return of 2.3 percent on every dollar that the Treasury has taken from Social Security, and when you consider that the average equity investment is 9 percent, we end up with a bill that is going to give today's workers even greater benefits in their retirement than they would have under the existing system, plus it keeps it solvent.

Let us take our head out of the sands. Let us start dealing with the problem of Social Security.

H.R. 3760 ENCOURAGES CAMPAIGNS TO BE FINANCED BY THE WEALTHY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey [Mr. PALLONE] is recognized for 5 minutes.

Mr. PALLONE. Mr. Speaker, I wanted to take my 5 minutes to talk about this Republican so-called Campaign Finance Reform Act proposal. When I looked at it today and looked at some of the details, I have to say that I was actually shocked that in the context of a so-called reform week, which I guess now on the part of the Republican leadership is limited to this so-called Campaign Finance Reform Act, that they have proposed that the Republican leadership has come up with a bill that, in my opinion, is nothing short of obscene in terms of what it would do to the political system.

My constituents, I have to be honest, do not complain a great deal to me about campaigns and financing campaigns, but those that do write to me, those that do talk to me about the issue, the number 1 concern on their mind is the obscene amount of money that is spent on congressional races, on

Senate races. We do not even get to the level of the Presidential campaign, but particularly on the Federal races for Congress, for Senate and for the House of Representatives.

Any campaign finance reform should try to make an effort to reduce the overall amount of money that is spent on a campaign and not allow the campaign and the financing of it to be increasingly dependent upon large checks by wealthy individuals, and that is what the Republican leadership is now proposing.

I have often said, and I have actually voted in the past for campaign finance reform that tries to contain a public financing component. Some people may be familiar with our State of New Jersey, with my State of New Jersey, where the gubernatorial race is sort of a good example, in my opinion, of what a good financing structure would be for a campaign. There are caps on spending, there are requirements that in order to capture public funds that you have to raise a certain amount of money from individuals, but you can also raise a certain amount from PAC's, you can have some large contributions from individuals, you can have small contributions from individuals. An ideal campaign finance reform would cap the overall amount that could be spent on a race at a rational amount and then require that the candidate raise some money from small contributors, some money from PAC's, perhaps, and some money from wealthy contributors before they get some public financing component.

Mr. Speaker, that is the only way that you can have a system, in my opinion, where anyone can run for office, for Congress, regardless of their background. If you make the system dependent more and more on large individual contributions, it will basically mean that people of modest means cannot run, and I will just give you an example.

When I first ran for Congress, my opponent was someone who had a chain of businesses, and basically what he did was to get a large amount of $1,000 individual contributions from people that were involved in his business. If you are not someone who owns a major business, a major corporation, a major business enterprise, you do not have that ability. But that is what the Republican leadership would entrench in this financed system for campaigns for the House of Representatives, and it is nothing short of obscene.

Now, I want to say that there were some Republicans, some of my colleagues on the Republican side, that actually had laid bare the system and said that they do not like what their leadership, what Speaker GINGRICH and the others in the Republican leadership, have proposed and what we are going to be voting on this week. A ''Dear Colleague'' letter went out from some of these moderate Republicans, or reform Republicans I should say, including MARGE ROUKEMA from my home State, and just to give you an idea, I will not read the entire letter, but I would like to read from some parts of it, and it is sent to other Republicans.

''Dear Republican Colleagues,'' it says, ''We are concerned that the bill that the House is planning to take up next week, H.R. 3760, is more fundamentally flawed than our current system, worse than the current system.'' The fact is the bill will not give you political cover as we head into Reform Week. The average American will be left even further behind in the Washington money chase as they are frozen out of the political process.''

The bill actually increases the amounts that wealthy individuals can contribute in Federal elections. Consider the facts. Maximum amount individuals can give to a candidate goes from $1,000 to $2,500 per election. Now instead of $1,000 the individual can give $2,500:

> Cumulative amount individuals can give to candidates and PAC's goes from $25,000 to $72,500 per year.
>
> Maximum amounts individuals can give to any one political party committee goes from $20,000 to $58,000 per year.
>
> In fact, under the proposal, a wealthy individual will be able to give over $300,000 in hard money contributions to affect Federal elections in their own State and another $2.8 million in hard money to other state political party committees, bringing the total up to $3.1 million in a single year.

Over $3 million an individual can now give to these races.

We need true reform, and this is not the way to go. This just encourages campaigns to be financed by the wealthy.

THE SPIRITS STAND UP AND PAY ATTENTION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. DORNAN] is recognized for 5 minutes.

Mr. DORNAN. Mr. Speaker, this is one of those days when the spirits stand up and pay attention. At our incomparably beautiful national cemetery at Arlington today we buried the Navy ace of aces from World War II. The overall ace of aces was a young 24-year-old Army Air Corps P–38 pilot, Richard Bong of Wisconsin, 40 aerial victories in the South Pacific.

Second was Tommy McGuire, a friend, fellow contemporary P–38 pilot of Dick Bong's. McGuire Air Force Base in New Jersey, of course, is named after Tommy McGuire.

And the third one is the gentleman I have had the honor to hang out with a couple of times. He is still living: Francis Gabreski, a Polish-American ace with 34.5 victories. He shared one victory, several victories, in Europe with wing men. But just a half a victory behind that is Capt. David McCampbell. He died on June 30, at 86 years of age, and quite a Navy officer this gentleman was.

□ 1915

Mr. Speaker, he holds the Medal of Honor, the Navy Cross, the Silver Star, the Distinguished Flying Cross. One of these days, Mr. Speaker, and I have said this many times, we are going to adjust tradition on this House floor and allow our cameras, like this one up here at the edge of the press gallery, to come in on a photograph like this when we do not have time to blow it up, which is expensive, and hold it down there in the well as a big chart-type photograph.

But this shows David McCampbell in his cockpit. His aircraft was named after his wife, Minzi III. That is because Minzi I and Minzi II, also F6F Grunman Hellcats, were so riddled with bullets when he returned home that they were pushed over the side of the carrier deck. His carrier was the U.S.C. *Essex*. He was the CAG, the commander of the air group.

What I like about this photograph, and I will tell the Members something about his young plane Captain, his crew chief, is that in this photograph, taken in 1944, Roosevelt himself, President Roosevelt, gave the Medal of Honor that January 1945 to then-commander David McCampbell, but he was 34 years of age. The British had started an untrue rumor after the Battle of Britain 4 years earlier that you were pretty much washed up as a fighter pilot after you were 23, 24 years of age. This old man, the CAG, commander of his own air group, Air Group 15, on the *Essex*, he achieved his 34th victory while he was still 34 years of age. Then they brought him home to inspire the Nation.

Mr. Speaker, let me tell the Members about that young man at his side there, who is still alive. He is Chief William Owens. He went by his middle name, Chester. No; I am sorry, he died at 30 in 1971. I am sorry, no, he is alive. His Navy career went from—sorry, Chester, I did not mean to send you to heaven, up there with David. But he was born June 24, 1941; or, excuse me, he joined the Navy on that date. He served 30 years in the Navy. Captain McCampbell served three and a half decades in the Navy. Chester is alive and very much so in Pensacola, FL. He was a CV–9, the U.S.S. *Essex*. He remembers when this picture was taken in 1944. Again, Roosevelt decorated McCampbell with the Medal of Honor on January 10.

Mr. Speaker, I have heard many eulogies and read many, but I wish I had an hour of special order tonight so I could read, and I may do this tomorrow night, the full eulogy to Captain McCampbell by another Medal of Honor winner, a marine company commander from Vietnam, Colonel Barney, Col. H.C. Barnum, Jr. Barney Barnum gave the eulogy that I will just start. No; I will do it tomorrow, since my time is up, but I will put this beautiful eulogy in the RECORD. If I can, I will read it in its totality, tomorrow.

The material referred to is as follows:

EULOGY TO CAPT. DAVID MCCAMPBELL

(By Col. H.C. Barnum)

David McCampbell, Navy fighter pilot extraordinaire, superb combat leader—a true warrior. A patriotic American. He was to naval aviation, what Gen. George Patton was to Army armour, Generals Chesty Puller, Howlin Mad Smith and Lew Walt were to Marine Corps infantry—All true combat warriors.

My first recollection of Capt. McCampbell, as a newly decorated Vietnam veteran, was at my first MOH Society Convention. I recall his flashy clothes, the infamous cane, his flare for having a good time, but most of all, his willingness to sit and talk with the new guys, the Vietnam veterans.

Accompanied by Col. Joe McCarthy years ago, I visited Capt. McCampbell in Lake Worth. I recall upon arrival, he had to show us a new Cadillac he had just bought Buffy. We sat for hours in a room adorned with photos of Navy fighter aircraft, ships, photos, and models of his famous F–6F Hellcat. I recall vividly, David's accounts of the decisions required in air combat, the excitement of combat flying. He always said he was never scared—but at times, was apprehensive.

For the next few moments, I would like to recall David McCampbell's career and accomplishments.

And as I do, I ask you to not only remember, what a great American combat warrior he was, but think about the living example he set for his fellow aviators—the young pilots he led. The foot prints he put in the sands of naval aviation were truly a path, for those aviators who came after him, to follow.

And those who David McCampbell, will recall, I'm sure, that he worked hard and played hard. He truly did it his way. David was born in Bessemer, AL, 86 years ago. He attended prep school right down the road a piece from here, at Staunton Military Academy, and had a year at Georgia Tech before his appointment to the USNA in 1929.

As a midshipmen, he first exhibited his true competitive spirit as an active baseball player and swimmer. He went on to become the 1931 AAU Diving Champion, Mid-Atlantic States, and subsequently Eastern Intercollegiate Diving Champion in 1932. Upon graduation June 1, 1933, due to congressional legislation limiting commissions in the USN that year, he was discharged from the Navy and commissioned an Ensign in the USNR, and went inactive for a year, before being recalled in 1934 and commissioned an Ensign in the regular Navy.

His first duty was aboard the U.S.S. *Portland*, as A/C gunnery officer with Scouting Squadron 11, the aviation unit aboard the cruiser. In 1937, he was detached from *Portland* and reported to NAS Pensacola for flight training and was designated a naval aviator 23 April 1938.

For the next 2 years, Lt. McCampbell served with Fighter Squadron 4 aboard U.S.C. *Ranger*, until being transferred in May 1940 to Norfolk for duty with U.S.S. *Wasp* Air Group. He served aboard *Wasp* as landing signal officer early in WW II, until *Wasp* was lost in enemy action in the South Pacific in September 1942.

From November 1942 to August 1943, after returning from the Pacific, David had consecutive duty at Naval Air Stations in Jacksonville and Melbourne, FL. After fitting out fighter Squadron 15, he went on to command that squadron from September 1943 to February 1944. He then assumed command of Air Group 15—which was to be later labeled FABLED 15—aboard U.S.S. *Essex*.

In addition to all the responsibilities incumbent with being Air Group Commander, Cmdr. McCampbell, become the Navy's highest scoring pilot, with a total of 34 airborne enemy planes destroyed, the greatest number ever shot down by an American pilot during a single tour of combat duty. His phenomenal feat of destroying nine Japanese A/C in one air combat flight, is unequaled in the annals of combat aviation.

It was somewhere off the Philippine Islands, October 24, 1944, that Cmdr. McCampbell shot down 9 of the dozens of Japanese planes he and another pilot took on. In an interview years later, David is quoted as saying: ''It was just me and my wingman. We came upon this group of 60 Jap planes. I screamed for help over the radio like a wounded eagle, but they didn't have anyone to send.''

''The air director that day was John Connally—later Secretary of Navy and Governor of Texas—I asked him what I should do? He said: 'Use your judgment'. You don't think of getting out of there, because that's not what you do. So my best judgment was to attack.'' And attack we did.

He went on to say, ''In combat you just don't think about much of anything but the enemy, and shooting him down, because that's what we were trained to do.'' I had help of course—my wingman shot down six planes that day.''

I've heard David say, ''I'm not a hero. . . .'' but as I read his MOH citation, I know you all will agree with me, that indeed he was a true hero.

MEDAL OF HONOR CITATION FOR DAVID MCCAMPBELL

Rank and organization: Commander, U.S. Navy, Air Group 15.

Place and date: First and second battles of the Philippine Sea, June 19, 1944.

Entered service at: Florida.

Born: January 16, 1910, Bessemer, Ala.

Citation: For conspicuous gallantry and intrepidity at the risk of his life above and beyond the call of duty as commander, Air Group 15, during combat against enemy Japanese aerial forces in the first and second battles of the Philippine Sea. An inspiring leader, fighting boldly in the face of terrific odds, Comdr. McCampbell led his fighter planes against a force of 80 Japanese carrier-based aircraft bearing down on our fleet on June 19, 1944. Striking fiercely in valiant defense of our surface force, he personally destroyed 7 hostile planes during this single engagement in which the outnumbering attack force was utterly routed and virtually annihilated. During a major fleet engagement with the enemy on October 24, Comdr. McCampbell, assisted by but 1 plane, intercepted and daringly attacked a formation of 60 hostile land-based craft approaching our forces. Fighting desperately but with superb skill against such overwhelming airpower, he shot down 9 Japanese planes and, completely disorganizing the enemy group, forced the remainder to abandon the attack before a single aircraft could reach the fleet. His great personal valor and indomitable spirit of aggression under extremely perilous combat conditions reflect the highest credit upon Comdr. McCampbell and the U.S. Naval Service.

Cmdr. McCampbell was also credited with the destruction of 20 grounded planes, and his Air Group, which became known as FABLED 15, was credited with the destruction of more enemy planes than any other Air Group in the Pacific War.

Under Cmdr. McCampbell's leadership, Air Group 15, worked the central to far Western Pacific, participated in campaigns and attacks in the Marianas, Iwo Jima, Palalu, Philippines, Formosa, and the Nansei Shotos; He took part in the first battle of the Philippines, the now famous ''Mariana Turkey Shoot'', where over 400 enemy planes were destroyed in one battle. His remarkable exploits continued up to and including the Battle of Leyte Gulf.

Under the superb leadership of Cmdr. McCampbell aboard *ESSEX*, during 7 months and more than 20,000 hours of intensive operations, Air Group 15 destroyed more enemy planes, 315 airborne and 348 on the ground, and sank more enemy shipping, 296,500 tons sunk and over ½ million tons destroyed/and or probably sunk, than any other Air Group in the Pacific War.

Major combat ships sunk: 1 battleship, 3 A/C carriers, 1 heavy cruiser. Additional ships damaged: 3 battleships, 1 carrier, 5 heavy cruisers, 4 light cruiser, 19 destroyers.

Needless to say, Cmdr. McCampbell chalked up a brilliant record while in command for Air Group 15. I shared with you earlier David's MOH citation. To underscore his faithful and dedicated service to his Navy and our great country, let me share with you portions of his other citations for bravery and heroism.

THE NAVY CROSS: 2ND IN PRECEDENCE OF THE MOH

''Luzan, Philippens—. . . his coolness, quick thinking, superior judgment and outstanding leadership resulted in the sinking of one medium A/C carrier, one light cruiser, 2 destroyers and the damaging of 1 battleship . . .''

THE SILVER STAR MEDAL: 3RD IN PRECEDENCE TO THE MOH

''. . . while serving as a pilot of a carrier based fighter plane in attack against the enemy in the central Philippines 12 Sept. 1944, he so ably led the attack group as to cause maximum damage and destruction of the enemy, and he did personally engage and destroy 4 enemy airplanes in aerial combat, and in the face of heavy anti-aircraft fire, did strafe and cause serious damage to several enemy merchant ships . . .''

THE LEGION OF MERIT

''. . . during action against Japanese forces in the Philippine Islands, while aboard U.S.S. *ESSEX* Nov. 11–14, 1994, he directed the operations of several attack groups during this period, skillfully deploying the forces under his command to strike at the enemy with devastating speed, power and precision, in perfectly coordinated raids, which resulted in maximum damage inflicted on hostile shipping and vital harbor facilities and the complete destruction of a large Japanese troop convoy, . . .''

His 3 Distinguished Flying Crosses and air medals were awarded for repeated acts of heroism, bravery and phenomenal aerial combat skills, and are further testimonial to the naval aviation giant we gather to pay tribute to here today. A naval aviator who did what had to be done. A true legend in Naval Aviation. A man who did it his way.

After the war, from 1945 to 1948, he was assigned several staff positions on the East coast. From October 1948 to January 1951, he was assigned as Senior Naval Aviation Advisor to the Argentine Navy in Buena Aries. From February 1951 to July 1952, Cmdr. McCampbell served aboard U.S.S. *Franklin Roosevelt* as XO and subsequently Plans Officer on the staff of Cmdr Aircraft Command Atlantic. He was promoted to Captain 1 July 1952.

July 1953 to June 1956, Capt. McCampbell commanded Naval Air Technical Training Center Jacksonville and subsequently served as the Flight Test Coordinator, Naval Air Test Center, PaxRiver, MD. June 1, 1956 to January 1958—Served as staff Cmdr. 6th Fleet, January 1958—assumed command of U.S.S. *Severn*, and February 1959 to May 1960

Capt. McCampbell commanded U.S.S. *Bon Homme Richard*.

Subsequent assignments until his retirement on July 1, 1964, included such illustrious positions as C/S to Commander Fleet Air and Cmdr Carrier Air Group.

Today, Capt. McCampbell answers the last rollcall but will always be remembered for what he did for his Navy, Naval Aviation in particular, and this great nation—a nation that is what it is today because of the loyal, professional, and dedicated members of the profession of arms like Captain David McCampbell, U.S. Navy (Retired.)

And with a little imagination I believe each of us here this afternoon, can visualize David, in his Hellcat on *Essex*, breaking off a smart salute to the deck hands and heading down the flat flight deck towards mortal combat over the Philippine Sea.

Today, we bid farewell to a true hero. May God be with you David.

Semper Fi.

REAL WELFARE REFORM

The SPEAKER pro tempore (Mr. LONGLEY). Under a previous order of the House, the gentlewoman from North Carolina [Mrs. CLAYTON] is recognized for 5 minutes.

Mrs. CLAYTON. Mr. Speaker, this week this House will consider H.R. 3734, a bill which proposes to reform welfare. Our welfare system needs to be reformed. Reform, however, implies improvement, correction for the better. The bill we will consider, which is H.R. 3734, does not move families and children forward into the future. It keeps them trapped in the past. it does not provide mainstream methods, it dispenses extreme measures.

Mr. Speaker, I want to vote for a welfare reform bill, but I intend to vote for a bill that supports children and enables parents to work by providing job training and day care. But I will not vote for H.R. 3734, a bill that is sightlessly cutting $50 billion from programs from the poorest in our Nation in a blind march to balance the budget and to give money to the richest in our Nation.

Mr. Speaker, there is a bipartisan and bicameral alternative, the Castle-Tanner proposal, that ought to be considered by the House when we vote on welfare reform. Although the Castle-Tanner has provisions on immigration that need to be improved, it is a far better reform bill for our current welfare system.

Last week, this House refused to spend $30 million, just $30 million, requested by the President to help control and prevent the alarming growth of teen pregnancy. Yet, we spend $6.4 billion annual on programs once teenager are pregnant and have children. We will not spend one-half of 1 percent to prevent a problem that will cost us more than 200 times that amount in the long run. The logic of this attitude escapes any reason, and it certainly escapes me.

What does the House propose to do in the face of this illogical spending? In the welfare reform that is before us, families that have additional children will be denied cash welfare payments and children will suffer. Unmarried parents under the age of 18 who have a child will be denied cash welfare payments under certain conditions, and the children again will suffer.

We say parents must work, and they should work if work is available and they are able to work, and day care is provided for their children. But where are the jobs? Where are the resources for day care? Once again, the children will lose. We all know the old adage, ''An ounce of prevention is certainly better than a pound of cure.'' Why, then, are some insisting on punishing children, rather than preventing pregnancy, especially among our adolescents?

Do these Members ignore the fact that every 2 hours in American a child is killed by firearms, every 4 hours a child commits suicide, every 5 hours a child dies from abuse or neglect? There are reasons why our children are killed, commit suicide, and die under tragic circumstances. There is a connection with the fact that every 32 seconds a bay is born in poverty, every 1 minute a child is born to a teen mother, every 9 seconds a child drops out of school, and every 14 seconds a child is arrested.

Mr. Speaker, we can stop this vicious downward spiral of lost lives. We can move our children from under this dark cloud of planning their funerals to the bright sunshine of planning their future.

At this time, when so many of our children are at their lowest and worst point, we need to call on the very highest and best efforts of this country. Thirty percent of all out-of-wedlock births are to teenagers below the age of 20. Every 1 minute a child is born to a teen mother. We have a national campaign whose goal is to reduce teenage pregnancy by one-third by the year 2005. This is a goal that is essential. This is a goal within our reach.

We do need a welfare reform system, but we need one that encourages work and protects our children, and a consideration of the Castle-Tanner proposal certainly is a far better alternative than the Republicans are offering.

SALUTING THE FOSTER GRANDPARENT PROGRAM, THE SENIOR COMPANION PROGRAM, AND THE RETIRED SENIOR VOLUNTEER PROGRAM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania [Mr. FOX] is recognized for 5 minutes.

Mr. FOX of Pennsylvania. Mr. Speaker, I rise tonight to thank my colleagues for their help with three very important programs that came before the House recently. I am speaking of the Foster Grandparent Program, the Senior Companion Program, and the Retired Senior Volunteer Program.

As an amendment to the House appropriations bill, we were able to increase funding actually back to 1995 levels, which are very appropriate, because just dealing with one program for the moment, the Foster Grandparent Program, it is one of the largest people-to-people programs we have in America. We were able to, in the Labor-HHS appropriations bill for fiscal year 1997, restore the kind of funding that is needed to make this program viable and one that is going to help the most people.

It was Mary Lloyd, the director of the Montgomery County, PA, program, who brought the need to light. While many of us as Members of Congress know of the importance of the Foster Grandparent Program, I was brought to a greater awareness in a recent meeting and visit I had to the Foster Grandparent Program in my district, where I saw many of the senior citizens working with the youth at risk in our neighborhoods to make sure they are given the educational programs after school, the nurturing programs, the ones that talk about careers.

I guess one of the cases that brought to light the need even greater was the fact that some students who have been involved with drugs, where they could not be reached by their parents, many were not even reached by the clergy, they may not have been reached by the school, the foster grandparents on an intergenerational level were able to touch this young person, get them off the addiction of drugs, get them involved in positive youth activities with Scouting and youth sports.

The Foster Grandparent Program is one that is here to stay. Along with the Senior Companion Program and the retired and senior volunteer programs, they are making the kind of public-private partnership that this Congress should be embracing and is embracing, and one that the executive and legislative branches can work with together.

Mr. Speaker, we had this evening a group that met Nationally, from every State, with each one having their own story to tell. Whether it is John Pribyl, the director of Lutheran Social Services of Minnesota and the president of the Senior Companion and Foster Grandparent Program, or Mary Louise Schweikert, who is from Pennsylvania and the national president of the Association of Foster Grandparent Programs, or Patricia Renner, president of the National Association of RSVP, or the Retired Senior Volunteer Program, we heard in poignant testimony to the Members tonight how important is is to maintain these programs in a budget where we are trying to make sure that waste and duplication is, of course, eliminated, and we do not duplicate what programs the private sector or the State governments provide.

But this is certainly a program of which we can be very proud. Over half a million volunteers in each of these programs are making a difference in people's lives. After all, Mr. Speaker, life is about making a difference. We can see clearly through the efforts of

the Foster Grandparent Program, the Senior Companion Program, and the Retired Senior Volunteer Program that people like Mary Lloyd in Montgomery County and others across America who are volunteers in those programs are making a difference. Tonight, along with other colleagues, I salute the Foster Grandparent Program and all they have done for America.

A REVOLUTIONARY REFORM CONGRESS?

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. DOGGETT] is recognized for 5 minutes.

Mr. DOGGETT. Mr. Speaker, last January 1995, this House began its proceedings with great fanfare and with claims that this would be in fact a revolutionary reform Congress. In fact, things have changed quite a bit over the course of the last few months.

The taxpayers have seen this House squander $1.5 billion of taxpayer money with costly Government shutdowns. They have seen the extremism of this House in one failure after another, with almost no legislative accomplishments to point to. And now we get to 1996, and the reform Congress has, by the Republican leadership, been reduced to a reform week. This is reform week.

The only problem is that all the reforms that our Republican colleagues have come up with they now have taken their reform week, and I think they are reducing it to a reform hour. At the rate they are going, they may be down to a reform minute for this Congress.

The strange thing about the reform of this Republican Congress is that not many Members, Republican or Democrat, have much motion of what this reform hour will actually consider. Because, Mr. Speaker, in the reform hour that we will now have out of this reform Congress in this reform year, the Committee on Rules has yet to meet to even decide what amendments will be in order with reference to reforming the way this Congress operates.

Most people do not really realize that the Members themselves will not have an opportunity to vote on many of the reform ideas that people across America are talking about that they would like to see this Congress adopt. Indeed, we will consider two of the most important issues facing America: That of welfare reform and that of campaign finance reform and the way this Congress operates, without having adequate forewarning of what amendments will be considered in order, and what alternatives that people across America have advocated might be considered.

But, of course, all of this is consistent with the experience that America had last year leading up to the costly Government shutdowns. Because people across America will remember that we struggled against the Speaker, the gentleman from Georgia [Mr. GINGRICH], to get a gift ban to end the ties that bind legislators and lobbyists. We finally were able to overcome his opposition and obtain that reform last year.

□ 2130

He held here at the desk, at his Speaker's rostrum, last year for a matter of months the first lobby reform bill in almost 50 years. We were able to build up enough public concern over lobby reform that we overcame the Speaker's opposition to that reform. Now we are finally to the most important issue, that of campaign finance reform for which there is some bipartisan support in this House. There are Members on both sides of the aisle that have come up and have spoken out in favor of genuine campaign finance reform. Indeed, it was the Speaker himself who a little over a year ago stood there in front of a crowd in New Hampshire with President Clinton, shook hands and said, ''We will have a bipartisan effort to address this issue of campaign finance reform.'' Yet once the smile was over and the cameras had gone away, nothing happened. Indeed, it took the Speaker from the summer until the end of October or the beginning of November to even announce his plans. Those plans were to appoint a commission to look at the issue. Of course, a commission has never been appointed in all the ensuing months. With all that valuable time going by, the chance that any reform, even from this reform hour that we have left, affecting the elections this year has simply gone down the drain.

I think that is extremely unfortunate. Because there was a proposal out there supported by Common Cause, supported by the Reform Party, supported by a number of independent organizations that neither the Republican Party nor frankly the Democratic Party, many elements of it, liked all that much. I think the only kind of reform that will really change this system once and for all is one that hurts each side a little bit, that there is dissatisfaction on from each side a little bit. I believe we have such a proposal in the bipartisan approach that Members of both sides have come together on and have advocated, but it now appears, not through any formal action of the leadership at this point but my word of mouth of what they may do, that they will refuse to even let this House consider that proposal in the very little time for reform, the hour or so for reform that we will have the day after tomorrow, to deal with the way that campaign dollars and campaign financing are polluting and affecting in a most negative way the way that this House operates. It is wrong that we have been narrowed to this little time. It is time for the American people to speak out and demand that this system be genuinely reformed.

FIXING A BROKEN WELFARE SYSTEM

The SPEAKER pro tempore (Mr. LONGLEY). Under a previous order of the House, the gentleman from California [Mr. RIGGS] is recognized for 5 minutes.

Mr. RIGGS. Mr. Speaker, before my colleague from Texas departs the floor, I just want to quickly hasten to point out that this Congress, the 104th Congress, has made reform a priority. In fact the reforms that we have enacted to date, a few of which the gentleman alluded to, have been enacted through this House of Representatives on an overwhelmingly bipartisan basis: The Congressional Accountability Act, which applies the same laws to Congress as the rest of the country and basically makes Congress work under the same laws that it imposes on American families and businesses; the very strict gift ban that was enacted last year; and very comprehensive lobbying reforms.

So it is a shame, really, that the gentleman comes to the well and attempts to make congressional reform and campaign reform a partisan issue. But to the extent that it becomes a partisan issue, I should tell the gentleman that I very well remember from my service in the 102d Congress the House of Representatives under Democratic control, and I very well remember the House bank and post office scandals that sort of gave new meaning to the term ''the check is in the mail,'' at least back here in Washington.

Mr. Speaker, I want to talk, though, about our broken welfare system. I subscribe to the old adage that if it ain't broke, don't fix it, but our Nation's outdated and failed welfare system is definitely broken and it is in desperate need of major repair. We must fix it now. Time is simply running out.

In 1965, our country launched a war on poverty. The intentions were good, but this led, I think we know now, to the creation of the welfare state as we know it and this whole political constituency of dependency in our country. Thirty-one years and $5.4 trillion later, we have nothing really to show for the war on poverty but more poverty, despair, hopelessness, broken families, and a very damaged work ethic in American society. Doing nothing and allowing this destructive system to continue is one of the most uncompassionate things we can do.

Eighteen months ago, the new Republican majority in this Congress set out to truly reform welfare. We tried to help the Democratic President make good on his campaign promise to end welfare as we know it. But twice our efforts were stopped by Presidential vetoes. However, this week we are trying again.

Our welfare reform plan is built upon five principles; we call them pillars. We believe that welfare should not be a way of life; we feel that welfare should be replaced with work; we want to shift

power and flexibility back to the States so that they can run their own welfare programs for their own residents; we believe that noncitizens and felons should not receive welfare; and we think that personal responsibility should be encouraged in order to halt rising illegitimacy rates in America. Make no mistake about it, our present welfare system has contributed to soaring rates of illegitimacy and family disintegration in America to the point where today almost one out of three births are out of wedlock.

We believe that welfare should be a helping hand in times of trouble, not a handout that becomes a way of life. So our plan would impose a 5-year lifetime limit for collecting welfare benefits. Although a family will no longer receive cash benefits after that time, the safety net remains in place. They are still eligible after the 5-year limit on welfare benefits, cash benefits, for Medicaid and nutrition assistance. And recognizing the need for hardship cases, our plan would allow the States to exempt up to 20 percent of welfare parents or welfare families from the 5-year limit.

We really believe that this is a good program and in order to make sure that welfare is temporary assistance in time of need, we emphasize work over welfare. Our plan has welfare parents, many of whom struggle against heroic odds, working within 2 years or they lose their benefits; 15 percent of welfare parents must work in this fiscal year, with 50 percent required to work by 2002. The nonpartisan Congressional Budget Office estimates that our plan will require 1.3 million working parents to work in 2002 compared to 900,000, or 30 percent, under President Clinton's bill.

Make no mistake about the President's dilemma here. He is in a real predicament because he is going to have to choose when this legislation reaches his desk between doing the right thing, making good on that campaign promise to end welfare as we know it or alienating the left wing of his own political party, which is his political base. We hope that the President will come forward and do the right thing. We hope that he will join us so that no longer will States have to spend countless hours filling out required bureaucratic forms hoping to receive permission from Washington to implement their own welfare programs.

We hope that we can reduce and streamline the welfare bureaucracy so that we can crack down on waste and fraud in the system. We hope that our plan will help reverse illegitimacy by requiring welfare recipients to assist in the identity of the fathers, establishing paternity in all cases and requiring the parents to participate.

Mr. Speaker, this is a good solid plan we will take up this week that allows individuals to reach out and help their neighbors. If we fix this destructive welfare system now, future generations of children will thank us later.

WELFARE AND CAMPAIGN FINANCE REFORM

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Texas [Ms. JACKSON-LEE] is recognized for 5 minutes.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I could not help but come to the floor of the House in listening to the previous speaker argue so eloquently but yet with little substance on the question of welfare reform. In fact, I am not here to speak about welfare reform. I hope to be engaged in that debate as I have been engaged in the process of negotiating and trying to provide for the American people real welfare reform.

Might I remind my Republican colleagues that though they claim some sort of hold on the idea of work, they vigorously oppose the increase in minimum wage to make work valuable for those single mothers who have to support their children. They have also opposed in any welfare reform the reality of having child care and job care and, yes, a job. I am reminded of Mayor Norquist of Wisconsin, I believe, who shared with me as I was a member of the National League of Cities Board of Directors when some many years ago we as city representatives were discussing real welfare reform. If I can recall, I believe that Mayor Norquist talked eloquently about the Wisconsin plan. It was not a handout, it was a handup. But one thing he emphasized is that they were concerned and worked hard to provide jobs for those individuals that would move off welfare. They first allowed them to seek jobs in the private sector but if they could not find such jobs, the local government provided opportunity for them.

So I hope, Mr. Speaker, when we engage in this debate toward the end of the week, we will be forthright with the American people, that we will not hide the ball, if you will, that we will not give them a shiny bright apple that is permeated with worms; and that is that we will tell them and work for real welfare reform that includes jobs, that includes health care, that includes opportunity for child care.

Let me now, Mr. Speaker, if I might, very briefly say that I come to the floor in support of the Farr bill on campaign reform, H.R. 3505, which I happen to be a cosponsor of. We too will be engaging in a fraudulent debate on reform at the end of the week, because we are not looking at the real issues. interestingly enough, the Farr bill has a candidate limitation where the candidates may spend no more than $50,000 of their own money.

They ask for a candidate to declare a statement that they will abide by the limits of this legislation. They require that anyone who is advertising on television will be sensitive to the physically challenged and require closed captioning. They will also limit the amount of money that can go to national parties by PAC's. That is real campaign finance reform.

Mr. Speaker, I also want to comment on the opposition to H.R. 3760, the Republican bill, where, for example, they call it reform to allow individuals to get more than $1,000 up to $2,500 per election, when they call it reform to allow PAC's to give not $25,000 but $72,500 a year, when they call it reform when the maximum amount individuals can give to any one political party goes from $20,000 to $58,000 a year; and furthermore these amounts will not count toward the new $72,500 cumulative limit.

It is interesting that Members of their own party are opposed to this kind of campaign finance reform. I do believe that reform should be bipartisan.

I think the Farr bill offers a clear and pointed response that allows those who come to this elective process, not wealthy, but simply wanting to serve the American people, that they will have a fair shake in being represented. I think that we should have a bipartisan approach to campaign finance reform. We have that opportunity this week. I hope that we will not cast aside that opportunity and that we will show the American people we can stand up, one, for welfare reform, the right kind, but real reform and campaign finance reform; we will stand up for the physically challenged, we will not allow large sums to be given on an individual basis from $1,000 to $2,500; we will not pack the PAC's from $25,000 to $72,000; and, yes, we will not allow individuals to give to the political parties, the political party committee, moneys from $20,000 to $58,000 as we will recognize that it is important that candidates declare themselves committed to campaign finance reform, allowing themselves to sign on and to abide by these rules.

This is the challenge that we have in the U.S. Congress this week, to leave this week, proud of what we have done, voting for real welfare reform, giving people a hand up and not a handout; not casting aside those individuals who need help, those young mothers who have children who can in fact become independent if we provide for them the right kind of bridge; and yes, to show the American people that we are not afraid of real campaign finance reform and we are not going to hide behind a fraudulent bill as our Republican colleagues have offered, but yet other Republican colleagues likewise have disagreed with.

We hope that these colleagues can join with us and support the Farr bill, real campaign finance reform.

Mr. Speaker, I submit the summary of the Farr bill, H.R. 3505, for the RECORD.

FARR BILL ON CAMPAIGN FINANCE REFORM—H.R. 3505

CAMPAIGN SPENDING LIMITS

Limits apply to a full 2-year cycle.

Voluntary limits of $600,000 (indexed for inflation, with 1996 as the base year).

Special election limits of $600,000.

Closely contested primaries: an additional $200,000 may be spent in the general election

by a candidate who won primary by 20 percent or less.

Runoff contests: an additional $200,000 may be spent by a candidate who must face a runoff election after a primary election but before a general election.

CANDIDATES PERSONAL SPENDING

Candidates may spend no more than $50,000 of their personal funds in a cycle.

CARRYOVER OF CAMPAIGN FUNDS

Surpluses may be transferred from one cycle to the next for use in the next election cycle.

EXEMPTIONS FROM SPENDING LIMITS

Spending limits will be lifted on a participating candidate when a non-participating opponent raises or spends more than 30 percent of the cycle limit (benefits will still accrue to the participating candidate).

INDEPENDENT EXPENDITURES

Spending limits are lifted for the participating candidate to the extent that independent expenditures are made against the participating candidate or for an opponent in a general election once any single source makes such an expenditure totaling $2,500 or once such expenditures from multiple sources aggregate $5,000. When independent expenditures reach an aggregate of $15,000, the spending limit is lifted entirely on the participating candidate against whom the independent expenditures are targeted. Party committees can match independent expenditures without the expenditure counting against that party's contribution limit to the candidate.

LEGAL AND POST-ELECTION AUDIT COSTS

Costs associated with legal expenses and post-election audits shall not be counted as an expenditure for purposes of calculating spending under the limit; funds raised to cover the legal and post-election audit expenses shall not count against contribution limits.

FUNDRAISING AND ACCOUNTING COMPLIANCE COSTS

Up to 10 percent of the basic cycle limit may be spent on fundraising activities and not be counted as an expenditure for purposes of calculating spending under the limit; (up to 10 percent of salaries and overhead costs may apply to exemption); funds raised to cover the fundraising and accounting compliance expenses shall not count against contribution limits.

TAXES

Federal, State and local income and payroll taxes are exempt from limits and shall not be counted as an expenditure for purposes of calculating spending under the limit; funds raised to cover tax expenses shall not count against contribution limits.

PENALTIES FOR VIOLATING THE SPENDING LIMITS

Civil penalties for exceeding the spending limit shall include fines assessed against the campaign committee based on the amount of the overage:

Overage of 2.5 percent or less: the amount of the overage;

Overage between 2.5 and 5 percent: 3 times the overage;

Overage of 5 percent or more: 3 times the overage plus an additional penalty amount to be determined by the FEC;

Revenues from these penalties shall be directed to the FEC for compliance activities.

INCENTIVES TO VOLUNTARILY ABIDE BY LIMITS; DISINCENTIVES FOR NONCOMPLIANCE

Incentives/Benefits to those who comply:

Broadcast rate discount: requires broadcasters to sell time to participating candidates at 50 percent of the lowest unit rate in the last 30 days of a primary election period and in the last 60 days of a general election period; there shall be no limit on the dollar amount or value of the broadcast time purchased at this rate under this provision.

Discounted broadcast time is made an express condition of existing licenses and new broadcast licenses. Broadcaster will be exempted from these requirements if their signal is broadcast nationwide or if the requirement would impose a significant economic hardship on the licensee. The U.S. Court of Federal Claims has exclusive jurisdiction over any challenge to the constitutionality of the broadcast provisions.

Postage rate discount: makes the campaigns of participating candidates eligible for 3rd class, bulk, non-profit rate for mail; there shall be no limit on the dollar amount or value of the postage purchased at this rate under this provision.

Disincentives for non-participation:

Non-participating candidates who raise or spend more than 30 percent of cycle limit must file report with the FEC, which must then notify other candidates within 48 hours.

Imposes 35 percent tax on contributions of principal campaign committees whose candidates exceed the spending limits; revenues from this provision shall be directed to the FEC for compliance activities.

Non-participating candidates shall not be entitled to the lowest unit rate for TV broadcast time.

ELIGIBILITY FOR BENEFITS

Fundraising threshold: 10 percent of cycle limit counting only the first $200 in contributions from individuals.

Intention to abide by limits: candidate must file statement with declaration of candidacy.

Candidate must have an opponent in the election in which public benefits are to be used.

Closed captioning: no public benefits to candidates who do not use closed captioning in TV ads.

Violation of any of the spending limits makes a candidate ineligible for public benefits.

SOURCES OF FUNDS, PAC LIMITATIONS, INDIVIDUAL CONTRIBUTIONS

PAC contributions: $8000 per candidate, per election cycle; no more than $5000 per election.

Aggregate PAC receipts limit: 33⅓ percent of spending limit, plus an extra $100,000 if runoff and $66,600 if close primary winner.

To national parties: no PAC shall make contributions to a national party committee aggregating more than $25,000 per calendar year.

To state parties: no PAC shall make contributions in excess of $25,000 to a state party Grassroots Fund; $5000 to any other state party committee; $15,000 total to Grassroots Fund and other committees.

Leadership PACs: eliminates leadership PACs as of Dec. 31, 1996 but allows for a two-year phase out of existing funds.

Large donor limits: candidates may accept no more than 33⅓ percent of the spending limit from individuals in aggregate amounts of more than $200; plus an extra $100,000 if runoff and $66,600 if close primary winner; large donor limit removed on participating candidate if nonparticipating opponent exceeds $50,000 limit on personal spending.

Aggregate individual contribution limit: changes aggregate limit to election cycle basis and raises it to $100,000, of which no more than $25,000 may go to candidates per year.

Party contributions: counts all state and local party contributions to a Federal candidate against that party's limit.

Civil penalties for exceeding the contribution limit shall include fines of assessed against the campaign committee based on the amount of the overage:

Overage of 2.5 percent of less: the amount of the overage;

Overage between 2.5 and 5 percent: 3 times the overage;

Overage of 5 percent or more: 3 times the overage plus an additional penalty amount to be determined by the FEC;

Revenues from these penalties shall be directed to the FEC for compliance activities.

INDEPENDENT EXPENDITURES

Defines independent expenditure to mean a communication containing ''express advocacy,'' (i.e., if, taken as a whole, it suggests taking action to support or oppose a candidate or group of candidates), and is not coordinated with a candidate or candidate's agent.

Prohibits independent expenditures:

By candidate's or political party committee;

Where there has been any arrangement, coordination or direction between candidate or agents and spender;

Where spender has been authorized to raise funds or has worked in a policy making capacity for a candidate;

Where spender has retained professional services of agents also retained during election cycle by candidate affected by spender's activity.

Reporting requirements, to be sent to FEC and Secretary of State:

Notification within 48 hours of independent expenditures each time they total $2500 from a single source or aggregate at least $5000, until 20th day before election;

Notification by 20th day before election of intent to make independent expenditures in last 20 days;

FEC must notify all candidates in that election within 48 hours of these independent expenditures.

Requires enhanced disclaimer on independent ads, to include spoken statement of who is responsible and, if on TV, a clearly printed message as well (with reasonable contrast, for at least 4 seconds)

If a broadcast expenditure is made against a participating candidate or for an opponent, the person making that expenditure must notify the affected candidate, and provide a script of ad within 48 hours of making the expenditure. The broadcaster must offer the affected candidate an equal opportunity to respond without advance payment required.

Participating candidates may spend in excess of spending limits (in primary or general) to compensate for independent ads against them or for opponent, once in excess of $2500 by a single spender or $5000 aggregate.

BUNDLING

Contributions through intermediary or conduit to be counted against intermediary's contribution limit, if intermediary is a:

PAC with a connected organization;

Union, corporation, trade association, or national bank;

Someone required to register as a lobbyist; or

Agents or employees of above groups acting on behalf of those groups.

The following may serve as intermediary or conduit;

Candidate or representative, if transmitting donation to candidate's committee;

Professional fundraiser (for fee);

Volunteer hosting house party; or

Individual transmitting spouse's donation.

Restrictions do not apply to joint fundraising activities by 2 or more candidates, party committees, or combination, or sole effort by other candidate.

Requires intermediary or conduit to report original source and intended recipient to FEC and to recipient.

SOFT MONEY

Makes these activities subject to FECA:

GOTV drive not solely for State candidates and which don't identify and are targeted at supporters of Federal candidates;

Any activities which in part promote or identify Federal candidates;

Voter registration drives;

Development and maintenance of voter files in even-numbered year;

Any activity which significantly affects Federal elections.

Makes these activities not subject to FECA:

Cost of party building or to operate radio or TV facility;

Contributions to non-Federal candidates;

Money for State or local conventions;

Activities exclusively on behalf of or which only identify non-Federal candidates;

State or local party administrative expenses;

Research for solely State or local candidates and issues;

Development and maintenance of voter files except for one year before Federal election;

Any activities solely aimed at influencing and which only affect non-Federal elections;

Generic campaign activity to promote a political party rather than any particular candidate.

Creates new separate segregated fund established and maintained by State political party committee for making expenditures in connection with Federal elections.

Prohibits use of soft money for any party activity that is subject to FECA or that significantly affects a Federal election.

National and congressional party committee must disclose all financial activity, regardless of whether it is in connection with Federal election; other political committees must maintain a non-Federal account and must disclose all financial activity including separate schedules for State Party Grassroots Funds; FEC may require other nonparty political committees to disclose receipts or disbursements in Federal elections which are also used to affect State and local elections.

Prohibits Federal candidates of officeholders from raising any money for a tax exempt group which they establish, maintain, or control, and which devotes significant activities to voter registration and GOTV drives.

CAMPAIGN ADVERTISING

Prohibits broadcasters from preempting ads sold to participating candidates at 50 percent of the lowest unit rate, unless beyond broadcaster's control.

Requires 50 percent of the lowest unit rate to be available to participating candidates in last 30 days before primary election and 60 days before general election; non-participating candidates shall not be eligible for lowest unit rate.

Lowest unit charge of a station is for the same amount of time for the same period.

Requires clear statement of responsibility in ads, with: clearly readable type and color contrasts (print); clearly readable type, color contrasts, candidate image, and for at least 4 seconds (TV); and candidate's spoken message (radio and TV).

DISCLOSURE REQUIREMENTS

Requires candidates to aggregate financial activity on election cycle basis.

Defines election cycle from day after last general election to date of next general election for that office.

Requires ID of individuals by permanent residence address.

Allows candidate committees to file monthly reports in all years.

Incorporated political committees: requires reporting of state of incorporation and the names and address of officers.

Requires candidate committees to report disbursements for the primary, general, and any other election in which the candidate participates.

Requires disclosure of the name and address of each person receiving an expenditure over $200 and the election to which each operating expense relates.

MISCELLANEOUS PROVISIONS/REFORMS

Contributions by dependents not of voting age: counts contributions toward limit of parent (allocated between both parents, if relevant).

Use of candidates' names: requires authorized committee to include candidate's name in its title; prohibits non-authorized committees (other than parties) from including candidate's name in its title or to use name to suggest authorization.

Fraudulent solicitation of contributions: prohibits solicitation of funds by false representation as a candidate, committee, political party, or agent thereof.

Advances by campaign workers: exempts advances of less than $500 made to campaign by volunteers and employees, if reimbursed within 10 days.

Labor and corporate expenditures for candidate debates, voter guides or voting records: not counted as contributions, unless expressly advocating election or defeat of a candidate and under specific circumstances to ensure impartiality.

Telephone voting by persons with disabilities: requires FEC to develop feasibility study.

Cash contributions: prohibits candidates from accepting (as well as individuals from making) cash contributions which aggregate more than $100.

Expedited review: provides expedited appeal to Supreme Court of any court ruling on constitutionality of any provision of the Act.

FEC regulations: requires FEC to promulgate regulations to carry out provisions of this Act with 12 months of effective date.

Effective date: upon enactment, but does not apply to activity in elections before January 1, 1997.

Severability: if any parts of the Act are held invalid, other provisions of the Act are unaffected.

A REPUBLICAN CONGRESS AND A DEMOCRATIC PRESIDENT

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from Georgia [Mr. KINGSTON] is recognized for 60 minutes as the designee of the majority leader.

Mr. KINGSTON. Mr. Speaker, it is interesting how we are hearing all these speeches tonight on Democrats calling for bipartisan support, and then all they are doing is bashing Republicans. I hardly think their discussions go beyond anything but political rhetoric, so I am going to go on to some other topics right now.

Ms. JACKSON-LEE of Texas. Mr. Speaker, will the gentleman yield just for a moment?

Mr. KINGSTON. I will yield, but I want the gentlewoman to remember in her book, I am yielding, and I would love you to tell members of your party that Republican Members will yield to Democrats when they control the time.

Ms. JACKSON-LEE of Texas. I will be happy to do that.

Mr. KINGSTON. I am going to yield to you. I have got to give you my lecture first. You remember how it was when you were a kid and your parents were going to give you some money, you had to hear their story first.

Ms. JACKSON-LEE of Texas. That is all right since the gentleman is kind enough to yield.

Mr. KINGSTON. I have yielded countless time to Democrats. Then I have asked for the courtesy of a return, and it is so difficult to get a return. The gentlewoman being an outstanding Member of Congress, of high integrity and has the confidence of her convictions, I know she would yield to me. But I hope you tell some of your friends that.

Mr. Speaker, I yield to the gentlewoman now that she has heard my nickel lecture.

□ 2145

Ms. JACKSON-LEE of Texas. Mr. Speaker, I would say to the gentleman from Georgia, I appreciate his admonition and your kindness as well. I will not take up all of his time. I would only offer to the gentleman it might be out of the passion of the comments being made by some of the Members in this well that might cause them to delay in yielding, but I thank him for his kindness. I simply wanted to, because I do appreciate his offering or extending the offer for us to work in a bipartisan manner.

My Comments were only drawn from a letter from Republican Members who themselves are opposed to H.R. 3760, and I was offering their comments and not suggesting anything other than reading from a letter signed by CHRISTOPHER SHAYS, LINDA SMITH, among others, and that was what I was referring to. I thank the gentleman.

All I wanted to do was clarify that because I do appreciate the need for a bipartisan approach in all of the things that we do.

Mr. KINGSTON. Mr. Speaker, if I could engage the gentlewoman 1 more minute here, the gentleman from Texas, speaking 10 minutes before the gentlewoman, went out of his way to say the Speaker GINGRICH fought the gift ban. Well, there is not a bigger misrepresentation of the facts I have heard in the last 24 hours. I have been home, so I am catching up on my rhetoric now that I have been in Washington a couple of hours. But as the gentlewoman knows, the gift ban passed with overwhelmingly bipartisan support and it was, in fact, the Speaker's idea to have a gift ban which we call an absolute gift ban, as opposed to one that had a $10 limit on it.

So for a Member to say that the Speaker fought a gift ban, the gentlewoman and I both know it is absurd. That was really the comment that got my attention.

Let me yield to the gentlewoman from Texas [Ms. JACKSON-LEE].

Ms. JACKSON-LEE of Texas. Mr. Speaker, I thank the gentleman and his defense of the Speaker. Let me defend my colleague from Texas, who I know has the highest of integrity, and would only say that I do recall that there was vigorous disagreement and debate about the gift ban and could also allow, it the gentleman would give credit to the Democrtic Congress which attempted to put on the floor of the House in the 103d Congress the Congressional Accountability Act, and in fact it was opposed and not passed until the 104th Congress but initially initiated by Democrats in the 103d. So we all can have different explanations of our roles in the various means of reform, and I hope that maybe we will at some point come collectively to realize that real reform does require a bipartisan approach and we will get it done.

Mr. KINGSTON. Mr. Speaker, reclaiming my time, absolutely, because the 103d Congress, as the gentlewoman remembers, was majority Democrat, as was the Senate in the 103d Congress; and had the Democrat leadership wanted to pass the Accountability Act in the 103d Congress, it was simply a matter of Democrats working together.

Now, to get back to the gentlewoman's point, it is interesting now we have a Republican House and Republican Senate and a Democrat White House and we did pass it, so bipartisanship does work.

Ms. JACKSON-LEE of Texas. Mr. Speaker, if the gentleman will continue to yield, it does work, and I believe that the stalemate did involve Republican disagreement in the 103d Congress on congressional accountability, but I think we will probably never come to complete agreement as to whose fault, but we do agree that we do need to work in a bipartisan manner.

Mr. KINGSTON. Absolutely.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I thank the gentleman for his kindness.

Mr. KINGSTON. Mr. Speaker, I thank the gentlewoman for her contributions to this.

A year ago, Mr. Speaker, we in this Congress, the 104th Congress, had passed 30 out of 31 parts of the Contract With America, and all of these were designed to reduce the size of government, to decrease taxes, to cut wasteful spending, to balance the budget, to have welfare reform and increase personal responsibility by shrinking government regulatory command and control bureaucracy.

We in the House were excited about it. We had passed 30 out of 31 parts. We knew that the Senate would grab these parts and run with it. And as it turned out, our friends across the Capitol in the Senate said, well, the Contract With America was a House promise, not a Senate promise, and we will get to it as soon as we have dealt with Whitewater and antiterrorism and Packwood.

So with each month of deliberation, the public interest and public support also, Mr. Speaker, ebbed and finally to the extent that it appeared that the President would not even have to veto this legislation because he would never see it.

To speak about the press a minute during this interim of time, the Republican Party has enjoyed probably an unprecedented in modern time era of public support. All the programs, everything seemed to be going well and in fact, 90 percent of the Contract With America passed with strong bipartisan support. But the press, as you know, has never loved conservatives, and their anti-Gringrich ferocity, their fever got to such a high-pitched shrill sound of indignation, and I am speaking of the national liberal media, that now the Speaker has to travel with bodyguards. He never had to before. Never changed his views when he became Speaker.

What happened? Well, the press who loves to make strawmen out of people decided well, let us kind of set this guy up, and that is what has happened now. But worse than their attacks on the Republican Speaker and the Republican Congress, the press did something far worse. They simply ignored President Clinton's inconsistencies, his apparent shortcomings.

For example, on June 4, 1992, on ''Larry King Live,'' Bill Clinton said he would balance the budget in 4 years. ''As President, I will balance the budget in 4 years,'' said Candidate Clinton. Well, of course that never has happened. And what happened when he did get a balanced budget? He voted it.

On January 16, 1992, Candidate Clinton said, ''I am going to give a middle-class tax cut.'' He had a campaign advertisement that promised a middle-class tax cut. I believe the exact words were and I know I am real close on this, ''Hi, I'm Bill Clinton. I have a plan to get the economy moving again, starting with a middle-class tax cut.'' That ran in State after State during the Democrat primary.

Then once elected, of course, in 1992, President Clinton passed the largest tax increase in the history of the country. ''Let us end welfare as we know it,'' another favorite Candidate Clinton promise. Said it over and over again, ''Let us end welfare as we know it.'' Does anybody ever remember that sentence being attributed to anybody else but Bill Clinton?

What does this guy do when he is President? He vetoes the welfare reform bill that did pass on a bipartisan basis, one that our Nation's Governors support. He also promised to reduce the size of government. If you take away the reductions in Department of Defense, the military personnel, the size of the government has actually increased 6,000 people.

So I think probably the press did more harm in ignoring Bill Clinton, not measuring him with the same glasses or the same scale that they would a NEWT GINGRICH, a Dan Quayle, a George Bush, a Ronald Reagan. They let him basically get away with anything he wants to. In fact, there is a great book that has been written by Brent Roselle on that point.

Let us compare now Congress, the 103d, which we mentioned tonight, versus the 104th Congress. The 103d Congress, I have already said, passed the largest tax increase in the history of the country. This is the Democrats. When the Democrats were in charge, the largest tax increase in American history was passed. That included a tax on our seniors; Social Security was hit. That included a tax on small business people and partnerships and small businesses, sub-S corporations, they got hit. On the middle-class, a 4.3 gas tax increase.

What was another thing the Democrats did when they were in charge of the Congress? Tried to socialize medicine. The gentleman from Missouri, Mr. GEPHARDT, working very closely with Mr. Clinton introduced a socialized medicine plan that would have put 100,000 new Federal employees in charge of a command control bureucracy running our Nation's health care. This incidently would have created 59 new government agencies.

Meanwhile, not to be outdone, the bureaucracy was out doing their thing. The EEOC, the Equal Employment Opportunity Commission, what were they doing? They were going around in government businesses and in private businesses trying to outlaw religious symbols in the workplace. Now, what do I mean by that? If you wore a Jesus Saves hat, T-shirt to work, if you had a Star of David necklace and you were working in an airline factory, that would have been considered harassment of Federal employees, the same way it would bringing a Playboy to work would have.

So now we have religious symbols on the same basis as pornography by the Clinton bureaucrats telling businesses what to do. If you have scripture readings in your business, you would not be able to have that. If you have scripture on your wall, you would not be able to have that.

What were the Clinton folks doing over at the OSHA agency? They were saying that if you smoked in your own house, your own property, and you had a domestic employee, a housekeeper, then you had to have ventilators in your house, and that is what the bureaucrats were doing. So these were the things that we saw under Democrat control of Congress.

Now, what have we seen in the Republican control? Well, we have cut the staff of Congress by one-third. We have reduced operating expenses by $67 million. For the first time in history, we have put Congress under the same workplace laws as the private sector. We have passed a very tough gift ban, tougher than this Congress has ever seen. For the first time in over 50 years, we passed a lobbyist registration bill. We have also passed the line-item veto so that the President can have

that same tool that the Governors, most Governors, have in our country, which is the power to scratch out pork from the budget. And if it is good for a Republican President, it is good for a Democrat President. So we as Republicans did give the President that tool. We have passed securities litigation reform. That was vetoed by the President but we were able to, on a bipartisan basis, override his veto.

We are working hard on products liability legislation. As you know, that was also vetoed. The trial lawyers gave very heavily to the Clinton campaign and so the President vetoed that apparently. We have passed a bill to end farm subsidies, it phases out farm subsidies over a 7-year period of time and gives our farmers more flexibility, things that they need in terms of planning decisions, deciding what kind of crop to plant and where to plant it and how much.

We have passed the Paperwork Reduction Act so that businesses who deal with the Federal Government will not have to be mired down in all the paperwork and redtape. We have stopped the practice of unfunding mandates. This is the practice, Mr. Speaker, where we would go into, say, my town, Savannah, GA, and the Congress would tell the people of Savannah, GA, or Alma, GA, or Blackshear, GA, how to run their city, require them to offer certain services which they would have to implement but we were not going to pay for, and it was nothing but a local property tax increase and we have stopped that.

We also passed the telecommunications law that brings telecommunications law up to telecommunications technology, and I think some time in the very near future that our constituents will be picking up their phone at night, they will be ordering a movie through that. They will be watching that move on TV. The phone service and the cable television will all be offered by one company and it is going to be a very competitive package.

You might be able to dial from Athens to Atlanta, GA, without long distance and a lot of exciting things. But probably more than any of these achievements, what the Republican Congress has done is stop the ball from moving down the field in a leftward direction. We have stopped the swing to the extreme left, which is what is very important.

Now, where do we go from here? We have got a long way to go. The Government still is not working right. We can still do a better job. Our seniors are not comfortable with their retirement, their security. Our people still cannot walk down the street without looking over their shoulder, and more importantly, our children are concerned that they will not be able to share the American dream. I believe, Mr. Speaker, that both parties have a responsibility on these matters. I think that it is OK to address these problems without political rhetoric. Medicare is going to go broke, according to the trustees appointed by President Clinton, in the year 2002. We need to move in the direction of saving, protecting and preserving Medicare. I have worked on it personally very hard. I think that our seniors, my mother, my mother and dad, need to have something more than a 1964 Blue Cross/Blue Shield plan. I believe that they should have all the options that are out there in health care today, options such as a physician service network, a medical savings account, a managed care plan, traditional Medicare. I have confidence in American seniors. I have confidence that they should have all the choices that are out there.

□ 2200

I do not believe it is fair for command and control Washington bureaucrats to tell my mother what kinds of health care she has to have. I believe she should be able to keep her choice of physician, but she needs to have the choice of plans also.

It is interesting, the proposal that we have offered actually increases Medicare from around $5,000 per person to $7,000 per person, and this includes new enrollees. There is no reason in the world why we cannot address Medicare without partisan rhetoric.

Let us talk about the environment. I think it is very important that we have confidence in the air we breathe, in the food we eat, and the water we swim in. We need to know it is chemical free and clean. We need to have environmental cleanup.

The Superfund. Let us talk about that. The Superfund now is about 16 years old. In its history we have spent $25 billion, and for that $25 billion we have only cleaned up about 12 percent of the national priority environmentally polluted areas. Forty-three cents on the dollar of Superfund goes to litigation. And between 1990 and 1992, the Department of Justice spent 800,000 man-hours on Superfund litigation alone.

Mr. Speaker, I think it is time we went ahead and cleaned up the environment rather than enrich the lawyers. It is time to move ahead on it.

On the Endangered Species Act. There is a story of a man, it is a true story, his name is Ben Cone. I do not think he would mind me using his name because it is a matter of public record. But he had an 8,000-acre tract of timber in North Carolina. In one area of that land the red cockaded woodpecker came, and the value of that land in that portion fell from about a million to about $267,000, because with a red cockaded woodpecker, endangered species, you are not allowed to harvest timber. So automatically all that portion of his land dropped in value.

So the question is, Mr. Speaker, what do you do, if you are Ben Cone, if you are the farmer? Do you clear-cut the rest of it before there is a endangered species on it? Do you stop your 80-year timber rotation and start cutting? What is he supposed to do? This is not rhetoric, this is real. This is real life.

I think one of the things that our Endangered Species Act does not recognize is that we have a disincentive for people to encourage habitat enhancement that will bring endanged species to it. We should have such that if a private landowner gets an endangered species he is proud of it. Hey, I have an Indigo snake, I have a gopher turtle. You just come report it, preserve it, protect it. We can do this through some of these easements.

We worked on a bill, the gentleman from New Jersey, Congressman SEXTON, and the gentleman from Georgia, Mr. DEAL, and the gentleman from Maryland, Congressman GILCHREST, and I, that was moving in that direction. I hope, Mr. Speaker, we can get that to the floor of the House because we need to have some balance.

Another issue. A very hot topic. The president vetoed welfare reform. In my area, we believe that it is time that people who can work be required to work. Our welfare reform, our system that we have now, we have spent $5 trillion on since 1964 and all we have done is increased the poverty level.

I think it is very important for us to have a program that would identify the father of the baby. Because we say to young women, let me start with them first, if you get pregnant and you are, say 16 or 17 years old, it will mess you your college education, it will mess up your high school education, you will have some problems. That is what we say to the girl. What do we say to the boy? Nothing. You have the responsibility of an alley cat. You want to get a girl pregnant, go on about your business, we are not going to bother you.

I think it is important to say to the young man, in a loving way, that if you are get a girl pregnant you are on the hook for it just as much as she is.

I have talked about the work requirement. If you are able to work you ought to be required to work.

Let me talk about the legal alien part, people who come into our country for the benefits, people who are not here necessarily to work, although it is important for us to know in my area, in the rural areas, it is hard to find Americans who will work because our welfare benefits are so generous.

I come from Vidalia onion country. If a Vidalia onion farmer wants to get his opinions picked, he cannot get Americans. The job pays about $9 an hour. It is hard work, but that is not bad money—$9 an hour, Mr. Speaker, and you cannot get Americans to do it. You have to get migrant workers to do it. I am not talking about illegal aliens. I am talking about migrant workers.

I think the statement here is that it is more of an indication that the welfare system is broken when you cannot get Americans to work than it is an indictment of foreigners who want to come to America because they are willing to work. I will say this, though, we

should not have permanent welfare benefits for illegal aliens, because when people come to our country for the benefits, they need emergency care, we should help them out, but then they ought to be on their way.

Now, block grants are something that the command and control Washington bureaucrats cannot stand, but basically what State grants would do is give local welfare caseworkers options on how to care for children.

Here is a true story in Savannah, GA, a welfare family. Two girls. One of them is 15 years old. She is in the eighth grade. The other one is 18 years old. She is in the 10th grade. Now, remember, 18-year-olds should be seniors and 15-year-olds should be in the 10th grade. The 18-year-old has a baby, the 15-year-old does not have a child. She is in school and doing well. The girls live with the common-law husband of their biological mother. He is not their biological father.

Now, the mother does not live at home anymore. She does not provide for them anymore. She does not come around because she is hooked on crack. The only time she has come by the house in recent months was to get in a fight with her common-law husband, which ended up her throwing ash at him and blinding him. So now he can no longer see and he can no longer work.

The girls have a brother who is not by their same biological father, but a step brother, and he is in jail. The question is where is their biological father? Their biological father was killed when they were small children.

This is a real case. This is a complicated case to keep up with, I realize, but this is not an unusual case. This is what is happening out there on the street today. It is a sad case. We have to help these girls.

If you remember what it was like when you were 15 and 18 years old, it was very difficult to get through school and all the pressures in a normal household much less in a situation like this. But the caseworker's problem, and he told me personally, here you have to have child care, and that is one agency; then you have to have health care, that is another agency; you get WIC, you have food stamps, you got job training, you have education, you got transportation needs, and all these have to be handled by a different bureaucracy.

Would it not be great if this caseworker working on this one family could take them from A to Z and have all their problems handled by himself or through one phone call, one-stop shopping, so to speak? That is why the block grants, which would give flexibility to the State, are so important, because that is all it would do.

What are some of the other issues we need to deal with? Crime. Truth in sentencing. We are getting better now, but it has been that when people have been sentenced for 8 years or 10 years, that they have only served 35 percent of their time. I believe, and I know most Members of this body and people in America right now believe, that if an individual is sentenced for 10 years, they ought to serve their full sentence. They ought to serve at least 85 percent of that 10 years, if they do not serve 10 out of 10.

We have passed a law that says if a State wants Federal money for Federal prison construction then their State needs to have truth in sentencing. That is something that we are still fighting about with the President and the Washington liberals, but, again, it gets our streets safer so that people can walk down their streets.

We are putting more money into drug interdiction and antidrug programs. I read a statistic the other day that said that the No. 1 age for trying marijuana now across the Nation is 13. We debate here about our children starting to smoke cigarettes early, and I believe that is a very serious problem. We cannot let our children start smoking cigarettes early. But let us do not forget about the 13-year-olds, Mr. Speaker, who are lighting up marijuana, because that is an illegal drug with all sorts of ramifications.

So while we are focusing so much time on the welfare of our children, we better remember how important it is to have a good antidrug program; to have DARE programs and so forth like that.

Mr. Speaker, all this stuff leads to some uneasiness of the American population, and it is something that we have got to deal with, but one thing that I have not mentioned up till now is the fact that all of this is for naught if we go bankrupt. We have a budget right now that 16 percent of it is going to interest on the national debt. About $20 billion each month goes to just interest. Our national debt is about $5 trillion.

Now, here are some interesting numbers, and this is from the February 6, 1995, Wall Street Journal. Listen to this, Mr. Speaker: $1 trillion has 12 zeros to it. A trillion is a million times a million. A million squared. It would take more than 1½ million millionaires to have as much money as is spent by Congress in a year.

Actually, that statistic is not true because this was written when the budget was a trillion dollars and it is now about a trillion six.

Here is another statistic. Here is an experiment, reading directly from the article. What if we were to try to pay off the $4 trillion national debt? Now, let me pause again. Old article. The national debt now is about $5 trillion. But this still is a good illustration.

What if we were to try to pay off the $4 trillion national debt by having Congress put $1 every second into a special debt buy-down account? How many years would it take to pay off the debt?

Did you want to guess at this, Mr. Speaker? Okay, I will go ahead and tell you the answer.

One million seconds is about 12 days. One billion seconds is roughly 32 years. But one trillion seconds is almost 32,000 years. So to pay off the debt, Congress would have to put dollar bills into this account for about the next 130,000 years, roughly the amount of time that has passed since the Ice Age.

I will give you another illustration, since you are begging to one, I can tell.

Even if we were to require Congress to put $100 a second into this debt buy-down account, it would still take over 1,000 years to pay the debt down. So here is another one. Imagine a train of 50-foot box cars crammed with $1 bills. How long would the train have to be to carry the $1.6 trillion Congress spends each year?

About $65 million can be stuffed into a box car. Therefore, the train would have to be about 240 miles long to carry enough dollar bills to balance the Federal budget. In other words, we would need a train that stretches the entire Northeast Corridor from Washington through Baltimore, Delaware, Philadelphia and New Jersey and on to New York in order to carry that much money.

That is just mind-boggling in terms of numbers. I think one of the biggest problems we have with our national debt, Mr. Speaker, is that it is an inconceivable amount, but if we could conceive a trillion, I think we would be so horrified, that we as a Nation would be horrified into immediate answer.

We have to balance this budget, Mr. Speaker. We have to do it for our kids. We have to cut out Government waste. We have to increase privatization. We have to increase efficiency, and we have to do it in a nonpartisan, nonpolitical way.

□ 2215

If you do balance the budget, Alan Greenspan, Chairman of the Federal Reserve, has testified that it could bring down interest rates as much as 1.5 percent. If it dropped it down 2 percent, you could save $37,000 on a $75,000 home mortgage over a 30-year period of time. You could save $900 on a $15,000 automobile loan.

These are things, Mr. Speaker, that will help the American public. It will do it now, and the time is now to balance this budget and to continue the work that we have started in this Congress.

HOUSE ETHICS INVESTIGATION

The SPEAKER pro tempore (Mr. LONGLEY). Under the Speaker's announced policy of May 12, 1995, the gentleman from Washington [Mr. MCDERMOTT] is recognized for 60 minutes as the designee of the minority leader.

Mr. MCDERMOTT. Mr. Speaker, tonight I would like to talk about the process of the Ethics Committee. I have sat on the Ethics Committee for 6 years. At various times I have been a member, a ranking member, and, in one 2-year period. I was the chair. So I speak with a broad experience on the affairs of the Ethics Committee.

For me to speak on this issue is an unusual circumstance but these are unusual times. The charge of the Ethics Committee is to protect the integrity of the House and to deal fairly with the Members charged before this committee. A part of fairness is dealing expeditiously and thoroughly with charges brought to the committee. The appearance of fairness and thoroughness and impartiality is essential to any effort by the committee if the committee expects either the Members or the public to accept the results of the evaluation of any charge.

To adequately fulfill these two obligations, there has evolved a process for responding to allegations against a Member. The standing Ethics Committee is a relatively recent phenomenon. Before 1968, ethics complaints were handled in a variety of ways. There was a use of special committees or subcommittees of the Committee on the Judiciary, but since 1969, the Ethics Committee is a relatively recent phenomenon. Before 1968, ethics complaints were handled in a variety of ways. There was a use of special committees or subcommittees of the Committee on the Judiciary, but since 1969, the Ethics Committee has functioned on a bipartisan basis, composed of equal numbers of Democrat and Republican Members. This structure is unique in this partisan body because neither side by force of majority can exert its will. There must be cooperation.

Now, undeniably, in controversial cases, partisan feelings arise and cooperation becomes strained. Over the last 20 years, a mechanism has been developed to deal with such complicated or contentious cases and that is the appointment of a special outside counsel.

When partisanship has disrupted reasoned evaluation of the facts, the committee rightly has resorted to independent outside counsel on 10 occasions over the last 20 years, the Ethics Committee has chosen to seek outside counsel to resolve partisan differences and to ensure that the truth is presented to the Congress and to the American people.

Doing so is nothing new, extraordinary or prejudicial. It is instructive, I think, to review those 10 instances.

Here is a list of the cases in which outside counsel was appointed by the House Ethics Committee:

In the matter of the complaint against Representative L. F. Sikes in 1976, the Ethics Committee hired William Geoghegan.

In the Korean influence investigation in 1977, the Ethics Committee hired Phillips Lacovara and John Nields.

In the matter of Congressman Charles C. Diggs, the Ethics Committee hired William Geoghegan.

In the matter of Abscam in 1980, the Ethics Committee hired E. Barrett Prettyman.

In the matter of Congressman Daniel J. Flood in 1979, the Ethics Committee hired David M. Barrett.

In the matter of Congressman George V. Hansen, 1984, the Ethics Committee hired Stanley Brand.

In the investigation of financial transactions participated in and gifts of transportation accepted by Congressman Fernand J. St Germain in 1987, the Ethics Committee hired Johnnie L. Cochran.

In the investigation, pursuant to House Resolution 12, concerning alleged illicit use and distribution of drugs by Members of the House, the so-called page scandal in 1983, the Ethics Committee hired Joseph Califano.

In the matter of Speaker Jim Wright in 1988, the Ethics Committee hired Richard Phelan.

And lastly, regarding complaints against Representative NEWT GINGRICH in 1989, the Ethics Committee hired the firm of Phelan and John.

The results are history. In every instance, outside counsel treated the accused Member fairly but got to the truth when the committee itself was unable to. In many instances, outside counsel's recommendation on specific charges were accepted and in others they were narrowed or dropped.

This is not unlike disputes in a variety of settings where parties are unable to reach an agreement and an arbiter is sought. In families, in churches, in universities, in legal disputes, and even in sports, the ref's or the ump's decision is final.

Committees in most situations are set up with odd numbers of members so that differences of opinion can be resolved by a majority rule. That is how this body operates in most situations. In those areas where committees are set up with an even number of members, the obvious hope is that decisions will be reached by consensus or the committee will resort to an outside arbiter.

The advantages realized by the House and the committee in seeking outside counsel are numerous. The House receives the advice and counsel of a jointly selected examiner who comes to the investigation devoid of the discomfort and understandable bias that committee members might bring to such an investigation.

In addition, the counsel assists the committee to understand and to winnow the allegations and the application of overlapping rules, statues and standards of conduct to very complex facts. Counsel selected in such a manner can be both fair and thorough, which in turn, in my belief, offers the best chance that the concluding decision of the committee will be deemed a just result.

Once counsel is selected, the question before the committee is, what shall be the scope of the counsel's investigation and what shall be his or her authority.

Mr. GINGRICH, in 1988, wholeheartedly endorsed the answer to this question proposed by former Attorney General of the United States, Archibald Cox, who as head of Common Cause suggested the following in a letter to Chairman DIXON:

The outside counsel, and I quote, shall have full authority to investigate and present evidence and arguments before the Ethics Committee concerning the questions arising out of the activities of a member.

The outside counsel shall have full authority to organize, select and hire on a full or part-time basis in such numbers as the counsel reasonably requires.

The outside counsel shall have full authority to review all documentary evidence available from any source and full cooperation of the committee in obtaining such evidence.

The committee shall give the outside counsel full cooperation in the issuance of subpoenas.

The outside counsel shall be free, after discussion with the committee, to make such public statements and reports as the counsel deems appropriate.

The outside counsel shall have full authority to recommend that formal charges be brought before the Ethics Committee, shall be responsible for initiating and conducting proceedings, if formal charges have been brought, and shall handle any aspect of the proceedings believed to be necessary for a full inquiry.

The committee shall not countermand or interfere with the outside counsel's ability to take steps necessary to conduct a full and fair investigation.

Mr. Cox goes on to say: The outside counsel will not be removed except for good cause.

Because Congressman GINGRICH felt the committee was not going to adhere to the principles outlined by Mr. Cox, he wrote Chairman DIXON to raise his concerns and closed his letter with the following statement:

The rules normally applied by the Ethics Committee to an investigation of a typical Member are insufficient in an investigation of a Speaker of the House, a position which is third in line of succession to the presidency and the second most powerful elected position in America. Clearly, this investigation has to meet a higher standard of public accountability and integrity.

As usual, Mr. GINGRICH was eloquent and his logic was unassailable. I think, Mr. Speaker, that all Members of this body would heartily and readily agree with the words of Mr. GINGRICH.

With respect to unresolved matters, the committee has only three options. Either to refer to the outside counsel those issues which remain unresolved or to leave those issues unresolved or to report back to the House the committee's inability to resolve the charges before it and ask for further direction.

The first option, that of referring to the outside counsel, has been used in the past on a number of occasions, as I outlined, and has been used in a bipartisan way to resolve very thorny issues. The process has been led by an individual whose livelihood and success does not depend on the good graces of

the chair or the ranking member. In short, the Member, the committee, the House and the public must have confidence in the professionalism, integrity, open-mindedness of the outside counsel. Referral to an outside counsel must, and I emphasize, must be considered a judgment that the matter merits further inquiry, nothing more.

The second option, that of leaving the matter unresolved, is totally unacceptable, since it reduces the Ethics Committee to the Committee on Frivolous Complaints and Rule Interpretation.

The committee is able to deal only with issues over which there is no controversy because either party can, by a 5-to-5 vote, prevent the resolution of any serious or difficult issue before it. If one side feels there is an issue that merits further inquiry and the other does not, the issue will simply die in the lap of the chair. If that happens, the chair of the committee will have destroyed the Ethics Committee by failing to lead the committee to a resolution of an issue of major importance.

The third option is reporting back to the House the committee's inability to resolve an issue either by consensus or by referral to the outside counsel. The report to the House can be made either in open session or in executive session in the House Chambers. This latter course could be followed since an ethics charge could arguably be considered a personnel matter and the Member is entitled to have it aired in secret, as the Ethics Committee operates.

In a session before the House, the committee could receive direction by the House as to whether the matters should be referred to the outside counsel or follow some other course of action, such as dismissal of all remaining charges by a vote of the House in secret session.

Being on the Ethics Committee is not a sought-after plum assignment in the House of Representatives, but it is a job that must be done. Attacks on members of the Ethics Committee by either side of the aisle must be viewed with great skepticism.

Recently, on July 27, some of my colleagues put out a Dear Colleague letter in which they said, Over the past two years a systematic and coordinated effort has been undertaken to impugn the integrity of Speaker GINGRICH.

In fairness to the Speaker and with respect to the ethics process, they suggest that I recuse myself from this process.

These recent attacks on me are simply attempts by zealous and uninformed Members of the House to destroy the Ethics Committee before it completes its work on unresolved matters.

□ 2230

This kind of misguided activity will accomplish nothing but damage to the reputation of every Member of the House.

I am really quite honored that after a thorough review of my office and campaign and financial disclosure forms, those who seek to destroy the committee could come up with so little in their vain attempt to discredit the committee. I am here tonight to state that the House should have a report from the Committee on Standards of Official Conduct on matters unresolved before it, so that the House can further instruct the committee on how to proceed.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. YOUNG of Florida (at the request of Mr. ARMEY) for today and for the balance of the week, on account of medical reasons.

Ms. SLAUGHTER (at the request of Mr. GEPHARDT) for today, on account of personal business.

Mrs. LINCOLN (at the request of Mr. GEPHARDT) for today and the balance of the week, on account of medical reasons.

Mr. HALL of Ohio (at the request of Mr. GEPHARDT) for today and the balance of the week, on account of a death in the family.

Mr. MILLER of California (at the request of Mr. GEPHARDT) for today and Wednesday, July 17, on account of a death in the family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. PALLONE to revise and extend their remarks and include extraneous material:)

Mrs. CLAYTON, for 5 minutes, today.

Mr. FARR of California, for 5 minutes, today.

Mr. WISE, for 5 minutes, today.

Mr. PALLONE, for 5 minutes, today.

(The following Members (at the request of Mr. GUTKNECHT) to revise and extend their remarks and include extraneous material:)

Mr. HANSEN, for 5 minutes, today.

Mr. BURTON of Indiana, for 5 minutes each day, today and on July 17 and 18.

Mr. GUTKNECHT, for 5 minutes, today and on July 17.

Mr. SHADEGG, for 5 minutes, on July 23.

Mr. RIGGS, for 5 minutes, today and on July 17 and 18.

Mr. SMITH of Michigan, for 5 minutes, on July 17.

Mr. DORNAN, for 5 minutes, today.

Mr. FOX of Pennsylvania, for 5 minutes, today.

(The following Member (at his own request) to revise and extend his remarks and include extraneous material:)

Mr. DOGGETT, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. PALLONE) and to include extraneous matter:)

Mr. HAMILTON.

Mr. SKELTON.

Mr. SERRANO.

Ms. HARMAN.

Ms. JACKSON-LEE of Texas.

Mr. VOLKMER.

Mr. TORRES.

Mr. BORSKI.

Mr. DINGELL.

Mrs. SCHROEDER.

Mr. MATSUI.

Ms. PELOSI.

Mr. FOGLIETTA.

(The following Members (at the request of Mr. GUTKNECHT) and to include extraneous matter:)

Mr. COX of California.

Mr. MCCOLLUM.

Mr. GILMAN.

Mr. FORBES in two instances.

Mr. BURTON of Indiana.

Mrs. SMITH of Washington in two instances.

Mr. YOUNG of Alaska.

Mr. TORKILDSEN.

Mr. DORNAN.

(The following Members (at the request of Mr. MCDERMOTT) and to include extraneous matter:)

Mr. KNOLLENBERG.

Mr. WHITE.

Mr. ESHOO.

Ms. DANNER.

Mr. PACKARD.

Mr. RICHARDSON.

Mr. WELDON of Pennsylvania.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 1757. An act to amend the Developmental Disabilities Assistance and Bill of Rights Act to extend the act, and for other purposes; to the Committee on Commerce.

OMISSION FROM THE RECORD

The following is a reprint of remarks in their entirety, both printed and omitted from the RECORD of Thursday, July 11, 1996, at Page H7447;

□ 0145

Women could not own property. There could not be marriage between the races. Many things change over time, Mr. Chairman. This, too, is going to change.

I would like to pay tribute, special personal tribute to the gentleman from Georgia [Mr. LEWIS], to Dr. King, to all those of both parties and no parties. There was nothing partisan about that movement; there is and ought never to be anything partisan about this, the final chapter in the history of the civil rights of this country.

I wish I could remember, I used to know the entirety of that ''I have a Dream'' speech, but we will rise up and live out the full meaning of our Creator. It may not be this year and it certainly will not be this Congress, but it

will happen. As I said earlier, we can embrace that change and welcome it, or we can resist it, but there is nothing on God's Earth that we can do to stop it.

Mr. FRANK of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. STUDDS. I yield to the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. Mr. Chairman, I thank my friend for yielding to me.

We are in a great debate. I would hope that people reading the CONRESSIONAL RECORD, watching this debate, would compare the tone, the sensitivity, and the reaching out of my friend's words, and then read the earlier words of the gentleman from Oklahoma, the words which were denunciatory and denigratory of the gentleman from Massachusetts and myself, and I would hope that the people would compare the spirit of the approach, compare the attitude toward others, compare the way in which things are debated.

I would say, as someone who has been included in this denunciatory rhetoric, that I would be very satisfied to have people informing their judgment listen to the words uttered by the gentleman from Oklahoma, and listen to the words of my friend, the gentleman from Massachusetts. I think we are helping people form a basis.

This notion that a loving relationship between two people of the same sex threatens relationships between two people of the opposite sex, that is what denigrates heterosexual marriage. The argument that we have denigrated marriage or the institution of marriage or any other formulation says that two people loving each other somehow threatens heterosexual marriage. That is what denigrates heterosexual marriage. I thank the gentleman for yielding.

Mr. Chairman, to close for our side, I yield my remaining time to the gentleman from Massachusetts [Mr. STUDDS], my friend and colleague.

(Mr. STUDDS asked and was given permission to revise and extend his remarks.)

Mr. STUDDS. Mr. Chairman, somebody may wonder why I or my colleague from Massachusetts [Mr. FRANK] have not taken greater personal umbrage at some of the remarks here. I was thinking a moment ago that there might even be grounds to request that someone's words be taken down because my relationship, that of the gentleman from Massachusetts and, I suspect, others in the House, was referred to, among other things, I believe, as perverse. Surely if we had used those terms in talking about anyone else around here, we would have been sat down in one heck of a hurry.

I am not taking this personally, because I happen to be able, I hope, to put this in some context. I would ask those, anyone listening to this debate this hour of the morning, to listen carefully to the quality and the tone of the words over here and the quality of the tone of the words over here. I would also ask people to wonder how in God's name could a question like this be divided along partisan lines. There is nothing inherently partisan that I know of about sexual orientation. I do not believe that there is some kind of a misdivision of this question between the aisles, and yet there is a strange imbalance here in the debate and the tone and quality of the debate.

I want to salute some of the folks who have spoken over here, the distinguished gentleman from Georgia. We have talked about this before. I marched, although he did not know it at the time, with him in 1963 in the city with Dr. King. I was about as far from Dr. King as I am from the gentleman from Georgia when he delivered that extraordinary speech.

Two years later I marched, although the gentleman did not know it, behind him from Selma to Montgomery. A few years after that, when it was the first march for gay and lesbian rights in Washington in 1979, I was a Member of Congress too damn frightened to march for my own civil rights. Actually, I changed my jogging path so that I could come within view of the march. I thought that was very brave of me at the time.

But what I know is, because I had heard people like the gentleman from Georgia and because I am of the generation, and there were many, who were inspired by Dr. King is that this is, as someone has said, the last unfinished chapter in the history of civil rights in this country, and I know how it is going to come out. I do not know if I am going to live to see the ending, but I know what the ending is going to be. There is, as the gentleman said before me change, there has always been change.

As I observed earlier, the men who wrote the Constitution, to which we all swear our oath here, many of them owned slaves. Slavery was referred to specifically in the Constitution. People of color were property when this country was founded.

ADJOURNMENT

Mr. MCDERMOTT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 10 o'clock and 31 minutes p.m.), the House adjourned until tomorrow, Wednesday, July 17, 1996, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

4137. A letter from the Administrator, Agricultural Marketing Service, transmitting the Service's final rule—Raisins Produced From Grapes Grown in California; Final Free and Reserve Percentages for the 1995–96 Crop Year for Natural (sun-dried) Seedless, Zante Currant, and Other Seedless Raisins [Docket No. FV96–989–1FIR] received July 15, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

4138. A letter from the Administrator, Agricultural Marketing Service, transmitting the Service's final rule—Irish Potatoes Grown in Colorado; Assessment Rate [Docket No. FV96–948–2IFR] received July 15, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

4139. A letter from the Congressional Review Coordinator, Animal and Plant Health Inspection Service, transmitting the Service's final rule—Goats Imported From Mexico for Immediate Slaughter; Horse Quarantine Facilities [Docket No. 91–101–2] received July 15, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

4140. A letter from the Congressional Review Coordinator, Animal and Plant Health Inspection Service, transmitting the Service's final rule—Karnal Bunt; Removal of Quarantined Areas; Technical Amendment [APHIS Docket No. 96–016–8] received July 16, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

4141. A letter from the Chairman, Federal Financial Institutions Examination Council, transmitting the Council's report on the use of consistent financial terminology, pursuant to Public Law 103–325, section 210 (108 Stat. 2201); to the Committee on Banking and Financial Services.

4142. A letter from the Chairman, Federal Financial Institutions Examination Council, transmitting the Council's report on the feasibility of establishing and maintaining an interagency data bank, pursuant to Public Law 103–325 section 341(a) (108 Stat. 2238); to the Committee on Banking and Financial Services.

4143. A letter from the Assistant Chief Counsel, Office of Thrift Supervision, transmitting the Office's final rule—Review of OTS Decisions [96–65] received July 15, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

4144. A letter from the Acting Director, Office of Thrift Supervision, transmitting the 1995 annual report on enforcement actions and initiatives, pursuant to 12 U.S.C. 1833; to the Committee on Banking and Financial Services.

4145. A letter from the Administrator, Food and Consumer Service, transmitting the Service's final rule—Removal of the ''Cheese Alternate Products'' specifications from the National School Lunch Program (RIN: 0584–AC04) received July 16, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Economic and Educational Opportunities.

4146. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Federal Motor Vehicle Safety Standards/Consumer Information Regulations, Truck-Camper Loading (National Highway Traffic Safety Administration) (RIN: 2127–AF81) received July 15, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

4147. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Air Quality Implementation Plans; Approval of the Carbon Monoxide Implementation Plan submitted by the State of Connecticut pursuant to Sections 186–187 and 211(m) (FRL–5523–2) received July 16, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

4148. A letter from the Director, Office of Congressional Affairs, Nuclear Regulatory Commission, transmitting the Commission's

final rule—Revision 1 of Regulatory Guide 1.153—Criteria for Safety System—received July 15, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

4149. A letter from the Director, Office of Congressional Affairs, Nuclear Regulatory Commission, transmitting the Commission's final rule—Removal of 10 CFR Part 53—Criteria and Procedures for Determining the Adequacy of Available Spent Nuclear Fuel Storage Capacity (RIN: 3150–AF47) received July 15, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

4150. A letter from the Secretary, Securities and Exchange Commission, transmitting the Commission's final rule—Form BD Amendments (RIN: 3235–AG25) received July 15, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

4151. A letter from the Acting Assistant Secretary for Legislative Affairs, Department of State, transmitting the Department's report on PLO compliance, pursuant to Public Law 101–246, section 804(b) (104 Stat. 78) and Public Law 104–107, section 604(b)(1) (110 Stat. 756); to the Committee on International Relations.

4152. A letter from the Acting Director, Office of Management and Budget, transmitting the Office's report entitled the ''1996 Federal Financial Management Status Report and Five-Year Plan'', pursuant to Public Law 101–576, section 301(a) (104 Stat. 2849); to the Committee on Government Reform and Oversight.

4153. A letter from the Acting Director, Office of Fisheries Conservation and Management, National Marine Fisheries Service, transmitting the Service's final rule—Pacific Halibut Fisheries; 1996 Halibut Landing Report No. 4 [Docket No. 960111003–6068–03; I.D. 070296C] received July 15, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

4154. A letter from the Director, Office of Surface Mining Reclamation and Enforcement, transmitting the Office's final rule—Alabama Regulatory Program (30 CFR Part 901) received July 15, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

4155. A letter from the Director, Office of Surface Mining Reclamation and Enforcement, transmitting the Office's final rule—Illinois Regulatory Program [SPATS No. IL–092–FOR] received July 15, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

4156. A letter from the Commissioner, Immigration and Naturalization Service, transmitting the Service's final rule—Removal of Form I–151, Alien Registration Receipt Card, from the listing of Forms Recognized as Evidence of Registration for Lawful Permanent Resident Aliens [Docket No. 1686–95] (RIN: 1115–AD87) received July 16, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on the Judiciary.

4157. A letter from the Treasurer, The Congressional Medal of Honor Society of the United States of America, transmitting the annual financial report of the Society for calendar year 1995, pursuant to 36 U.S.C. 1101(19) and 1103; to the Committee on the Judiciary.

4158. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Special Local Regulations: Idle Hour South Channel Challenge, St. Clair River, MI (U.S. Coast Guard) [CGD09–96–001] (RIN: 2115–AE46) received July 15, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4159. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Security Zone; San Diego Bay, San Diego, CA (U.S. Coast Guard) [COTP San Diego 96–002] (RIN: 2115–AA97) received July 15, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4160. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Security for Passenger Vessels and Passenger Terminals (U.S. Coast Guard) [CGD 91–012] (RIN: 2115–AD75) received July 15, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4161. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Part III—Administrative, Procedural, and Miscellaneous—Determination of whether income of a controlled foreign corporation earned through a partnership is subpart F income (Notice 96–39) received July 16, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

4162. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Instructions for filing claims for refund of insurance premium excise tax based on the U.S. Supreme Court's opinion in United States v. IBM (Notice 96–37) received July 16, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

4163. A letter from the Administrator, Panama Canal Commission, transmitting a draft of proposed legislation to amend the Panama Canal Act of 1979; jointly, to the Committees on National Security and Government Reform and Oversight.

4164. A letter from the Acting Assistant Secretary for Legislative Affairs, Department of State, transmitting a copy of Presidential Determination No. 96–39: Assistance to Bosnia and Herzegovina, pursuant to Public Law 104–107, section 540(b) (110 Stat. 736) jointly, to the Committees on International Relations and Appropriations.

4165. A letter from the Acting Assistant Secretary for Legislative Affairs, Department of State, transmitting a copy of Presidential Determination No. 96–40: Assistance for Bosnia and Herzegovina, pursuant to Public Law 104–122, section 2 (110 Stat. 876); jointly, to the Committees on International Relations and Appropriations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ROGERS: Committee on Appropriations. H.R. 3814. A bill making appropriations for the Departments of Commerce, Justice, and State, the Judiciary, and related agencies for the fiscal year ending September 30, 1997 and for other purposes (Rept. 104–676). Referred to the Committee of the Whole House on the State of the Union.

Mr. THOMAS: Committee on House Oversight. H.R. 3760. A bill to amend the Federal Election Campaign Act of 1971 to reform the financing of Federal election campaigns, and for other purposes; with an amendment (Rept. 104–677). Referred to the Committee of the Whole House on the State of the Union.

Ms. PRYCE: Committee on Rules. House Resolution 479. Resolution providing for consideration of the bill (H.R. 3814) making appropriations for the Departments of Commerce, Justice, and State, the judiciary, and related agencies for the fiscal year ending September 30, 1997, and for other purposes (Rept. 104–678). Referred to the House Calendar.

Mr. MYERS: Committee on Appropriations. H.R. 3816. A bill making appropriations for energy and water development for the fiscal year ending September 30, 1997, and for other purposes (Rept. 104–679). Referred to the Committee of the Whole House on the State of the Union.

Mr. McCOLLUM: Committee on the Judiciary. H.R. 3166. A bill to amend title 18, United States Code, with respect to the crime of false statement in a Government matter; with an amendment (Rept. 104–680). Referred to the Committee of the Whole House on the State of the Union.

DISCHARGE OF COMMITTEE

[Omitted from the Record of July 12, 1996]

Pursuant to clause 5 of rule X the Committee on Agriculture discharged from further consideration, S. 1459 referred to the Committee of the Whole House on the State of the Union.

Pursuant to clause 5 of rule X the following action was taken by the Speaker:

[Omitted from the Record of July 12, 1996]

S. 1459. Referral to the Committee on Agriculture extended for a period ending not later than July 12, 1996.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ROGERS:

H.R. 3814. A bill making appropriations for the Departments of Commerce, Justice, and State, the judiciary, and related agencies for the fiscal year ending September 30, 1997, and for other purposes.

By Mr. CRANE:

H.R. 3815. A bill to make technical corrections and miscellaneous amendments to trade laws; to the Committee on Ways and Means.

By Mr. MYERS of Indiana:

H.R. 3816. A bill making appropriations for energy and water development for the fiscal year ending September 30, 1997, and for other purposes.

By Mr. ENGLISH of Pennsylvania (for himself, Mr. CHRISTENSEN, and Mr. ENSIGN):

H.R. 3817. A bill to amend the Internal Revenue Code of 1986 to reduce the tax on beer to its pre-1991 level; to the Committee on Ways and Means.

By Mr. HAMILTON (for himself, Mr. LEWIS of Kentucky, Mr. WHITFIELD, Mr. GORDON, Mr. McINTOSH, and Mr. WARD):

H.R. 3818. A bill to amend the Clean Air Act to exclude beverage alcohol compounds emitted from aging warehouses from the definition of volatile organic compounds; to the Committee on Commerce.

By Mr. HANSEN (for himself, Mr. HEFLEY, Mr. TORKILDSEN, Mr. SAXTON, Mr. GOSS, Mr. KASICH, Mr. DEFAZIO, and Mr. RICHARDSON):

H.R. 3819. A bill to amend the act establishing the National Park Foundation; to the Committee on Resources.

By Mr. THOMAS (for himself, Mr. GINGRICH, Mr. ARMEY, Mr. DELAY, Mr. BOEHNER, Mr. PAXON, Mr. FAWELL, Mr. HOEKSTRA, Mr. WAMP, Mr. EHLERS, Ms. GREENE of Utah, Mr. BALLENGER, Mr. RIGGS, Mr. FOX, Mr. KOLBE, Mr. WALKER, Mr. KINGSTON, Mr. HOBSON, Mr. LIVINGSTON, Mr. WELDON of Pennsylvania, and Mr. COBLE):

H.R. 3820. A bill to amend the Federal Election Campaign Act of 1971 to reform the financing of Federal election campaigns, and

for other purposes; to the Committee on House Oversight, and in addition to the Committee on Economic and Educational Opportunities, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. HANSEN:

H.R. 3821. A bill to restrict the advertising and promotion of tobacco products; to the Committee on Commerce, and in addition to the Committee on the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. LAUGHLIN:

H.R. 3822. A bill to direct the Secretary of the Interior to transfer the Palmetto Bend Project; to the Committee on Resources.

H.R. 3823. A bill to provide for the liquidation or reliquidation of certain entries; to the Committee on Ways and Means.

By Mr. LONGLEY:

H.R. 3824. A bill to provide for the refunding of expenses incurred by innocent persons in the State of Maine required to comply with automobile inspection and maintenance requirements negligently imposed by the Environmental Protection Agency; to the Committee on Commerce.

By Mr. TORRICELLI:

H.R. 3825. A bill to establish Federal, State, and local programs for the investigation, reporting, and prevention of bias crimes; to the Committee on the Judiciary.

By Ms. WATERS:

H.R. 3826. A bill to amend the Community Reinvestment Act to require the reporting of actual performance data in order to verify the availability of credit on a nondiscriminatory basis; to the Committee on Banking and Financial Services.

H.R. 3827. A bill to amend the Foreign Assistance Act of 1961 to provide for the establishment of a women in enterprise development program to support the economic empowerment of women in developing countries; to the Committee on International Relations.

By Mr. YOUNG of Alaska (for himself, Mr. MILLER of California, and Mr. RICHARDSON):

H.R. 3828. A bill to amend the Indian Child Welfare Act of 1978, and for other purposes; to the Committee on Resources.

By Mr. ARMEY:

H.J. Res. 184. Joint resolution proposing an amendment to the Constitution of the United States to further protect religious freedom, including the right of students in public schools to pray without Government sponsorship or compulsion, by clarifying the proper construction of any prohibition on laws respecting an establishment of religion; to the Committee on the Judiciary.

By Mr. WHITE (for himself, Mr. DREIER, Mr. BASS, Mr. BROWNBACK, and Mr. FRISA):

H. Res. 478. Resolution to amend the rules of the House of Representatives to provide public access to committee documents over the Internet, and for other purposes; to the Committee on Rules, and in addition to the Committee on House Oversight, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. BASS (for himself, Mr. DREIER, Mr. WHITE, Mr. BROWNBACK, and Mr. ALLARD):

H. Res. 480. Resolution amending the rules of the House of Representatives to implement the recommendations of the task force on committee review regarding committee operations, procedures, and staffing, and for other purposes; to the Committee on Rules, and in addition to the Committee on House Oversight, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 324: Mr. KENNEDY of Massachusetts.
H.R. 866: Mr. SHAYS.
H.R. 997: Mr. EHLERS.
H.R. 1010: Mr. ABERCROMBIE and Mr. MANTON.
H.R. 1073: Mr. GIBBONS and Mr. WOLF.
H.R. 1074: Mr. GIBBONS, Mr. YATES, and Mr. WOLF.
H.R. 1100: Mr. KENNEDY of Massachusetts and Mr. HAMILTON.
H.R. 1281: Ms. ROS-LEHTINEN, Mr. MANTON, Mrs. MEEK of Florida, and Mr. TOWNS.
H.R. 1386: Mrs. KELLY.
H.R. 1656: Ms. ESHOO.
H.R. 1863: Mr. BLUMENAUER.
H.R. 1975: Mr. FROST, Mr. CHAPMAN, and Mr. BENTSEN.
H.R. 1998: Ms. FURSE, Mr. JACKSON, Mr. ORTON, and Mr. WELLER.
H.R. 2190: Mr. HEINEMAN and Mrs. LOWEY.
H.R. 2209: Mr. TAYLOR of Mississippi and Mr. COLEMAN.
H.R. 2214: Mr. BOUCHER.
H.R. 2416: Mr. CLEMENT.
H.R. 2462: Mr. CHRISTENSEN.
H.R. 2480: Mr. WATTS of Oklahoma.
H.R. 2508: Mr. INGLIS of South Carolina.
H.R. 2513: Mr. WATTS of Oklahoma.
H.R. 2634: Mr. SHADEGG.
H.R. 2697: Mr. CLYBURN and Mr. MARKEY.
H.R. 2892: Mr. MEEHAN.
H.R. 2900: Mr. HORN.
H.R. 2912: Mr. ACKERMAN.
H.R. 3012: Mr. HAYWORTH, Mr. RICHARDSON, Mr. HILLIARD, Mr. CHRISTENSEN, Mr. CLYBURN, Mr. MCDERMOTT, Mrs. LINCOLN, Mr. WILLIAMS, Mr. WYNN, Mr. MASCARA, Mr. YOUNG of Alaska, Mr. CALVERT, and Mr. CHAMBLISS.
H.R. 3037: Mr. CONDIT, Mr. DEFAZIO, Mr. PETERSON of Minnesota, Mr. BEREUTER, and Mr. FALEOMAVAEGA.
H.R. 3077: Mr. DINGELL, Ms. PRYCE, Mr. PASTOR, and Ms. NORTON.
H.R. 3083: Mr. HOBSON.
H.R. 3118: Mr. COYNE and Mr. BOUCHER.
H.R. 3155: Mrs. THURMAN.
H.R. 3173: Mr. TOWNS and Mr. OLVER.
H.R. 3183: Mr. HUTCHINSON.
H.R. 3195: Mr. BACHUS.
H.R. 3203: Mr. JOHNSTON of Florida.
H.R. 3204: Mr. JOHNSTON of Florida and Mr. KIM.
H.R. 3205: Mr. JOHNSTON of Florida.
H.R. 3211: Mr. PARKER, Mr. COBLE, and Mr. BRYANT of Tennessee.
H.R. 3217: Mr. MANTON.
H.R. 3277: Mr. BREWSTER, Mrs. CUBIN, and Mr. CAMPBELL.
H.R. 3303: Ms. FURSE.
H.R. 3337: Mr. LAZIO of New York.
H.R. 3444: Mr. STUPAK.
H.R. 3450: Mr. FATTAH.
H.R. 3466: Mr. BARRETT of Wisconsin and Mr. FAWELL.
H.R. 3477: Mrs. MEEK of Florida and Ms. SLAUGHTER.
H.R. 3496: Mrs. CLAYTON and Mr. BARRETT of Wisconsin.
H.R. 3508: Mr. BAKER of Louisiana, Mr. GOSS, Ms. FURSE, Ms. WOOLSEY, Mr. BONO, Mr. WOLF, Mr. GORDON, Mr. KIM, Mr. BRYANT of Tennessee, and Mr. DURBIN.
H.R. 3512: Mr. LEWIS of Georgia, Mrs. SCHROEDER, Mr. HILLIARD, Ms. NORTON, and Mr. OWENS.
H.R. 3513: Mr. LEWIS of Georgia, Mrs. SCHROEDER, Mr. HILLIARD, Ms. NORTON, and Mr. OWENS.
H.R. 3551: Mr. DEUTSCH.
H.R. 3580: Mr. HOKE.
H.R. 3590: Mr. BERMAN and Mr. DINGELL.
H.R. 3601: Mr. SCARBOROUGH.
H.R. 3605: Mr. MARTINEZ.
H.R. 3608: Mr. STUPAK.
H.R. 3618: Ms. EDDIE BERNICE JOHNSON of Texas, Mr. CUMMINGS, and Mr. LIPINSKI.
H.R. 3648: Mr. MARTINEZ and Mr. MANTON.
H.R. 3688: Mr. THOMPSON and Mr. MCDERMOTT.
H.R. 3700: Ms. NORTON.
H.R. 3710: Mr. LIPINSKI, Mr. FALEOMAVAEGA, Mr. JACOBS, Mr. CONYERS, Mr. PETERSON of Florida, Mr. MCNULTY, Mr. GONZALEZ, and Mr. MCDERMOTT.
H.R. 3724: Mr. GREEN of Texas, Mr. LIPINSKI, Mr. MOORHEAD, and Mr. BEREUTER.
H.R. 3746: Mr. EVANS.
H.R. 3753: Mr. CLYBURN, Mr. FROST, Mr. HOUGHTON, and Mr. LEACH.
H.R. 3760: Mr. KINGSTON, Mr. COBLE, and Mr. HOBSON.
H.R. 3766: Ms. PELOSI, Mr. CALVERT, Mr. DEFAZIO, Ms. NORTON, and Mr. SANDERS.
H.R. 3775: Mr. VISCLOSKY, Mr. BRYANT of Texas, Mr. PARKER, Mr. SAM JOHNSON, and Mr. SHAW.
H.R. 3778: Mr. LIPINSKI.
H.R. 3779: Mr. WAXMAN, Ms. NORTON, Mr. LIPINSKI, Mr. EVANS, and Mr. CUMMINGS.
H.J. Res. 127: Mr. WELDON of Florida and Mr. LIPINSKI.
H. Con. Res. 173: Mr. DAVIS.
H. Con. Res. 185: Mr. STEARNS.
H. Res. 172: Mr. JACKSON and Mr. EHLERS.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 3756

OFFERED BY: MR. DURBIN

AMENDMENT NO. 6: Page 15, beginning on line 10, strike ''for felons convicted of a violent crime, firearms violations, or drug-related crimes''.

H.R. 3756

OFFERED BY: MR. GUTKNECHT

AMENDMENT NO. 7: Page 118, after line 16, insert the following new section:

SEC. 637. Each amount appropriated or otherwise made available by Titles I through VI of this Act that is not required to be appropriated or otherwise made available by a provision of law is hereby reduced by 1.9 percent.

H.R. 3756

OFFERED BY: MR. KINGSTON

AMENDMENT NO. 8: Page 119, after line 8, insert the following new title:

TITLE VIII—ADDITIONAL GENERAL PROVISIONS

SEC. 801. None of the funds made available in this Act may be used to issue, implement, administer, or enforce the amendments to the Customs regulations pertaining to field organization proposed by the United States Customs Service and published in the Federal Register on June 17, 1996 (61 Fed. Reg. 30552–30553).

H.R. 3756

OFFERED BY: MS. LOWEY

AMENDMENT NO. 9: Page 73, strike lines 1 through 9 (sections 518 and 519).

H.R. 3756

OFFERED BY: MR. SALMON

AMENDMENT NO. 10: Page 33, line 13, insert after ''$44,193,000'' the following: ''(reduced by $500,000)''.

H.R. 3814

OFFERED BY: MR. ANDREWS

AMENDMENT NO. 1: At the end of the bill, insert after the last section (preceding the short title) the following new section:

SEC. . (a) LIMITATION ON USE OF FUNDS FOR CERTAIN DEPARTMENT OF JUSTICE PROJECTS.—None of the funds made available in this Act may be used to provide to a State more than $100,000 in Federal assistance for any substance abuse counseling project under the residential substance abuse treatment for States prisoners program, except when it is made known to the Federal official having authority to obligate or expend such funds that—

(1) at least 30 days before entering a contract or agreement with a private business entity for the performance of work usually performed by employees of a State under which the State will obligate more than $100,000, the State has conducted and submitted a cost-benefit analysis of the project;

(2) the cost-benefit analysis includes a detailed description of—

(A) the costs of labor;

(B) the costs of employer-provided fringe benefits;

(C) the costs of equipment or materials, whether supplied by the State or private contractor;

(D) the costs directly attributable to transferring the work being performed by State employees to a private business entity;

(E) the costs of administering and inspecting the contracted service; and

(F) the costs of any anticipated unemployment compensation or other benefits which are likely to be paid to State employees who are displaced as a result of the contracted service;

(3) the cost-benefit analysis includes an analysis of whether it is more cost effective to use employees of a private business entity than to use State employees to perform the work required;

(4) the cost-benefit analysis is accompanied by an analysis of the State's finances and personnel and an analysis of the ability of the State to reassume the contracted service if contracting of the service ceases to serve the public interest;

(5) in the case of contract or agreement described in paragraph (1) that will result in a decrease in the amount of work assigned to State employees, the cost-benefit analysis demonstrates that—

(A) the contract or agreement will result in a substantial cost savings to the State; and

(B) the potential cost savings of contracting of services are not outweighed by the public's interest in having a particular function performed directly by the State;

(6) at least 30 days before entering into a contract or agreement described in paragraph (1), the State has submitted a past performance history of the private business entity with whom the State is entering into the contract or agreement, which includes—

(A) work performed for the State under contracts and agreements described in paragraph (1) in the 5-year period ending on the 45th day before the date of entry into the contract or agreement;

(B) if no work was performed for the State under such contracts and agreements during such 5-year period, then any work performed for other States under contracts and agreements described in paragraph (1) in such 5-year period;

(C) with respect to each contract or agreement to which subparagraph (A) or (B) applies, the amount of funds originally committed by the State under the contract or agreement and the amount of funds actually expended by the State under the contract or agreement; and

(D) with respect to each contract or agreement to which subparagraph (A) or (B) applies, deadlines originally established for all work performed under the contract or agreement and the actual date or dates on which performance of such work was completed;

(7) at least 30 days before entering into a contract or agreement described in paragraph (1), the State has submitted a copy of any performance bond or any similar instrument that ensures performance by the private business entity under the contract or agreement or certifies the amount of such bond;

(8) at least 30 days before entering into a contract or agreement described in paragraph (1), the State has submitted a political contribution history of the private business entity with whom the State is entering into the contract or agreement, which political contribution history lists all political contributions the private business entity has made to political parties and candidates for political office in the 5-year period ending on the 45th day before the date of entry into the contract or agreement; and

(9) not later than 5 days after submission of the cost-benefit analysis and other documents under this section, the public has been notified of the availability of the cost-benefit analysis and other documents for public inspection, and the analysis and other documents have been made available for inspection upon request.

(b) EXCEPTIONS.—The limitation established by subsection (a) shall not apply to any project when it is made known to the Federal official having authority to obligate or expend the funds that—

(1) the project is a pilot project for a particular type of work that has not previously been performed by the State and is being undertaken to evaluate whether contracting for that particular type of work can result in savings to the State; or

(2) the analysis of the State's finances and personnel under subsection (a)(4) demonstrates that the State cannot perform the work with existing or additional departmental employees because the work would be of such an intermittent nature as to be likely to cause regular periods of unemployment for State employees.

H.R. 3814

OFFERED BY: MR. BROWN OF CALIFORNIA

AMENDMENT NO. 2: In title II, in the item ''NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION—OPERATIONS, RESEARCH, AND FACILITIES''—

(1) after the twelfth dollar amount insert ''(reduced by $4,099,000)'';

(2) after the thirteenth dollar amount insert ''(increased by $4,099,000)'';

(3) after ''National Weather Service,'' insert ''including $429,715,000 for Operations and Research,''; and

(4) after the last sentence add the following: ''No funds made available under this heading may be used for the Great Lakes sea lampricide eradication program or the Regional Climate Centers of the National Weather Service.''.

H.R. 3814

OFFERED BY: MR. CLYBURN

AMENDMENT NO. 3: In the item relating to ''DEPARTMENT OF JUSTICE—FEDERAL PRISON SYSTEM—BUILDINGS AND FACILITIES'', after the first dollar amount, insert the following: ''(reduced by $560,000)''.

In title V in the item relating to ''COMMISSION ON CIVIL RIGHTS—SALARIES AND EXPENSES'', after the first dollar amount, insert the following: ''(increased by $560,000)''.

H.R. 3814

OFFERED BY: MR. ENSIGN

AMENDMENT NO. 4: At the end of the bill, insert after the last section (preceding the short title) the following new section:

SEC. . None of the funds made available in this Act to the Federal Bureau of Prisons may be used to distribute or make available any information or material to a prisoner when it is made known to the Federal official having authority to obligate or expend such funds that such information or material—

(1) is vulgar;

(2) is violent;

(3) is sexually explicit;

(4) features nudity;

(5) is disrespectful to women;

(6) is disrespectful to law enforcement personnel or efforts; or

(7) glamorizes gang membership or activities.

H.R. 3814

OFFERED BY: MR. FRANK OF MASSACHUSETTS

AMENDMENT NO. 5: Before the short title at the end of the bill insert the following:

SEC. . None of the funds appropriated to the Federal Communications Commission by this Act shall be used to assign a license for advanced television services until the Commission has, by rule, specifically defined the obligations of holders of such licenses to operate in the public interest, convenience, and necessity, unless the assignment of such a license is by a system of competitive bidding (in the case of mutually exclusive applications for such a license).

H.R. 3814

OFFERED BY: MR. FRANK OF MASSACHUSETTS

AMENDMENT NO. 6: Before the short title at the end of the bill insert the following:

SEC. . None of the funds appropriated to the Federal Communications Commission by this Act shall be used to assign a license for advanced television services.

H.R. 3814

OFFERED BY: MR. GANSKE

AMENDMENT NO. 7: At the end of the bill, insert after the last section (preceding the short title) the following new section:

SEC. . (a) LIMITATION ON USE OF FUNDS TO ISSUE CERTAIN PATENTS.—None of the funds made available in this Act may be used by the Patent and Trademark Office to issue a patent when it is made known to the Federal official having authority to obligate or expend such funds that the patent is for any invention or discovery of a technique, method, or process for performing a surgical or medical procedure, administering a surgical or medical therapy, or making a medical diagnosis.

(b) EXCEPTIONS.—The limitation established in subsection (a) shall not apply to the issuance of a patent when it is made known to the Federal official having authority to obligate or expend such funds that—

(1) the patent is for a machine, manufacture, or composition of matter, or improvement thereof, that is itself patentable subject matter, and the technique, method, or process referred to in subsection (a) is performed by or is a necessary component of the machine, manufacture, or composition of matter; or

(2)(A) the patent is for a new use of or a new indication for a drug (as defined in section 201(g)(1) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321(g)(1))), new drug (as defined in section 201(p) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321(p))), or biologic product (as defined in section 600.3(h) of title 21, Code of Federal Regulations), that is not itself patentable subject matter; and

(B) the effect of such drug, new drug, or biologic product on the body part on which it is used in the claimed method was not previously known or obvious to a person of ordinary skill in the art.

H.R. 3814

OFFERED BY: MR. GUTKNECHT

AMENDMENT NO. 8: Page 112, after line 19, insert the following new section:

SEC. 615. Each amount appropriated or otherwise made available by this Act that is not required to be appropriated or otherwise made available by a provision of law is hereby reduced by 1.9 percent.

H.R. 3814

OFFERED BY: MR. HOSTETTLER

AMENDMENT NO. 9: In title II, strike the item relating to ''DEPARTMENT OF COMMERCE—ECONOMIC DEVELOPMENT ADMINISTRATION—ECONOMIC DEVELOPMENT ASSISTANCE PROGRAMS''.

H.R. 3814

OFFERED BY: MR. HOSTETTLER

AMENDMENT NO. 10: In title II, strike the item relating to ''DEPARTMENT OF COMMERCE—ECONOMIC DEVELOPMENT ADMINISTRATION—SALARIES AND EXPENSES''.

H.R. 3814

OFFERED BY: MRS. MINK OF HAWAII

AMENDMENT NO. 11: In title II, under the item relating to ''NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION—OPERATIONS, RESEARCH, AND FACILITIES'', after the first, second, sixth, and seventh dollar amounts insert ''(increased by $760,500)''.

In title IV, under the item relating to ''UNITED STATES INFORMATION AGENCY—NATIONAL ENDOWMENT FOR DEMOCRACY'', after the dollar amount insert ''(reduced by $760,500)''.

H.R. 3814

OFFERED BY: MS. NORTON

AMENDMENT NO. 12: In title I, under the heading ''GENERAL PROVISIONS—DEPARTMENT OF JUSTICE'', strike section 103.